

### 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:** \$578 million (May 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		●	●	

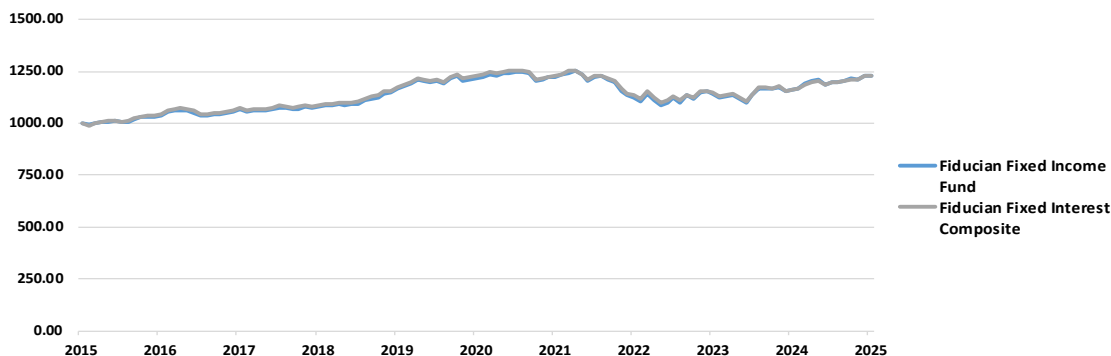
### Performance and Risk

After fee returns as at 31 May 2025

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	0.1%	1.3%	2.6%	6.0%	3.0%	0.2%	1.9%	2.1%
Index	0.1%	1.3%	2.5%	5.9%	2.7%	0.0%	1.7%	2.1%
Excess	0.0%	0.0%	0.1%	0.1%	0.3%	0.3%	0.1%	0.0%

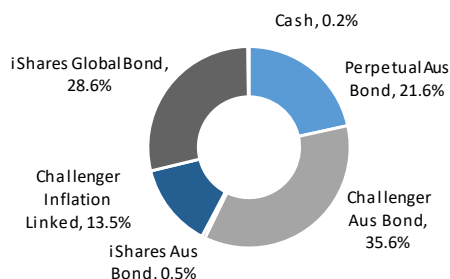
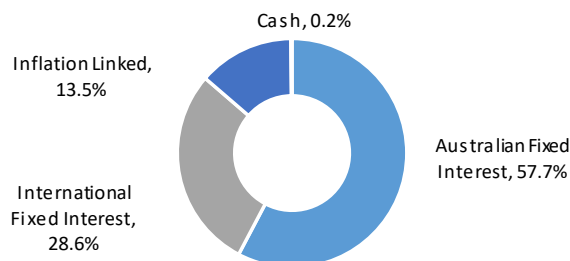
#### Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	3.1%	5.6%	5.3%	4.2%
Benchmark (Std Dev %)	3.0%	5.4%	5.1%	4.1%
Beta	0.96	1.02	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 expected to slow marginally this year, according to the latest forecast provided by the International Monetary Fund (IMF). This year, global growth is forecast at 2.8% and 3.0% in 2026, which is below the IMF's previous forecast of 3.3% 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'. The IMF adds that 'while the situation remains fluid, risks remain firmly tilted to the downside', although 'if countries de-escalate from their current tariff stance, the outlook could immediately brighten'.

Uncertainty surrounding US trade policies has caused market volatility in recent weeks, but the broad US stock market (S&P 500 Accumulation Index) rebounded by 6.3% over the month. The Australian market (ASX 200 Accumulation Index) rose 4.2% over the same period, benefiting from a de-escalation of trade conflict and a view that domestic interest rates are likely to be lowered. The Australian dollar gained 0.5% relative to the US dollar. Most commodity prices rose, with Thermal Coal (+6.0%) the standout.

Until recently, key global share markets had been 'pricing-in' a shift by central banks towards less restrictive monetary policy, which led to strong returns for equity investors. However, equity markets fell heavily in the lead up to and after the announcement in early April that the US would be implementing hefty tariffs on most imports. Share markets are likely to be volatile in this environment but could rebound as and when an improved balance in international trade relations can be achieved.

### Fund Commentary

The Fund gained 0.1% in May, which was in line with the Fiducian Fixed Interest Composite Index return of 0.1% for the same period. For the 12 months to the end of May, the Fund rose by 6.0%, compared to the 5.9% growth by the index.

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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.