

Fiducian Australian Smaller Company Shares Fund



Monthly Report - September 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

ARSN: 093 542 020

APIR code: FPS0008AU

Benchmark: ASX Small Ordinaries Acc Index

Current fund size: \$407 million (September 2025)

Management cost: 1.19%

Total management costs: 1.23%

Application/Exit fee: Nil

Inception Date: November 1997

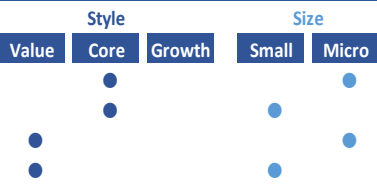
Manager

Ausbil

Pendal

Phoenix

Perpetual



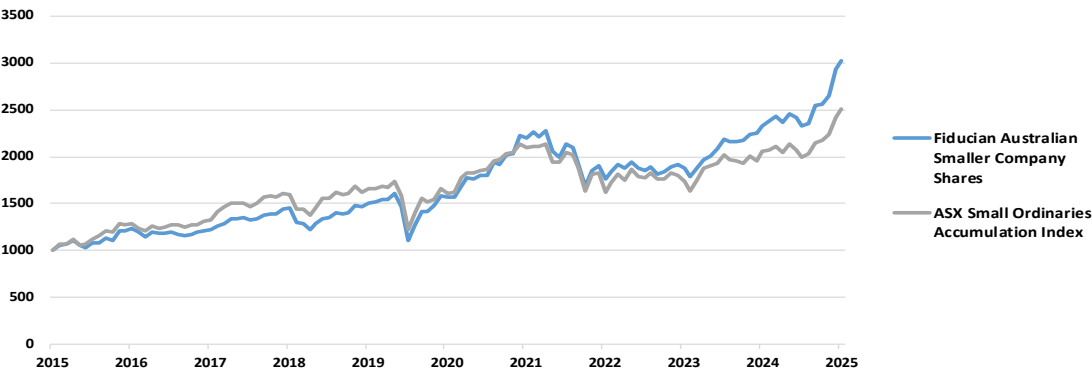
Performance and Risk

After fee returns as at 30 September 2025

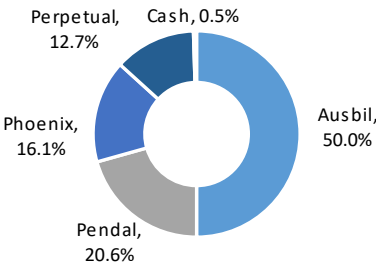
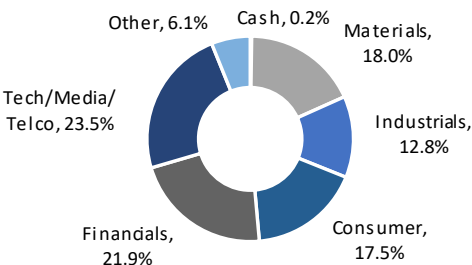
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	3.2%	18.1%	29.8%	29.8%	19.7%	14.1%	11.1%	11.7%
Index	3.4%	15.3%	25.3%	21.5%	15.5%	9.3%	6.6%	9.6%
Excess	-0.2%	2.8%	4.5%	8.3%	4.1%	4.8%	4.5%	2.1%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	13.5%	11.5%	15.3%	16.7%
Benchmark (Std Dev %)	12.1%	13.2%	16.2%	16.9%
Beta	0.99	0.79	0.87	0.93
Tracking Error (% pa)	3.4%	5.0%	5.8%	5.4%



Sector exposures and current manager weights



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Market Commentary and Outlook

The global economy is forecast to slow marginally this year, according to the latest estimates provided by the International Monetary Fund (IMF). Global growth is forecast to be 3.0% this year and 3.1% in 2026 (both marginally below the long-term trend rate, but slightly above the IMF’s previous forecast). In the IMF’s words, ‘the global economy has continued to hold steady’, with recent ‘macroeconomic data turning out better than expected’. While this year’s lower growth has been due to what the IMF has termed ‘the swift escalation of trade tensions and extremely high levels of policy uncertainty’, it now notes that ‘a new wave of credible trade agreements could usher in a broader reform momentum to lift medium-term growth’. Growth in developed economies is forecast to be 1.5% this year, with ‘risks to the outlook remaining tilted to the downside’.

The broad US stock market (S&P 500 Accumulation Index) has been on an uptrend since early April, gaining 3.7% in September alone. The Australian market (ASX 200 Accumulation Index) fell 0.8% over the month, with the Reserve Bank of Australia (RBA) reporting that ‘inflation in the September quarter may be higher than expected’, prompting the RBA to hold its ‘cash rate’ at 3.60% at its September meeting. The Australian dollar gained 1.2% relative to the US dollar. Commodity prices were mixed, with gold and iron ore posting gains, while lithium, coal, and oil declined over the month.

Key global share markets have been ‘pricing-in’ a shift by central banks towards less restrictive monetary policy, despite some signs of inflation rising again in some economies. However, share markets are likely to remain volatile until a resolution of trade tensions is achieved.

Fund Commentary

The Fiducian Australian Smaller Company Shares Fund gained 3.2% in September, which was below the benchmark return of 3.4%. Phoenix (+6.1%) was the top performer for the month, followed by Ausbil (+3.3%). Over the last 12 months, Ausbil was the top manager (+40.3%) followed by Phoenix (+32.4%). For the 12 months to the end of September, the Fund has returned 29.8% compared to the index return of 21.5%.

The Small Ordinaries Index continued its uptrend, gaining 3.4% in September, outperforming the broader market (ASX 200 Accumulation index) return of -0.8%.

The Small Industrials Index decreased by 0.7% while the Small Resources Index grew by 13.9% over the same period. Microcap stocks rose 13.4% 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
Tuas	Telecommunication Services	3.8%
Aussie Broadband	Telecommunication Services	2.9%
Generation Development Group	Diversified Financial Services	2.8%
Codan	Information Technology	2.6%
Life360	Software	2.6%
Zip Co	Commercial Services	2.5%
Genesis Minerals Ltd	Diversified Minerals	2.4%
Arb Corporation	Automotive Equipment	2.4%
Superloop	Telecommunication Services	2.2%
Service Stream	Telecommunication Services	2.2%

