

# Realindex Australian Share Fund-Class A

## Quarterly Factsheet

31 December 2021

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 (A\$)	2,865 million
Benchmark	S&P/ASX 200 Accumulation Index
Number of stock holdings	197
Buy / Sell spread	0.05% / 0.05%
Minimum investment (A\$)	25,000
Management cost (p.a.)*	0.36%

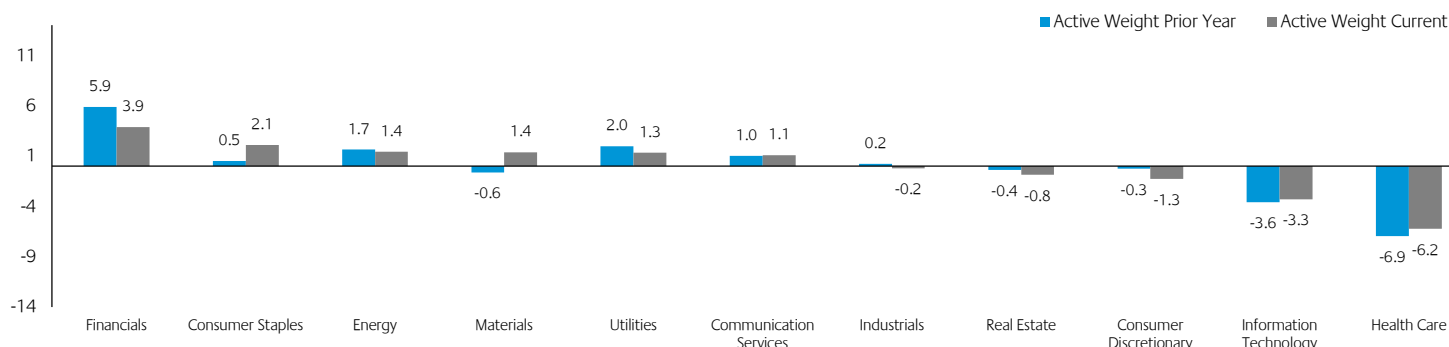
\* Information on Management Costs (including estimated indirect costs) is set out in the Fund's PDS.

### Performance Summary (%)

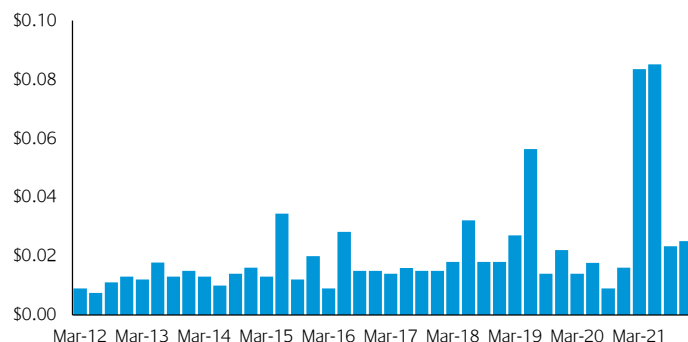
Period	3mth	1yr	3yr	5yr	7yr	10yr	SI
Net return	1.6	17.0	13.0	8.9	8.7	10.8	10.4
Benchmark return	2.1	17.2	13.6	9.8	9.0	10.8	10.1
Excess net return	-0.5	-0.2	-0.6	-0.8	-0.2	0.0	0.3
Income return	2.0	17.9	11.0	8.8	8.2	7.3	6.7
Growth return	-0.4	-0.9	2.1	0.1	0.6	3.5	3.8

Note: Net return is the return after management fee

### Fund Active Sector Positions (%)



### Distributions



### Top 10 Holdings

Stock	Fund Weight	Benchmark Weight	Active Weight
Commonwealth Bank	7.39	8.13	-0.74
BHP Group	5.81	5.78	0.04
ANZ Bank	5.47	3.66	1.81
National Australia Bank	5.33	4.47	0.86
Westpac Bank	5.06	3.70	1.36
Telstra	3.65	2.35	1.30
Fortescue Metals	2.97	1.54	1.43
Woolworths	2.69	2.17	0.51
Macquarie Group	2.66	3.43	-0.77
Wesfarmers	2.61	3.17	-0.57

### Risk Characteristics

Period	1yr	3yr	5yr	7yr	10yr	SI
Fund standard deviation (%)	5.7	17.8	14.6	14.3	13.4	14.0
Benchmark standard deviation (%)	5.3	16.8	14.1	13.9	13.1	13.3
Tracking error (%)	2.6	2.7	2.4	2.4	2.1	2.3
Fund Sharpe ratio	3.0	0.8	0.5	0.5	0.7	0.5
Information ratio	-0.1	-0.2	-0.4	-0.1	0.0	0.1
Beta	1.0	1.0	1.0	1.0	1.0	1.0
Cashflow adjusted turnover (%)	14.6	14.6	14.4	14.8	13.7	

## Realindex Australian Share Fund-Class A

### Top 5 Attributors To Performance (3 Months)

Stock	Value added
Afterpay Touch	0.50%
Fortescue Metals	0.21%
CSL	0.15%
Seven West Media	0.12%
Grange Resources	0.08%

### Top 5 Detractors From Performance (3 Months)

Stock	Value detracted
Westpac Bank	-0.31%
Goodman Group	-0.23%
Commonwealth Bank	-0.21%
Lynas	-0.14%
Pilbara Minerals	-0.14%

The Realindex Australian Shares Fund returned +1.64% (net of fees) during the December quarter, versus the S&P/ASX 200 benchmark which returned +2.09%.

Value stocks underperformed Growth stocks by 3.2% over the quarter (S&P Australia BMI Value +0.6% vs. Growth +3.8%). This however was driven by the first two months of the quarter as value experienced a strong rebound in December outperforming growth for the month by +1.93% (S&P Australia BMI Value +3.8% vs. Growth +1.9%).

Financials was the largest detractor for the quarter driven by the portfolio's net overweight to banks, mainly its position in Westpac (-15.7%). Whilst the stock (along with the other banks) outperformed in December this was not sufficient to recover from November's losses.

Stock selection within Materials also detracted from relative performance. This came from very large returns in mid-sized companies not held by the portfolio including Chalice Mining (+50.4%) and lithium producers Lynas (+51.6%), Pilbara Mines (+56.1%) and Allkem (recent changed name from Orocobre (+19.7%).

Despite the outperformance of growth over value, there was a large range in returns amongst growth stocks. The largest stock contributor by far came from not holding Afterpay (-31.6%) whilst underweights to Aristocrat (-6.3%) and CSL (-0.9%) added to relative performance.

Other contributors were largely stock specific and included overweights to Fortescue Metals (+28.4%), South32 (+13.6%) and Seven West Media (+59.3%).

The portfolio offers a valuation discount to the market-cap benchmark, as measured by price-to-sales (40.9% discount), price-to-cashflow (25.3% discount), and price-to-book (25.9% discount), as well as a dividend yield higher than the benchmark (22.1% premium).

Note: Percentage figures in parenthesis show total return in Australian dollars for the quarter ending 31 December 2021 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 2021

Data as at: 31 December 2021

**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.

[www.realindex.com.au](http://www.realindex.com.au)

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