

### 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:** \$288 million (March 2024)

**Management cost:** 0.96%

**Total management costs:** 1.01%

**Application/Exit fee:** Nil

**Inception Date:** March 1997

Manager	Style			Size		
	Value	Core	Growth	Large	Broad	Small
Principal			●		●	
Phoenix		●			●	
Blackrock		●			●	

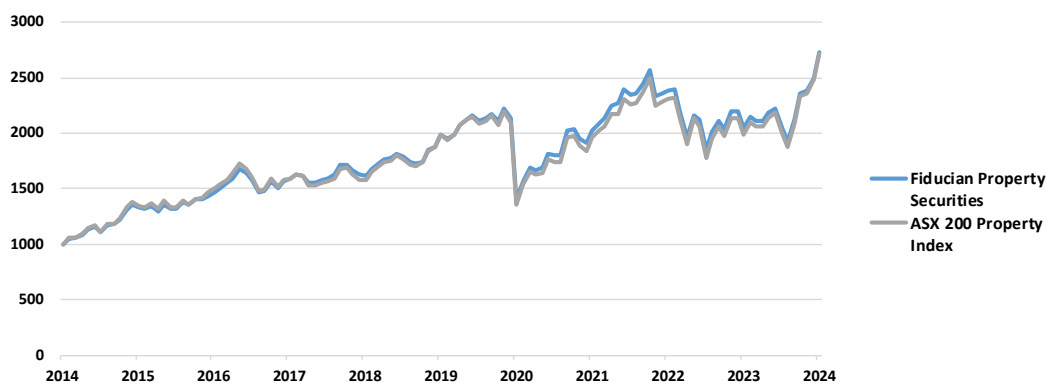
### Performance and Risk

After fee returns as at 31 March 2024

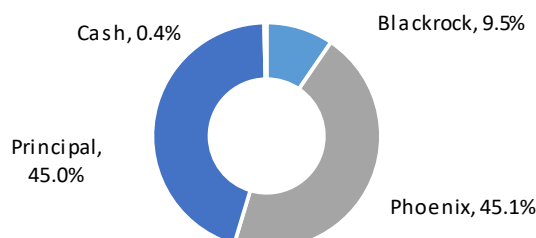
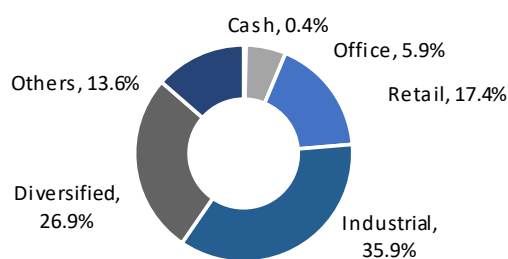
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	9.0%	15.6%	33.4%	33.3%	10.6%	6.6%	8.0%	10.5%
Index	9.7%	16.8%	36.1%	36.6%	11.4%	6.4%	8.0%	10.5%
Excess	-0.7%	-1.1%	-2.7%	-3.3%	-0.9%	0.1%	0.0%	0.0%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	19.9%	21.0%	24.8%	19.1%
Benchmark (Std Dev %)	20.9%	22.3%	26.1%	20.4%
Beta	0.87	0.91	0.93	0.92
Tracking Error (% pa)	1.2%	2.0%	2.3%	2.2%



### Sector exposures and current manager weights



### Market Commentary and Outlook

The global economy has held steady in recent months, although growth in some of the advanced economies, particularly in Europe and Japan, remains weak. However, inflation has continued to decline, and in the words of the International Monetary Fund (IMF April report) most indicators point to a 'soft landing', although interest rates are likely to stay 'higher for longer' than previously anticipated.

Global equity markets had another positive month in March. In the US, the broad market (S&P 500 index) rose by 3.1%, and the Australian stock market (ASX 200 index) gained 3.3%. Other global markets, including Japan, the UK and Germany also recorded gains of between 3% and 4%. Bond returns were positive for the month, whilst commodity price performance was mixed.

Looking ahead, monetary policy could begin to become less restrictive before the end of this year, 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, which is close to the long-term trend rate for growth. In broad terms, share markets continue to appear more attractive than most other investment opportunities.

### Fund Commentary

The Fiducian Property Securities Fund gained 9.0% in March, which was below the listed property index return of 9.7%. Over the 12 months to the end of March, the Fund rose by 33.3%.

The listed property sector rose by 9.7% in March, which was above the broader market (ASX 200) return of 3.3%.

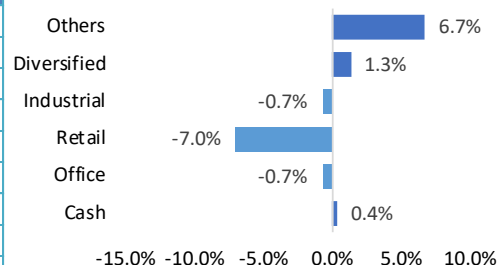
The majority of listed companies have recently conducted portfolio revaluations as a part of their reporting disclosures. So far, this has resulted in only modest declines in reported net asset values. In contrast, the listed market appears to have priced-in significant declines in property values, offering large discounts to unlisted property valuations, even after the strong performance of the listed sector in recent months.

Over the coming year, conditions in the Industrial property sector are expected to remain strong, while the operating conditions for Retail landlords have continued 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 '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	REITS - Warehouse/Industrial	35.0%
Scentre Group	REITS - Shopping Centers	9.3%
Stockland	REITS - Diversified	9.0%
Gpt Group	REITS - Diversified	6.4%
Charter Hall Limited	REITS - Diversified	5.2%
Mirvac Group	REITS - Diversified	5.0%
Dexus	REITS - Office Property	3.5%
Vicinity Centres	REITS - Shopping Centers	2.8%
Centuria Industrial	REITS - Warehouse/Industrial	2.3%
National Storage	REITS - Storage	2.2%



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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](http://fiducian.com.au)) before making a decision about whether to acquire or continue to hold any financial product.