

Fiducian Ultra Growth Fund

Monthly Report - March 2023



Fund description

The Fiducian Ultra Growth Fund has over 95% exposure to growth assets. It is diversified between multiple managers and geographies, utilising the Fiducian “Manager the Manager” system that aims to achieve superior returns with reduced risk. The main assets held are Australian and international small cap shares, emerging market shares and listed property securities. The fund should be capable of generating high returns over the longer term, but will also experience significant volatility and capital losses when markets turn down.

The Fund is suitable for investors seeking good long term capital growth with possible significant short term volatility. The recommended holding period is at least 7 years.

Fund facts

Portfolio manager: Conrad Burge

ARSN: 133 391 634

APIR code: FPS0014AU

Benchmark: Morningstar Multisector Aggressive Median

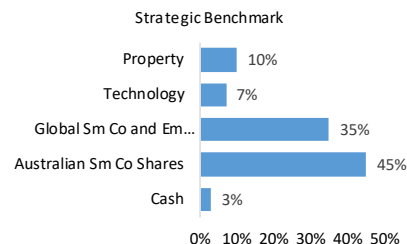
Current fund size: \$270 million (March 2023)

Management cost: 1.45%

Total management costs: 1.81%

Application/Exit fee: Nil

Inception Date: September 2008



Performance and Risk

After fee returns as at 31 March 2023

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5yrs	7 Yrs	10 Yrs
Fund	-0.6%	2.6%	7.7%	-8.6%	13.1%	5.4%	7.6%	9.3%
Index	1.0%	4.5%	10.9%	-2.0%	11.9%	6.5%	7.8%	8.1%
Excess	-1.6%	-2.0%	-3.2%	-6.6%	1.1%	-1.1%	-0.2%	1.2%
Ranking				128/128	27/122	98/117	57/107	13/97

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	16.4%	19.2%	16.5%	13.0%
Benchmark (Std Dev %)	13.6%	13.7%	12.0%	9.8%
Beta	1.07	1.18	1.17	1.14
Tracking Error (% pa)	5.2%	7.7%	6.5%	5.2%

Investment Growth

Time Period: 4/1/2016 to 3/31/2023

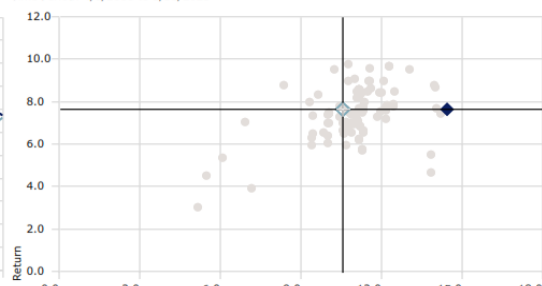


— Fiducian Ultra Growth

— Australia Fund Multisector Aggressive

Risk-Reward

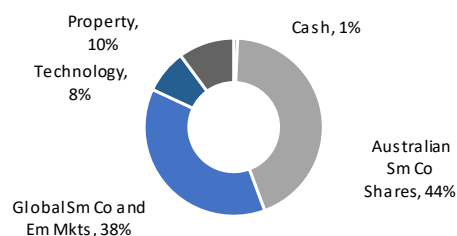
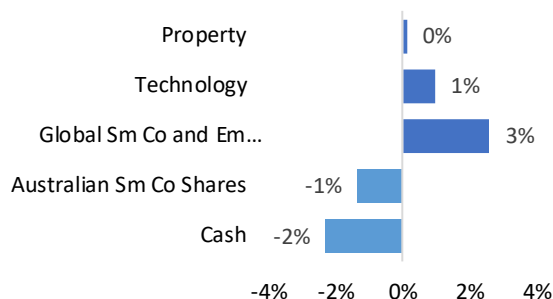
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◆ Fiducian Ultra Growth

◆ Australia Fund Multisector Aggressive

Tactical tilts and current asset weights



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Market Commentary and Outlook

The trend of slowing global growth has continued in recent months due to a tightening of monetary policy by key central banks in response to an acceleration last year in the rate of inflation. In some regions, inflation now appears to be moderating. However, the persistent strength in employment conditions and to a lesser extent retail sales has created uncertainty regarding the amount of monetary tightening that will be necessary to bring inflation back towards target ranges.

