

# Fiducian Geared Australian Shares Fund



Monthly Report - July 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 (July 2023)

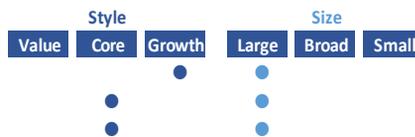
**Management cost:** 1.12%

**Total management costs:** 1.45%

**Application/Exit fee:** Nil

**Inception Date:** September 2003

**Manager**  
First Sentier  
Ausbil  
Fiducian



## Performance and Risk

After fee returns as at 31 July 2023

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	5.0%	4.3%	0.6%	17.4%	19.1%	6.6%	9.3%	9.7%
Index	2.9%	2.0%	1.2%	11.7%	12.0%	7.5%	8.4%	8.3%
Excess	2.1%	2.2%	-0.6%	5.7%	7.1%	-0.9%	0.8%	1.3%

### Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	25.1%	25.3%	31.4%	25.1%
Benchmark (Std Dev %)	14.2%	13.7%	16.4%	13.8%
Beta	1.39	1.46	1.56	1.47
Tracking Error (% pa)	11.6%	12.4%	16.0%	12.3%

### Investment Growth

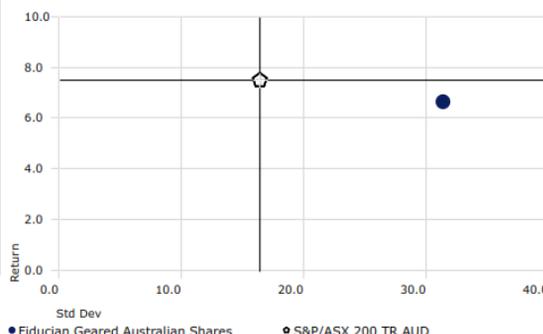
Time Period: 8/1/2018 to 7/31/2023



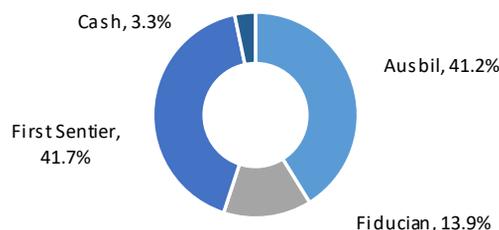
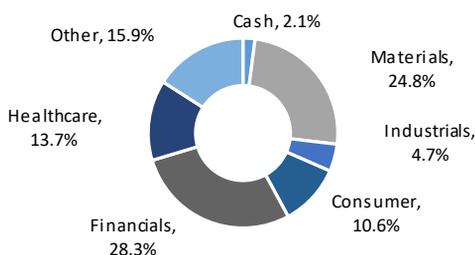
### Risk-Reward

Time Period: 8/1/2018 to 7/31/2023

Calculation Benchmark: S&P/ASX 200 TR AUD



## Sector exposures and current manager weights



# Fiducian Geared Australian Shares Fund

Monthly Report - July 2023



## Market Commentary and Outlook

Economic data was largely positive in July, as inflation measures in both the US and Australia showed larger than expected declines, although current inflation rates remain above central bank targets. Additionally, US economic growth over the June quarter was better than market expectations, raising hopes of a so-called 'soft landing' for the US economy.

However, the global economy continues to face challenges. Manufacturing activity is still contracting in most advanced economies, consumer confidence remains low and employment data has been too strong (adding upwards pressure on inflation).

Overall, this backdrop was positive for markets. The broad US market (S&P 500 index) gained 3.1% and the Australian market (ASX 200 index) rose 2.9% for the month. The listed property sector gained 3.8%, and bonds also recorded a small positive return. Most commodity prices increased during the month, with the oil price rising by 16%.

Looking ahead, geopolitical risks, alongside elevated interest rates and slower economic growth this year, represent potential headwinds for markets. The International Monetary Fund (IMF) recently made a minor upgrade to its economic forecasts, with global growth now expected 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 rose by 5.0% in July, which was above the index return of 2.9%. Over the last 12 months, the fund has returned 17.4% compared to the index return of 11.7%. Over this period, both Ausbil and First Sentier have outperformed the index.

The broad Australian share market had another positive month, rising by 2.8%. Gains were led by the Energy sector (+8.8%), Financials (+4.9%) and Information Technology (+4.5%). Healthcare (-1.5%) and Consumer Staples (-1.0%) declined over the month.

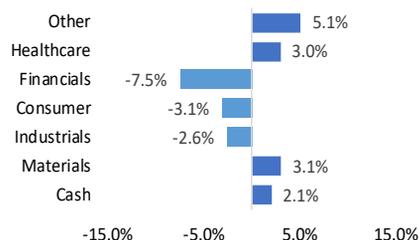
Continued evidence of a moderation in the rate of inflation was positive for market sentiment, as was the decision by the Reserve Bank of Australia to hold its cash rate steady in July, following increases in May and June.

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 July, the average gearing level in the Fund was 42.8%.

## Top stock holdings and sector tilts

First Sentier Top Holdings	Weight
BHP Group	12.3%
CSL	9.5%
Commonwealth Bank	8.9%
National Australia Bank	5.2%
Woolworths	4.0%
QBE Insurance	3.9%
Goodman Group	3.8%
Santos	3.8%
Westpac Bank	3.5%
Aristocrat Leisure	3.4%

Ausbil Top Holdings	Weight
BHP	10.7%
CSL	8.8%
Commonwealth Bank	7.5%
National Australia Bank	5.1%
Macquarie Group	4.2%
Santos	3.5%
QBE Insurance	3.1%
Goodman Group	3.1%
Telstra	3.1%
Aristocrat Leisure	3.0%



## Fiducian Investment Management Services Limited

Issued by Fiducian Investment Management Services Limited ABN 28 602 441 814 AFS Licence number 468211. This document provides general information only. It does not have regard to your objectives, financial situation or needs. We recommend that you seek financial planning advice, and consider whether this investment is appropriate to your objectives, financial situation and needs before making any investment decision.

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](http://fiducian.com.au)) before making a decision about whether to acquire or continue to hold any financial product.