

Fiducian Global Smaller Companies Strategy



Monthly Report - May 2025

Fund description

The Fund provides investors with the opportunity to invest in companies that are of smaller market capitalisation in more developed markets. Smaller companies in developed markets have shown superior long-term growth when compared with their larger peers.

The Fund utilises the Fiducian “Manage the Manager” process, selecting funds that provide diversification among different management styles, geographies and sectors.

It is recommended that investment in this Fund be undertaken for at least nine years. International share investment can be volatile over the short-term.

Fund facts

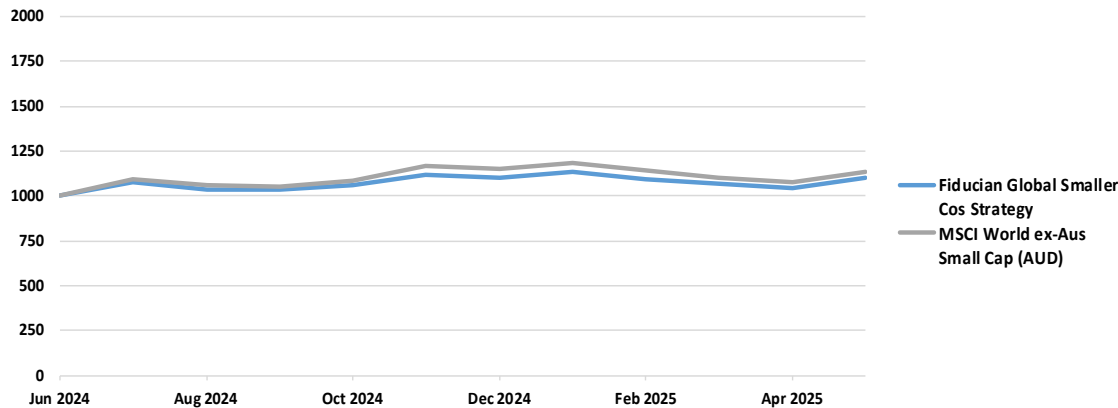
Portfolio manager: Conrad Burge
ARSN: 093 543 849
APIR code: FDN0487AU
Benchmark: MSCI World ex-Aus Small Cap (AUD)
Current fund size: \$87 million (May 2025)
Management cost: 1.14%
Total management costs: 1.18%
Application/Exit fee: Nil
Inception Date: June 2024



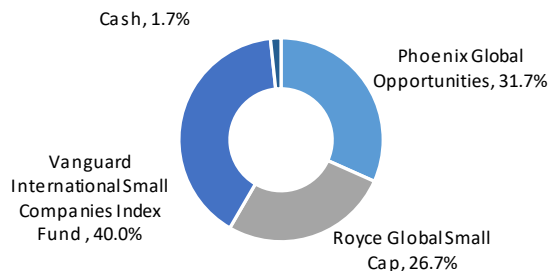
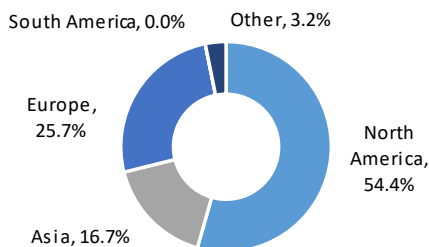
Performance

After fee returns as at 31 May 2025

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	5.0%	-0.1%	-2.0%	-	-	-	-	-
Index	5.2%	-1.1%	-2.6%	-	-	-	-	-
Excess	-0.2%	1.0%	0.6%	-	-	-	-	-



Geographic 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 Fund gained 5.0% in May, which was below the index return of 5.2%.

The MSCI World ex-Australia Small Cap index gained 5.2% in May, underperforming the global large cap index, which gained 5.3% (both in Australian dollars, unhedged).

Smaller companies have lagged larger companies for some time, partly due to the strong performance of the 'Magnificent Seven' US mega-cap technology stocks that comprise a significant part of the large cap index. The share market correction seen in early 2025, however, saw a larger decline in the technology sector than in the broader market.

Despite a rebound in recent months, global small cap indices have seen broad market valuations remain at levels that are still low in historical terms and appear attractive relative to other investment opportunities.

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.