

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 6 years.

Fund facts

Portfolio manager: Conrad Burge

ARSN: 093 544 079

APIR code: FPS0007AU

Benchmark: ASX 200 Property Accumulation Index

Current fund size: \$282 million (February 2025)

Management cost: 0.96%

Total management costs: 1.00%

Application/Exit fee: Nil

Inception Date: March 1997

Manager	Style			Size		
	Value	Core	Growth	Large	Broad	Small
Principal			●		●	
Phoenix	●				●	
Blackrock	●				●	

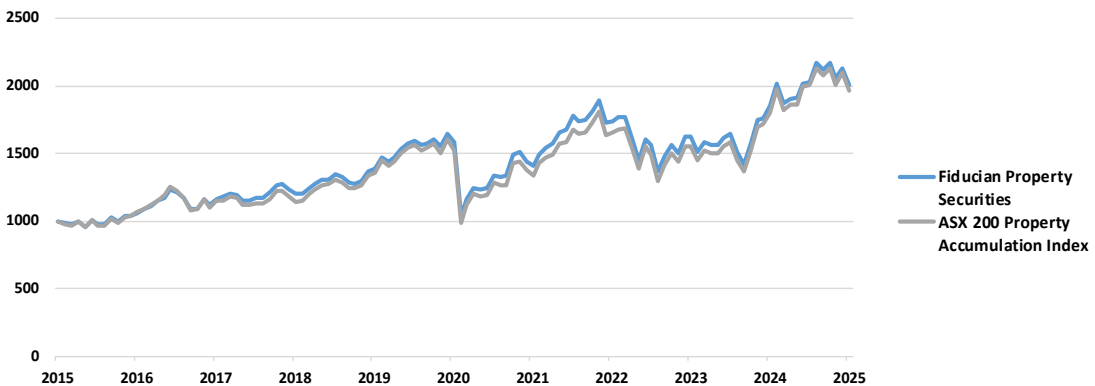
Performance and Risk

After fee returns as at 28 February 2025

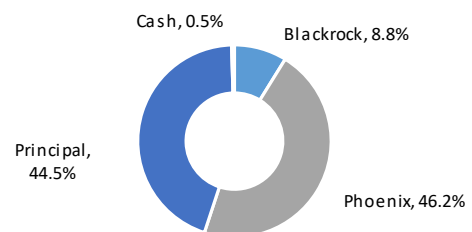
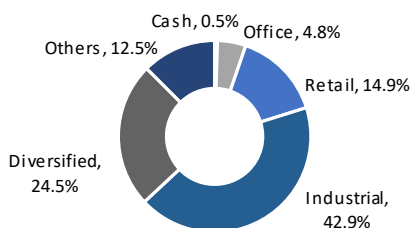
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	-6.0%	-7.7%	-1.4%	8.4%	4.9%	4.9%	7.6%	7.2%
Index	-6.4%	-7.9%	-1.9%	9.1%	5.8%	5.2%	8.0%	7.0%
Excess	0.4%	0.1%	0.5%	-0.7%	-0.9%	-0.3%	-0.4%	0.2%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	17.1%	21.3%	25.3%	19.4%
Benchmark (Std Dev %)	18.7%	22.9%	26.7%	20.6%
Beta	0.84	0.90	0.93	0.93
Tracking Error (% pa)	1.9%	2.1%	2.2%	2.1%



Sector exposures and current manager weights



Market Commentary and Outlook

The global economy has continued to sustain solid growth despite the persistence of tight monetary policy being implemented by most of the world's major central banks in an effort to push inflation lower and back into target ranges. The latest report from the International Monetary Fund (IMF) noted that while global disinflation continues, it remains elevated in a few cases. Nonetheless, interest rates have continued to trend downwards, with the US central bank and the European Central Bank both lowering rates in recent months, although rate cuts may be paused for a time given recent high inflation data.

While US President Donald Trump returned to government with policies aimed at stimulating economic growth and productivity, concerns over tariffs and a growth slowdown saw the broad US stock market (S&P 500 Accumulation Index) decrease 1.3% over the month while the Australian market (ASX 200 Accumulation Index) fell 3.8%. Domestic and global bonds recorded positive returns over the same period. Commodity prices were mixed, with gains in gold, copper and iron ore, but coal and oil prices declined.

For some time now, key global share markets have been 'pricing-in' a shift by central banks towards less restrictive monetary policy, which has led to strong returns for equity investors. However, geopolitical risks remain heightened and continue to represent potential headwinds. Despite this, the IMF is forecasting global economic growth to be 3.3% in both 2025 and 2026, which is close to its long-term trend rate. In broad terms, share markets continue to appear more attractive than most other investment opportunities.

Fund Commentary

The Fiducian Property Securities Fund declined 6.0% in February, which was above the index return of -6.4%. For the 12 months to the end of February, the Fund returned 8.4%.

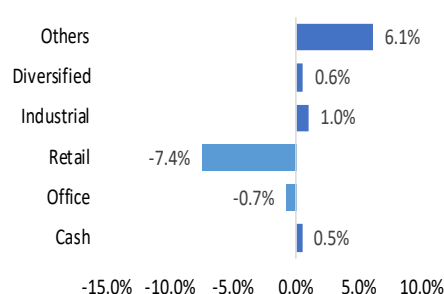
The listed property sector fell 6.4% in February, underperforming the decline in the broader market (ASX 200 Accumulation Index) of 3.8%.

Over the coming year, conditions in the Industrial property sector are expected to remain strong, while operating conditions for Retail landlords could continue to improve. The outlook for Residential Developers appears more balanced, while the outlook for Office valuations remains uncertain due to ongoing high vacancy rates. High interest rates remain a headwind for the sector, but listed property trust share prices continue to be attractive given ongoing discounts to net asset valuations across the sector.

Overall, the underlying sector exposures of the Fund are an overweight in the 'Others' category and an underweight to the Retail sector, with other sectors broadly in line with the index. The 'Others' 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.

Top stock holdings and sector tilts

Top Australian Stocks	Industry	Weight
Goodman Group	REITS - Warehouse/Industrial	39.4%
Stockland	REITS - Diversified	9.3%
Scentre Group	REITS - Shopping Centers	8.8%
Mirvac Group	REITS - Diversified	6.4%
GPT Group	REITS - Diversified	5.4%
Charter Hall Group	REITS - Diversified	4.1%
Vicinity Centers	REITS - Shopping Centers	3.0%
Dexus	REITS - Office Property	2.8%
Centuria Industrial	REITS - Warehouse/Industrial	2.0%
National Storage	REITS - Storage	1.9%



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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.