

Fiducian Balanced Fund

Monthly Report - March 2023



Fund description

The Fiducian Balanced Fund includes holdings in shares, property, bonds and liquid assets diversified between managers and countries, utilising the Fiducian “Manager 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 5 years.

Fund facts

Portfolio manager: Conrad Burge

ARSN: 093 541 612

APIR code: FPS0003AU

Benchmark: Morningstar Multisector Growth Median

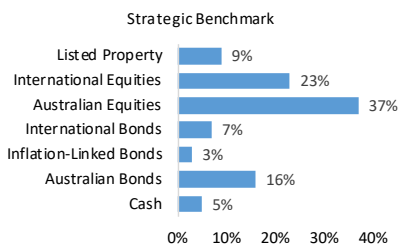
Current fund size: \$655 million (March 2023)

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 31 March 2023

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	0.3%	4.1%	8.6%	-2.8%	9.6%	5.9%	7.0%	7.8%
Index	1.2%	4.0%	8.9%	-1.9%	8.9%	5.1%	6.0%	6.5%
Excess	-0.8%	0.1%	-0.4%	-0.9%	0.7%	0.8%	1.0%	1.4%
Ranking				142/182	51/176	38/166	22/158	7/148

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	13.1%	13.3%	11.5%	9.3%
Benchmark (Std Dev %)	11.0%	11.1%	9.6%	7.9%
Beta	1.07	1.09	1.07	1.06
Tracking Error (% pa)	2.6%	2.9%	2.6%	2.0%

Investment Growth

Time Period: 4/1/2008 to 3/31/2023

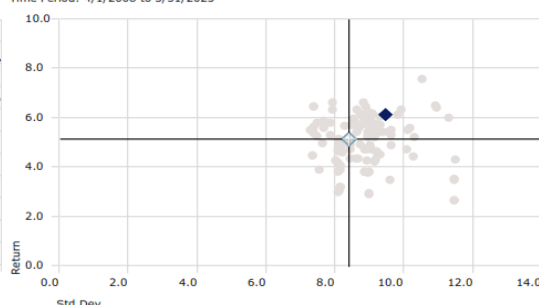


—Fiducian Balanced

—Australia Fund Multisector Growth

Risk-Reward

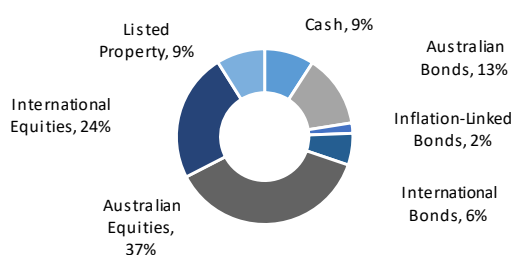
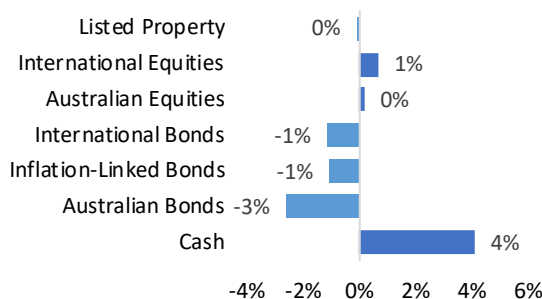
Time Period: 4/1/2008 to 3/31/2023



• Fiducian Balanced

◊ Australia Fund Multisector Growth

Tactical tilts and current asset weights



Fiducian Balanced Fund

Monthly Report - March 2023



Market Commentary and Outlook

The trend of slowing global growth has continued in recent months due to a tightening of monetary policy by key central banks in response to an acceleration last year in the rate of inflation. In some regions, inflation now appears to be moderating. However, the persistent strength in employment conditions and to a lesser extent retail sales has created uncertainty regarding the amount of monetary tightening that will be necessary to bring inflation back towards target ranges.

Global financial markets experienced a turbulent month in March. The failure of some regional US banks, as well as the Swiss Government mandated takeover of Credit Suisse by larger rival UBS initially sent markets lower. However, over the rest of the month, due to a lack of further bank failures, most markets enjoyed a broad recovery. The US market (S&P 500 index) gained 3.5% for the month, while the Australian market (ASX 200 index) was down by 0.2%. A shift towards assets that are perceived as being safer resulted in gains for bonds, gold, and large cap equities.

