

Realindex Australian Share Value-Class A



Monthly Factsheet

31 July 2023

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)	1,143 million
Benchmark	S&P/ASX 200 Accumulation Index
Number of stock holdings	136
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 (%)

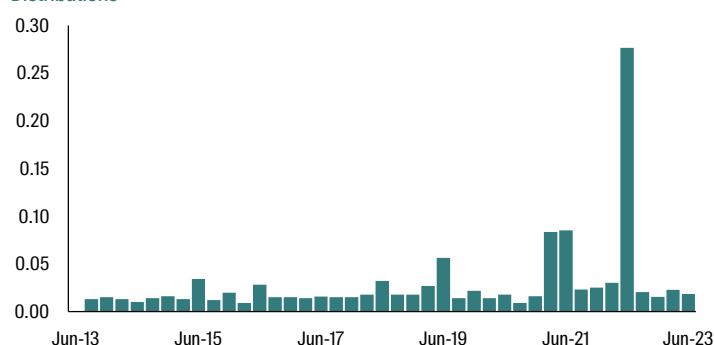
Period	1mth	3mth	1yr	3yr	5yr	7yr	10yr	SI
Net return	3.2	2.7	13.9	15.4	8.5	9.4	8.7	10.2
Benchmark return	2.9	2.0	11.7	12.0	7.5	8.4	8.3	9.5
Excess net return	0.3	0.7	2.3	3.4	1.1	0.9	0.4	0.7
Income return	0.0	1.9	8.7	18.7	13.8	11.7	9.9	8.4
Growth return	3.2	0.8	5.2	-3.3	-5.2	-2.3	-1.2	1.8

Past performance is not a reliable indicator of future performance

Note: Net return is the return after management fee

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Distributions



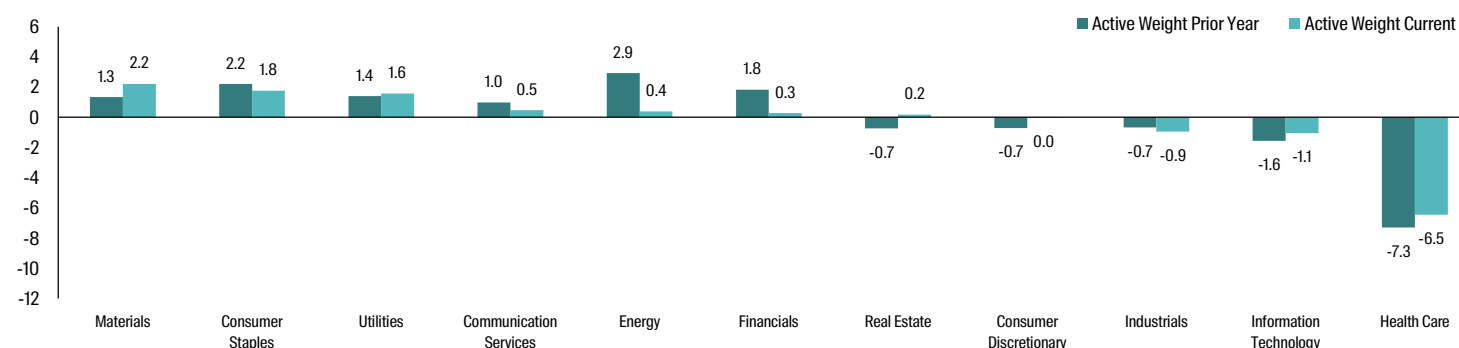
Top 10 Holdings

Stock	Fund Weight	Benchmark Weight	Active Weight
BHP Group	11.72	10.65	1.07
Commonwealth Bank	6.82	8.14	-1.33
Westpac Bank	4.45	3.58	0.87
National Australia Bank	4.39	4.07	0.32
ANZ Bank	4.37	3.53	0.83
Fortescue Metals	3.94	1.68	2.26
Woolworths	3.38	2.15	1.23
Telstra	3.29	2.25	1.05
Woodside Petroleum	2.26	3.29	-1.03
Rio Tinto	2.25	1.99	0.26

Risk Characteristics

Period	1yr	3yr	5yr	7yr	10yr	SI
Fund standard deviation (%)	13.1	13.8	16.5	14.4	13.9	14.1
Benchmark standard deviation (%)	13.6	13.5	16.2	14.3	13.7	13.7
Tracking error (%)	2.5	3.2	2.9	2.6	2.4	2.4
Fund Sharpe ratio	0.8	1.0	0.4	0.6	0.5	0.5
Information ratio	0.9	1.1	0.4	0.3	0.2	0.3
Beta	1.0	1.0	1.0	1.0	1.0	1.0
Cashflow adjusted turnover (%)	20.8	21.0	18.5	17.2	16.3	

Fund Active Sector Positions (%)



Top 5 Attributors To Performance (1 Month)

Stock	Value added
CSL	0.33%
Macquarie Group	0.07%
AGL	0.07%
Helia Group Limited	0.06%
Ampol Limited	0.05%

Top 5 Detractors From Performance (1 Month)

Stock	Value detracted
Fortescue Metals	-0.12%
Woolworths	-0.07%
Woodside Petroleum	-0.07%
Seek	-0.04%
Telstra	-0.04%

Realindex Australian Share Value returned +3.23% (net of fees) during July, outperforming the S&P/ASX 200 benchmark which returned +2.88%.

Value stocks outperformed Growth stocks by 2.8% over the month (S&P Australia BMI Value +4.4% vs. Growth +1.6%). Over the past year, Value has beaten Growth, outperforming by 2.5%, while on a five-year basis Value has beaten growth by 0.2% p.a.

Investor sentiment was markedly more positive during the month as macroeconomic conditions improved both domestically and globally. The latest US inflation read is currently at 3% pa – surprising on the downside, making a soft landing scenario look increasingly possible. In Australia, the labour market remains strong with unemployment at 3.5% in June. Whilst headline inflation hovers at 6%, the Reserve Bank of Australia's forecast is suggesting 3.25% by the end of 2024. Despite this, consumer sentiment remains pessimistic. However, there are signs of improvement in the housing market with the Reserve Bank of Australia putting a pause on rate hikes. Overall, the Australian share market bounced back in July with Energy (+8.8%) and Financials (+4.9%) leading the way. Lagging sectors included Health Care (-1.5%) and Consumer Staples (-1.0%).

We are pleased that the fund outperformed the benchmark due to the strong relative performance of the value style in July. The fund's underweight to Health Care and in particular to CSL Limited positively contributed to performance. On the other hand, from a sector and stock perspective, the overweight to Communication Services and Fortescue Metals Group were the largest detractors.

The portfolio offers a valuation discount to the market-cap benchmark, as measured by price-to-sales (31.5% discount), price-to-cashflow (20.3% discount), and price-to-book (6.5% discount), as well as a dividend yield higher than the benchmark (18.4% premium).

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

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