

Realindex Australian Share Value-Class A



Monthly Factsheet

28 February 2023

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)	1,091 million
Benchmark	S&P/ASX 200 Accumulation Index
Number of stock holdings	144
Buy / Sell spread	0.05% / 0.05%
Minimum investment (AS)	25,000
Management fees and costs (p.a.)*	0.36%

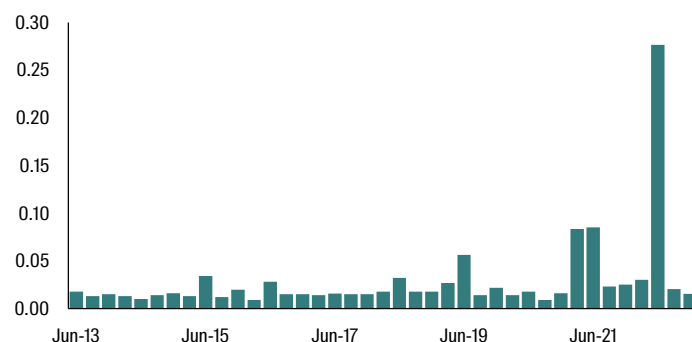
*Information on Management fees and costs (including estimated indirect costs) is set out in the Fund's PDS.

Performance Summary (%)

Period	1mth	3mth	1yr	3yr	5yr	7yr	10yr	SI
Net return	-2.2	0.6	9.1	10.5	8.7	11.2	8.3	10.2
Benchmark return	-2.4	0.3	7.2	7.9	7.9	10.1	8.0	9.5
Excess net return	0.3	0.3	1.9	2.6	0.8	1.0	0.3	0.7
Income return	0.0	1.5	28.3	17.5	13.7	11.7	9.7	8.3
Growth return	-2.2	-1.0	-19.3	-7.0	-5.1	-0.5	-1.4	1.9

Note: Net return is the return after management fee

Distributions



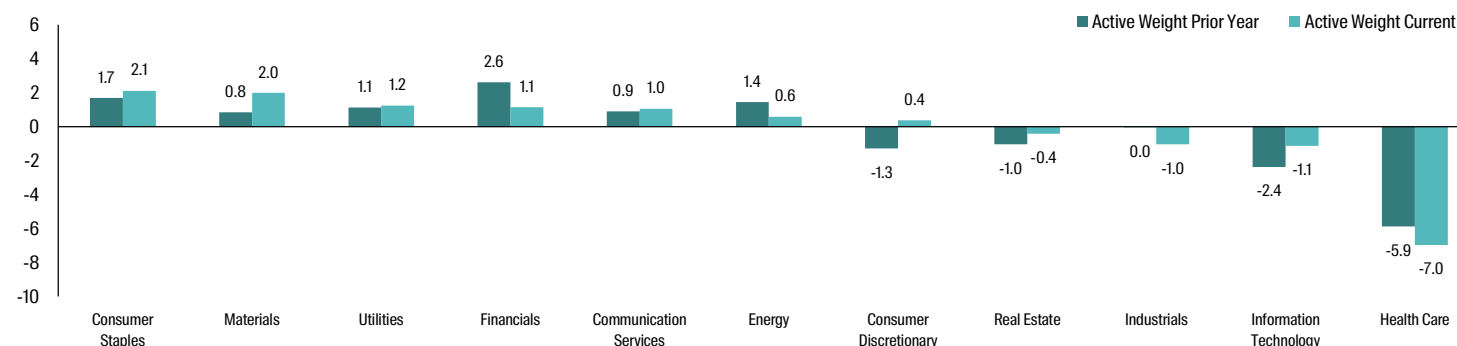
Top 10 Holdings

Stock	Fund Weight	Benchmark Weight	Active Weight
BHP Group	11.44	10.65	0.79
Commonwealth Bank	6.67	7.93	-1.26
National Australia Bank	5.23	4.40	0.83
Westpac Bank	4.75	3.67	1.08
ANZ Bank	4.12	3.43	0.69
Fortescue Metals	3.80	1.69	2.12
Telstra	3.60	2.24	1.37
Woolworths	3.13	2.09	1.04
Woodside Petroleum	2.47	3.17	-0.70
Coles Group	1.99	1.13	0.86

