

Realindex Global Share Value Hedged- Class A

Monthly Factsheet

30 April 2023

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 (AS)	286 million
Benchmark	MSCI ACWI ex Australia Net AUD Hedged (Daily)
Number of stock holdings	858
Buy / Sell spread	0.10% / 0.10%
Minimum investment (AS)	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	2.0	0.8	3.2	15.8	5.7	8.7	8.4	11.0
Benchmark return	1.3	1.7	0.6	10.9	6.7	9.2	9.2	11.4
Excess net return	0.6	-1.0	2.6	4.9	-1.0	-0.4	-0.8	-0.4
Income return	0.0	0.0	23.7	14.3	8.8	10.7	8.9	8.4
Growth return	2.0	0.8	-20.5	1.5	-3.0	-2.0	-0.5	2.7

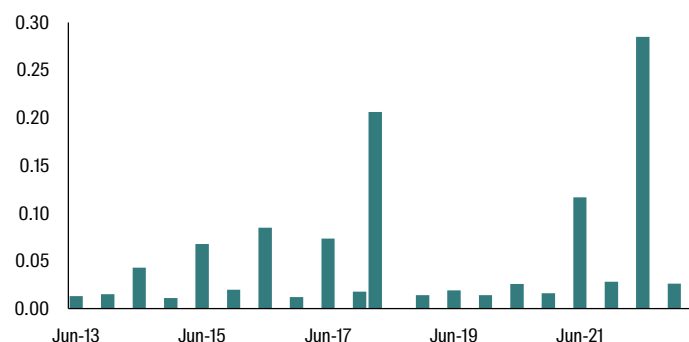
Note: Net return is the return after management fee

Risk Characteristics

Period	1yr	3yr	5yr	7yr	10yr	SI
Fund standard deviation (%)	17.4	15.3	17.2	15.0	14.1	14.9
Benchmark standard deviation (%)	18.6	15.5	16.5	14.3	13.3	13.8
Tracking error (%)	4.8	6.4	6.0	5.3	4.6	4.3
Fund Sharpe ratio	0.0	1.0	0.3	0.5	0.5	0.6
Information ratio	0.5	0.8	-0.2	-0.1	-0.2	-0.1
Beta	0.9	0.9	1.0	1.0	1.0	1.0
Cashflow adjusted turnover (%)	60.2	39.3	31.0	29.1	27.1	

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Distributions



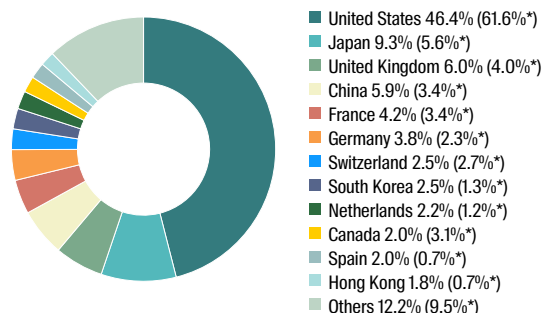
Top 10 Holdings

Stock	Fund Weight	Benchmark Weight	Active Weight
Apple Inc.	2.44	4.53	-2.09
META PLATFORMS INC CL A	1.90	0.91	0.99
L'Oreal SA	1.10	0.19	0.90
Novo Nordisk A/S Class B	1.09	0.46	0.63
Roche Holding Ltd Genusssch.	1.04	0.37	0.67
Exxon Mobil Corporation	0.99	0.82	0.17
Microsoft Corporation	0.98	3.65	-2.67
MasterCard Incorporated Class A	0.89	0.55	0.34
Bristol-Myers Squibb Company	0.82	0.24	0.58
Banco Bilbao Vizcaya Argentaria, S.A.	0.80	0.07	0.72

Sector Breakdown (%)

Sector	Fund Weight	Benchmark Weight	Active Weight
Financials	22.94	15.59	7.35
Consumer Discretionary	12.20	10.76	1.44
Information Technology	11.93	20.27	-8.35
Health Care	9.83	12.59	-2.76
Industrials	9.74	10.51	-0.77
Communication Services	8.34	7.44	0.89
Consumer Staples	7.70	7.96	-0.26
Energy	5.51	5.06	0.45
Materials	4.17	4.42	-0.25
Utilities	3.30	3.01	0.30
Real Estate	2.81	2.38	0.43

Country Breakdown



*Benchmark weight

Realindex Global Share Value (Hedged) returned +1.96% (net of fees) during April, outperforming the MSCI All Countries World ex Australia Net Index Hedged which returned +1.34% (in AUD). The AUD fell 1.3% against the USD over the month.

Global markets were mixed amidst persistent inflation which continued to pose a challenge to central banks. US stocks made limited gains in April led by large caps, as investor optimism resulting from the Fed's anticipated moderation of monetary policy was tempered by concerns over economic growth. Uncertainty in the banking sector also continued with the collapse of First Republic bank. In Europe, equity markets advanced on the back of positive corporate earnings. Japan's stock markets gained due to the Bank of Japan signalling policy continuity and upgrading inflation forecasts, while China reaffirmed its supportive policy stance for the economy amidst growing exports and consumer demand. Despite this, China's equity market continued to underperform in April, leading emerging markets lower as concerns over its political stance on Taiwan, relationship with Russia and ongoing regulations with the private sector still weigh on investors.

Overall, global equity markets gained in April, led largely by developed markets with the MSCI ACWI Index posting +2.8% in AUD terms. This was led by Energy (+5.5%) and Consumer Staples (+5.2%). IT and Consumer Discretionary names were the laggards for April each posting +0.7% and +0.5% respectively.

In this environment Value stocks outperformed Growth stocks by 0.7% over the month (MSCI AC World ex AU Value +3.2% vs. Growth +2.5%, in AUD). Over the past year Value has outperformed Growth by 1.4% (AUD), while on a five year basis Growth has outperformed Value by 5.0% p.a. (AUD), providing a significant longer-term performance headwind. As such, the portfolio benefitted especially from its Value positioning in Emerging Markets as Value stocks (MSCI EM Value) outperformed Growth (MSCI EM Growth) stocks by more than 3% for the month.

Regionally, the largest contributor was the overweight to Emerging Markets and in particular, the overweight to Chinese Financials, while the largest detractor to the portfolio was the underweight to North America, in particular US Health Care names. From a sector perspective, the largest contributor was the overweight to Communication Services which was largely driven by stock selection effects, while the largest detractor was the underweight to Health Care. The largest stock level contributor was the underweight to Tesla, Inc. and the largest stock level detractor was the underweight to Microsoft Corporation.

Driven by the methodology of rebalancing further into cheap Value companies, the portfolio continues to sit on deep valuation discounts. At the end of April 2023 the portfolio reflected a 50.5% dividend yield premium to the MSCI ACWI ex AU index, whilst trading at a 23.2% price to book discount, a 31.9% price to cashflow discount and 37.5% 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 30 April 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: 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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