

Realindex Global Share Hedged Fund-Class A

Monthly Factsheet

28 February 2022

For Adviser use only

Portfolio Description

The portfolio invests in global shares by selecting and weighting companies based on fundamental measures of company size, hedged to Australian dollars.

Investment Strategy

Realindex forms a universe of global 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. The fund aims to hedge currency exposure.

Investment Objective

To provide capital and income growth by investing in global shares and outperforming the MSCI All Country World (ex Australia) Index, hedged to Australian dollars over rolling five year periods before fees and taxes.

Product Overview

APIR code	FSF0975AU
Inception date	17 November 2008
Fund Size (A\$)	1,428 million
Benchmark	MSCI ACWI ex Australia Net AUD Hedged (Daily)
Number of stock holdings	1,395
Buy / Sell spread	0.10% / 0.10%
Minimum investment (A\$)	25,000
Management cost (p.a.)*	0.47%

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

Performance Summary (%)

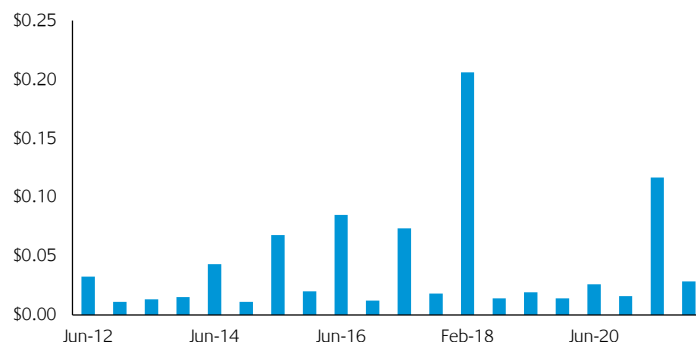
Period	1mth	3mth	1yr	3yr	5yr	7yr	10yr	SI
Net return	-2.9	2.2	13.7	9.7	8.5	7.6	10.2	12.0
Benchmark return	-2.7	-3.9	9.1	12.4	10.8	9.4	11.8	12.9
Excess net return	-0.2	6.1	4.5	-2.7	-2.2	-1.8	-1.6	-0.9
Income return	0.0	2.0	10.7	5.7	8.1	7.8	6.8	7.1
Growth return	-2.9	0.3	3.0	4.0	0.5	-0.2	3.4	4.9

Note: Net return is the return after management fee

Sector Breakdown (%)

Sector	Fund weight	Benchmark weight	Active weight
Financials	23.29	14.45	8.85
Information Technology	12.05	22.72	-10.67
Consumer Discretionary	11.49	11.84	-0.36
Industrials	9.13	9.67	-0.54
Health Care	8.87	11.63	-2.76
Communication Services	7.64	8.41	-0.77
Consumer Staples	7.30	7.09	0.21
Energy	7.25	4.21	3.03
Materials	5.54	4.59	0.95
Utilities	3.46	2.81	0.65
Real Estate	1.94	2.57	-0.62

Distributions



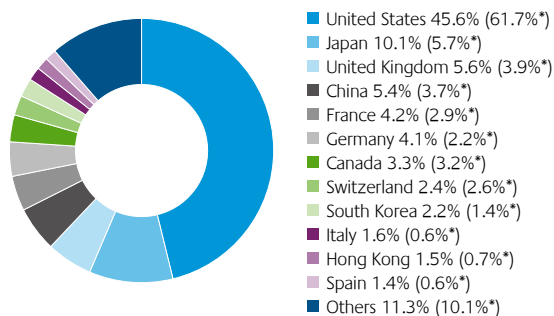
Top 10 Holdings

Stock	Fund Weight	Benchmark Weight	Active Weight
Apple Inc.	1.97	4.28	-2.31
Microsoft Corporation	1.06	3.34	-2.28
Berkshire Hathaway Inc. Class B	0.86	0.67	0.19
Exxon Mobil Corporation	0.82	0.52	0.30
JPMorgan Chase & Co.	0.79	0.66	0.13
Samsung Electronics Co., Ltd.	0.76	0.45	0.31
Bank of America Corporation	0.75	0.52	0.22
SHELL PLC ORD EURO.07	0.73	0.00	0.73
Toyota Motor Corp.	0.73	0.31	0.42
Walmart Inc	0.72	0.33	0.40

