

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: \$210 million (March 2023)

Management cost: 0.96%

Total management costs: 1.01%

Application/Exit fee: Nil

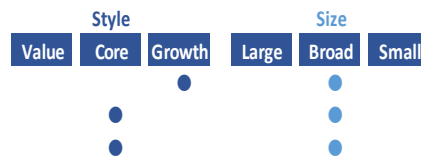
Inception Date: March 1997

Manager

Principal

Phoenix

Blackrock



Performance and Risk

After fee returns as at 31 March 2023

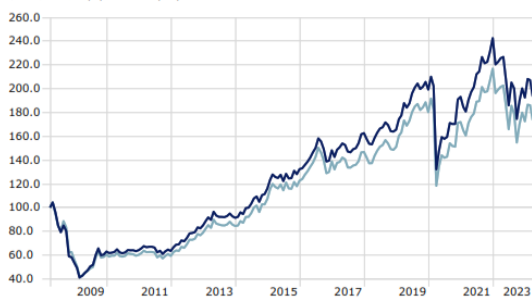
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	-6.7%	0.5%	10.8%	-14.1%	13.4%	4.8%	4.8%	8.0%
Index	-6.8%	0.5%	12.1%	-13.9%	13.6%	4.8%	4.1%	7.7%
Excess	0.1%	0.0%	-1.3%	-0.2%	-0.2%	0.0%	0.7%	0.3%

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: 4/1/2008 to 3/31/2023

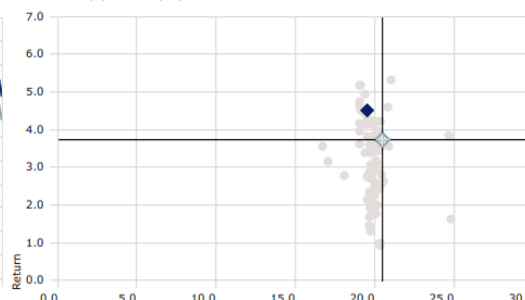


— Fiducian Property Securities

— S&P/ASX 200 A-REIT TR

Risk-Reward

Time Period: 4/1/2008 to 3/31/2023

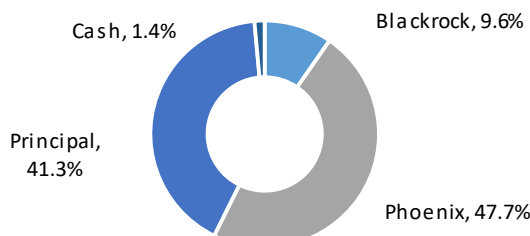
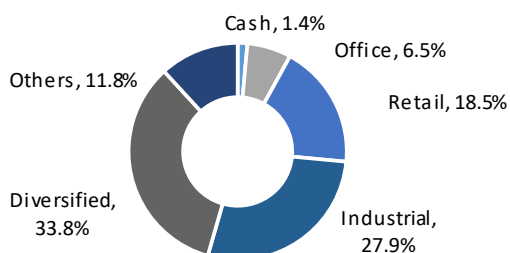


• Std Dev

• Fiducian Property Securities

◆ S&P/ASX 200 A-REIT TR

Sector exposures and current manager weights



Market Commentary and Outlook

The trend of slowing global growth has continued in recent months due to a tightening of monetary policy by key central banks in response to an acceleration last year in the rate of inflation. In some regions, inflation now appears to be moderating. However, the persistent strength in employment conditions and to a lesser extent retail sales has created uncertainty regarding the amount of monetary tightening that will be necessary to bring inflation back towards target ranges.

Global financial markets experienced a turbulent month in March. The failure of some regional US banks, as well as the Swiss Government mandated takeover of Credit Suisse by larger rival UBS initially sent markets lower. However, over the rest of the month, due to a lack of further bank failures, most markets enjoyed a broad recovery. The US market (S&P 500 index) gained 3.5% for the month, while the Australian market (ASX 200 index) was down by 0.2%. A shift towards assets that are perceived as being safer resulted in gains for bonds, gold, and large cap equities.

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 declined by 6.7% in March, which was slightly ahead of the listed property index return of -6.8%. Over the 12 months to the end of March, the Fund declined by -14.1%, compared to the index return of -13.9%.

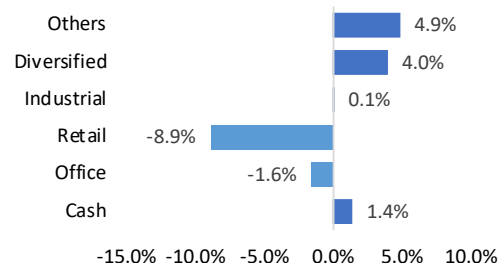
The listed property sector declined by 6.8% in March which was well below the broader market (ASX 200) return of -0.2%. During the month, stocks exposed to the residential sector mostly outperformed as data indicated that declines in residential property prices had eased in recent times. Stocks with exposure to the office sector underperformed amid continued concerns regarding elevated vacancy rates.

Over the coming year, conditions in the Industrial sector are expected to remain strong, and the outlook for Retail landlords also looks positive. However, residential developers could face challenges in a rising interest rate environment, 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	24.9%
Gpt Group	Diversified REITs	9.3%
Stockland	Diversified REITs	9.2%
Scentre Group	Retail REITs	9.2%
Mirvac Group	Diversified REITs	6.2%
Charter Hall Limited	Diversified REITs	5.8%
Dexus	Office REITs	4.5%
Vicinity Centres	Retail REITs	4.4%
Centuria Industrial	Industrial REITs	2.7%
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.