

# Realindex Global Share Value Hedged- Class A

## Monthly Factsheet

30 November 2022

### 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\$)	263 million
Benchmark	MSCI ACWI ex Australia Net AUD Hedged (Daily)
Number of stock holdings	957
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	6.8	4.9	0.7	6.8	5.8	8.0	9.6	11.2
Benchmark return	6.0	2.3	-10.7	5.8	6.3	8.3	10.4	11.6
Excess net return	0.8	2.6	11.4	1.0	-0.5	-0.3	-0.7	-0.4
Income return	0.0	0.0	22.7	12.7	11.4	10.5	8.8	8.4
Growth return	6.8	4.9	-22.0	-5.9	-5.6	-2.5	0.8	2.7

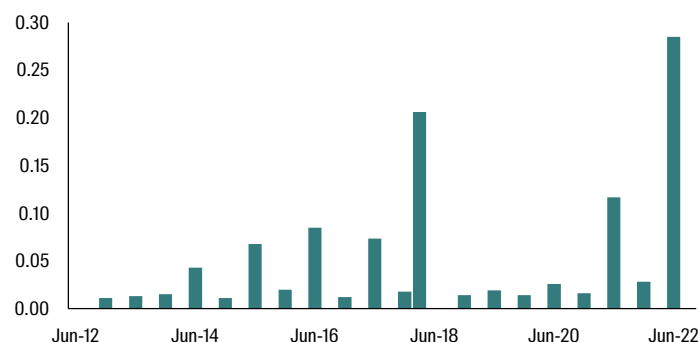
Note: Net return is the return after management fee

### Risk Characteristics

Period	1yr	3yr	5yr	7yr	10yr	SI
Fund standard deviation (%)	17.3	19.5	17.2	15.2	14.0	15.0
Benchmark standard deviation (%)	19.0	18.3	16.3	14.3	13.2	13.8
Tracking error (%)	6.3	7.0	5.9	5.2	4.5	4.2
Fund Sharpe ratio	0.0	0.3	0.3	0.4	0.6	0.6
Information ratio	1.8	0.1	-0.1	-0.1	-0.2	-0.1
Beta	0.9	1.0	1.0	1.0	1.0	1.0
Cashflow adjusted turnover (%)	55.7	35.5	29.3	28.1	25.6	

## For Adviser use only

### Distributions



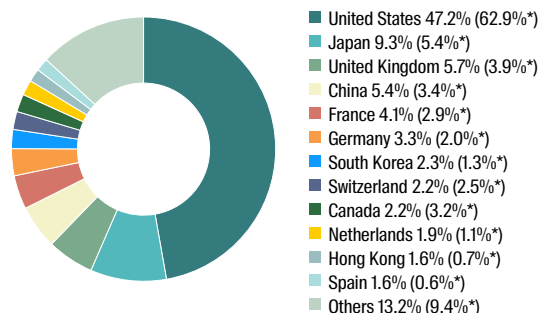
### Top 10 Holdings

Stock	Fund Weight	Benchmark Weight	Active Weight
Apple Inc.	1.93	4.17	-2.24
Exxon Mobil Corporation	1.14	0.82	0.32
Roche Holding Ltd Genusssch.	0.99	0.39	0.59
Microsoft Corporation	0.94	3.15	-2.21
Facebook, Inc. Class A	0.92	0.47	0.45
L'Oreal SA	0.88	0.15	0.73
Novo Nordisk A/S Class B	0.85	0.35	0.50
Wells Fargo & Company	0.82	0.32	0.50
Walmart Inc	0.79	0.40	0.39
SHELL PLC ORD EURO.07	0.73	0.00	0.73

