

# Fiducian Balanced Fund

Monthly Report - June 2024



## Fund description

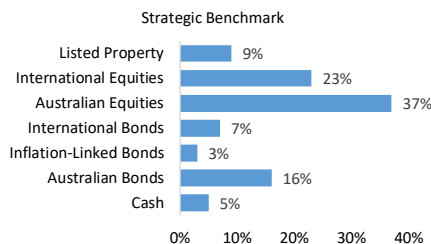
The Fiducian Balanced Fund includes holdings in shares, property, bonds and liquid assets diversified between managers and countries, utilising the Fiducian “Manage the Manager” system that aims to achieve superior returns with reduced risk.

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:** \$799 million (June 2024)  
**Management cost:** 0.93%  
**Total management costs:** 0.98%  
**Application/Exit fee:** Nil  
**Inception Date:** March 1997



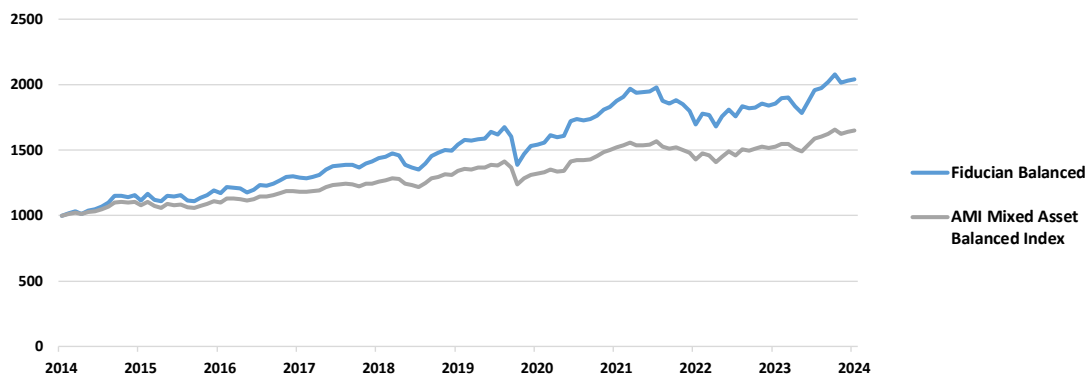
## Performance and Risk

After fee returns as at 30 June 2024

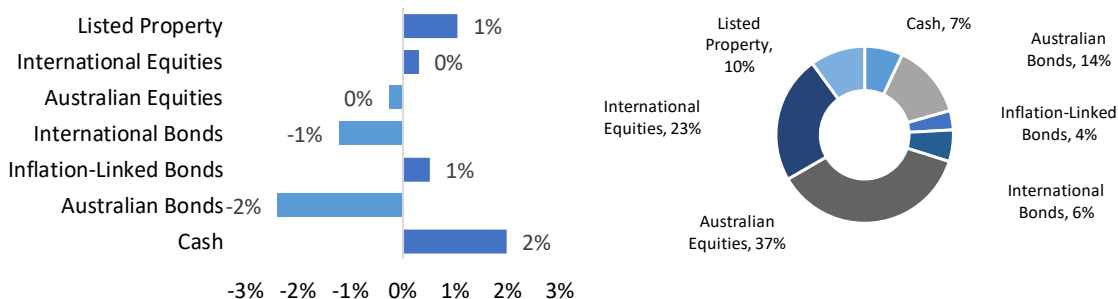
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	0.6%	-1.7%	4.3%	10.1%	2.9%	5.8%	6.8%	7.4%
Index	0.7%	-0.5%	3.8%	7.9%	2.8%	4.3%	4.9%	5.1%
Excess	-0.1%	-1.1%	0.5%	2.2%	0.1%	1.5%	1.9%	2.3%
Ranking				18/121	57/113	6/107	5/100	2/85

### Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	9.2%	9.8%	11.4%	9.5%
Benchmark (Std Dev %)	6.3%	6.7%	7.7%	6.4%
Beta	1.34	1.41	1.44	1.45
Tracking Error (% pa)	3.1%	3.5%	4.1%	3.4%



## Tactical tilts and current asset weights



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## Market Commentary and Outlook

The global economy has continued to expand at a moderate pace, although growth in some of the advanced economies remains weak. Inflation data continues to point to a moderation in pricing pressures, although at a slightly slower rate than had been expected. This has delayed the implementation of interest rate cuts by most central banks.

