Realindex Global Share Value Hedged- Class A

realindex INVESTMENTS

Monthly Factsheet

28 February 2023

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$)	271 million
Benchmark	MSCI ACWI ex Australia Net AUD Hedged (Daily)
Number of stock holdings	896
Buy / Sell spread	0.10% / 0.10%
Minimum investment (A$)	25,000
Management fees and costs (p.a.)*	0.47%

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

Performance Summary (%)

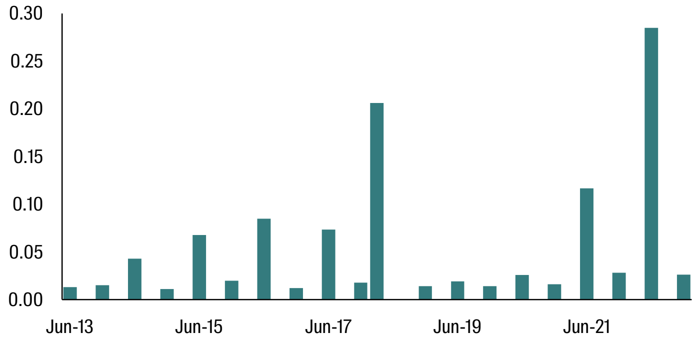
Period	1mth	3mth	1yr	3yr	5yr	7yr	10yr	SI
Net return	-1.0	0.8	-0.7	10.7	5.5	9.7	8.7	11.0
Benchmark return	-2.0	-1.0	-8.0	7.7	5.8	9.5	9.4	11.3
Excess net return	1.0	1.8	7.3	3.0	-0.3	0.2	-0.6	-0.2
Income return	0.0	2.5	22.8	13.7	8.7	10.8	8.9	8.5
Growth return	-1.0	-1.7	-23.5	-2.9	-3.2	-1.1	-0.2	2.6

Note: Net return is the return after management fee

Risk Characteristics

Period	1yr	3yr	5yr	7yr	10yr	SI
Fund standard deviation (%)	17.8	19.0	17.3	15.2	14.1	14.9
Benchmark standard deviation (%)	19.8	18.2	16.5	14.4	13.3	13.8
Tracking error (%)	4.8	6.8	5.9	5.2	4.5	4.2
Fund Sharpe ratio	-0.1	0.5	0.3	0.6	0.5	0.5
Information ratio	1.5	0.4	0.0	0.0	-0.1	-0.1
Beta	0.9	1.0	1.0	1.0	1.0	1.0
Cashflow adjusted turnover (%)	61.1	38.1	30.8	29.9	26.6	

Distributions



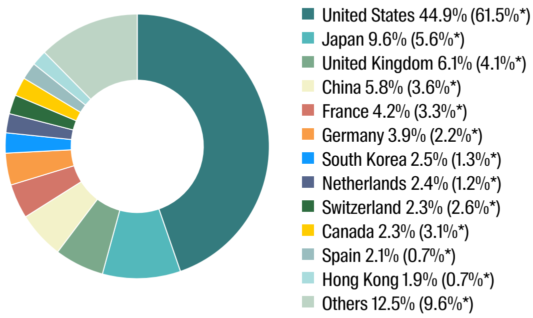
Top 10 Holdings

Stock	Fund Weight	Benchmark Weight	Active Weight
Apple Inc.	2.22	4.14	-1.92
Facebook, Inc. Class A	1.53	0.70	0.83
Roche Holding Ltd Genusssch.	1.01	0.36	0.65
Exxon Mobil Corporation	1.00	0.80	0.20
Novo Nordisk A/S Class B	0.98	0.41	0.57
L'Oreal SA	0.93	0.17	0.76
Microsoft Corporation	0.88	3.09	-2.20
Banco Bilbao Vizcaya Argentaria, S.A.	0.82	0.08	0.74
Bristol-Myers Squibb Company	0.81	0.26	0.55
ASML Holding NV	0.76	0.44	0.32

Sector Breakdown (%)

Sector	Fund Weight	Benchmark Weight	Active Weight
Financials	23.96	15.03	8.93
Consumer Discretionary	12.81	11.15	1.66
Information Technology	11.95	21.53	-9.58
Industrials	9.81	10.28	-0.47
Health Care	9.80	12.31	-2.51
Consumer Staples	7.58	7.40	0.18
Communication Services	7.57	7.12	0.46
Energy	5.86	5.22	0.64
Materials	4.20	4.56	-0.35
Utilities	3.19	2.90	0.29
Real Estate	2.91	2.49	0.42

Country Breakdown



*Benchmark weight

Realindex Global Share Value (Hedged) returned -1.00% (net of fees) during February, outperforming the MSCI All Countries World ex Australia Net Index Hedged which returned -2.02% (in AUD). The AUD fell 4.3% against the USD over the month.

Global markets were mixed in February, with stronger performance in Developed Markets, in particular Europe, and weaker returns in Emerging Markets (EM). A warmer European winter along with their ability to diversify energy imports have meant a fully-fledged energy crisis has not materialised. This, along with China's reopening, has brought a degree of softening or cautious optimism in the global economy. In short, we have witnessed a degree of global resilience. However, this also means inflationary concerns will remain persistent, with the Federal Reserve likely to continue its hawkish stance. Bond yields have risen as a result, with a strong degree of inversion between the 2 and 10 year yields. In the MSCI All Countries World Index, IT (+4.1%) and Industrials (+3.3%) were the best performing sectors, while Materials (-1.6%) and REITs (-1.5%) struggled throughout the month.

Within this environment, Value underperformed Growth by 0.6% over the month (MSCI AC World ex AU Value +1.3% vs. Growth +1.9%, in AUD). Over the past year, Value has outperformed Growth by 11.0% (AUD), while on a five year basis Growth has outperformed Value by 3.4% p.a. (AUD), providing a significant longer-term headwind for performance.

The fund outperformed the benchmark due to strong stock selection within EM (+23bps) and Europe (+23bps), while in general the largest detractor was the overweight to Developed Asia. Stock selection within Communication Services was also a strong contributor (+24bps) and largely attributed to the overweight in Meta Platforms. Overall, the largest detractor was the underweight Information Technology, with household names such as NVDIA Corporation, Microsoft, Tesla and Apple posting strong gains for the month.

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 2023 the portfolio reflected a 47.8% dividend yield premium to the MSCI ACWI ex AU index, whilst trading at a 24.8% price to book discount, a 34.8% price to cashflow discount and 35.7% 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 2023. 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 2023

Data as at: 28 February 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

For further information

Head of Wholesale - ANZ
Quin Smith +61 455 095 505

Key Account Manager - NSW
Paul Sleiman +61 4 2251 1231

Business Development Manager – NSW
Emerson Bloom +61 472 633 201

Key Account Manager - VIC/TAS
Nicholas Everitt +61 499 454 206

Business Development Manager - VIC/TAS
Jack Heinz +61 436 810 683

Business Development Manager - QLD
Julie Day +61 466 413 176

Key Account Manager - WA/SA/NT
Nathan Robinson +61 403 272 440