



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: \$234 million (August 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 August 2023

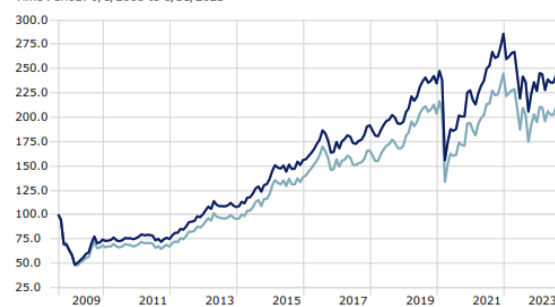
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	2.0%	5.5%	1.5%	5.2%	7.1%	4.2%	4.4%	8.6%
Index	2.3%	6.1%	2.3%	6.3%	7.3%	4.0%	3.8%	8.4%
Excess	-0.2%	-0.7%	-0.9%	-1.1%	-0.2%	0.2%	0.6%	0.2%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	20.7%	19.2%	23.4%	18.1%
Benchmark (Std Dev %)	22.1%	20.7%	24.7%	19.4%
Beta	0.85	0.90	0.93	0.92
Tracking Error (% pa)	2.8%	2.5%	2.4%	2.2%

Investment Growth

Time Period: 9/1/2008 to 8/31/2023

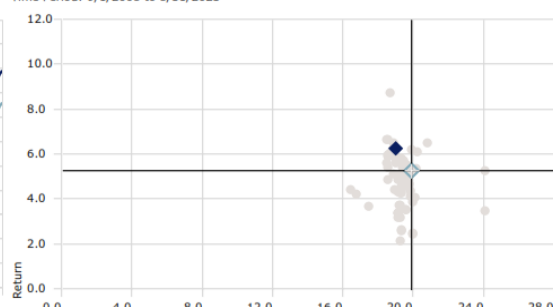


— Fiducian Property Securities

— S&P/ASX 200 A-REIT TR

Risk-Reward

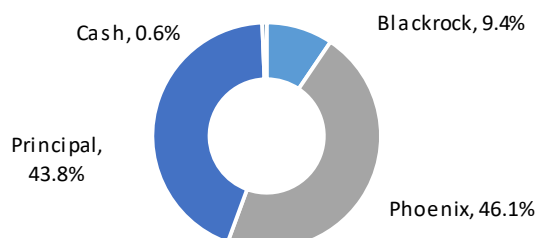
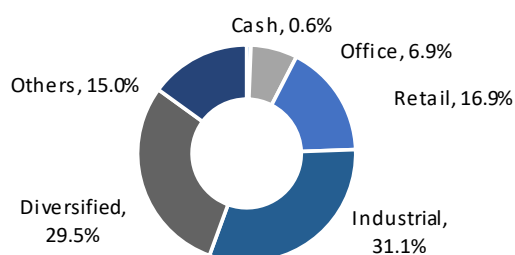
Time Period: 9/1/2008 to 8/31/2023



• Fiducian Property Securities

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Sector exposures and current manager weights



Market Commentary and Outlook

Economic data across most developed countries continues to highlight sluggish growth at best in response to tight monetary policy being implemented in most jurisdictions. However, higher interest rates have been steadily pushing inflation lower, while unemployment rates have begun to rise modestly.

Overall, this combination of news was modestly negative for most asset class returns in August. The broad US market (S&P 500 index) declined by 1.7%, and the Australian stock market (ASX 200 index) declined by 0.7%. Australian listed property sector recorded gains during the month (+2.3%), and bulk commodity prices, including coal and iron ore, were also higher. The Australian dollar was weaker during the month, declining by 3.6% against the US dollar.

Looking ahead, geopolitical risks, alongside elevated interest rates and slower economic growth this year, represent potential headwinds for markets. The International Monetary Fund (IMF) is forecasting global growth to be 3.0% in both 2023 and 2024. The IMF expects growth rates to remain slightly below long-term trend levels for some time. However, in broad terms, share markets continue to appear more attractive than most other investment opportunities.

Fund Commentary

The Fiducian Property Securities Fund rose by 2.0% in August, which was below the listed property index return of 2.3%. Over the 12 months to the end of July, the Fund gained 5.2% compared to the index return of 6.3%.

The listed property sector gained 2.3% in August, which was well above the broader market (ASX 200) return of -0.7%.

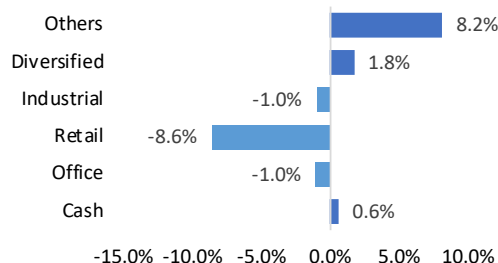
The majority of listed companies have recently conducted portfolio revaluations as a part of their annual reporting disclosures. So far, this has resulted in only modest declines in reported net asset values. The market itself appears to have factored in significant declines in underlying property values.

Over the coming year, conditions in the Industrial property sector are expected to remain strong, and the operating conditions for Retail landlords have also improved. 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 remaining 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.

Top stock holdings and sector tilts

Stock	Industry	Weight
Goodman Group	Industrial REITs	28.3%
Stockland	Diversified REITs	9.2%
Scentre Group	Retail REITs	8.6%
Gpt Group	Diversified REITs	7.4%
Mirvac Group	Diversified REITs	6.5%
Charter Hall Limited	Diversified REITs	5.1%
Dexus	Office REITs	4.2%
Vicinity Centres	Retail REITs	3.0%
Centuria Industrial	Industrial REITs	2.5%
National Storage	Specialized REITs	2.4%



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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.