Overall, the combination of slower growth and moderating inflation has increased market expectations that major economies can achieve a 'soft landing' and avoid a recession. Over the months, the broad US market (S&P 500 index) gained 4.8%, and the Australian market (ASX 200 index) rose by 0.9%. Political uncertainty due to elections in France and the UK resulted in weakness in most European stock markets. Bond returns were slightly positive, while some key commodity prices declined.

Looking ahead, monetary policy could begin to become less restrictive towards the end of this year if inflation rates continue to decline, which could help to sustain markets. However, geopolitical risks represent potential headwinds. Despite this, the IMF is now forecasting global growth to be 3.2% in 2024 and in 2025, which is close to its long-term trend rate. In broad terms, share markets continue to appear more attractive than most other investment opportunities.

## Managers and weights

Asset Class	Fund Manager	Weight
Australian Equities 36.5%	Solaris	6.6%
	Fidelity	5.0%
	Bennelong	6.8%
	L1 Capital	4.8%
	Ausbil Dexia	6.9%
	Pendal	6.5%
International Equities 23.0%	Franklin Templeton	5.1%
	Challenger	7.4%
	Wellington GRE	4.0%
	Wellington Value	3.2%
	State Bank of India	0.3%
	Sundaram	0.3%
	Tata	0.3%
	EquiPoise	0.2%
	Vanguard	0.6%
	Wellington Technology	0.9%
	Wellington Biotechnology	0.2%
	Loftus Peak Technology	0.4%
Listed Property 10.0%	Nordic Technology	0.2%
	BlackRock	0.9%
	Phoenix	4.5%
Australian Bonds 13.6%	Principal	4.5%
	Perpetual Fixed Interest	5.0%
	BlackRock	0.1%
	Challenger	8.5%
Inflation Linked Bonds 3.5%	Challenger	3.5%
International Bonds 5.8%	Challenger	3.5%
	BlackRock	5.8%
Cash 7.6%	BlackRock	2.8%
	Cash	4.8%

## Fund Commentary

The Fund performed in line with the benchmark in June, with a return of 0.6%, compared to the benchmark return of 0.7%. Over the 12 months to the end of June, the Fund returned 10.1%.

Most asset classes had positive returns for the month. International Shares gained 1.6%, Property Securities increased by 0.3% and Australian Shares were flat.

The FUND currently has small overweight positions in Listed Property, Inflation-Linked Bonds and cash. The exposures to International and Australian Bonds are relatively underweight compared to the benchmark. Australian and International Equities are relatively neutral to benchmark.

In the Zenith AMI Mixed Asset-Balanced Category, the Fiducian Balanced Fund returns were ranked 18 out of 121 funds over one year, 6 out of 107 funds over five years, and 2 out of 85 funds over the ten year period to 30 June 2024.

## Top stock holdings

Top Australian Stocks	Industry	Weight
Bhp Group	Mining	8.4%
CSL	Biotechnology	7.3%
Commonwealth Bank	Banks	5.3%
Goodman Group	REITS	4.4%
Santos	Oil & Gas	3.8%
National Australia Bank	Banks	3.6%
Macquarie Group	Banks	3.1%
Qantas Airways	Airlines	2.8%
Mineral Resources	Iron/Steel	2.6%
Rio Tinto	Mining	2.5%
Top International Stocks	Industry	Weight
Microsoft Corp	Software	3.4%
Nvidia Corp	Semiconductors	3.1%
Amazon Com	Internet	2.6%
Apple	Computers	1.4%
Daiichi Sankyo Co	Pharmaceuticals	1.4%
HDFC Bank	Banks	1.4%
Intuitive Surgical Inc	Healthcare-Products	1.4%
Tyler Technologies Inc	Software	1.4%
Synopsys Inc	Software	1.4%
Shopify Inc	Internet	1.4%

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