

Fiducian Balanced Fund

Monthly Report - May 2025



Fund description

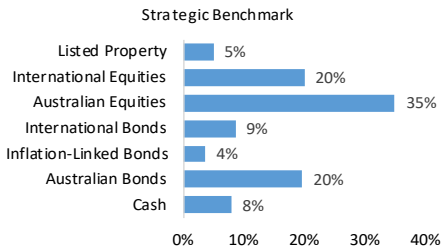
The Fiducian Balanced Fund includes holdings in shares, property, bonds and liquid assets diversified between managers and countries, utilising the Fiducian “Manage the Manager” system that aims to achieve superior returns with reduced risk.

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: FE AMI Mixed Asset Balanced Index
Current fund size: \$878 million (May 2025)
Management cost: 0.93%
Total management costs: 0.98%
Application/Exit fee: Nil
Inception Date: February 1997



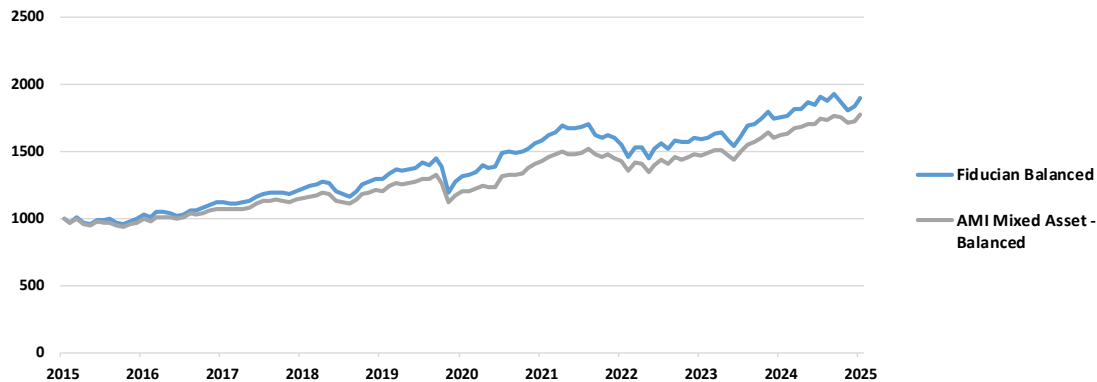
Performance and Risk

After fee returns as at 31 May 2025

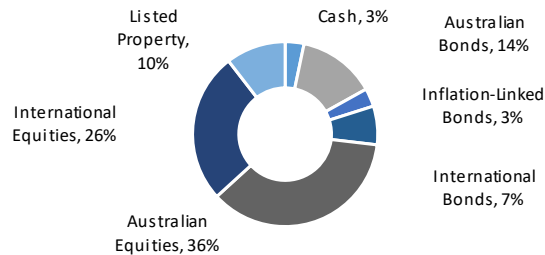
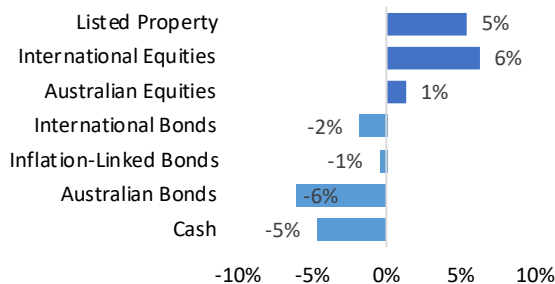
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	3.4%	1.3%	-0.3%	8.4%	7.0%	7.5%	6.5%	6.7%
Index	2.4%	1.2%	1.9%	8.6%	6.3%	6.3%	5.2%	4.9%
Excess	1.1%	0.2%	-2.2%	-0.3%	0.7%	1.2%	1.3%	1.8%
Ranking				60/96	28/89	7/82	6/76	3/65

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	7.8%	9.8%	9.2%	9.7%
Benchmark (Std Dev %)	5.5%	8.1%	7.5%	8.1%
Beta	1.27	1.16	1.17	1.16
Tracking Error (% pa)	2.7%	2.3%	2.4%	2.3%



Tactical tilts and current asset weights



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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 Fund outperformed the benchmark in May, with a return of 3.4%, compared to the benchmark return of 2.4%.

All asset classes experienced gains during the month, with International Equities (+5.5%) and Listed Property (+5.3%) being the best performers for the period. Fixed Interest (+0.1%) registered the smallest gains for an asset class over the month.

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

In the FE AMI Mixed Asset - Balanced Category, the Fiducian Balanced Fund returns were ranked 60 out of 96 funds over one year, 7 out of 82 funds over five years, and 3 out of 65 funds over the ten year period to 31 May 2025.

Managers and weights

Asset Class	Fund Manager	Weight
Australian Equities 36.1%	Solaris	7.3%
	Fidelity	5.0%
	Benelong	5.9%
	L1 Capital	3.6%
	Ausbil Dexia	7.1%
	Pendal	7.3%
International Equities 26.2%	Franklin Templeton	5.5%
	Challenger	8.5%
	Wellington GRE	4.6%
	Wellington Value	3.5%
	State Bank of India	0.3%
	Sundaram	0.3%
	Tata	0.3%
	EquiPoise	0.3%
	Vanguard	0.9%
	Wellington Technology	1.0%
	Wellington Biotechnology	0.2%
	Loftus Peak Technology	0.6%
	Invesco Nasdaq 100	0.2%
Listed Property 10.4%	BlackRock	0.9%
	Phoenix	4.8%
	Principal	4.7%
Australian Bonds 13.6%	Perpetual Fixed Interest	5.1%
	BlackRock	0.1%
	Challenger	8.4%
Inflation Linked Bonds 3.2%	Challenger	3.2%
International Bonds 6.8%	BlackRock	6.8%
Cash 3.7%	BlackRock	3.0%
	Cash	0.7%

Top stock holdings

Top Australian Stocks	Industry	Weight
Commonwealth Bank	Diversified Financials	8.0%
BHP Group	Diversified Metals & Mining	6.3%
CSL	Biotechnology	6.2%
National Australia Bank	Diversified Financials	4.0%
Goodman Group	REITS - Warehouse/Industrial	3.4%
Macquarie Group	Diversified Financials	3.2%
Aristocrat Leisure	Casino Services	2.6%
Santos	Oil & Gas	2.6%
ANZ Group	Diversified Financials	2.4%
Telstra Corporation	Cellular Telecommunication	2.3%

Top International Stocks	Industry	Weight
Nvidia Corp	Semiconductors	3.4%
Microsoft Corp	Software	3.2%
Amazon.Com Inc	Internet	2.3%
Mastercard Inc	Diversified Financials	2.0%
Alphabet Inc	Internet	1.9%
Synopsys Inc	Software	1.7%
Amadeus	Travel Services	1.7%
Astrazeneca Plc	Pharmaceuticals	1.6%
HDFC Bank	Commercial Banks	1.5%
Mercadolibre Inc	Internet	1.5%

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