Risk Characteristics

Period	1yr	3yr	5yr	7yr	10yr	SI
Fund standard deviation (%)	9.9	18.1	15.6	14.7	13.4	14.7
Benchmark standard deviation (%)	10.7	15.9	14.1	13.3	12.1	13.2
Tracking error (%)	7.2	6.7	5.4	4.9	4.3	4.1
Fund Sharpe ratio	1.4	0.6	0.5	0.4	0.6	0.6
Information ratio	0.6	-0.4	-0.4	-0.4	-0.4	-0.2
Beta	0.7	1.1	1.0	1.0	1.0	1.1
Cashflow adjusted turnover (%)	28.1	23.3	22.7	23.4	22.9	

Country Breakdown



*Benchmark weight

Realindex Global Share Hedged Fund-Class A

The Realindex Global Share Hedged Fund returned -2.88% (net of fees) during February, versus the MSCI All Countries World ex Australia Net Index Hedged which returned -2.70% (in AUD). The AUD rose 3.0% against the USD over the month.

Value stocks outperformed Growth stocks by 1.9% over the month (MSCI AC World ex AU Value -4.7% vs. Growth -6.5%, in AUD). Over the past year, Value has outperformed Growth by 9.8% (AUD), while on a five year basis Growth has outperformed Value by 8.3% p.a. (AUD), providing a significant longer-term performance headwind.

Multiple themes affected markets and investors in February and the year more broadly. With inflationary pressures continuing, there was a clear shift by central banks positioning themselves towards controlling inflation and away from economic stimulus. The direction of future policy however has been made more uncertain by Russia's recent invasion of Ukraine. The economic sanctions governments around the world have imposed on Russia, including a freeze of the global payments system into and out of Russia, has increased the risk of an economic downturn. A flattening yield curve and an emerging crisis over oil and gas supplies has heightened fears of a global recession. The result of these events was a sell-off in global equities and a spike in equity volatility.

As fears of an economic downturn gave way to managing the risks of a spike in energy and commodity prices more broadly, the cyclically oriented Value sectors outperformed Growth oriented sectors.

In developed markets, most regions underperformed (MSCI World: -5.4% in AUD terms). As expected differences were seen across sectors; Energy and Materials were the two sectors that outperformed all others (MSCI World Energy: +2.0% in AUD terms, MSCI World Materials -0.9% in AUD terms) aided by the renewed surge in oil prices. Communication Services and IT posted the largest losses (-8.2% and -7.5% in AUD terms respectively). From a style perspective, Value and low risk stocks as highlighted by their historic price volatility were again heavily favoured by investors, while growth related names were the main underperformers.

In emerging markets, the sell-off in Russia was significant with losses exceeding 54% in AUD terms before exchanges and markets were suspended in late February. Those losses are expected to reach almost 100% as MSCI plans to deem the value of Russian securities to be almost zero as Russia is delisted from the EM indices in March. As a result, the energy rich Russian market pushed the Energy sector down (MSCI EM Energy: -16.1% in AUD terms). Consumer Discretionary and Communication Services sectors also significantly underperformed (-9.1% and -8.8% in AUD terms respectively). EM materials (+1% in AUD terms) was the only sector that posted positive returns. From a style perspective, investors sought refuge in low risk names; unlike developed markets, Value was severely punished due to the Russian energy exposure within that group of stocks.

Regionally, the largest contributor was the underweight to North America and the largest detractor was the overweight to Europe. From a sector perspective, the largest contributor was the underweight to Information Technology and the largest detractor was the underweight to Consumer Discretionary. The largest stock level contributor was the underweight to Meta Platforms, Inc. and the largest stock level detractor was the overweight to Oil Co. LUKOIL PJSC.

Driven by the methodology of rebalancing further into cheap Value companies, the portfolio continues to sit on deep valuation discounts. At the end of February 2022 the portfolio reflected a 62.0% dividend yield premium to the MSCI ACWI ex AU index, whilst trading at a 40.6% price to book discount, a 40.8% price to cashflow discount and 49.9% price to sales discount. The emerging markets portion of this strategy sits at even deeper discounts, indicating that the portfolio remains well positioned for mean reversion in Value

Note: Returns in parenthesis show the total return for the month ending 28 February 2022. All returns are given in local currency terms unless otherwise stated.

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: 28 February 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. The covariance and variance are ex ante calculations based on current weights and historic patterns of return over the past five years.

