

# Fiducian Geared Australian Shares Fund



Monthly Report - December 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:** \$16 million (December 2023)

**Management cost:** 1.12%

**Total management costs:** 1.45%

**Application/Exit fee:** Nil

**Inception Date:** September 2003

**Manager**  
First Sentier  
**Ausbil**  
**Fiducian**

Value	Style			Size		
	Core	Growth	Large	Broad	Small	
		●	●			
	●		●			
	●		●			

## Performance and Risk

After fee returns as at 31 December 2023

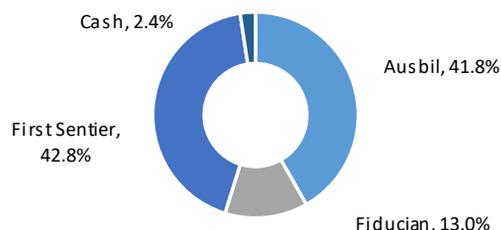
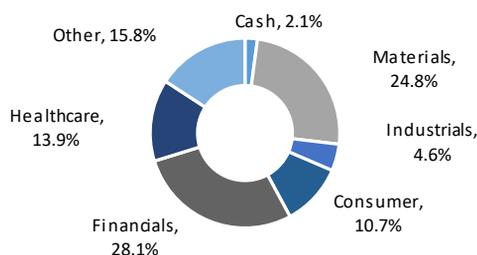
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	13.1%	14.2%	10.2%	18.8%	12.1%	11.6%	8.9%	8.8%
Index	7.3%	8.4%	7.6%	12.4%	9.2%	10.3%	8.5%	7.9%
Excess	5.9%	5.8%	2.6%	6.3%	2.8%	1.3%	0.4%	0.9%

### Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	24.1%	25.1%	31.6%	25.5%
Benchmark (Std Dev %)	12.5%	13.5%	16.6%	14.1%
Beta	1.75	1.77	1.83	1.76
Tracking Error (% pa)	11.8%	12.2%	15.6%	12.1%



## Sector exposures and current manager weights



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## Market Commentary and Outlook

Global monetary policy tightening, which commenced in early 2022, slowed the levels of economic growth across most of the world in 2023. In recent months too, it appears that this policy has been proving effective in achieving its aim of lowering inflation, with rates of inflation returning towards the target levels of most central banks. This has increased the likelihood that interest rates will remain on hold in the near term, and may be cut in the later part of 2024 if current trends persist.

Global markets enjoyed a strong finish for the year. The broad US market (S&P 500 index) gained 4.4% in December, and the Australian stock market (ASX 200 index) gained 7.3%. Listed property had another strong month, and falling yields produced positive returns for bonds. For calendar year 2023, all major global equity markets, with the exception of China, generated positive returns.

Looking ahead, less restrictive monetary policy could be positive for markets. However, geopolitical risks, alongside slower economic growth in the coming year represent potential headwinds. The International Monetary Fund (IMF) is forecasting global growth to be 2.9% in 2024, which is below the long-term trend rate of growth. In broad terms, share markets continue to appear more attractive than most other investment opportunities.

## Fund Commentary

The Fiducian Geared Australian Shares Fund rose by 13.1% in December, which was above the index return of 7.3%. Over the last 12 months, the fund has returned 18.8% compared to the index return of 12.4%.

The broad Australian share market (ASX200 index) gained 7.3% in December. Improving inflation data, combined with moderating economic activity, has raised expectations that the Australian economy may experience a 'soft landing' and avoid a severe recession.

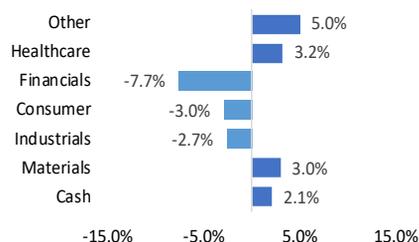
All of the major sectors of the market were up for the month, with the best performing sectors being Property (+11.5%), Healthcare (+9.1%) and Materials (+8.9%). All of the major ASX sectors were also positive for the full year, with Information Technology (+31.3%), Consumer Discretionary (+22.3%) and Property (+17.6%) positing the strongest returns.

At an aggregate level, the largest sectoral tilts in the Fund are an underweight to financials, primarily property trusts, with this funding overweight positions in the materials and healthcare sectors. As at the end of December, the average gearing level in the Fund was 43.8%.

## Top stock holdings and sector tilts

First Sentier Top Holdings	Weight
BHP Group	13.5%
Commonwealth Bank	9.2%
CSL	8.1%
National Australia Bank	5.9%
QBE Insurance	4.1%
Woolworths	4.0%
Santos	3.9%
Aristocrat Leisure	3.7%
Goodman Group	3.6%
Westpac Bank	3.2%

Ausbil Top Holdings	Weight
BHP	12.0%
CSL	8.0%
Commonwealth Bank	7.7%
National Australia Bank	5.6%
Goodman Group	4.2%
Macquarie Group	4.0%
ANZ Bank	3.3%
Rio Tinto	2.9%
Santos	2.9%
Telstra	2.9%



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