

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: \$299 million (May 2025)
Management cost: 0.96%
Total management costs: 1.00%
Application/Exit fee: Nil
Inception Date: March 1997

Manager
Principal
Phoenix
Blackrock

	Value	Core	Growth	Large	Broad	Small
Style						
Size						
		●	●		●	
		●			●	
		●			●	

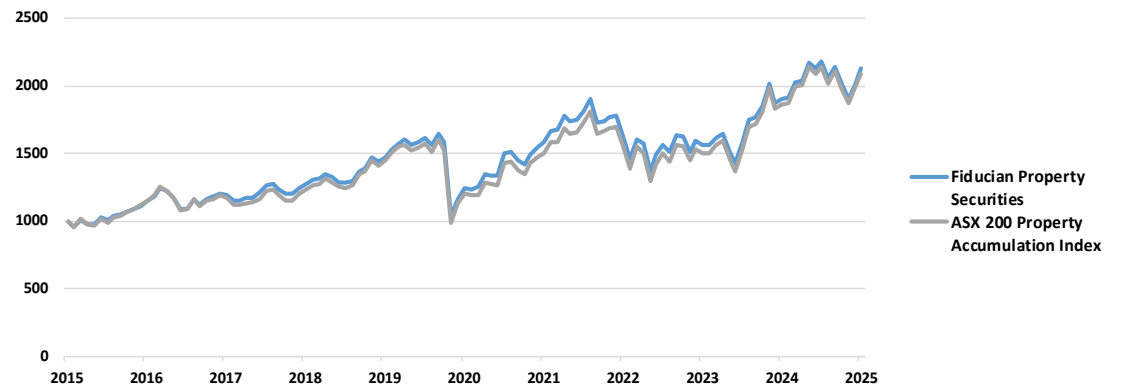
Performance and Risk

After fee returns as at 31 May 2025

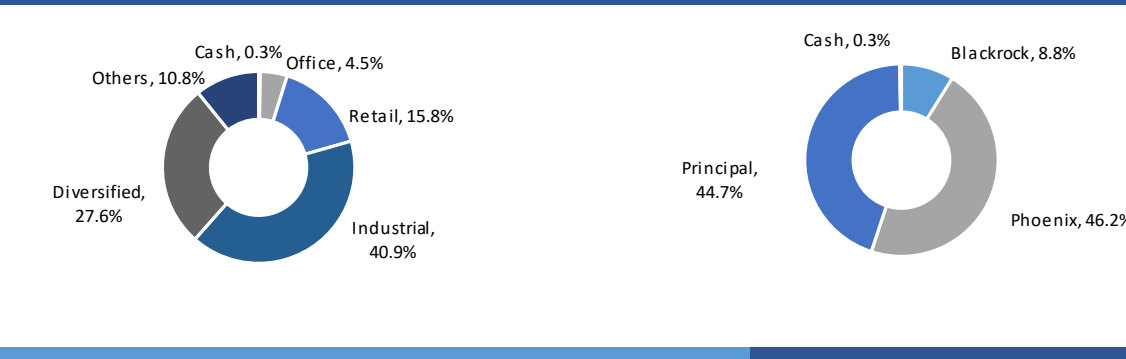
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	5.3%	6.0%	-2.3%	11.6%	9.5%	11.3%	7.6%	7.8%
Index	5.0%	6.2%	-2.1%	12.4%	10.6%	11.7%	7.8%	7.7%
Excess	0.2%	-0.3%	-0.1%	-0.7%	-1.1%	-0.4%	-0.2%	0.2%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	15.7%	21.3%	19.3%	19.6%
Benchmark (Std Dev %)	16.6%	22.8%	20.7%	20.8%
Beta	0.86	0.91	0.92	0.93
Tracking Error (% pa)	1.8%	2.1%	2.0%	2.1%



Sector exposures and current manager weights



Market Commentary and Outlook

The global economy is expected to slow marginally this year, according to the latest forecast provided by the International Monetary Fund (IMF). This year, global growth is forecast at 2.8% and 3.0% in 2026, which is below the IMF's previous forecast of 3.3% each year (around the long-term trend rate). In the IMF's words, this lowering of its growth forecasts is due to 'the swift escalation of trade tensions and extremely high levels of policy uncertainty', after 'a series of new tariff measures by the US and countermeasures by its trading partners'. The IMF adds that 'while the situation remains fluid, risks remain firmly tilted to the downside', although 'if countries de-escalate from their current tariff stance, the outlook could immediately brighten'.

Uncertainty surrounding US trade policies has caused market volatility in recent weeks, but the broad US stock market (S&P 500 Accumulation Index) rebounded by 6.3% over the month. The Australian market (ASX 200 Accumulation Index) rose 4.2% over the same period, benefiting from a de-escalation of trade conflict and a view that domestic interest rates are likely to be lowered. The Australian dollar gained 0.5% relative to the US dollar. Most commodity prices rose, with Thermal Coal (+6.0%) the standout.

Until recently, key global share markets had been 'pricing-in' a shift by central banks towards less restrictive monetary policy, which led to strong returns for equity investors. However, equity markets fell heavily in the lead up to and after the announcement in early April that the US would be implementing hefty tariffs on most imports. Share markets are likely to be volatile in this environment but could rebound as and when an improved balance in international trade relations can be achieved.

Fund Commentary

The Fiducian Property Securities Fund gained 5.3% May, which was above the index return of 5.0%. For the 12 months to the end of May, the Fund returned 7.7%.

The listed property sector gained 5.0% in May, outperforming growth in the broader market (ASX 200 Accumulation Index) of 4.2%.

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. Falling interest rates could assist the sector, while 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	39.6%
Stockland	REITS - Diversified	9.4%
Scentre Group	REITS - Shopping Centers	9.1%
Mirvac Group	REITS - Diversified	7.0%
GPT Group	REITS - Diversified	5.6%
Charter Hall Group	REITS - Diversified	4.8%
Vicinity Centers	REITS - Shopping Centers	3.2%
Dexus	REITS - Office Property	2.3%
National Storage	REITS - Storage	2.0%
Qualitas Ltd	Real Estate Management/Services	1.4%

