

Realindex Australian Share Fund-Class A



Monthly Factsheet

31 August 2022

For Adviser use only

Portfolio Description

The portfolio invests in Australian shares by selecting and weighting companies based on fundamental measures of company size.

Investment Strategy

Realindex forms a universe of Australian companies based on accounting measures. Factors such as quality, near-term value and momentum are applied to form a final portfolio of companies. The resulting portfolio has a value tilt relative to the benchmark and provides the benefits of being lower in cost, lower turnover and highly diversified compared to traditional active investment strategies.

Investment Objective

To provide capital and income growth by investing in Australian shares and outperforming the S&P/ASX 200 Accumulation Index over rolling five year periods before fees and taxes.

Product Overview

APIR code	FSF0976AU
Inception date	17 November 2008
Fund Size (AS)	1,034 million
Benchmark	S&P/ASX 200 Accumulation Index
Number of stock holdings	156
Buy / Sell spread	0.05% / 0.05%
Minimum investment (AS)	25,000
Management cost (p.a.)*	0.36%

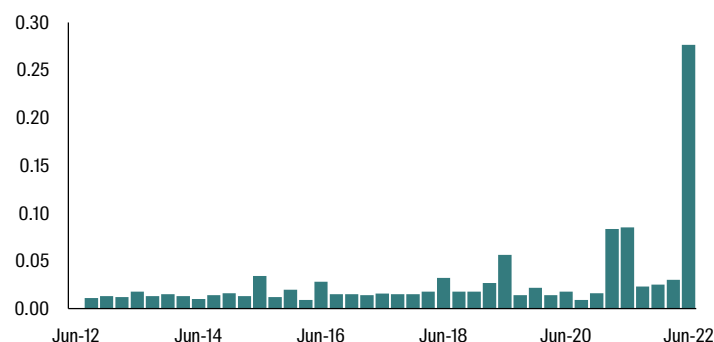
* Information on Management Costs (including estimated indirect costs) is set out in the Fund's PDS.

Performance Summary (%)

Period	1mth	3mth	1yr	3yr	5yr	7yr	10yr	SI
Net return	1.6	-3.1	1.3	6.9	8.3	9.2	9.7	10.0
Benchmark return	1.2	-2.4	-3.4	5.5	8.1	8.5	9.3	9.3
Excess net return	0.4	-0.7	4.7	1.3	0.1	0.6	0.3	0.6
Income return	0.0	4.2	26.4	16.6	13.4	11.4	9.7	8.3
Growth return	1.6	-7.2	-25.2	-9.8	-5.1	-2.2	0.0	1.7

Note: Net return is the return after management fee

Distributions



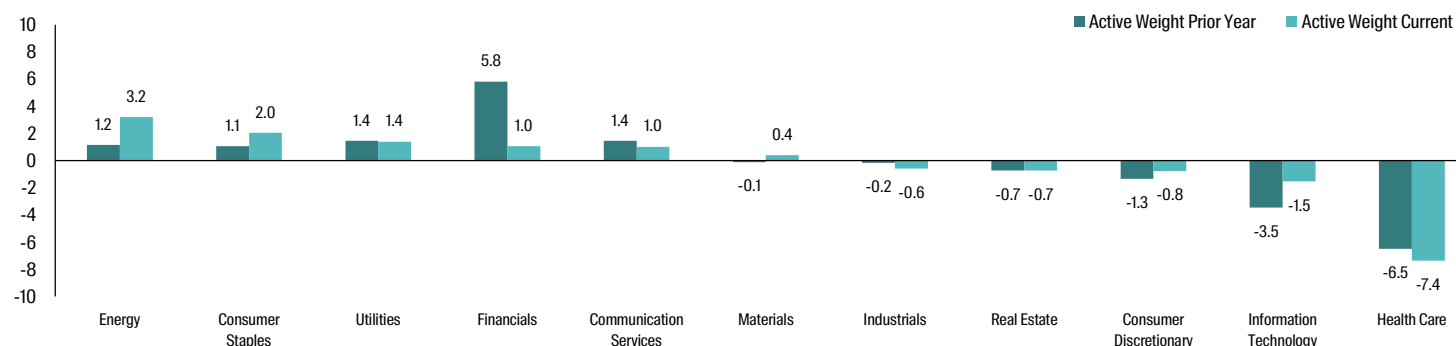
Top 10 Holdings

Stock	Fund Weight	Benchmark Weight	Active Weight
BHP Group	10.65	9.96	0.69
Commonwealth Bank	6.58	8.06	-1.48
National Australia Bank	5.73	4.77	0.96
Westpac Bank	4.50	3.67	0.84
ANZ Bank	4.22	3.30	0.92
Woodside Petroleum	4.09	3.13	0.96
Telstra	3.67	2.23	1.43
Fortescue Metals	3.65	1.51	2.14
Woolworths	2.65	2.12	0.52
Wesfarmers	1.97	2.58	-0.62

