

Realindex Australian Small Companies Value-Class A



Monthly Factsheet

30 April 2023

For Adviser use only

Portfolio Description

The portfolio invests in smaller Australian companies by selecting and weighting companies based on fundamental measures of company size.

Investment Strategy

Realindex forms a universe of smaller 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 smaller Australian companies and outperforming the S&P/ASX Small Ordinaries Accumulation Index over rolling five-year periods before fees and taxes.

Product Overview

APIR code	FSF0978AU
Inception date	17 November 2008
Fund Size (AS)	876 million
Benchmark	S&P/ASX Small Ordinaries Accumulation Index
Number of stock holdings	184
Buy / Sell spread	0.05% / 0.05%
Minimum investment (AS)	25,000
Management fees and costs (p.a.)*	0.59%

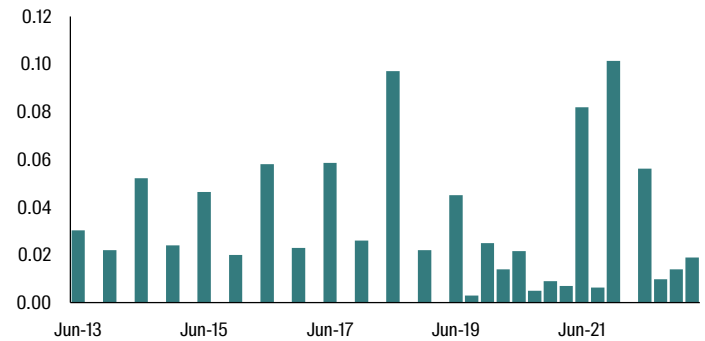
*Information on Management fees and costs (including estimated indirect costs) is set out in the Fund's PDS.

Performance Summary (%)

Period	1mth	3mth	1yr	3yr	5yr	7yr	10yr	SI
Net return	2.1	-1.3	-5.3	14.1	5.9	8.6	8.7	10.5
Benchmark return	2.8	-1.7	-9.4	9.2	3.9	6.7	6.0	6.7
Excess net return	-0.7	0.5	4.1	4.8	2.0	1.9	2.7	3.8
Income return	0.0	2.0	9.6	11.2	10.0	9.6	8.9	8.3
Growth return	2.1	-3.3	-14.9	2.9	-4.1	-1.0	-0.3	2.2

