

Fiducian Geared Australian Shares Fund



Monthly Report - November 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: \$14 million (November 2023)

Management cost: 1.12%

Total management costs: 1.45%

Application/Exit fee: Nil

Inception Date: September 2003

Manager
First Sentier
Ausbil
Fiducian

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

Performance and Risk

After fee returns as at 30 November 2023

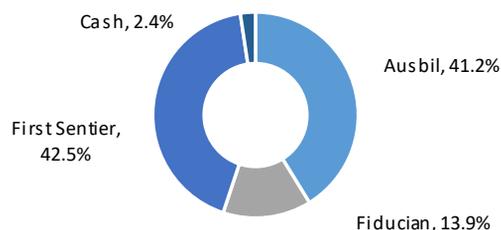
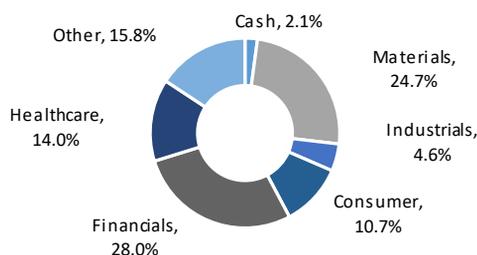
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	9.5%	-5.6%	0.4%	-2.6%	8.6%	8.5%	8.0%	7.5%
Index	5.0%	-1.8%	2.0%	1.5%	7.1%	8.7%	8.1%	7.3%
Excess	4.4%	-3.8%	-1.7%	-4.0%	1.4%	-0.2%	-0.1%	0.2%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	20.9%	23.8%	31.0%	25.2%
Benchmark (Std Dev %)	11.3%	12.9%	16.4%	13.9%
Beta	1.69	1.75	1.82	1.75
Tracking Error (% pa)	9.9%	11.5%	15.3%	11.9%



Sector exposures and current manager weights



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Market Commentary and Outlook

There have been continued signs of economic activity moderating across most of the world, due to actions taken by global central banks to reduce inflation. In many regions, inflation rates are moving back towards target levels, and in some instances, have turned negative over the short term. This has caused the market to reassess the future path of interest rates, with expectations that rates may be on hold in the near term, and possibly reduced later in 2024.

The prospect of lower interest rates was positive for global markets, as the key US 10-year government bond yield fell from recent highs of 5.0% to finish the month at 4.4%. The broad US market (S&P 500 index) gained 8.9%, and the Australian stock market (ASX 200 index) gained 5.0%. Interest rate sensitive sectors were the best performers, and the Australian dollar rose by 4.4% 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 2023 and 2.9% in 2024, which is below the long-term trend rate of growth. 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 9.5% in November, which was above the index return of 5.0%. Over the last 12 months, the fund has returned -2.6% compared to the index return of 1.5%.

The broad Australian share market (ASX200 index) gained 5.0% in November. Improving inflation data, combined with moderating economic activity, has raised expectations that the Australian economy may experience a 'soft landing' and avoid the most serious impacts of higher interest rates.

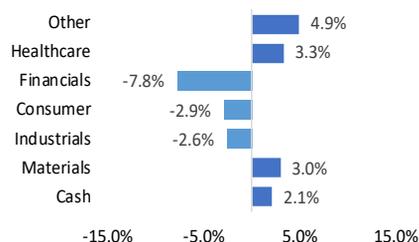
The best performing sectors for the month were Healthcare (+11.7%) and Property (+11.0%). The Energy sector (-7.4%) was weaker as oil and gas prices declined during the month.

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 October, the average gearing level in the Fund was 43.4%.

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	12.3%
CSL	8.5%
Commonwealth Bank	8.3%
National Australia Bank	6.7%
Macquarie Group	4.4%
Goodman Group	4.2%
ANZ Bank	3.6%
Santos	3.1%
Aristocrat Leisure	3.1%
QBE Insurance	3.1%



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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.