

#### Investment Strategy

Realindex forms a universe of Australian companies based on accounting measures, which gives the portfolio a value tilt. 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. By weighting the portfolio based on accounting measures and factors such as quality, value and momentum, Realindex aims to generate higher returns versus the benchmark over the long term.

Valuation	Fund	Benchmark
Dividend Yield (%)	5.01	4.36
Price/Cashflow	10.63	13.28
Price/Book	2.61	2.73
Price/Earnings	15.24	17.66
Price/Sales	2.73	3.62

Net Performance (% p.a.)	1M	3M	6M	1Y	2Y	3Y	5Y	7Y	10Y	ITD
Net return	-2.63	-5.60	-3.01	5.90	4.57	12.80	8.57	8.48	7.12	9.57
Benchmark return	-3.78	-7.19	-5.30	2.95	0.44	8.88	7.18	7.79	6.60	8.75
Excess return	1.15	1.59	2.29	2.95	4.13	3.92	1.39	0.69	0.52	0.82

*Past performance is not a reliable indicator of future performance*

Risk Characteristics	1Y	3Y	5Y	ITD
Beta	0.96	0.98	1.00	1.01
Tracking Error (%)	2.58	3.23	2.83	2.43

*ITD: Inception to date*

Largest Active Stock Positions	Fund	Benchmark	Active
Fortescue Metals Group Ltd	4.38	1.88	2.50
Bluescope Steel Limited	1.63	0.43	1.20
Woolworths Group Ltd	3.30	2.13	1.17
Macquarie Group, Ltd.	1.28	2.88	-1.60
Transurban Group Ltd.	0.07	1.81	-1.74
CSL Limited	0.81	5.57	-4.76

Best/Worst 3 Stocks - 1 Month (%)	Active Performance Contribution
Fortescue Metals Group Ltd	0.24
CSL Limited	0.18
Liontown Resources Limited	0.11
Stockland	-0.05
Magellan Financial Group Ltd	-0.06
AMP Limited	-0.09

#### 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.

#### Fund Facts

Inception date	17 November 2008
Funds under management (AS)	1,093 million
Benchmark	S&P/ASX 200 Accumulation Index
Number of stock holdings	125
Base currency	AUD
APIR code	FSF0976AU
ESG exclusions <sup>#,**</sup>	Tobacco Products / Controversial Weapons / Sanctions

ESG Rating	Fund	Benchmark
ESG Risk Rating*	23.91	23.35
Carbon Intensity <sup>^</sup>	211.64	172.33

Sector Allocation (%)	Fund	Benchmark	Active
Financials	29.01	28.75	0.26
Materials	27.65	24.80	2.85
Consumer Discretionary	6.76	6.90	-0.14
Consumer Staples	6.19	4.52	1.67
Energy	6.17	5.79	0.38
Industrials	5.91	6.75	-0.84
Real Estate	5.51	5.80	-0.29
Communication Services	4.32	4.02	0.30
Utilities	2.95	1.62	1.33
Health Care	2.66	8.72	-6.06
Information Technology	1.34	2.31	-0.97

Best/Worst 3 Sectors - 1 Month (%)	Active Performance Contribution
Materials	0.54
Health Care	0.24
Consumer Discretionary	0.16
Consumer Staples	0.02
Real Estate	-0.03
Financials	-0.09

Realindex Australian Share Value returned -2.63% (net of fees) during October, outperforming the S&P/ASX 200 benchmark which returned -3.78%.

Value stocks outperformed Growth stocks by 1.2% over the month (S&P Australia BMI Value -3.1% vs. Growth -4.3%). Over the past year, Value has beaten Growth with Value outperforming by 1.4%, but lagged on a five-year basis by 0.4% p.a. providing a longer-term performance headwind.

The Australian stock market fell in October, led by large declines in Growth sectors such as IT and Health Care. Rising bond yields had a negative impact across all sectors, with exception to Utilities. Materials was a relative outperformer falling slightly due to the support of higher commodity prices. With inflation still uncomfortably high, and continued tightness in the labour market, the 'higher for longer' narrative is likely to continue. Value stocks were less impacted by interest rate sensitivity as they have a shorter equity duration than Growth stocks.

The fund outperformed significantly over the month (+1.15%) driven by both strong cross-sector allocation alpha and strong stock selection between sectors. In terms of allocation effects, the underweight to Health Care contributed the most to performance while Materials contributed the most in terms of stock selection. The largest stock level contributor was the overweight to Fortescue Metals Group Ltd 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 (28.7% discount), price-to-cashflow (16.7% discount), and price-to-book (4.5% discount), as well as a dividend yield higher than the benchmark (14.7% premium).

Note: Percentage figures in parenthesis show total return in Australian dollars for the month ending 31 October 2023 unless otherwise noted.

<b>ESG exclusions*</b>	Companies in scope for exclusion are entities that derive any revenue directly from the manufacture of Controversial Weapons or Tobacco Products; or own more than a 50% interest in entities that do so. We note the following qualifications: We have defined "Controversial Weapons" to include: anti-personnel mines, cluster weapons, biological and chemical weapons, depleted uranium, nuclear weapons produced in support of the nuclear weapons programs of non-nuclear weapon State Parties and non-signatories to the Treaty on the Non-Proliferation of Nuclear Weapons and white phosphorus munitions. We have defined "Tobacco Products" to include traditional cigarettes and other tobacco products (including cigars and chewing tobacco), which we do not consider includes vaping or e-cigarette products. The exclusions do not apply to investments in entities with minority investments (i.e. < 50%) in other entities or joint ventures that are involved in the above sectors. The implementation of these exclusions is dependent on information relating to either reported revenues or revenue estimates provided by reputable third party research providers. Where such information turns out to be inaccurate or there are delays in accessing such information, the implementation of these exclusions may in turn be delayed, particularly where there has been material changes in the nature of certain investments. Any existing holding that becomes an excluded stock will be divested within 3 months.
<b>Sanctions**</b>	Where companies are flagged under UN, US, EU or Australian sanctions. Any existing holdings will be divested when possible.
<b>ESG Risk Rating*</b>	Portfolio weighted average of the Sustainalytics ESG Risk Rating Score. A company's risk score ranges from 0 and 100, with 0 indicating that risks have been fully managed (no unmanaged ESG risks) and 100 indicating the highest level of unmanaged risk. It is calculated as the difference between a company's overall exposure score and its overall managed risk score.
<b>Carbon Intensity^</b>	Carbon Intensity reflects a firm's total scope 1 & 2 CO2e emissions in tonnes / company sales in USD \$m. CO2e means green house gas emissions converted to their carbon dioxide equivalent. Source: MSCI / Realindex.
<b>Portfolio Beta</b>	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.

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 October 2023

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