

### 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:** \$309 million (September 2024)

**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	●				●	

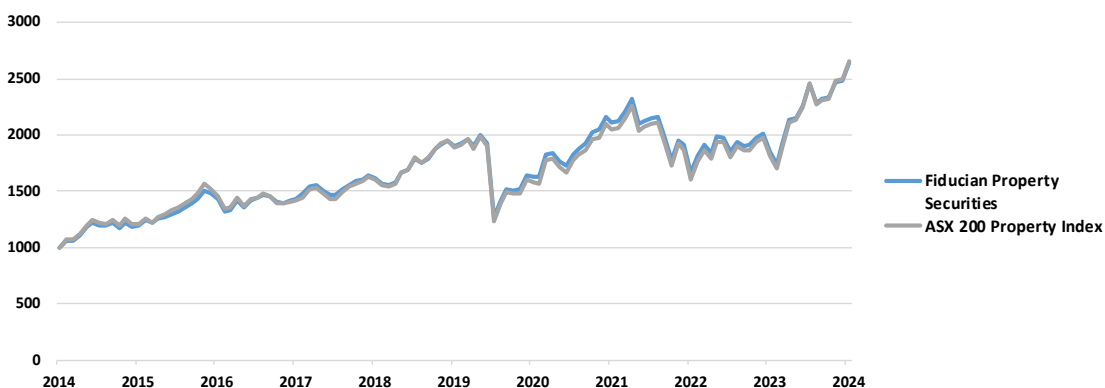
### Performance and Risk

After fee returns as at 30 September 2024

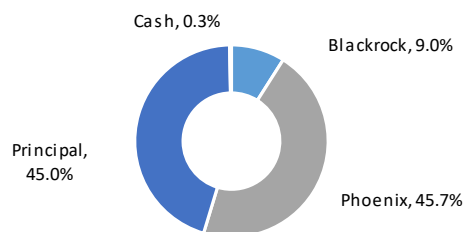
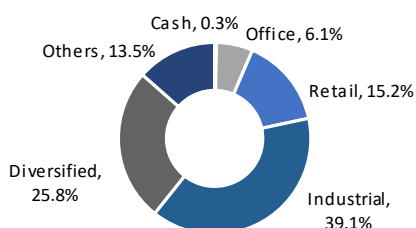
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Fund	6.6%	13.5%	7.5%	43.4%	7.7%	6.8%	9.1%	10.2%
Index	6.6%	14.5%	8.0%	47.0%	9.1%	7.0%	9.4%	10.3%
Excess	0.0%	-0.9%	-0.5%	-3.6%	-1.4%	-0.3%	-0.3%	-0.1%

#### Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	19.5%	21.5%	25.1%	19.3%
Benchmark (Std Dev %)	20.5%	22.9%	26.5%	20.6%
Beta	0.87	0.91	0.93	0.93
Tracking Error (% pa)	1.4%	2.0%	2.3%	2.1%



### Sector exposures and current manager weights



### Market Commentary and Outlook

In an environment of tight monetary policy, markets have been assessing whether ‘soft landings’ can be achieved or whether recessions could occur in some economies. Early in August, weak employment data pointed to a potentially severe slowdown in the US. However, later in the month comments from Jerome Powell, chairman of the US central bank (the ‘Fed’) indicating that ‘the time has come for policy to adjust’, signalled the imminent start of interest rate easing.

On the back of this news, the broad US stock market (S&P 500 Index) gained 2.3%. The Australian market (ASX 200 Accumulation index) increased by 0.5%. European markets also experienced growth in August. Australian and global bonds recorded positive returns during the month, while commodity prices, including copper, gold and aluminium, rose. The Australian dollar rose by 3.4% relative to the US dollar.

Looking ahead, monetary policy could begin to become less restrictive over coming months if inflation rates continue to decline, which could help to sustain markets. However, geopolitical risks continue to represent potential headwinds. Despite this, the IMF is forecasting global growth to be 3.2% in 2024 and 3.3% in 2025, 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 gained 6.6% in September, which was in line with the index return of 6.6%. For the 12 months to the end of September, the Fund returned 43.4%.

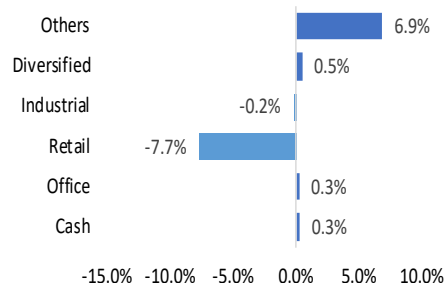
The listed property sector gained 6.6%, outperforming the broader market (ASX 200 Accumulation index) return of 3.0%. The property sector was higher during the month as the RBA held rates unchanged and inflation data released during September was in line with market expectations, reducing the likelihood of further interest rate increases this cycle.

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 appear to have already factored in future rate cuts to a considerable degree, with discounts to net asset valuations in the listed sector keeping valuations for the sector at attractive levels.

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

Top Australian Stocks	Industry	Weight
Goodman Group	REITS - Warehouse/Industrial	37.1%
Stockland	REITS - Diversified	8.7%
Scentre Group	REITS - Shopping Centers	8.5%
GPT Group	REITS - Diversified	6.1%
Mirvac Group	REITS - Diversified	5.7%
Charter Hall Group	REITS - Diversified	4.2%
Dexus	REITS - Office Property	3.8%
Vicinity Centers	REITS - Shopping Centers	2.7%
National Storage	REITS - Storage	2.2%
Centuria Industrial	REITS - Warehouse/Industrial	2.0%



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