Looking ahead, elevated geopolitical risks, alongside higher interest rates and slower economic growth this year, represent potential headwinds for markets. The International Monetary Fund (IMF) recently made a small downgrade to its economic forecasts, with global growth now expected to be 2.8% in 2023. The IMF expects growth rates to remain slightly below long-term trend levels for some time. In broad terms, share markets continue to appear more attractive than most other investment opportunities.

Fund Commentary

The Fund underperformed the benchmark in March, with a return of 0.3%, compared to the benchmark return of 1.2%. Over the year to the end of March, the Fund returned -2.8%.

There was mixed performance between asset classes over the month. International equities outperformed after a strong performance by the US market, and Australian equities finished the month marginally down. Fixed income recorded gains, and listed property finished the month lower.

The Fund has a neutral exposure to equities and property, as relatively attractive valuations are offset by rising interest rates and geopolitical tensions. Additionally, an overweight position is still held in cash relative to bonds, although this position has been reduced in recent months.

In the Morningstar Multisector Growth Category, the Fiducian Balanced Fund returns were ranked 142nd out of 182 funds over one year, 38th out of 166 funds over five years, and 7th out of 148 funds over the ten year period to 31 March 2023.

Managers and weights

Asset Class	Fund Manager	Weight
Australian Equities 36.6%	Solaris	6.4%
	Fidelity	5.9%
	Bennelong	5.6%
	L1 Capital	7.3%
	Ausbil Dexia	7.2%
	Pendal	4.3%
International Equities 23.6%	Franklin Templeton	5.8%
	Challenger	6.3%
	Wellington	2.4%
	Wellington Value	6.1%
	State Bank of India	0.2%
	Sundaram	0.3%
	Tata	0.2%
	EquiPoise	0.1%
	Vanguard	0.7%
	Wellington Technology	0.7%
	Wellington Biotechnology	0.2%
	Nordic Technology	0.4%
Listed Property 8.8%	BlackRock	0.9%
	Phoenix	4.2%
	Principal	3.7%
Australian Bonds 13.4%	Perpetual Fixed Interest	5.5%
	BlackRock	0.2%
	Challenger	7.7%
Inflation Linked Bonds 1.9%	Challenger	1.9%
International Bonds 5.8%	BlackRock	5.8%
	Cash 9.8%	BlackRock
	Cash	3.7%

Top stock holdings

Top Australian Stocks	Industry	Weight
BHP Group	Diversified Metals & Mining	10.1%
CSL Limited	Biotechnology	8.3%
Commonwealth Bank	Diversified Banks	4.8%
National Australia Bank	Diversified Banks	3.6%
Telstra Group Limited	Telecommunication Services	3.4%
Rio Tinto Ltd	Diversified Metals & Mining	3.1%
Macquarie Group Ltd	Diversified Capital Markets	3.0%
Santos Limited	Oil & Gas	2.9%
Qantas Airways Ltd	Airlines	2.6%
QBE Insurance	Insurance	2.6%

Top International Stocks	Industry	Weight
Seagen Inc	Biotechnology	1.7%
Mercadolibre Inc	Internet Marketing	1.6%
Alphabet Inc	Interactive Media	1.5%
Intuitive Surgical Inc	Health Care Equipment	1.5%
Equinix Inc	Specialized REITs	1.4%
Rockwell Automation	Electrical Components	1.4%
Visa Incorporated	Data Processing Services	1.4%
Amadeus IT	Data Processing Services	1.4%
Dsv A/S	Air Freight & Logistics	1.4%
Zebra Technologies	Electronic Equipment	1.3%

Fiducian Investment Management Services Limited

Issued by Fiducian Investment Management Services Limited ABN 28 602 441 814 AFS Licence number 468211. This document provides general information only. It does not have regard to your objectives, financial situation or needs. We recommend that you seek financial planning advice, and consider whether this investment is appropriate to your objectives, financial situation and needs before making any investment decision.

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.

The Morningstar Category rankings have the Morningstar Australia Multisector Aggressive Category for Ultra Growth Fund, Multisector Moderate Category for Capital Stable Fund, and Multisector Growth Category for the Balanced and Growth Fund. Source: Morningstar Direct, Performance Report as of 10.4.2023 ©2023 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. This report or data has been prepared for clients of Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or New Zealand wholesale clients of Morningstar Research Ltd, subsidiaries of Morningstar, Inc. Any general advice has been provided without reference to your financial objectives, situation or needs. For more information refer to our Financial Services Guide at www.morningstar.com.au/sfsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Morningstar's publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a financial adviser. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN 004 523 782.