Global financial markets experienced a turbulent month in March. The failure of some regional US banks, as well as the Swiss Government mandated takeover of Credit Suisse by larger rival UBS initially sent markets lower. However, over the rest of the month, due to a lack of further bank failures, most markets enjoyed a broad recovery. The US market (S&P 500 index) gained 3.5% for the month, while the Australian market (ASX 200 index) was down by 0.2%. A shift towards assets that are perceived as being safer resulted in gains for bonds, gold, and large cap equities.

Looking ahead, elevated geopolitical risks, alongside higher interest rates and slower economic growth this year, represent potential headwinds for markets. The International Monetary Fund (IMF) recently made a small downgrade to its economic forecasts, with global growth now expected to be 2.8% in 2023. The IMF expects growth rates to remain slightly below long-term trend levels for some time. In broad terms, share markets continue to appear more attractive than most other investment opportunities.

Fund Commentary

The Fund underperformed its benchmark during the month, returning -0.6% compared to a 1.0% return by the median manager. Over the year to the end of March, the Fund has returned -8.6%.

There was mixed performance between asset classes over the month. Australian and global small company stocks underperformed their large cap counterparts, emerging market shares had a positive month, and technology stocks also finished higher.

A small overweight exposure to technology and global small cap and emerging markets remains, as valuations appear attractive relative to other asset classes, particularly after recent price moves. There is a neutral positioning in the other sectors.

In the Morningstar Multisector Aggressive Category, the Fiducian Ultra Growth Fund returns were ranked 128th out of 128 funds over one year, 98th out of 117 funds over five years, and 13th out of 97 funds over the ten year period to 31 March 2023.

Managers and weights

Asset Class	Fund Manager	Weight
Australian Equities (Small Cap) 43.3%	Ausbil Dexia	15.4%
	Pendal	6.6%
	Novaport	5.2%
	Phoenix	4.3%
	QVG	0.0%
	Perpetual	11.8%
International Equities (Small Cap, Emerging Markets) 36.7%	Royce	14.1%
	Fidelity	14.1%
	Vanguard Global Small Cap	4.5%
	State Bank of India	0.4%
	Sundaram	0.5%
	Tata	0.4%
	EquiPoise	0.1%
	Vanguard Emerging Market:	2.7%
Technology 7.9%	Wellington Technology	4.2%
	Wellington Biotechnology	1.3%
	Nordic Technology	2.5%
Listed Property 10.0%	BlackRock	1.0%
	Phoenix	4.8%
	Principal	4.2%
Cash 2.1%	CMT	2.1%

Top stock holdings

Top Australian Stocks	Industry	Weight
Imdex Limited	Diversified Metals & Mining	2.6%
Data No 3 Limited	IT Consulting	2.1%
EQT Holdings Limited	Asset Management & Custod	1.9%
Gold Road Resources	Gold	1.8%
Psc Insurance Group	Insurance Brokers	1.8%
Johns Lyng Group Ltd	Construction & Engineering	1.7%
Kelsian Group Ltd	Trucking	1.6%
DGL Group Ltd	Specialty Chemicals	1.5%
Mma Offshore Limited	Oil & Gas Services	1.5%
AUB Group Limited	Insurance Brokers	1.5%

Top Technology Stocks	Industry	Weight
Microsoft Corp	Systems Software	6.9%
Amazon Dotcom Inc	Internet Retail	3.2%
Alphabet Inc	Interactive Media	3.2%
Meta Platforms Inc	Interactive Media	2.8%
Advanced Micro Devices	Semiconductors	2.8%
Apple Inc	Technology Hardware-Storag	2.8%
Sdptech Ab B	Environmental Services	2.8%
Fortnox Ab	Application Software	2.7%
Chemometec As	Life Sciences Tools	2.6%
On Semiconductor Corp	Semiconductors	2.2%

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The Morningstar Category rankings have the Morningstar Australia Multisector Aggressive Category for Ultra Growth Fund, Multisector Moderate Category for Capital Stable Fund, and Multisector Growth Category for the Balanced and Growth Fund. Source: Morningstar Direct, Performance Report as of 10.4.2023 ©2023 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. This report or data has been prepared for clients of Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or New Zealand wholesale clients of Morningstar Research Ltd, subsidiaries of Morningstar, Inc. Any general advice has been provided without reference to your financial objectives, situation or needs. For more information refer to our Financial Services Guide at www.morningstar.com.au/s/fsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Morningstar's publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a financial adviser. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN 004 523 782.