### Sector Breakdown (%)

Sector	Fund Weight	Benchmark Weight	Active Weight
Financials	22.23	14.55	7.68
Information Technology	11.40	21.19	-9.79
Consumer Discretionary	11.15	10.89	0.26
Health Care	10.72	13.06	-2.35
Industrials	9.53	10.07	-0.54
Consumer Staples	8.24	7.59	0.65
Communication Services	6.85	6.98	-0.12
Energy	6.41	5.54	0.87
Materials	3.96	4.54	-0.58
Utilities	3.26	3.06	0.20
Real Estate	2.58	2.52	0.06

### Country Breakdown



\*Benchmark weight

Realindex Global Share Value Hedged returned +6.80% (net of fees) during November, outperforming the MSCI All Countries World ex Australia Net Index Hedged which returned +6.04% (in AUD). The AUD rose 4.7% against the USD over the month.

With signs that global inflation may be easing in November, global equity markets were boosted by speculation that interest rates in key regions may not need to be raised significantly. The MSCI World Index rose 5.7%, although the gain was lower in AUD terms due to the strength of the Australian dollar. In the United States and Europe, major indices such as the S&P 500 (+5.4%), NASDAQ (+4.4%) and Euro Stoxx 50 (+9.6%) registered solid gains. However, Asian markets took the lead with strong returns from the CSI 300 (+9.8%) and Hang Seng (+26.6%) due to optimism around potential relaxation of China's COVID restrictions. In Developed Markets, Materials (+8.9%) and Industrials (+4.1%) within the MSCI World index led performance, while Energy lagged (-1.5%) following falls in Oil prices in November. The strength in Emerging Markets was most seen in Real Estate (+29.6%) and Consumer Discretionary (+20.1%) while the weakest sector was Utilities (+2.3%).

Value stocks outperformed Growth stocks marginally by 0.1% over the month (MSCI AC World ex AU Value +2.8% vs. Growth +2.8%, in AUD). Over the past year Value has outperformed Growth by 25.0% (AUD), while on a five year basis Growth has outperformed Value by 3.7% p.a. (AUD), providing a significant longer-term performance headwind.

The fund benefitted from the underweight to North America though stock selection within the United States and was a key contributor to performance. The overweight to Europe contributed the least to performance largely due to stock selection effects. From a sector perspective, the largest contributor was the overweight to Financials and the largest detractor was the overweight to Consumer Staples, both the result of stock selection effects. The largest stock level contributor was the underweight to Apple Inc. and the largest stock level detractor was the exclusion of NVIDIA 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 November 2022 the portfolio reflected a 55.8% dividend yield premium to the MSCI ACWI ex AU index, whilst trading at a 26.9% price to book discount, a 32.8% price to cashflow discount and 36.8% 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 November 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: 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)

#### For further information

Acting Head of Wholesale Ross Crocker	+61 2 9010 5424	Business Development Manager - VIC/TAS Jack Heinz	+61 436 810 683
Key Account Manager - NSW Paul Sleiman	+61 4 2251 1231	Key Account Manager - QLD Quin Smith	+61 455 095 505
Business Development Manager – NSW Emerson Bloom	+61 472 633 201	Business Development Manager - QLD Julie Day	+61 466 413 176
Key Account Manager - VIC/TAS Nicholas Everitt	+61 499 454 206	Key Account Manager - WA/SA/NT Nathan Robinson	+61 403 272 440

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.

First Sentier Investors Realindex Pty Ltd ("Realindex") ABN 24 133 312 017 AFSL 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 names: Realindex Australian Share Value – Class A (ARSN 132 950 433); Realindex Australian Small Companies Value – Class A (ARSN 132 950 175); Realindex Global Share Value – Class A (ARSN 132 951 083); Realindex Global Share Value Hedged – Class A (ARSN 132 951 467); Realindex Emerging Markets Value – 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.

MUFG, FSI AIM, Realindex, CFSIL 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, FSI AIM, Realindex, CFSIL nor their respective affiliates, and investment-type products are subject to investment risk including loss of income and capital invested.

To the extent permitted by law, no liability is accepted by MUFG, FSI AIM, Realindex, 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, Realindex, 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.