

Fiducian Australian Smaller Company Shares Fund



Monthly Report - May 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: \$347 million (May 2025)		Phoenix			●				●
Management cost: 1.19%		Perpetual		●				●	
Total management costs: 1.22%									
Application/Exit fee: Nil									
Inception Date: November 1997									

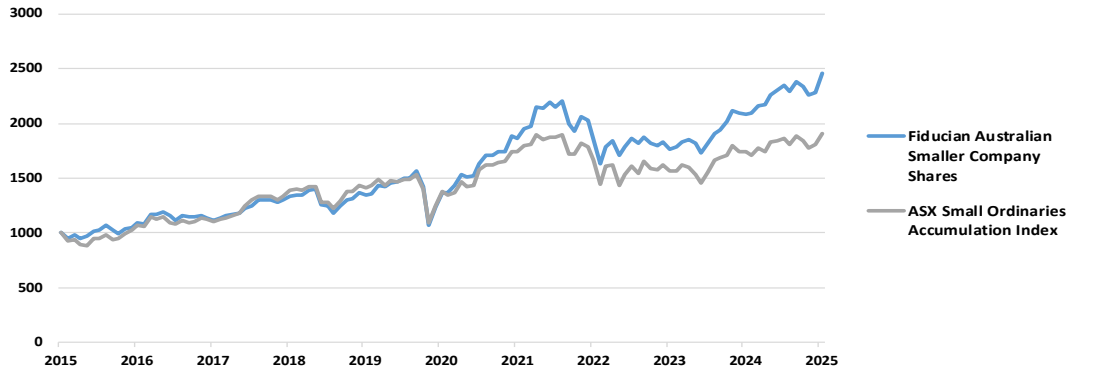
Performance and Risk

After fee returns as at 31 May 2025

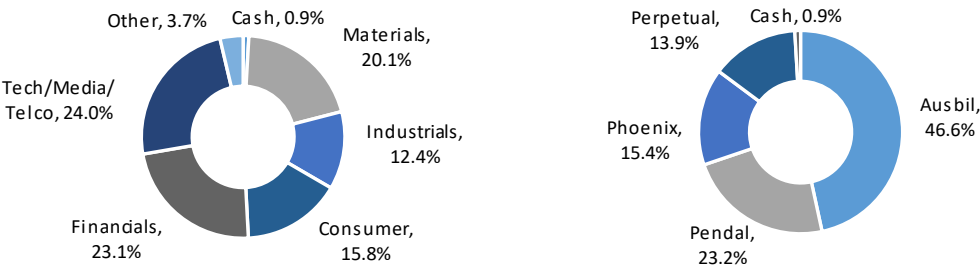
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	7.8%	5.4%	4.7%	17.9%	9.9%	12.4%	9.1%	9.4%
Index	5.8%	3.8%	2.3%	9.8%	4.7%	6.8%	4.7%	6.7%
Excess	2.1%	1.6%	2.4%	8.2%	5.2%	5.7%	4.5%	2.7%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	10.3%	14.2%	15.0%	16.6%
Benchmark (Std Dev %)	11.2%	17.4%	16.1%	17.0%
Beta	0.78	0.76	0.85	0.91
Tracking Error (% pa)	4.1%	5.6%	5.9%	5.5%



Sector exposures and current manager weights



Fiducian Australian Smaller Company Shares Fund



Monthly Report - May 2025

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 Fiducian Australian Smaller Company Shares Fund gained 7.8% in May, which was above the benchmark return of 5.8%. Ausbil (+9.7%) was the top performer for the month, followed by Pental (+6.9%). Over the last 12 months, Ausbil was the top manager (+25.0%) followed by Phoenix (+20.7%). For the 12 months to the end of May, the Fund has returned 17.9% compared to the index return of 9.8%.

The Small Ordinaries Index rose 5.8% in May, outperforming the broader market (ASX 200 Accumulation index) gain of 4.2%.

The Small Industrials Index increased by 4.5% while the Small Resources Index gained 2.9% over the same period. Microcap stocks added 3.0% 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	3.5%
Aussie Broadband	Telecommunications	3.2%
Codan	Information Technology	2.9%
Genesis Minerals Ltd	Diversified Minerals	2.5%
Life360	Software	2.4%
Ora Banda	Gold Mining	2.4%
Maas Group Holdings	Engineering & Construction	2.4%
EQT Holdings	Diversified Financial Services	2.4%
Superloop	Telecommunication Services	2.2%
Tuas	Leisure Time	2.2%