Risk Characteristics

Period	1yr	3yr	5yr	7yr	10yr	SI
Fund standard deviation (%)	17.2	19.3	16.5	14.6	14.1	14.2
Benchmark standard deviation (%)	18.2	18.9	16.4	14.5	14.0	13.8
Tracking error (%)	2.3	3.2	2.8	2.7	2.4	2.4
Fund Sharpe ratio	0.4	0.5	0.5	0.7	0.5	0.5
Information ratio	0.8	0.8	0.3	0.4	0.1	0.3
Beta	0.9	1.0	1.0	1.0	1.0	1.0
Cashflow adjusted turnover (%)	28.2	20.8	18.2	17.2	15.7	

Fund Active Sector Positions (%)



Top 5 Attributors To Performance (1 Month)

Stock	Value added
Genworth Mortgage Insurance	0.12%
Origin Energy	0.11%
Caltex Australia	0.11%
Medibank Private	0.09%
THE LOTTERY CORPOR NPV	0.08%

Top 5 Detractors From Performance (1 Month)

Stock	Value detracted
AMP	-0.14%
CSL	-0.10%
Transurban	-0.09%
JB Hi-Fi	-0.07%
Macquarie Group	-0.05%

Realindex Australian Share Value returned -2.17% (net of fees) during February, outperforming the S&P/ASX 200 benchmark which returned -2.45%.

Value stocks outperformed Growth stocks by 1.6% over the month (S&P Australia BMI Value -1.9% vs. Growth -3.5%). Over the past year, Value has beaten Growth with Value outperforming by 5.2%, but lagged on a five-year basis by 0.4% p.a. providing a longer-term performance headwind.

February marked a sharp reversal from the gains in January as investors weighed the possibility of stickier inflation and higher bond yields. The labour market softened as unemployment rose marginally to 3.7% while consumer confidence fell by -6.9% according to the Westpac Consumer Confidence Index. The Reserve Bank of Australia's hawkishness continued in February with a 25bps increase, with further expectations of rate hikes over the months ahead. Retail sales jumped by 1.9% month-on-month for January with volumes still 12% above pre-pandemic levels, whilst house price declines have levelled off. At the sector level, Utilities (+3.4%) and Information Technology (+2.7%) held up, whereas the Materials sector fell (-6.6%), driven largely by Metal and Mining companies.

The fund outperformed for the month, driven by strong stock selection alpha within the Materials sector. In particular, the underweights to Lithium miners paid off (Pilbara +5bps; Allkem +4bps and Core Lithium +2bps). While, the largest detractor was the underweight to Industrials. The largest stock level contributor was the overweight to Helia Group Limited and the largest stock level detractor was the overweight to AMP Limited.

The portfolio offers a valuation discount to the market-cap benchmark, as measured by price-to-sales (33.6% discount), price-to-cashflow (24.3% discount), and price-to-book (11.3% discount), as well as a dividend yield higher than the benchmark (18.7% premium).

Note: Percentage figures in parenthesis show total return in Australian dollars for the month ending 28 February 2023 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 2023

Data as at: 28 February 2023

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.

www.realindex.com.au

For further information

Head of Wholesale - ANZ		Business Development Manager - VIC/TAS	
Quin Smith	+61 455 095 505	Jack Heinz	+61 436 810 683
Key Account Manager - NSW		Business Development Manager - QLD	
Paul Sleiman	+61 4 2251 1231	Julie Day	+61 466 413 176
Business Development Manager – NSW		Key Account Manager - WA/SA/NT	
Emerson Bloom	+61 472 633 201	Nathan Robinson	+61 403 272 440
Key Account Manager - VIC/TAS			
Nicholas Everitt	+61 499 454 206		

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