

Fund description

The Fund invests in a diversified group of fixed interest assets. The Fund utilises the Fiducian “Manage the Manager” process, carefully selecting best of breed managers with different styles, sector and geographical exposures with the aim of achieving superior returns with reduced risk.

This Fund gives investors exposure to a range of fixed interest instruments, including Australian Bonds, International Bonds, Inflation Linked Bonds and Cash.

The Fund is intended to provide a secure return with a lower risk of capital loss relative to other investment categories. The return may be above cash when interest rates are falling, and below cash when interest rates are rising. The recommended holding period is at least 3 years.

Fund facts

Portfolio manager: Conrad Burge

ARSN: 106 681 707

APIR code: FDN5053AU

Benchmark: Fiducian Fixed Interest Composite

Current fund size: \$575 million (June 2025)

Management cost: 0.20%

Total management costs: 0.22%

Application/Exit fee: Nil

Inception Date: October 2003

Manager	Style		Sector	
	Active	Passive	Cash	FI
Challenger Inflation Linked	●			●
Challenger Aus Bond	●			●
iShares Aus Bond		●		●
iShares Global Bond		●		●
Perpetual Aus Bond	●			●
Cash		●	●	

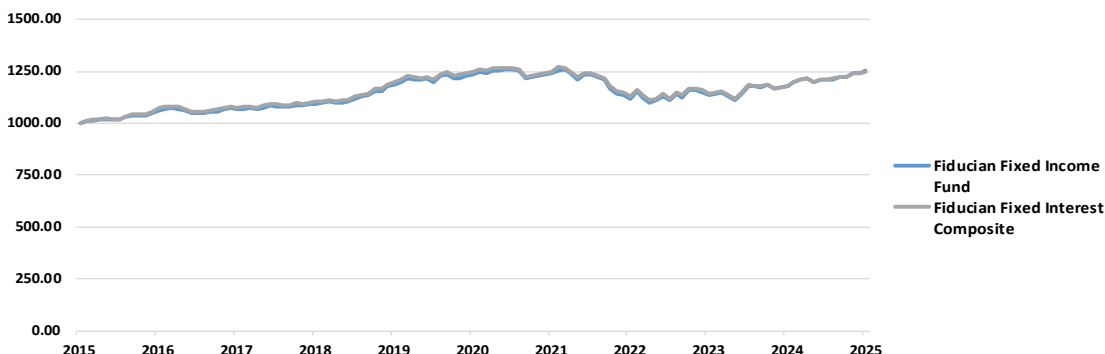
Performance and Risk

After fee returns as at 30 June 2025

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	0.8%	2.4%	3.4%	6.1%	3.9%	0.3%	1.9%	2.3%
Index	0.8%	2.2%	3.3%	5.9%	3.5%	0.0%	1.8%	2.3%
Excess	0.1%	0.2%	0.2%	0.2%	0.4%	0.3%	0.1%	0.0%

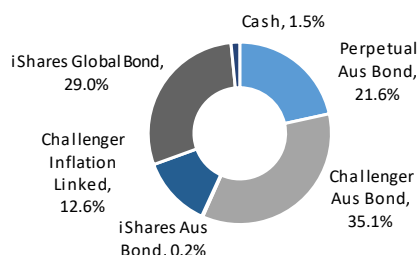
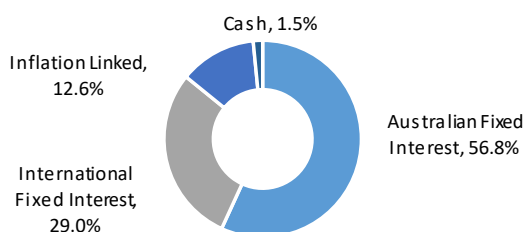
Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	3.1%	5.5%	5.3%	4.2%
Benchmark (Std Dev %)	3.0%	5.3%	5.1%	4.1%
Beta	0.96	1.01	1.02	1.02
Tracking Error (% pa)	0.2%	0.3%	0.6%	0.5%



Benchmark: Fiducian Fixed Interest Composite (60% Australian Fixed Interest, 28% International Fixed Interest, 12% Inflation-Linked Fixed Interest)

Sector exposures and current manager weights



Market Commentary and Outlook

The global economy is forecast to slow marginally this year, according to the latest estimates provided by the International Monetary Fund (IMF). Global growth is forecast to be 2.8% this year and 3.0% in 2026, which is below the IMF's previous forecast of 3.3% in each year (around the long-term trend rate). In the IMF's words, this lowering of its growth forecasts is due to 'the swift escalation of trade tensions and extremely high levels of policy uncertainty', after 'a series of new tariff measures by the US and countermeasures by its trading partners'. Trade negotiations have been ongoing for some time and as the IMF put it, 'if countries de-escalate from their current tariff stance, the outlook could immediately brighten'.

Despite heightened market volatility in recent months, the broad US stock market (S&P 500 Accumulation Index) has been on an uptrend since early April, gaining 5.1% in June alone. The Australian market (ASX 200 Accumulation Index) rose 1.4% over the same period, benefiting from a view that domestic interest rates are likely to be lowered. The Australian dollar gained 2.3% relative to the US dollar and most commodity prices rose, with Oil (+7.1%) and Thermal Coal (+6.4%) the strongest.

Key global share markets have been 'pricing-in' a shift by central banks towards less restrictive monetary policy. However, share markets are likely to remain volatile in the current environment, with a resolution of trade friction still some way off.

Fund Commentary

The Fund gained 0.8% in June, which was in line with the Fiducian Fixed Interest Composite Index return of 0.8% for the same period. For the 12 months to the end of June, the Fund rose by 6.1%, compared to the 5.9% growth by the index.

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. 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.