

First Sentier Wholesale Australian Small Companies Fund



Formerly the Colonial First State Wholesale Australian Small Companies Fund

Quarterly Factsheet

30 June 2023

Portfolio Description

The fund invests in a broad selection of Australian listed small companies, with between 50 to 70 stocks typically held in the portfolio.

Investment Strategy

The fund's strategy is to favour companies with sustainable competitive advantages, strong financials, quality management and predictable earnings. By investing in these companies, the fund aims to deliver superior returns over the long term. The fund predominantly invests in Australian companies and therefore does not hedge currency risk.

Investment Objective

To provide long-term capital growth by investing predominantly in small Australian companies. The Fund aims to outperform the S&P/ASX Small Ordinaries Accumulation Index over rolling three-year periods before fees and taxes.

Key Investment Personnel and Experience (Industry / Firm)

Dawn Kanelleas	Head of Australian Small and Mid Cap Companies	(1996 / 2008)
Michael Joukhador	Portfolio Manager	(2007 / 2007)
Pavlos Totsis	Portfolio Manager	(2007 / 2007)

Product Overview

APIR code	CM10111AU	
Inception date	31 December 1993	
Fund Size (A\$)	649 million	
Benchmark	S&P/ASX Small Ordinaries Accumulation Index	
Number of stock holdings	55	
Buy / Sell spread	0.15% / 0.15%	
Minimum investment (A\$)	5,000	
Management fees and costs (p.a.)*	1.11%	

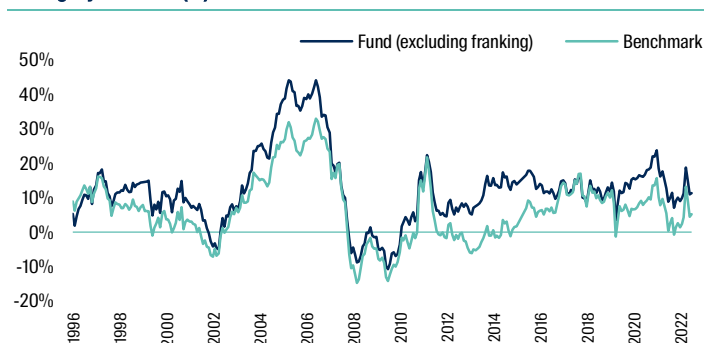
* Information on Management fees and costs (including estimated indirect costs) is set out in the Fund's PDS.

Performance Summary (%)

Period	3mth	1yr	3yr	5yr	7yr	10yr	SI
Net return	2.0	12.5	11.3	9.1	11.0	13.0	10.8
Benchmark return	-0.5	8.4	5.2	2.3	5.8	6.8	5.4
Excess net return	2.5	4.0	6.1	6.9	5.2	6.2	5.3
Income return	3.1	5.5	9.9	9.3	11.1	9.6	7.5
Growth return	-1.2	7.0	1.4	-0.2	-0.1	3.4	3.3

Past performance is not a reliable indicator of future performance.

Rolling 3 year return (%)



Top 5 holdings

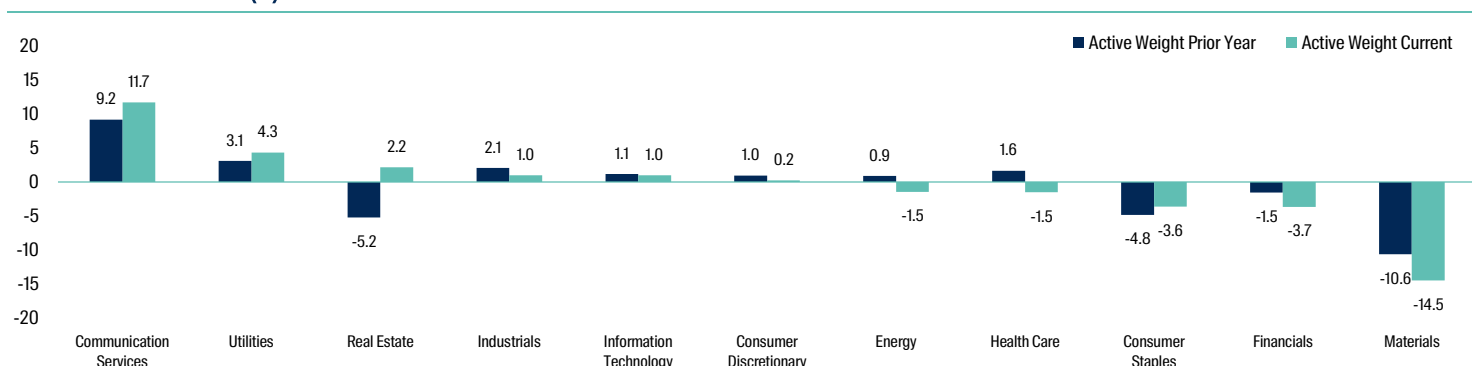
Stock
Chorus Limited
Domain
IRESS
News Corp
TPG

