

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: \$272 million (June 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		●			●	

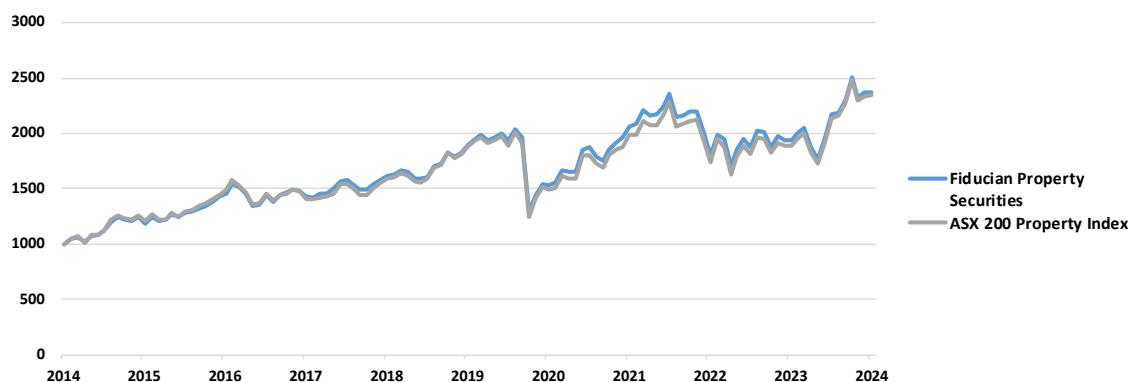
Performance and Risk

After fee returns as at 30 June 2024

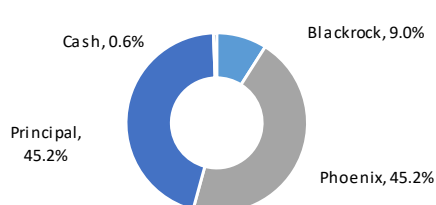
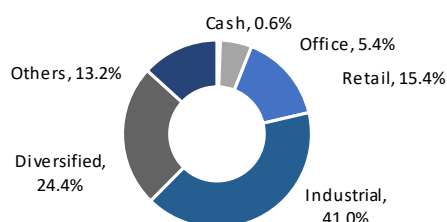
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Fund	0.3%	-5.3%	9.5%	22.2%	4.8%	4.5%	7.5%	9.0%
Index	0.4%	-5.6%	10.2%	24.6%	5.7%	4.4%	7.6%	8.9%
Excess	0.0%	0.3%	-0.7%	-2.5%	-1.0%	0.1%	-0.1%	0.1%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	21.5%	21.3%	24.9%	19.2%
Benchmark (Std Dev %)	22.7%	22.7%	26.3%	20.6%
Beta	0.87	0.91	0.93	0.93
Tracking Error (% pa)	1.4%	2.0%	2.3%	2.2%



Sector exposures and current manager weights



Market Commentary and Outlook

The global economy has continued to expand at a moderate pace, although growth in some of the advanced economies remains weak. Inflation data continues to point to a moderation in pricing pressures, although at a slightly slower rate than had been expected. This has delayed the implementation of interest rate cuts by most central banks.

Overall, the combination of slower growth and moderating inflation has increased market expectations that major economies can achieve a 'soft landing' and avoid a recession. Over the months, the broad US market (S&P 500 index) gained 4.8%, and the Australian market (ASX 200 index) rose by 0.9%. Political uncertainty due to elections in France and the UK resulted in weakness in most European stock markets. Bond returns were slightly positive, while some key commodity prices declined.

Looking ahead, monetary policy could begin to become less restrictive towards the end of this year if inflation rates continue to decline, which could help to sustain markets. However, geopolitical risks represent potential headwinds. Despite this, the IMF is now forecasting global growth to be 3.2% in 2024 and 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 0.3% in June, which was in line with the index return of 0.4%. For the 12 months to the end of June, the Fund returned 22.2%.

The listed property sector gained 0.4%, which was slightly below the broader market (ASX 200 index) return of 1.0%.

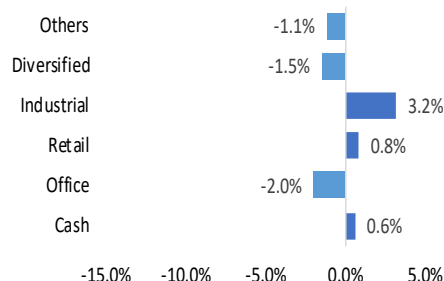
Most stocks in the property sector were lower during the month. However, a strong performance from index heavyweight Goodman Group lifted overall returns.

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 occupancy remains uncertain due to ongoing high vacancy rates. High interest rates remain a headwind for the sector, but property trust share prices appear to have already factored this in to a considerable degree and valuations for the listed sector appear relatively attractive.

Overall, the underlying sector exposures of the Fund are an overweight in the Industrial sector and an underweight to the Office sector, with other sectors broadly in line with the index.

Top stock holdings and sector tilts

Top Australian Stocks	Industry	Weight
Goodman Group	REITS - Warehouse/Industrial	38.9%
Scentre Group	REITS - Shopping Centers	8.3%
Stockland	REITS - Diversified	7.9%
GPT Group	REITS - Diversified	5.6%
Mirvac Group	REITS - Diversified	5.2%
Charter Hall Group	REITS - Diversified	4.7%
Dexus	REITS - Office Property	3.0%
Vicinity Centers	REITS - Shopping Centers	2.6%
National Storage	REITS - Storage	2.2%
Centuria Industrial	REITS - Warehouse/Industrial	2.1%



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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.