

Fiducian Australian Smaller Company Shares Fund



Monthly Report - March 2025

Fund description

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

Smaller companies typically offer better growth opportunities and perform differently at different stages of the business cycle compared to larger companies.

Smaller company shares tend to be more volatile over the short term, and the recommended holding period is at least 9 years.

Fund facts

| | | | | | | | | | |
|--|--|-----------|--|-------|-------|--------|--|-------|-------|
| Portfolio manager: Conrad Burge | | | | | Style | | | Size | |
| ARSN: 093 542 020 | | Manager | | Value | Core | Growth | | Small | Micro |
| APIR code: FPS0008AU | | Ausbil | | | ● | | | | ● |
| Benchmark: ASX Small Ordinaries Acc Index | | Pendal | | ● | | | | ● | |
| Current fund size: \$318 million (March 2025) | | Phoenix | | | ● | | | | ● |
| Management cost: 1.19% | | Perpetual | | ● | | | | ● | |
| Total management costs: 1.22% | | | | | | | | | |
| Application/Exit fee: Nil | | | | | | | | | |
| Inception Date: November 1997 | | | | | | | | | |

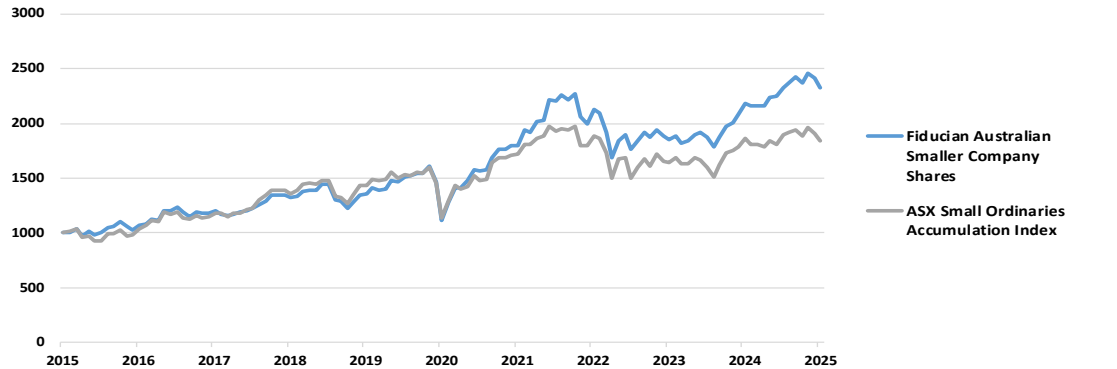
Performance and Risk

After fee returns as at 31 March 2025

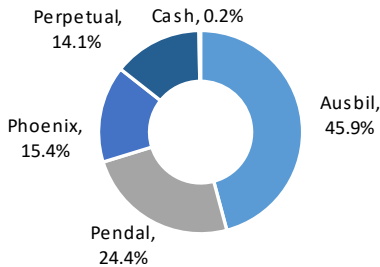
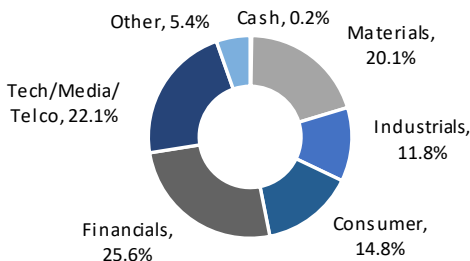
| | 1 Mth | 3 Mth | 6 Mth | 1 Yr | 3 Yrs | 5 Yrs | 7yrs | 10 Yrs |
|--------|-------|-------|-------|-------|-------|-------|------|--------|
| Fund | -3.4% | -1.6% | 0.1% | 6.5% | 3.0% | 16.0% | 8.4% | 8.8% |
| Index | -3.6% | -2.0% | -3.0% | -1.3% | -0.8% | 10.2% | 4.5% | 6.3% |
| Excess | 0.2% | 0.4% | 3.1% | 7.8% | 3.9% | 5.8% | 3.9% | 2.5% |

Risk Exposure

| | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs |
|-----------------------------|-------|-------|-------|--------|
| Fund Volatility (Std Dev %) | 8.1% | 14.6% | 16.5% | 16.4% |
| Benchmark (Std Dev %) | 10.3% | 17.6% | 17.6% | 17.0% |
| Beta | 0.67 | 0.77 | 0.87 | 0.91 |
| Tracking Error (% pa) | 3.8% | 5.5% | 5.9% | 5.5% |



Sector exposures and current manager weights



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Market Commentary and Outlook

The global economy is forecast to continue to sustain growth at close to its longer-term trend rate for at least this year and next, despite relatively tight monetary policy still being implemented by most of the world's major central banks in their ongoing effort to push inflation lower and back into target ranges. The latest report from the International Monetary Fund (IMF) noted that while global disinflation continues, it remains 'elevated in a few cases'. Nevertheless, interest rates have continued to decline, with the US central bank and the European Central Bank both lowering official rates in recent months.

Uncertainty surrounding US trade policies and growing fears of a recession have caused volatility across equity markets, with the broad US stock market (S&P 500 Accumulation Index) decreasing by 5.6% over the month while the Australian market (ASX 200 Accumulation Index) fell 3.4%. Domestic bonds recorded positive returns over the same period, while the Australian dollar gained relative to the US dollar over the month. Commodity prices were mixed, with gains in gold, copper, oil, and coal, but the price for iron ore declined.

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 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 Australian Smaller Company Shares Fund declined 3.4% in March, which was above the benchmark return of -3.6%. Phoenix (0.7%) was the top performer for the month. Over the last 12 months, Phoenix was the top manager (+13.5%) followed by Ausbil (+12.0%). For the 12 months to the end of March, the Fund has returned 6.5% compared to the index return of -1.3%.

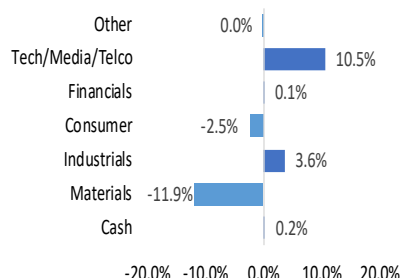
The Small Ordinaries Index decreased 3.6% in March, underperforming the broader market (ASX 200 Accumulation index) decline of 3.4%.

The Small Industrials Index fell 4.4% while the Small Resources Index gained 0.4% over the same period. Microcap stocks fell 1.3% over the month.

At an aggregate level, the largest sectoral tilts in the Fund are overweight positions in the Information Technology and Telecommunication sectors, followed by the Industrials sector. The biggest underweight position is in the Materials sector.

Top stock holdings and sector tilts

| Stock | Industry | Weight |
|------------------------------|--------------------------------|--------|
| Generation Development Group | Diversified Financial Services | 4.8% |
| Aussie Broadband | Telecommunications | 3.4% |
| Codan | Information Technology | 3.2% |
| Genesis Minerals Ltd | Diversified Minerals | 2.8% |
| EQT Holdings | Diversified Financial Services | 2.6% |
| Maas Group Holdings | Engineering & Construction | 2.5% |
| Life360 | Software | 2.3% |
| Ora Banda | Gold Mining | 2.2% |
| Tuas | Leisure Time | 1.9% |
| Service Stream | Telecommunication Services | 1.9% |



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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.