

Realindex Australian Share Fund-Class A



Monthly Factsheet

31 October 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)	1,024 million
Benchmark	S&P/ASX 200 Accumulation Index
Number of stock holdings	149
Buy / Sell spread	0.05% / 0.05%
Minimum investment (AS)	25,000
Management fees and costs (p.a.)*	0.36%

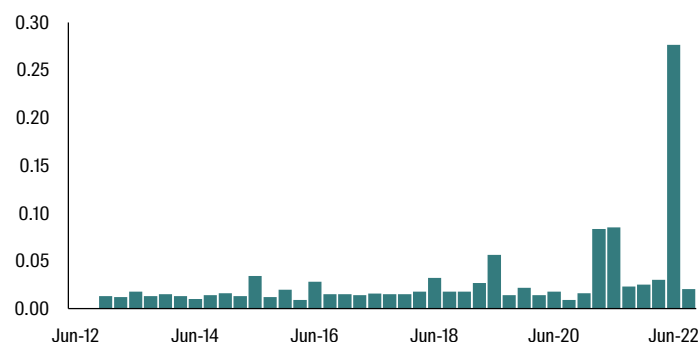
*Information on Management fees and costs (including estimated indirect costs) is set out in the Fund's PDS.

Performance Summary (%)

Period	1mth	3mth	1yr	3yr	5yr	7yr	10yr	SI
Net return	5.6	1.6	3.3	6.3	7.7	8.9	9.1	9.8
Benchmark return	6.0	0.7	-2.0	4.8	7.2	8.3	8.7	9.2
Excess net return	-0.5	0.9	5.3	1.5	0.5	0.7	0.4	0.7
Income return	0.0	2.2	27.2	16.9	13.5	11.5	9.8	8.3
Growth return	5.6	-0.6	-23.9	-10.6	-5.8	-2.6	-0.6	1.5

Note: Net return is the return after management fee

Distributions



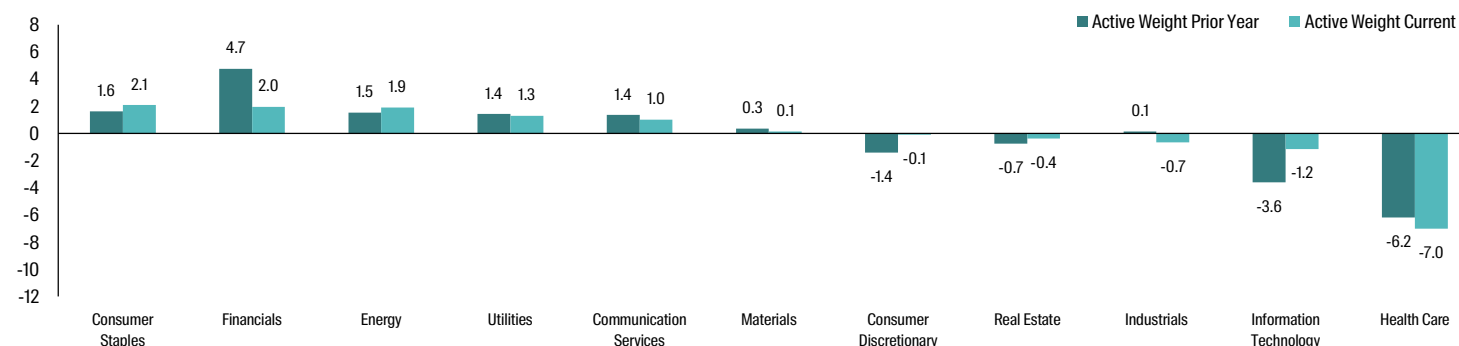
Top 10 Holdings

Stock	Fund Weight	Benchmark Weight	Active Weight
BHP Group	10.52	9.30	1.22
Commonwealth Bank	7.35	8.79	-1.43
National Australia Bank	6.10	5.06	1.04
Westpac Bank	5.38	4.15	1.22
ANZ Bank	4.82	3.76	1.06
Woodside Petroleum	3.71	3.36	0.35
Telstra	3.58	2.23	1.35
Woolworths	2.64	1.97	0.67
Fortescue Metals	2.59	1.22	1.37
Wesfarmers	1.95	2.54	-0.59

Risk Characteristics

Period	1yr	3yr	5yr	7yr	10yr	SI
Fund standard deviation (%)	16.1	19.5	16.1	14.5	14.0	14.2
Benchmark standard deviation (%)	17.1	19.0	15.8	14.3	13.8	13.7
Tracking error (%)	3.4	3.2	2.7	2.7	2.3	2.4
Fund Sharpe ratio	0.2	0.3	0.4	0.5	0.5	0.5
Information ratio	1.6	0.5	0.2	0.3	0.2	0.3
Beta	0.9	1.0	1.0	1.0	1.0	1.0
Cashflow adjusted turnover (%)	31.2	20.4	17.8	17.4	15.8	

Fund Active Sector Positions (%)



Top 5 Attributors To Performance (1 Month)

Stock	Value added
CSL	0.46%
Westpac Bank	0.10%
ASX	0.07%
National Australia Bank	0.06%
ANZ Bank	0.06%

Top 5 Detractors From Performance (1 Month)

Stock	Value detracted
Fortescue Metals	-0.31%
Medibank Private	-0.18%
Commonwealth Bank	-0.13%
Caltex Australia	-0.13%
BHP Group	-0.11%

The Realindex Australian Shares Fund returned +5.57% (net of fees) during October, versus the S&P/ASX 200 benchmark which returned +6.04%.

Value stocks outperformed Growth stocks by 4.8% over the month (S&P Australia BMI Value +8.2% vs. Growth +3.4%). Over the past year, Value has beaten Growth with Value outperforming by 11.8%, but lagged on a five-year basis by 0.5% p.a. providing a longer-term performance headwind.

The Australian share market rebounded in October after falling significantly in September, and remains largely flat over a 3 month horizon. Inflation continues to be a problem, with the September quarter headline number at 7.3%. Due to this, the Reserve Bank of Australia continues to tighten policy, albeit at lower 25bps increments. Consumer confidence continues to be muted and the property market remains downbeat due to rate hikes. During the month, we saw strong rebound performance by Financials (+12.2%), REITs (+9.9%) and the continued performance by Energy (+9.5%). On the other hand, Consumer Staples (-0.2%) and Materials (-0.1%) performed largely flat.

From a sector perspective, the largest detractor was the overweight to Materials and the largest contributor was the underweight to Health Care. Specifically, stock selection was a headwind within the Materials sector with the overweight to Fortescue Metals Group Ltd being the largest stock level detractor, detracting -31bps. The largest stock level contributor was the underweight to CSL Limited.

The portfolio offers a valuation discount to the market-cap benchmark, as measured by price-to-sales (32.5% discount), price-to-cashflow (25.6% discount), and price-to-book (17.9% discount), as well as a dividend yield higher than the benchmark (22.4% premium).

Note: Percentage figures in parenthesis show total return in Australian dollars for the month ending 31 October 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 October 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.

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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