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 Business Development Australia and New Zealand

Harry Moore +61 3 8669 5640

Head of Investment Sales and Key Accounts

Chris King +61 2 9010 5249

Key Account Manager - NSW

Angela Vincent +61 2 9010 5230

Paul Sleiman +61 2 9010 5393

Key Account Manager - VIC/TAS

Nicholas Everitt +61 3 9225 5055

Business Development Manager - VIC/TAS

Jack Heinz +61 3 9225 5056

Key Account Manager - QLD

Quin Smith +61 4 5509 5505

Key Account Manager - WA/SA/NT

Nathan Robinson +61 4 0327 2440

This document has been prepared by First Sentier Investors (Australia) IM Ltd (ABN 89 114 194 311, AFSL 289017) (**FSI AIM**) which forms part of First Sentier Investors, a global asset management business. First Sentier Investors is ultimately owned by Mitsubishi UFJ Financial Group, Inc (**MUFG**).

It is directed at persons who are institutional clients and financial advisers only and has not been prepared for and is not intended for persons who are retail clients. A copy of the Financial Services Guide for FSI AIM is available from First Sentier Investors on its website. This material contains general information only. It is not intended to provide you with financial product advice and does not take into account your objectives, financial situation or needs. Before making an investment decision, you should consider, with a financial adviser, whether this information is appropriate in light of your investment needs, objectives and financial situation.

Realindex Investments Pty Ltd (**Realindex**) ABN 24 133 312 017 AFS Licence 335381 forms part of First Sentier Investors and is the investment manager of the Realindex Funds (as defined below).

Investors should read the Product Disclosure Statement (**"PDS"**) for the Realindex funds and talk to a financial adviser before making an investment decision. The Realindex funds are issued by Colonial First State Investments Limited (**"CFSIL"**) ABN 98 002 348 352 AFS Licence 232468 under the following registered names: Realindex Australian Share Fund – Class A (ARSN 132 950 433); Realindex Australian Small Companies Fund – Class A (ARSN 132 950 175); Realindex Global Share Fund – Class A (ARSN 132 951 083); Realindex Global Share Hedged Fund – Class A (ARSN 132 951 467); Realindex Enhanced Equal Weighted Global Share Fund – Class A (ARSN 149 308 976); Realindex Emerging Markets Fund – Class A (ARSN 140 973 075) (**"Realindex Funds"**). PDSs for the Realindex Funds are from First Sentier Investors on its website. The target market determination (**TMD**) for the Fund is available from First Sentier Investors on its website and should be considered by prospective investors before any investment decision to ensure that investors form part of the target market.

Total returns shown for the Realindex Funds or any Portfolio have been calculated using exit prices after taking into account all ongoing fees and assuming reinvestment of distributions. Past performance should not be taken as an indication of future performance.

CFSIL is a subsidiary of the Commonwealth Bank of Australia (**Bank**). MUFG, the Bank and their respective affiliates do not guarantee the performance of the Realindex Funds or the repayment of capital by the Realindex Funds. Investments in the Realindex Funds are not deposits or other liabilities of MUFG, the Bank nor their respective affiliates, and investment-type products are subject to investment risk including loss of income and capital invested. First Sentier Investors was acquired by MUFG on 2 August 2019 and is now financially and legally independent from the Bank.

To the extent permitted by law, no liability is accepted by MUFG, FSI AIM, the Bank, CFSIL nor their respective affiliates for any loss or damage as a result of any reliance on this information. This information is, or is based upon, information that we believe to be accurate and reliable, however neither MUFG, FSI AIM, the Bank, CFSIL nor their respective affiliates offer any warranty that it contains no factual errors. Any opinions expressed in this material are the opinions of FSI AIM at the time of publication only. Such opinions are subject to change without notice. No part of this material may be reproduced or transmitted in any form or by any means without the prior written consent of FSI AIM.

© First Sentier Investors (Australia) Services Pty Limited 2022

All rights reserved.

Source: MSCI. The MSCI data is comprised of a custom index calculated by MSCI for, and as requested by, FSI AIM. The MSCI data is for internal use only and may not be redistributed or used in connection with creating or offering any securities, financial products or indices. Neither MSCI nor any other third party involved in or related to compiling, computing or creating the MSCI data (the " **MSCI Parties** ") makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and the MSCI Parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to such data. Without limiting any of the foregoing, in no event shall any of the MSCI Parties have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.