Fiducian Emerging Markets Strategy

Monthly Report - March 2025

Fund description

The Fund provides investors with the opportunity to invest in companies that are listed on the stock exchanges of the less developed (emerging) markets. The Fund invests in developing countries and offers investors the opportunity to benefit from the significant growth potential inherent in many of these economies as they raise their standard of living.

The Fund utilises the Fiducian "Manage the Manager" process, selecting funds that provide diversification among different management styles, geographies and sectors.

It is recommended that investment in this Fund be undertaken for at least nine years. International share investment can be volatile over the short-term.

Fund facts

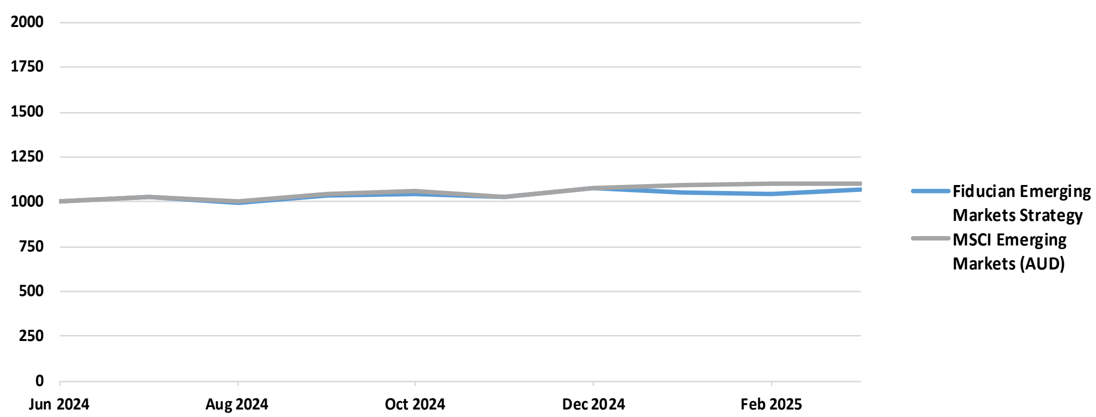
Portfolio manager: Conrad Burge
ARSN: 093 543 849
APIR code: FDN6819AU
Benchmark: MSCI Emerging Markets Index (AUD)
Current fund size: $67 million (March 2025)
Management cost: 1.14%
Total management costs: 1.20%
Application/Exit fee: Nil
Inception Date: June 2024

	Style			Approach	
Manager	Value	Core	Growth	Active	Passive
Fidelity		●		●	
Vanguard Emerging		●			●
Fiducian India			●	●	

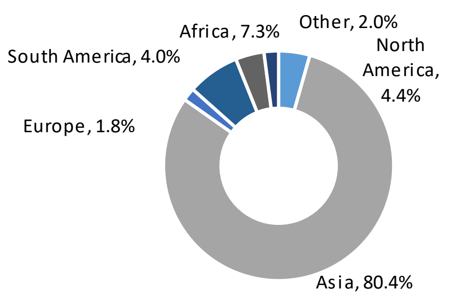
Performance

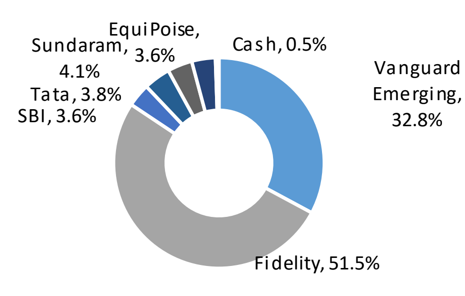
After fee returns as at 31 March 2025

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	**2.2%**	**-0.7%**	**3.2%**	**-**	**-**	**-**	**-**	**-**
Index	0.4%	2.3%	5.4%	-	-	-	-	-
Excess	1.7%	-2.9%	-2.2%	-	-	-	-	-



Geographic 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 fund returned 2.2% in March, which was above the index return of 0.4%.

The MSCI Emerging Markets index rose by 0.4% in March, outperforming the developed markets index, which declined by 4.7% (both in Australian dollars, unhedged).

India (+6.3%) and Brazil (+6.1%) were the best performing emerging markets during the month. Taiwan (-10.1%) was the worst performing emerging market in local currency terms.

Emerging markets have lagged developed markets for some time, partly due to the strong performance of the 'Magnificent Seven' US technology stocks that comprise a significant part of the developed world index. The recent share market correction, however, saw a larger decline in the technology sector than in the broader market.