

# Realindex Australian Small Companies Value-Class A



## Monthly Factsheet

30 November 2022

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)	851 million
Benchmark	S&P/ASX Small Ordinaries Accumulation Index
Number of stock holdings	174
Buy / Sell spread	0.05% / 0.05%
Minimum investment (AS)	25,000
Management fees and costs (p.a.)*	0.59%

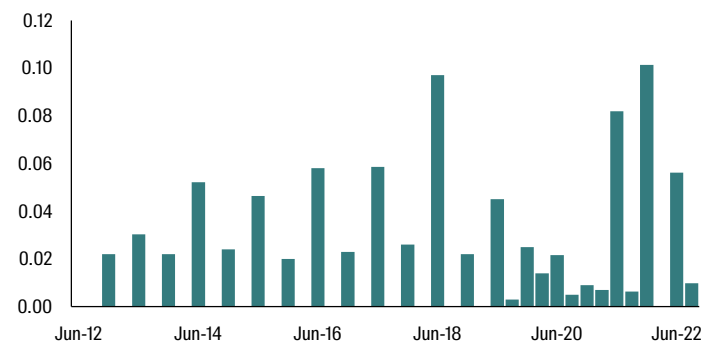
\*Information on Management fees and costs (including estimated indirect costs) is set out in the Fund's PDS.

### Performance Summary (%)

Period	1mth	3mth	1yr	3yr	5yr	7yr	10yr	SI
Net return	3.4	-0.5	-4.6	4.5	5.7	9.5	9.8	10.5
Benchmark return	4.9	-0.8	-14.0	2.6	4.4	7.8	5.9	6.8
Excess net return	-1.5	0.3	9.5	1.9	1.4	1.7	3.9	3.7
Income return	0.0	1.0	6.6	10.4	9.8	9.5	8.9	8.2
Growth return	3.4	-1.6	-11.2	-6.0	-4.0	0.0	0.9	2.3

Note: Net return is the return after management fee

### Distributions



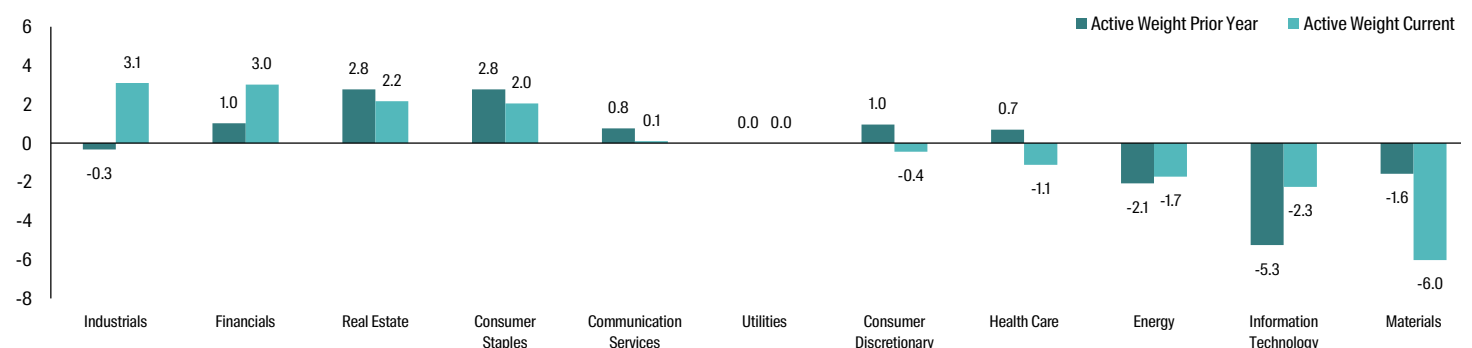
### Top 10 Holdings

Stock	Fund Weight	Benchmark Weight	Active Weight
New Hope	3.14	1.26	1.88
NIB	2.23	1.42	0.81
Genworth Mortgage Insurance	2.18	0.38	1.80
Myer	1.81	0.00	1.81
McMillan Shakespeare	1.69	0.39	1.30
Inghams	1.68	0.44	1.24
Cromwell Property Group	1.68	0.42	1.26
Ausdrill	1.62	0.33	1.30
Sigma Healthcare	1.56	0.29	1.27
Perseus Mining	1.43	1.29	0.15

### Risk Characteristics

Period	1yr	3yr	5yr	7yr	10yr	SI
Fund standard deviation (%)	21.4	23.8	19.3	17.4	16.3	17.1
Benchmark standard deviation (%)	25.4	24.5	20.4	18.3	17.2	17.8
Tracking error (%)	6.8	5.5	5.2	4.9	5.2	5.8
Fund Sharpe ratio	-0.3	0.2	0.2	0.5	0.5	0.4
Information ratio	1.4	0.3	0.3	0.3	0.8	0.6
Beta	0.8	1.0	0.9	0.9	0.9	0.9
Cashflow adjusted turnover (%)	40.9	31.4	28.3	27.5	28.8	

### Fund Active Sector Positions (%)



## Top 5 Attributors To Performance (1 Month)

Stock	Value added
Myer	0.18%
Paladin Energy Ltd	0.12%
Ausdrill	0.11%
Grange Resources	0.10%
Regis Resources	0.10%

## Top 5 Detractors From Performance (1 Month)

Stock	Value detracted
Seven West Media	-0.24%
Pact Group	-0.21%
Elders	-0.20%
Bellevue Gold Limited	-0.15%
Ridley	-0.13%

Realindex Australian Small Companies Value returned +3.43% (net of fees) during November, versus the S&P/ASX Small Ordinaries benchmark which returned +4.92%.

Value stocks underperformed Growth stocks by 0.7% over the month (S&P Australia Small Cap Value +4.2% vs. Growth +4.9%). Over the past year, Value has beaten Growth, outperforming by 19.1%, while on a five-year basis Value has beaten growth by 0.6% p.a.

Australian small caps continued to rally in November, although ending up largely flat (-0.81%) over a 3 month horizon. Inflation has shown signs of easing, with the Australian Bureau of Statistics showing a slowdown in CPI from 7.3% to 6.9% in the twelve months to October. Housing, food and transport exhibited the greatest price movements. This was also reflected globally, with inflation stabilizing in the US and Eurozone. During the month, we saw strong performance in Materials (+11.7%) and Financials (+4.4%) whilst Consumer Staples (-0.9%) and Communication Services (-0.7%) weakened.

From a sector perspective, the largest detractor was the overweight to Industrials and the largest contributor was the underweight to Consumer Discretionary. Specifically, stock selection in Industrials and Materials contributed to the funds underperformance. The largest stock level detractor was the overweight to Seven West Media Limited which detracted 0.24% and the largest stock level contributor was the inclusion of Myer Holdings Limited.

The portfolio offers a valuation discount to the market-cap benchmark, as measured by price-to-sales (31.9% discount), price-to-cashflow (13.7% discount), and price-to-book (24.9% discount), as well as a dividend yield higher than the benchmark (40.5% premium).

Note: Percentage figures in parenthesis show total return in Australian dollars for the month ending 30 November 2022 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 2022

Data as at: 30 November 2022

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

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