Sorted alphabetically

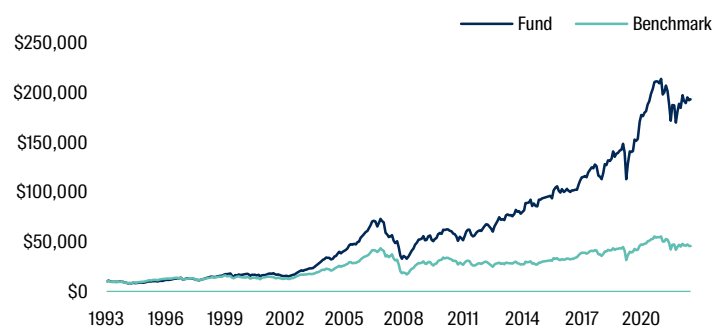
Risk Characteristics

Period	1yr	3yr	5yr	7yr	10yr	SI
Fund standard deviation (%)	17.1	15.7	18.2	16.2	15.3	15.9
Benchmark standard deviation (%)	20.1	18.1	20.7	18.4	17.1	16.9
Tracking error (%)	4.0	4.7	4.3	4.4	4.6	5.6
Fund Sharpe ratio	0.6	0.7	0.4	0.6	0.7	0.4
Information ratio	1.0	1.3	1.6	1.2	1.4	0.9
Beta	0.8	0.8	0.9	0.9	0.9	0.9
Cashflow adjusted turnover (%)	22.1	32.1	45.5	53.1	65.0	

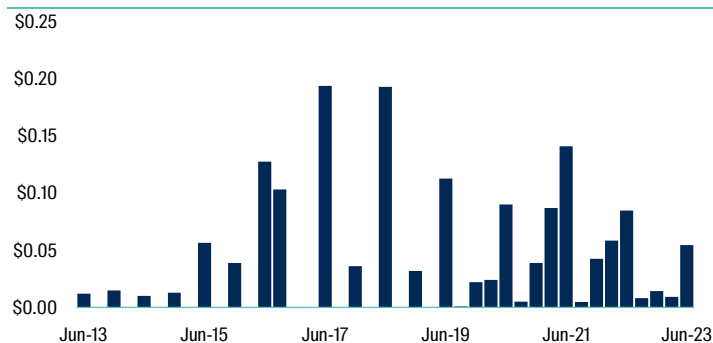
Fund Active Sector Positions (%)



Growth of AUD 10,000 Investment Since Inception



Distributions



Top 5 attributors to performance (3 months)

Sector	Attr.
Materials	1.13%
Communication Services	1.12%
Real Estate	0.75%
Industrials	0.45%
Utilities	0.34%

Top 5 detractors to performance (3 months)

Sector	Attr.
Health Care	-0.42%
Energy	-0.33%
Consumer Discretionary	-0.30%
Financials	-0.10%
Information Technology	-0.08%

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 June 2023

Market review

The S&P/ASX Small Ordinaries Accumulation Index returned -0.5% during the June quarter, underperforming the S&P/ASX 200 Accumulation Index which returned 1.0%. The S&P/ASX Small Industrials Index returned 2.3% and the S&P/ASX Small Resources Index returned -7.6%. The Gold sub industry returned -13.6%.

Quarterly returns from economic sectors in the S&P/ASX Small Ordinaries Index were mixed. IT (10.5%) was the quarter's best performing sector, followed by Financials (8.0%), Industrials (6.2%), Health Care (3.9%), Real Estate (1.2%), and Energy (1.2%). Materials (-7.0%) was the quarter's worst performing sector. Other sectors to finish lower were Consumer Discretionary (-3.8%), Consumer Staples (-2.1%), and Communication Services (-1.3%).

Fund performance

Among the top contributors to relative performance were:

News Corporation (overweight)

The share price rose after the company released better-than-expected 3Q23 results, which reported EBITDA above consensus expectations and solid progress in cost reduction initiatives.

Perseus Mining (not held)

The share price was lower amid reported instances of armed conflict in Sudan, where the company's Meyas Sand Gold Project is based, along with a lacklustre gold price weighing on the share price.

Fletcher Building (overweight)

The share price rose steadily during the quarter likely driven by increased confidence in operating conditions following an investor day where the Company confirmed FY23 guidance and provided a positive medium term outlook.

Among the main detractors to relative performance were:

Telix Pharmaceuticals (not held)

The share price rose during the quarter following a positive 1Q23 business update in April which accompanied the company's solid quarterly results.

Syrah Resources (overweight)

The share price fell following the release of the company's 1Q23 report, which reported production and shipments increasing. However pricing was lower, costs were higher, and shipments of natural graphite were curtailed on lower demand. The company also issued a \$28m convertible note to AustralianSuper, effectively giving them control of the company.

Premier Investments (overweight)

The share price fell during the quarter during a generally weak month for the Consumer Discretionary sector amid rising interest rates and weaker consumer spending.

Market outlook

At its July board meeting, the Reserve Bank of Australia (RBA) held the cash rate unchanged at 4.10% which was largely expected by the market. The Board stated the pause was to give them more time to assess the state of the economy and the economic outlook and associated risks, noting that further tightening in monetary policy may be needed.

In China, Central bank officials continued to talk up prospects for the Chinese economy, but stopped short of announcing any fresh stimulus measures. The economy has shown signs of weakness recently, with subdued consumer spending and sluggish new home sales. This could be a concern for neighbouring economies, as a rebounding Chinese economy had been expected to underpin growth in the Asia Pacific region and beyond.

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.firstsentierinvestors.com.au

For further information

Personal investors

Speak with your Financial Adviser whether our products are appropriate, in light of your investment needs, objectives and financial situation.

Download Product Disclosure Statements from below website link.

www.firstsentierinvestors.com.au/individual-pds

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Total returns shown for the Fund or any Portfolio have been calculated using exit prices after taking into account all ongoing fees and assuming reinvestment of distributions. No allowance has been made for taxation. Past performance is no indication of future performance.

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