

Realindex Australian Shares MPS Fund

Manager Profile

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Manager Overview

First Sentier Investors Realindex Pty Limited 'Realindex' is the investment manager of the Realindex Australian Shares MPS Fund (the Fund). Established in 2008, Realindex is an investment management subsidiary of First Sentier Investors 'FSI'. It is focussed on partnering with clients to seek to provide systematic equity solutions utilising intelligent implementation, smart beta and active quantitative capabilities. Sydney-based, Realindex has a dedicated team of 14 specialists responsible for research, portfolio construction and portfolio management. It also aims to leverage the significant resources of its parent company FSI, one of Australia's largest fund managers. Realindex currently has A\$29.3b in assets under management.¹

Investment Philosophy and Style

Realindex believes that markets are not perfectly efficient and that there may be mispricing of companies relative to unknown fair values. As a result of this mispricing, Realindex believes there are a small number of exploitable systematic factors that it may capitalise on to deliver what it believes are excess returns over a long-term investment horizon.

These factors include:

- Value (cheap stocks may outperform expensive stocks)
- Momentum (stocks with strong price momentum may outperform stocks with low price momentum)
- Quality (low quality stocks may underperform)

Investment Process

Pursuant to the Fund's investment strategy, Realindex selects and weights companies listed on the ASX by accounting metrics, such as sales, cash flow, book value and dividends to create a portfolio that it believes may be further enhanced by applying additional screens such as quality and near-term value

Realindex believes that the Fund may be lower cost and have a lower turnover of investment compared to similar Australian share funds managed by traditional active managers, and aims to have a value tilt relative to the market cap index (S&P ASX 200). By selecting and weighting stocks based on accounting measures, quality and near term value, the approach is intended to overcome the limitations of traditional market capitalisation weighted indices (which may be overweight in overpriced stocks and underweight in under-priced stocks), with the aim of generating higher returns over the long term.



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WFSL is the responsible entity for the Realindex Australian Shares MPS Fund ARSN 625 870 126 ('Fund'). A Product Disclosure Statement or other disclosure document ('PDS') is available for the Fund and can be obtained by calling 1800 819 935 or by visiting bt.com.au/MPS. The Financial Services Guide ('FSG') for WFSL can also be obtained via the Product Disclosure Statement page on bt.com.au. Any retail client should obtain and consider the PDS for the Fund and the FSG before deciding whether to acquire, continue to hold or dispose of units in the Fund.

The Fund is only accessible through the CoreSeries Portfolios, a range of managed portfolio options available within BT Managed Portfolios ARSN 604 066 686 (BTMP). WFSL is the responsible entity and issuer of interests in BTMP. BTMP is available through Panorama Investments or Panorama Super. BT Portfolio Services Ltd ABN 73 095 055 208 AFSL 233715 (BTPS) operates Panorama Investments and administers Panorama Super. BT Funds Management Limited ABN 63 002 916 458 AFSL 233724 (BTFM) is the trustee and issuer of Panorama Super, which is part of Retirement Wrap ABN 39 827 542 991. Westpac Banking Corporation ABN 33 007 457 141 AFSL and Australian credit licence 233714 (Westpac) is the issuer of the BT Cash Management Account and the BT Cash Management Account Saver. Together, these products are referred to as the Panorama products. A PDS for the relevant Panorama products can be obtained by contacting BT on 1300 881 716. A retail investor should obtain and consider the relevant PDS before deciding whether to acquire, continue to hold or dispose of interests in the Panorama products. Conditions, fees and charges apply for the Panorama products and may change. The Panorama products are only available in Australia.

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WFSL has appointed First Sentier Investors Realindex Pty Limited ABN 24 133 312 017 AFSL No. 334381 as the investment manager ('Manager') for the Fund. The Manager has consented to the statements pertaining to it in this document, in the form and context in which they appear and has not withdrawn its consent as at the date this document was published.

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