

Fiducian Property Securities Fund

Listed Property Securities



FIDUCIAN
INTEGRITY • TRUST • EXPERTISE

Monthly Report - November 2018

Fund Description

The Fund invests in a diversified group of specialist property managers. These fund managers invest in property trusts and other property securities (where underlying assets are properties or property related businesses) predominantly listed on the Australian Stock Exchange. Property investments are capable of providing attractive levels of income with a small amount of growth in the value of capital invested. Listed property trusts have generally been found to deliver returns that are on average below the returns from shares, but which also tend to exhibit lower variance in price during share market declines.

Property sectors include commercial, retail, tourism and residential property. Companies include property investment, development, contracting, tourism and leisure activities.

It is recommended that investors in this Fund should plan to hold their investments for at least four to six years. Investment in this sector can be volatile over the short-term.

Fund Classification Core/Diversified **Sector** Specialist/Satellite

Manager Commentary

The S&P/ASX 200 A-REIT Accumulation Index and the S&P/ASX 300 A-REIT Accumulation Index both moved marginally lower over November, losing 0.4% and 0.3% respectively but outperforming the broader equity market, with the S&P ASX 300 Accumulation Index losing 2.2%.

November brought Annual General Meeting season, with the majority of property companies hosting meetings. Scant new information was revealed at the AGM's with most companies simply re-affirming the guidance they provided at their full year result presentations in August.

The Fund marginally under-performed the index in November, with both active managers under-performing the benchmark. Over the rolling year, the Fund also under-performed the index, rising 1.0% against an index return of 1.4%. Despite the property sector losing some tailwinds that have been supportive in recent times, including falling bond yields and a strong residential property market, the sector has demonstrated strong earnings certainty, an attractive element for many investors. August's reporting season confirmed this, with minimal changes to forward expectations. However, the prospect of higher global growth, and potentially higher interest rates, could cause interest rate sensitive sectors such as property to potentially under-perform for a time.

Fund Performance and Risk Analytics Summary



Fiducian Property Securities Fund

Current Period Return (net of fees as at 30 November 2018)

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	-0.6%	-4.8%	0.2%	1.0%	8.4%	12.0%	14.1%	10.7%
Index	-0.4%	-5.2%	0.4%	1.4%	8.0%	11.6%	13.6%	9.0%
Excess	-0.1%	0.4%	-0.2%	-0.4%	0.4%	0.3%	0.6%	1.7%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	8.6%	10.4%	10.6%	16.2%
Benchmark (Std Dev %)	9.7%	11.8%	12.1%	16.9%
Beta	0.9	0.91	0.91	0.99
Tracking Error (% pa)	1.7%	2.1%	2.2%	2.6%

Calendar Year Return (net of fees)

	2010	2011	2012	2013	2014	2015	2016	2017
Fund	1.2%	-1.1%	34.5%	7.4%	26.7%	14.4%	12.0%	9.4%
Index	-0.4%	-1.5%	33.0%	7.1%	27.0%	14.3%	13.2%	5.7%
Excess	1.6%	0.4%	1.5%	0.3%	-0.4%	0.1%	-1.1%	3.7%

Note: Figures are annualised over 1 year.

Fund Facts

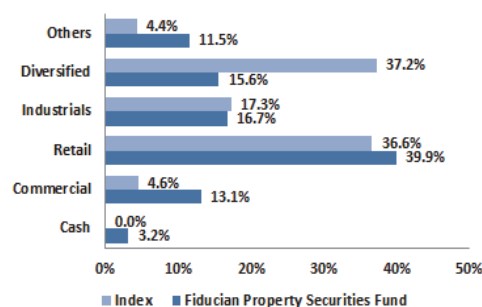
Portfolio Manager: Conrad Burge
Asset Sector: Listed Property Securities
Asset Code: PS1
ARSN: 093 544 079
APIR Code: FPS0007AU
Benchmark: S&P/ASX 200 Property
Inception Date: March 1997
Fund Size: \$121.8 million as at 30 November 2018
Application/Exit Fee: Nil
Management Cost: 0.96%
Total Management Cost: 1.03%

(Management Costs includes the base fee charged by the RE for managing your fund. Total Management Costs includes management costs, performance fees payable to underlying managers only for outperformance, margins on cash account monies and out of pocket costs.)

Style Tilts

Managers	Style	No. of Stocks	Weight
BlackRock Investment Management	Index	N/A	13%
Principal Global Investors	GARP	21	29%
Phoenix Capital	Sector Neutral	49	55%
Cash			3%

Sector Weights



Top Holdings

Stocks	Weight
SCENTRE GROUP	17.2%
GOODMAN GROUP	10.9%
GPT GROUP	8.1%
VICINITY CENTRES	7.6%
UNIBAIL-RODAMCO-WTFIELD-CDI	7.1%
DEXUS	6.8%
MIRVAC GROUP	6.1%
CHARTER HALL LIMITED	5.8%
STOCKLAND	4.8%
PROPERTYLINK GROUP	1.6%
CROMWELL PROPERTY GROUP	1.3%
APN PROPERTY GROUP LIMITED	1.2%
ATLAS ARTERIA LTD	1.2%
INVESTA OFFICE FUND	1.2%
ARENA REIT	1.2%
Total	81.9%

Fiducian Investment Management Services Limited

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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.