

Fiducian Geared Australian Shares Fund



Monthly Report - August 2023

Fund description

The Fund invests in a diversified group of specialist Australian Share managers. The Fund utilises the Fiducian “Manage the Manager” process, carefully selecting best of breed managers with different styles with the aim of achieving superior returns with reduced risk.

In this Fund, the underlying managers can borrow against the investor’s assets in the fund to purchase additional shares and provide a leveraged exposure. This can amplify returns in rising markets, and magnify losses when markets decline.

Share investment can be volatile over the short term, especially when geared, and the recommended holding period is at least 9 years.

Fund facts

Portfolio manager: Conrad Burge

ARSN: 105 996 192

APIR code: FPS0011AU

Benchmark: ASX 200 Accumulation Index

Current fund size: \$15 million (August 2023)

Management cost: 1.12%

Total management costs: 1.45%

Application/Exit fee: Nil

Inception Date: September 2003

Manager	Style			Size		
	Value	Core	Growth	Large	Broad	Small
First Sentier			●			●
Ausbil		●			●	
Fiducian	●				●	

Performance and Risk

After fee returns as at 31 August 2023

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	-1.7%	6.4%	3.6%	11.0%	16.0%	6.0%	9.4%	9.1%
Index	-0.7%	3.9%	3.0%	9.6%	10.7%	7.0%	8.6%	8.0%
Excess	-1.0%	2.4%	0.6%	1.4%	5.3%	-1.0%	0.8%	1.1%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	24.0%	25.0%	30.9%	24.9%
Benchmark (Std Dev %)	13.7%	13.6%	16.4%	13.8%
Beta	1.55	1.73	1.81	1.74
Tracking Error (% pa)	11.2%	12.2%	15.3%	11.9%

Investment Growth

Time Period: 9/1/2018 to 8/31/2023

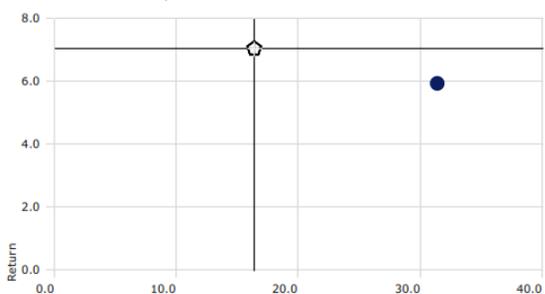


—Fiducian Geared Australian Shares —S&P/ASX 200 TR AUD

Risk-Reward

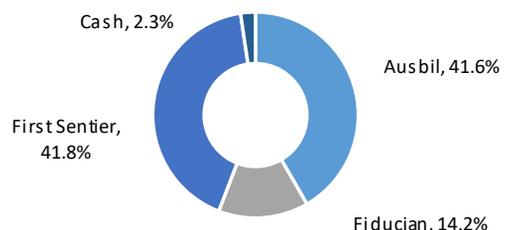
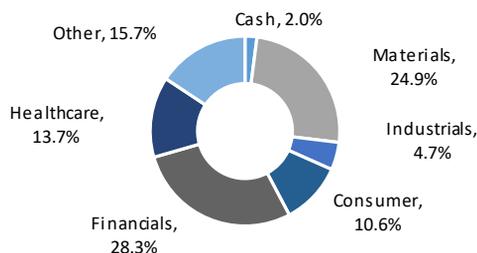
Time Period: 9/1/2018 to 8/31/2023

Calculation Benchmark: S&P/ASX 200 TR AUD



●Fiducian Geared Australian Shares ●S&P/ASX 200 TR AUD

Sector exposures and current manager weights



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Market Commentary and Outlook

Economic data across most developed countries continues to highlight sluggish growth at best in response to tight monetary policy being implemented in most jurisdictions. However, higher interest rates have been steadily pushing inflation lower, while unemployment rates have begun to rise modestly.

Overall, this combination of news was modestly negative for most asset class returns in August. The broad US market (S&P 500 index) declined by 1.7%, and the Australian stock market (ASX 200 index) declined by 0.7%. Australian listed property sector recorded gains during the month (+2.3%), and bulk commodity prices, including coal and iron ore, were also higher. The Australian dollar was weaker during the month, declining by 3.6% against the US dollar.

Looking ahead, geopolitical risks, alongside elevated interest rates and slower economic growth this year, represent potential headwinds for markets. The International Monetary Fund (IMF) is forecasting global growth to be 3.0% in both 2023 and 2024. The IMF expects growth rates to remain slightly below long-term trend levels for some time. However, in broad terms, share markets continue to appear more attractive than most other investment opportunities.

Fund Commentary

The Fiducian Geared Australian Shares Fund declined by 1.7% in August, which was below the index return of -0.7%. Over the last 12 months, the fund has returned 11.0% compared to the index return of 9.6%. Over this period, both Ausbil and First Sentier have outperformed the index.

The broad Australian share market (ASX200 index) declined by 0.7% in August. During the month, the majority of companies listed on the Australian Stock Exchange reported full-year financial results. 40% of companies announced an increase in profits compared to last year, and almost half of companies increased dividends. Despite positive results in the most recent year, a number of companies provided a cautious outlook due to rising interest rates and weakening consumer spending.

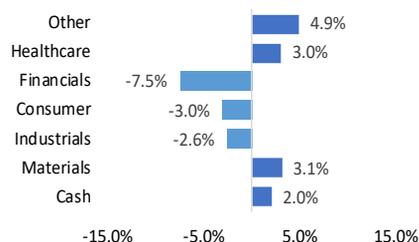
The best performing sectors during the month were Consumer Discretionary (+5.7%) and Real Estate (+2.6%). The Utilities sector (-3.85%) and Consumer Staples sector (-3.2%) trailed the market.

At an aggregate level, the largest sectoral tilts in the Fund are an underweight to financials, primarily lower returning and less volatile property trusts, with this funding overweight positions in the materials and healthcare sectors. As at the end of August, the average gearing level in the Fund was 42.5%.

Top stock holdings and sector tilts

First Sentier Top Holdings	Weight
BHP Group	13.2%
Commonwealth Bank	9.2%
CSL	8.2%
National Australia Bank	5.4%
QBE Insurance	4.0%
Woolworths	3.9%
Santos	3.9%
Goodman Group	3.7%
Westpac Bank	3.4%
Aristocrat Leisure	3.4%

Ausbil Top Holdings	Weight
BHP	10.4%
CSL	8.0%
Commonwealth Bank	7.4%
National Australia Bank	5.9%
Macquarie Group	4.0%
Goodman Group	3.7%
ANZ Bank	3.4%
Santos	3.2%
Aristocrat Leisure	2.9%
QBE Insurance	2.9%



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The information has been compiled from sources considered reliable, but is not guaranteed. Past performance is not indicative of future performance and we do not guarantee the performance of the Fund or any specific rate of return. Potential investors should also obtain and consider the relevant Target Market Determination (TMD) and Product Disclosure Statement (PDS) (available from your financial adviser and via fiducian.com.au) before making a decision about whether to acquire or continue to hold any financial product.