

Fund description

The Fund invests in a diversified group of specialist listed property managers. The Fund utilises the Fiducian “Manage the Manager” process, carefully selecting best of breed managers with different sector exposures with the aim of achieving superior returns with reduced risk.

Typically, property securities provide attractive levels of income plus a small amount of capital growth. Returns from property trusts are generally lower than shares, but typically exhibit lower variance in price during market declines.

The recommended holding period for this fund is at least 4 to 6 years.

Fund facts

Portfolio manager: Conrad Burge

ARSN: 093 544 079

APIR code: FPS0007AU

Benchmark: ASX 200 Property Accumulation Index

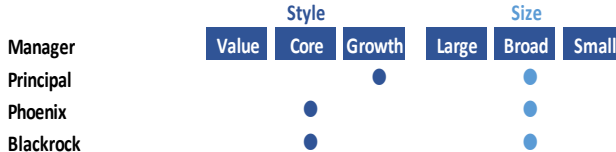
Current fund size: \$220 million (April 2023)

Management cost: 0.96%

Total management costs: 1.01%

Application/Exit fee: Nil

Inception Date: March 1997



Performance and Risk

After fee returns as at 30 April 2023

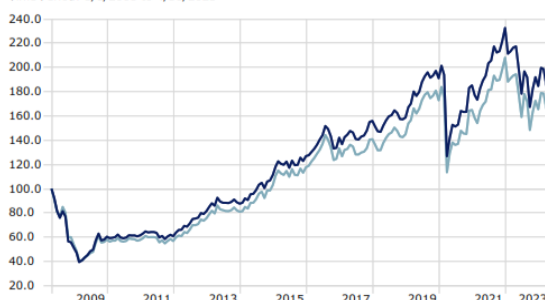
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	4.8%	-2.5%	6.7%	-10.5%	11.0%	5.0%	5.2%	7.7%
Index	5.3%	-2.1%	7.4%	-9.9%	10.7%	4.9%	4.5%	7.4%
Excess	-0.5%	-0.4%	-0.6%	-0.6%	0.3%	0.1%	0.7%	0.3%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	26.5%	29.3%	23.4%	18.2%
Benchmark (Std Dev %)	28.4%	30.6%	24.6%	19.5%
Beta	0.95	0.97	0.96	0.95
Tracking Error (% pa)	2.5%	2.6%	2.3%	2.2%

Investment Growth

Time Period: 5/1/2008 to 4/30/2023

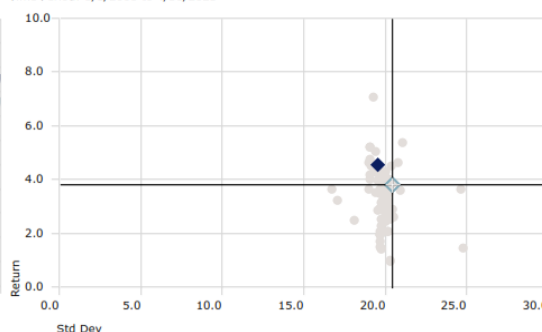


— Fiducian Property Securities

— S&P/ASX 200 A-REIT TR

Risk-Reward

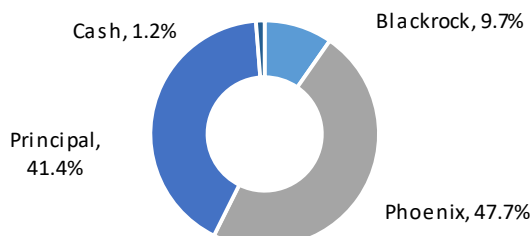
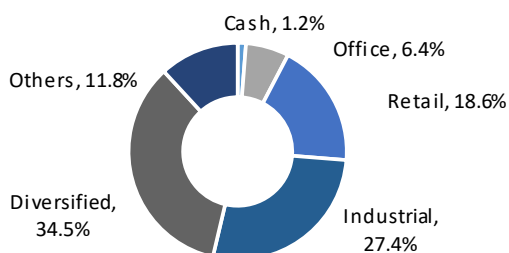
Time Period: 5/1/2008 to 4/30/2023



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Sector exposures and current manager weights



Market Commentary and Outlook

The global economy has continued to slow, with manufacturing output contracting in most major economies in recent months. However, measures of activity in April for service industries continue to expand. Headline inflation numbers were lower during the month due to a decline in energy prices, but core measures of inflation generally remain well above central bank target ranges.

