

Fiducian Balanced Fund

Monthly Report - February 2024



Fund description

The Fiducian Balanced Fund includes holdings in shares, property, bonds and liquid assets diversified between managers and countries, utilising the Fiducian “Manage the Manager” system that aims to achieve superior returns with reduced risk.

Over the long term, the Fund is expected to generate higher returns than funds with a lower allocation to growth assets, but will also be exposed to capital losses when markets turn down.

The Fund is suitable for investors seeking good long term capital growth with possible short term volatility. The recommended holding period is at least 6 years.

Fund facts

Portfolio manager: Conrad Burge

ARSN: 093 541 612

APIR code: FPS0003AU

Benchmark: Zenith AMI Mixed Asset Balanced Index

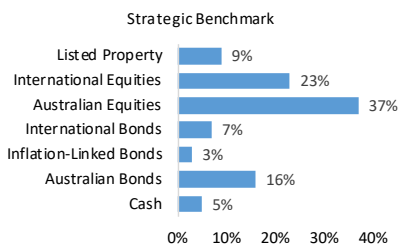
Current fund size: \$788 million (February 2024)

Management cost: 0.93%

Total management costs: 1.01%

Application/Exit fee: Nil

Inception Date: March 1997



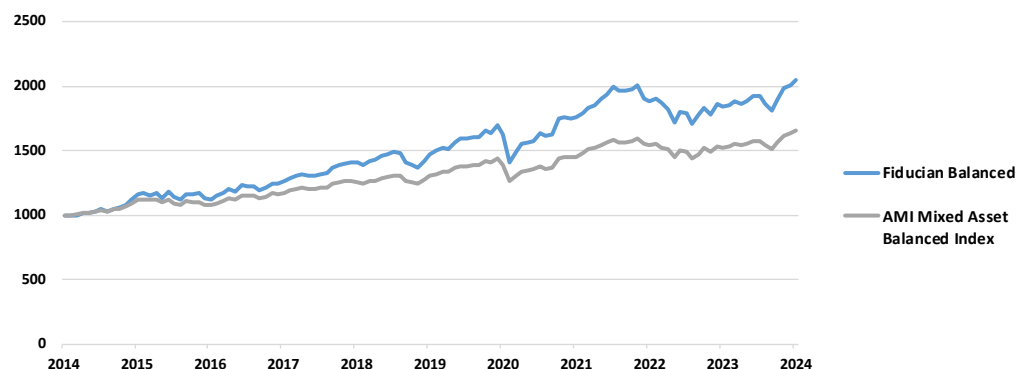
Performance and Risk

After fee returns as at 29 February 2024

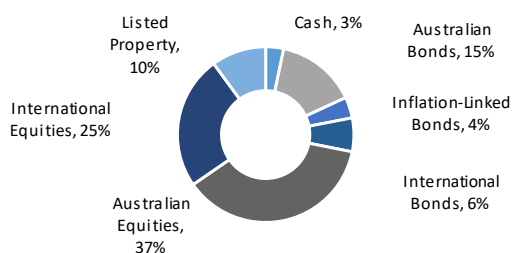
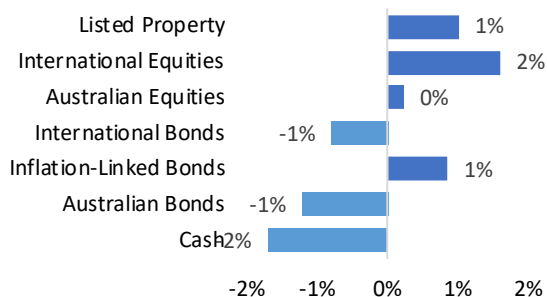
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	2.1%	8.2%	6.1%	10.9%	5.1%	6.8%	7.1%	7.4%
Index	1.4%	5.6%	5.0%	8.8%	4.4%	4.8%	5.0%	5.2%
Excess	0.7%	2.6%	1.1%	2.0%	0.7%	1.9%	2.1%	2.2%
Ranking				22/113	25/107	3/98	4/92	2/79

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	8.4%	9.7%	11.3%	9.4%
Benchmark (Std Dev %)	5.7%	6.6%	7.6%	6.3%
Beta	1.33	1.40	1.44	1.46
Tracking Error (% pa)	3.0%	3.6%	4.1%	3.4%



Tactical tilts and current asset weights



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Market Commentary and Outlook

Measures of global economic growth have generally been better than expected in recent months. There have been some signs of improvement in manufacturing activity, and consumer spending has remained robust. The downside to this is that inflation has also been slightly higher, and interest rates are likely to stay ‘higher for longer’ than previously anticipated.