Risk Characteristics

Period	1yr	3yr	5yr	7yr	10yr	SI
Fund standard deviation (%)	14.3	19.0	15.7	14.4	13.8	14.1
Benchmark standard deviation (%)	14.9	18.4	15.4	14.1	13.6	13.6
Tracking error (%)	3.5	3.2	2.7	2.7	2.3	2.4
Fund Sharpe ratio	0.1	0.3	0.5	0.6	0.6	0.5
Information ratio	1.4	0.4	0.1	0.2	0.1	0.3
Beta	0.9	1.0	1.0	1.0	1.0	1.0
Cashflow adjusted turnover (%)	32.0	19.8	17.5	16.9	15.3	

Fund Active Sector Positions (%)



Top 5 Attributors To Performance (1 Month)

Stock	Value added
Whitehaven Coal	0.20%
Viva Energy Group	0.09%
Transurban	0.09%
ASX	0.08%
Goodman Group	0.07%

Top 5 Detractors From Performance (1 Month)

Stock	Value detracted
OZ Minerals	-0.11%
Pilbara Minerals	-0.11%
Santos	-0.08%
Independence Group	-0.08%
Orocobre	-0.07%

The Realindex Australian Shares Fund returned +1.62% (net of fees) during August, outperforming the S&P/ASX 200 benchmark which returned +1.18%.

Value stocks underperformed Growth stocks by 2.0% over the month (S&P Australia BMI Value +0.5% vs. Growth +2.5%). Over the past year, Value has beaten Growth with Value outperforming by 8.7%, but lagged on a five-year basis by 1.8% p.a. providing a longer-term performance headwind.

The Australian share market made some modest gains in August, against a challenging macroeconomic backdrop. The RBA continues to tighten, with a 50bps hike in August and several more hikes being anticipated. The Labour market in Australia is beginning to show weakness with job ads being negative for the first time this calendar year. Consumer confidence has continued to fall, and is now barely above COVID lockdown 2020 levels. Globally, we continue to see concerns around supply-side driven inflation, subsequent policy hiking and a contracting US economy. Inflation in Europe also remains heightened with 1 month baseload power futures surging in August.

During the month, resources outperformed relative to Industrials, with the Materials (+4.4%) and Energy (+7.8%) sector rallying significantly over the month. The IT sector has remained largely flat and REITs struggled on the back of continued rate hikes by the RBA and a weakening housing market.

From a sector perspective, the largest contributor was the overweight to Energy and the largest detractor was the overweight to Materials. The largest stock level contributor was the overweight to Whitehaven Coal Limited and the largest stock level detractor was the exclusion of OZ Minerals Limited.

The portfolio offers a valuation discount to the market-cap benchmark, as measured by price-to-sales (36.5% discount), price-to-cashflow (24.6% discount), and price-to-book (15.5% discount), as well as a dividend yield higher than the benchmark (17.2% premium).

Note: Percentage figures in parenthesis show total return in Australian dollars for the month ending 31 August 2022 unless otherwise noted.

Performance returns are calculated net of management fees and transaction costs. Performance returns for periods greater than one year are annualised. Past performance is not a reliable indicator of future performance.

Data source: First Sentier Investors 2022

Data as at: 31 August 2022

Portfolio Beta measures the portfolio's sensitivity to benchmark movements. Mathematically, it is the covariance of the portfolio vs the benchmark divided by the variance of the benchmark. The covariance and variance are ex ante calculations based on current weights and historic patterns of return over the past five years.

Turnover is the average of sales and purchases divided by the average portfolio size. **Cashflow Adjusted Turnover** is the same as above, except that the lesser of sales and purchases is used in place of the average of the two. This is to adjust for turnover that is related to investing inflows or selling stocks to meet outflows rather than related to active management of the portfolio.

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