The Reserve Bank of Australia (RBA) elected to hold interest rates steady in April following ten consecutive increases. However, this pause was short-lived, with the RBA, along with the US Federal Reserve and European Central Bank increasing rates in early May.

Global equity markets recorded gains for the month. In the absence of any material surprises in economic data, the focus was on quarterly profit results from large US companies, which were generally above expectations. The US market (S&P 500 index) gained 1.5% for the month, and the Australian market (ASX 200 index) was 1.8% higher. Listed property stocks rebounded (+5.3%), but some key commodity prices declined over the month.

Looking ahead, elevated geopolitical risks, alongside higher interest rates and slower economic growth this year, represent potential headwinds for markets. The International Monetary Fund (IMF) recently made a small downgrade to its economic forecasts, with global growth now expected to be 2.8% in 2023. The IMF expects growth rates to remain slightly below long-term trend levels for some time. In broad terms, share markets continue to appear more attractive than most other investment opportunities.

Fund Commentary

The Fiducian Property Securities Fund rose by 4.8% in April, which was below the listed property index return of 5.3%. Over the 12 months to the end of April, the Fund declined by 10.5%, compared to the index return of -9.9%.

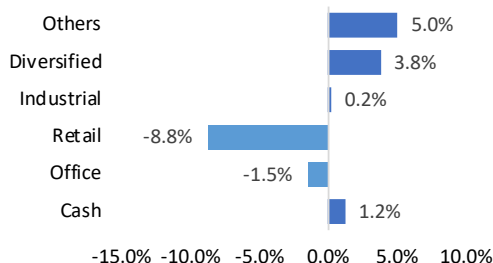
The listed property sector gained 5.3% in April which was above the broader market (ASX 200) return of 1.8%. During the month, stocks exposed to the residential sector once again outperformed as data indicated that declines in residential property prices had eased in recent times, and a pause in interest rate increases by the RBA also helped investor sentiment towards this sector.

Over the coming year, conditions in the Industrial property sector are expected to remain strong, and the outlook for Retail landlords also looks more positive. The outlook for residential developers has become more balanced, while the outlook for office occupancy remains uncertain. Higher interest rates remain a headwind for the sector, but property trust share prices appear to have already factored this in to a considerable degree, with prices well below net asset value in many cases.

Overall, the underlying sector exposures of the Fund are an overweight in the 'Other' category and an underweight to the Retail sector, with other sectors broadly in line with the index. The 'Other' category includes asset classes such as self storage facilities, data centers and residential development companies. This broad category has exhibited strong growth in recent years. The fund is underweight retail assets, reflecting the structural challenges as consumers continue to move their spending online.

Top stock holdings and sector tilts

Stock	Industry	Weight
Goodman Group	Industrial REITs	24.4%
Stockland	Diversified REITs	9.6%
Gpt Group	Diversified REITs	9.3%
Scentre Group	Retail REITs	9.0%
Mirvac Group	Diversified REITs	6.8%
Charter Hall Limited	Diversified REITs	5.6%
Dexus	Office REITs	4.5%
Vicinity Centres	Retail REITs	4.5%
Centuria Industrial	Industrial REITs	2.6%
Abacus Group	Diversified REITs	2.0%



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The information has been compiled from sources considered reliable, but is not guaranteed. Past performance is not indicative of future performance and we do not guarantee the performance of the Fund or any specific rate of return. Potential investors should also obtain and consider the relevant Target Market Determination (TMD) and Product Disclosure Statement (PDS) (available from your financial adviser and via fiducian.com.au) before making a decision about whether to acquire or continue to hold any financial product.