Note: Net return is the return after management fee

Distributions



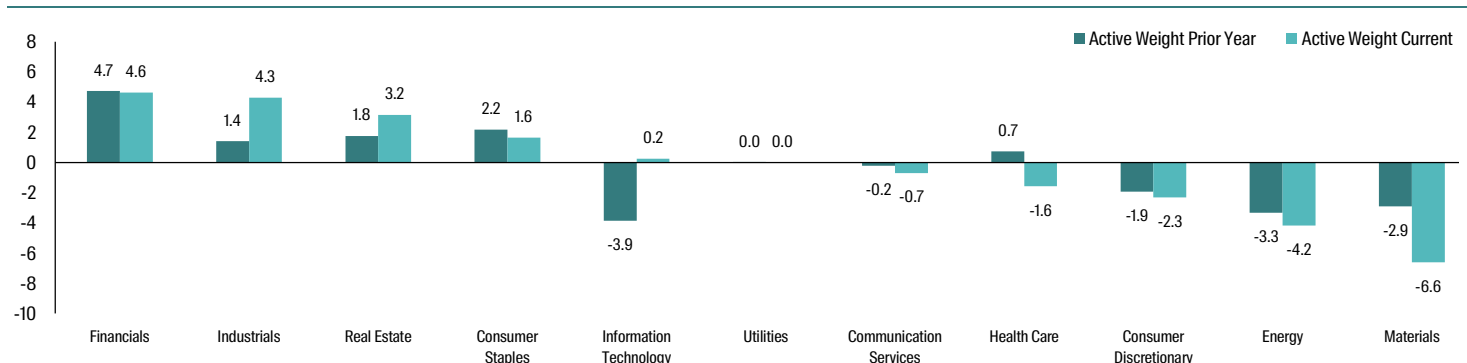
Top 10 Holdings

Stock	Fund Weight	Benchmark Weight	Active Weight
Genworth Mortgage Insurance	2.09	0.40	1.68
Perpetual	1.98	1.12	0.85
NIB	1.96	0.00	1.96
Inghams	1.83	0.44	1.39
Growthpoint Properties Australia	1.68	0.40	1.28
Ausdrill	1.64	0.34	1.30
Premier Investments	1.59	1.10	0.49
Ventia Services Group Limited	1.58	0.49	1.09
Myer	1.56	0.00	1.56
McMillan Shakespeare	1.54	0.41	1.13

Risk Characteristics

Period	1yr	3yr	5yr	7yr	10yr	SI
Fund standard deviation (%)	20.6	15.9	19.5	17.3	16.2	17.0
Benchmark standard deviation (%)	24.9	18.8	20.7	18.4	17.3	17.7
Tracking error (%)	5.7	5.0	5.2	5.0	4.9	5.8
Fund Sharpe ratio	-0.4	0.8	0.2	0.4	0.4	0.4
Information ratio	0.7	1.0	0.4	0.4	0.6	0.7
Beta	0.8	0.8	0.9	0.9	0.9	0.9
Cashflow adjusted turnover (%)	43.5	34.0	29.5	27.7	29.7	

Fund Active Sector Positions (%)



Top 5 Attributors To Performance (1 Month)

Stock	Value added
Syrah Resources	0.19%
NIB	0.12%
Genworth Mortgage Insurance	0.12%
Star Entertainment	0.12%
Helloworld Travel	0.10%

Top 5 Detractors From Performance (1 Month)

Stock	Value detracted
Telix Pharmaceuticals Ltd.	-0.33%
Inghams	-0.19%
Seven West Media	-0.12%
Pact Group	-0.11%
Ausdrill	-0.11%

Realindex Australian Small Companies Value returned +2.06% (net of fees) during April, versus the S&P/ASX Small Ordinaries benchmark which returned +2.78%..

Value stocks underperformed Growth stocks by 1.5% over the month (S&P Australia Small Cap Value +1.7% vs. Growth +3.3%). Over the past year, Value has lagged Growth, underperforming by 4.1%, but on a five-year basis Value has beaten growth by 0.6% p.a.

The Australian share market ended the month mildly higher. Small caps outperformed large caps. In particular, Health Care (+4.6%) and Consumer Discretionary (+3.9%) sectors performed well. Consumer confidence increased in April due to the RBA's decision to pause on an interest rate increase, but confidence remains largely weak. The unemployment rate is 3.5%, and the inflation rate is 7.8% as of March 2023.

Poor stock selection within the Industrials, Communication Services and Health Care sectors resulted in a large detractor from performance. In particular, an overweight to Ama Group within Industrials, an automotive aftercare and accessories business, detracted 9bps from performance. An overweight to Seven West Media within Communication Services also detracted 12bps from performance, and an underweight to Telix Pharmaceuticals within Health Care resulted in a 33bps detractor from performance, the largest stock detractor over the month.

On the flip side, the portfolio's overweight allocation to Financials and strong stock selection within the sector added to performance. Both Helia Group within Financial Services and NIB Holdings within Insurance added 12bps of performance each. Stock selection within the IT sector also added to performance over the month.

The portfolio offers a valuation discount to the market-cap benchmark, as measured by price-to-sales (31.5% discount), price-to-cashflow (18.4% discount), and price-to-book (18.3% discount), as well as a dividend yield higher than the benchmark (44.9% premium).

Note: Percentage figures in parenthesis show total return in Australian dollars for the month ending 30 April 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: 30 April 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.

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