

Fiducian Geared Australian Shares Fund



Monthly Report - May 2025

Fund description

The Fund invests in a diversified group of specialist Australian Share managers. The Fund utilises the Fiducian “Manage the Manager” process, carefully selecting best of breed managers with different styles with the aim of achieving superior returns with reduced risk.

In this Fund, the underlying managers can borrow against the investor’s assets in the fund to purchase additional shares and provide a leveraged exposure. This can amplify returns in rising markets, and magnify losses when markets decline.

Share investment can be volatile over the short term, especially when geared, and the recommended holding period is at least 9 years.

Fund facts

Portfolio manager: Conrad Burge

ARSN: 105 996 192

APIR code: FPS0011AU

Benchmark: ASX 200 Accumulation Index

Current fund size: \$21 million (May 2025)

Management cost: 1.12%

Total management costs: 1.35%

Application/Exit fee: Nil

Inception Date: October 2003

| Manager | Style | | | Size | | |
|----------------------------|-------|------|--------|-------|-------|-------|
| | Value | Core | Growth | Large | Broad | Small |
| First Sentier | | | ● | ● | | |
| Ausbil | ● | | | ● | | |
| Fiducian Australian Shares | ● | | | ● | | |

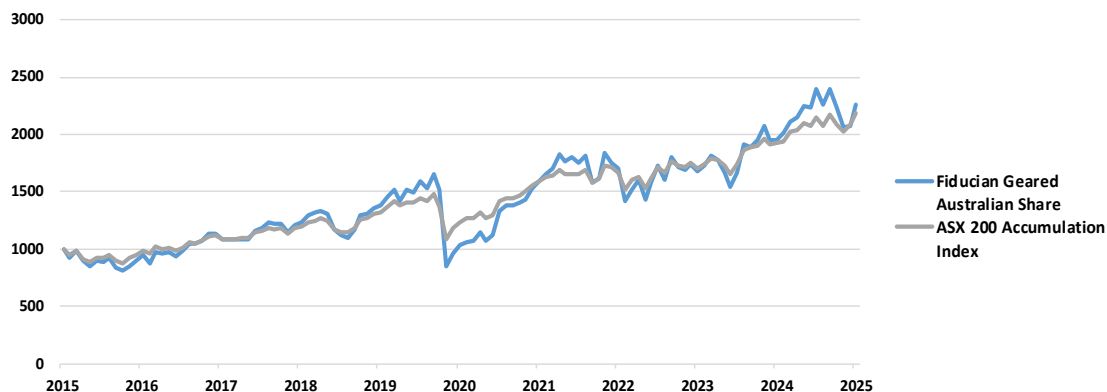
Performance and Risk

After fee returns as at 31 May 2025

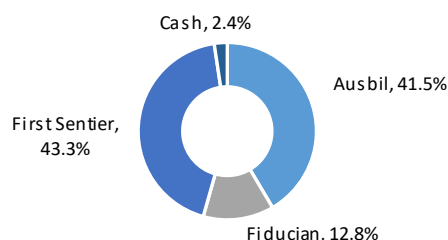
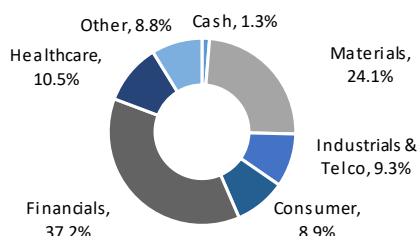
| | 1 Mth | 3 Mth | 6 Mth | 1 Yr | 3 Yrs | 5 Yrs | 7yrs | 10 Yrs |
|--------|-------|-------|-------|-------|-------|-------|------|--------|
| Fund | 7.4% | 3.4% | -5.5% | 13.9% | 10.3% | 17.3% | 9.1% | 8.5% |
| Index | 4.2% | 4.3% | 1.6% | 13.4% | 9.6% | 12.1% | 9.1% | 8.1% |
| Excess | 3.2% | -0.9% | -7.2% | 0.5% | 0.7% | 5.2% | 0.0% | 0.4% |

Risk Exposure

| | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs |
|-----------------------------|-------|-------|-------|--------|
| Fund Volatility (Std Dev %) | 18.7% | 24.2% | 23.3% | 25.6% |
| Benchmark (Std Dev %) | 10.7% | 13.4% | 12.6% | 14.0% |
| Beta | 1.49 | 1.70 | 1.77 | 1.77 |
| Tracking Error (% pa) | 9.6% | 11.7% | 11.5% | 12.4% |



Sector exposures and current manager weights



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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 Fiducian Geared Australian Shares Fund gained 7.4% in May, which outperformed the index return of 4.2%.

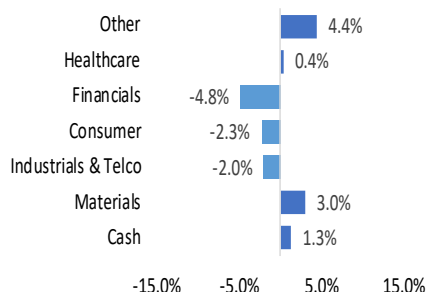
Following the Federal election and the de-escalation of trade wars, the broad Australian share market (ASX 200 Accumulation Index) gained 4.2% in May. The Australian economy remains weak, growing by only 0.2% in the first quarter of 2025. Elevated interest rates have kept a lid on growth, as the Reserve Bank of Australia (RBA) has continued to fight inflation. However, annual inflation continues to trend downwards, with the RBA's preferred measure of inflation, the trimmed mean, falling with the 2% to 3% target range (2.8% in April). The RBA cut the cash rate by 0.25% in May and markets now expect two-to-three further cuts over coming months.

Over the month, there were gains across all market sectors. Information Technology (+19.8%), Energy (+8.6%) and Telecommunications (+5.5%) were the best performing sectors for the period.

At an aggregate level, the largest sectoral tilts in the Fund is an underweight to Financials, primarily property trusts, with this funding an overweight position in the Materials sector. As at the end of May, the average gearing level in the Fund was 44.5%.

Top stock holdings and sector tilts

| First Sentier Top Holdings | Weight | Ausbil Top Holdings | Weight |
|-----------------------------|--------|-------------------------|--------|
| Commonwealth Bank | 12.4% | BHP | 20.2% |
| BHP | 9.6% | Commonwealth Bank | 20.0% |
| CSL | 7.0% | National Australia Bank | 13.8% |
| National Australia Bank | 6.3% | CSL | 12.3% |
| Westpac Banking Corporation | 4.8% | Macquarie Group | 10.0% |
| QBE Insurance Group | 4.5% | Goodman Group | 8.8% |
| Goodman Group | 4.4% | Wesfarmers | 7.1% |
| Brambles | 4.2% | Xero | 7.1% |
| Resmed | 4.0% | Telstra | 6.7% |
| Aristocrat Leisure | 4.0% | Rio Tinto | 6.3% |



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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.