

Fund description

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

The Fund gives investors an opportunity to participate in Australia’s economic growth and enables Australian resident investors to benefit from favourable tax treatment of franked dividends.

Share investment can be volatile over the short term, and the recommended holding period is at least 8 years.

Fund facts

Portfolio manager: Conrad Burge

ARSN: 093 542 271

APIR code: FPS0006AU

Benchmark: ASX 300 Accumulation Index

Current fund size: \$704 million (November 2023)

Management cost: 0.96%

Total management costs: 1.03%

Application/Exit fee: Nil

Inception Date: March 1997

| Manager | Style | | | Size | |
|--------------|-------|------|--------|-------|-------|
| | Value | Core | Growth | Large | Small |
| Ausbil | | ● | | ● | |
| Bennelong | | | ● | ● | |
| Pendal Group | | ● | | ● | |
| Fidelity | | ● | | ● | |
| L1 Capital | | ● | | ● | |
| Solaris | ● | | | ● | |

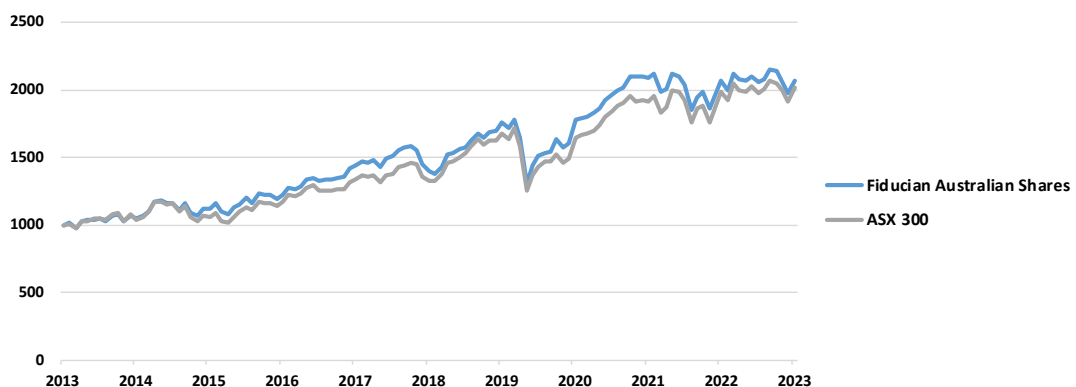
Performance and Risk

After fee returns as at 30 November 2023

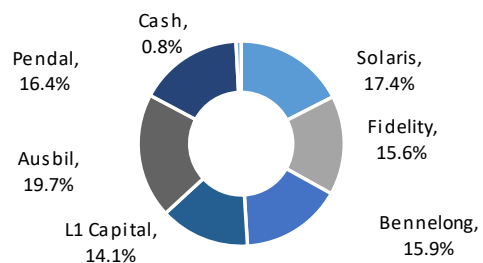
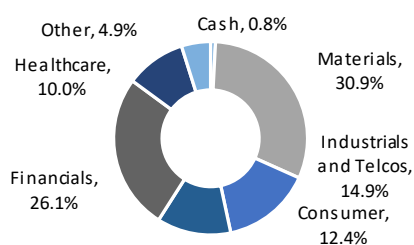
| | 1 Mth | 3 Mth | 6 Mth | 1 Yr | 3 Yrs | 5 Yrs | 7yrs | 10 Yrs |
|--------|-------|-------|-------|-------|-------|-------|-------|--------|
| Fund | 4.9% | -3.2% | 0.7% | 0.3% | 5.3% | 8.3% | 7.9% | 7.6% |
| Index | 5.1% | -1.8% | 2.0% | 1.1% | 7.0% | 8.7% | 8.1% | 7.2% |
| Excess | -0.1% | -1.3% | -1.2% | -0.9% | -1.7% | -0.4% | -0.2% | 0.3% |

Risk Exposure

| | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs |
|-----------------------------|-------|-------|-------|--------|
| Fund Volatility (Std Dev %) | 11.6% | 12.5% | 16.6% | 14.0% |
| Benchmark (Std Dev %) | 11.3% | 12.9% | 16.4% | 13.9% |
| Beta | 0.93 | 0.93 | 0.98 | 0.99 |
| Tracking Error (% pa) | 1.3% | 2.1% | 2.4% | 2.2% |



Sector exposures and current manager weights



Market Commentary and Outlook

There have been continued signs of economic activity moderating across most of the world, due to actions taken by global central banks to reduce inflation. In many regions, inflation rates are moving back towards target levels, and in some instances, have turned negative over the short term. This has caused the market to reassess the future path of interest rates, with expectations that rates may be on hold in the near term, and possibly reduced later in 2024.

The prospect of lower interest rates was positive for global markets, as the key US 10-year government bond yield fell from recent highs of 5.0% to finish the month at 4.4%. The broad US market (S&P 500 index) gained 8.9%, and the Australian stock market (ASX 200 index) gained 5.0%. Interest rate sensitive sectors were the best performers, and the Australian dollar rose by 4.4% against the US dollar.

Looking ahead, geopolitical risks, alongside elevated interest rates and slower economic growth this year, represent potential headwinds for markets. The International Monetary Fund (IMF) is forecasting global growth to be 3.0% in 2023 and 2.9% in 2024, which is below the long-term trend rate of growth. However, in broad terms, share markets continue to appear more attractive than most other investment opportunities.

Fund Commentary

The Fiducian Australian Shares Fund rose by 4.9% in November, which was below the 5.1% return by the index. Bennelong (+7.7%) was the best performer for the month. Over the last 12 months, Bennelong (+5.6%) was also the best performer followed by Pental (+3.2%).

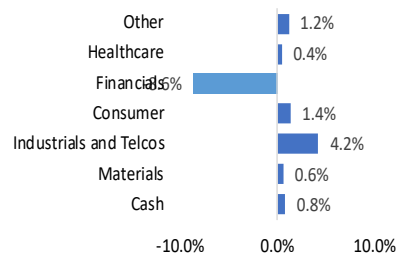
The broad Australian share market (ASX200 index) gained 5.0% in November. Improving inflation data, combined with moderating economic activity, has raised expectations that the Australian economy may experience a 'soft landing' and avoid the most serious impacts of higher interest rates.

The best performing sectors for the month were Healthcare (+11.7%) and Property (+11.0%). The Energy sector (-7.4%) was weaker as oil and gas prices declined during the month.

At an aggregate level, the largest sectoral tilts in the Fund are an underweight to financials, primarily in listed property trusts, and an overweight positions in the Industrials sector and the Materials sector.

Top stock holdings and sector tilts

| Stock | Industry | Weight |
|-------------------------|--------------------|--------|
| BHP Group | Mining | 9.7% |
| CSL Limited | Biotechnology | 7.6% |
| Commonwealth Bank | Banks | 5.6% |
| Santos Limited | Oil & Gas | 3.9% |
| Goodman Group | REITS | 3.7% |
| National Australia Bank | Banks | 3.4% |
| Qbe Insurance Group | Insurance | 3.1% |
| Macquarie Group Ltd | Banks | 2.9% |
| James Hardie Industries | Building Materials | 2.5% |
| Aristocrat Leisure | Entertainment | 2.5% |



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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.