Global equity market performance was strong in February. In the US, the broad market (S&P 500 index) gained 5.2%, bolstered by a number of positive earnings announcements, and the Australian stock market (ASX 200 index) gained 0.8%. Emerging markets rebounded, led by gains in China (+8.1%) following the announcement of government measures to support the stock market. Fixed income returns were negative as longer term bond yields increased.

Looking ahead, monetary policy could become less restrictive this year, which may be positive for markets. However, geopolitical risks, alongside slower economic growth in the coming year represent potential headwinds. The International Monetary Fund (IMF) recently updated its economic outlook, and is now forecasting global growth to be 3.1% in 2024. This is above previous estimates, but still below the long-term trend rate of growth. In broad terms, share markets continue to appear more attractive than most other investment opportunities.

Fund Commentary

The Fund outperformed its benchmark in February, with a return of 2.1%, compared to the benchmark return of 1.4%. Over the 12 months to the end of February, the Fund returned 10.9%.

International equities and listed property were the best performing sectors for the month, whilst returns for fixed income were marginally negative.

The Fund currently has small overweight positions in Australian and International equities as well as listed property. Additionally, the underweight position in bonds relative to cash has now been closed.

In the Zenith AMI Mixed Asset-Balanced Category, the Fiducian Balanced Fund returns were ranked 22 out of 113 funds over one year, 3 out of 98 funds over five years, and 2 out of 79 funds over the ten year period to 29 February 2024.

Managers and weights

Asset Class	Fund Manager	Weight
Australian Equities 37.1%	Solaris	6.5%
	Fidelity	5.3%
	Bennelong	7.3%
	L1 Capital	4.9%
	Ausbil Dexia	6.9%
	Pendal	6.3%
International Equities 24.5%	Franklin Templeton	6.1%
	Challenger	7.7%
	Wellington	4.0%
	Wellington Value	3.6%
	State Bank of India	0.3%
	Sundaram	0.4%
	Tata	0.3%
	EquiPoise	0.2%
	Vanguard	0.4%
	Wellington Technology	0.9%
	Wellington Biotechnology	0.2%
	Loftus Peak Technology	0.3%
	Nordic Technology	0.2%
Listed Property 10.0%	BlackRock	1.0%
	Phoenix	4.5%
	Principal	4.5%
Australian Bonds 14.8%	Perpetual Fixed Interest	5.5%
	BlackRock	0.1%
	Challenger	9.1%
Inflation Linked Bonds 3.9%	Challenger	3.9%
International Bonds 6.2%	BlackRock	6.2%
Cash 3.5%	BlackRock	2.8%
	Cash	0.7%

Top stock holdings

Top Australian Stocks	Industry	Weight
BHP Group	Mining	8.2%
CSL Limited	Biotechnology	7.6%
Commonwealth Bank	Banks	5.3%
Goodman Group	REITS	4.5%
National Australia Bank	Banks	3.6%
Santos Ltd	Oil & Gas	3.5%
Macquarie Group	Banks	3.1%
James Hardie Industries	Building Materials	2.9%
Qbe Insurance Group	Insurance	2.8%
Aristocrat Leisure	Entertainment	2.3%

Top International Stocks	Industry	Weight
Daiichi Sankyo	Pharmaceuticals	1.9%
Charles River	Healthcare-Services	1.7%
Equinix Inc	REITS	1.7%
Intuitive Surgical	Healthcare-Products	1.7%
Broadridge Financial	Software	1.7%
Synopsys Inc	Software	1.6%
Amazon.Com	Internet	1.6%
Zscaler Inc	Computers	1.6%
Tyler Technologies	Software	1.6%
Danaher Corp	Healthcare-Products	1.6%

Fiducian Investment Management Services Limited

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