

# Fiducian Geared Australian Shares Fund



Monthly Report - February 2022

## 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 5 to 7 years.

## Fund facts

**Portfolio manager:** Conrad Burge

**ARSN:** 105 996 192

**APIR code:** FPS0011AU

**Benchmark:** ASX 200 Accumulation Index

**Current fund size:** \$13 million (February 2022)

**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 28 February 2022

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	2.4%	-7.9%	-11.9%	14.8%	7.6%	8.5%	6.8%	11.5%
Index	2.1%	-1.7%	-4.2%	10.2%	8.4%	8.5%	6.8%	9.6%
Excess	0.2%	-6.2%	-7.7%	4.6%	-0.8%	0.1%	0.0%	1.9%

**Risk Exposure**

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	19.7%	34.3%	28.2%	23.6%
Benchmark (Std Dev %)	9.6%	17.3%	14.5%	13.2%
Beta	1.49	1.61	1.59	1.42
Tracking Error (% pa)	11.5%	18.2%	14.7%	11.5%

Overall Morningstar Rating™

★★★

As at 28 February 2022

### Investment Growth

Time Period: 1/03/2017 to 28/02/2022



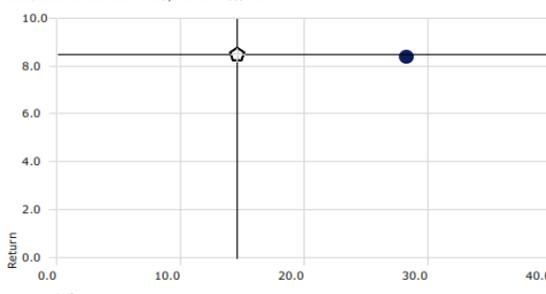
—Fiducian Geared Australian Shares

—S&P/ASX 200 TR AUD

### Risk-Reward

Time Period: 1/03/2017 to 28/02/2022

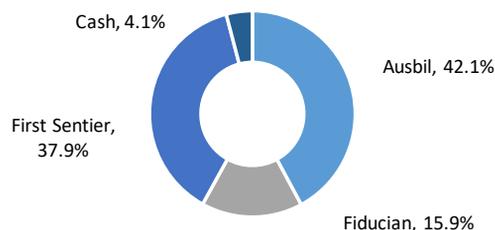
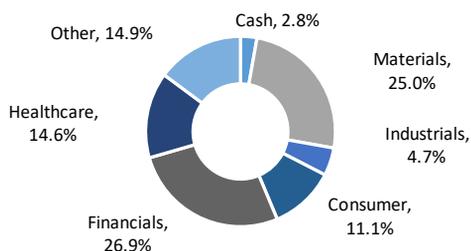
Calculation Benchmark: S&P/ASX 200 TR AUD



●Fiducian Geared Australian Shares

◊S&P/ASX 200 TR AUD

## Sector exposures and current manager weights



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## Market Commentary and Outlook

Global economic indicators continued to improve in February, with employment levels, wages and industrial production recording growth across most of the world. Retail sales and consumer confidence measures also remained in positive territory. However, this good news was offset by the Russian invasion of Ukraine late in the month, which saw energy prices, including oil, gas and coal, shift dramatically upwards.

Broad-based selling in equity and other asset markets followed news of the Russian invasion. European stock markets were among the worst performers for the month, with most indices dropping by around 5%. The US market (S&P 500) was 3.1% lower, and the MSCI emerging markets index was down by 3.0%. The Australian market was an exception to this trend, with the ASX 200 index gaining 2.1%. This was due in a large part to the strong performance of energy and mining stocks, with most commodity prices heading higher on expectations of supply disruptions stemming from the Russia-Ukraine conflict.

Bond returns were negative in February, but prices rallied later in the month as investors sought 'safe-haven' assets.

Looking ahead, elevated geopolitical risks, alongside the likelihood of increasing interest rates during the year, represent a headwind to markets. However, leading indicators remain supportive of a continued economic recovery this year, with the IMF forecasting global GDP growth of around 4.5% in 2022.

## Fund Commentary

The Fiducian Geared Australian Shares Fund rose by 2.4% in February, ahead of the index return of 2.1%. Good performance by the underlying fund managers, combined with the leverage in the Fund, have resulted in a 12 month return of +14.8%, ahead of the benchmark return of 10.2%.

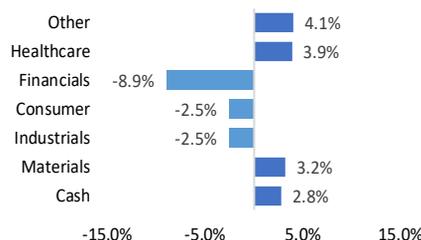
The Australian equity market gained 2.1% in February, which contrasted with the negative returns seen in most global equity markets. Resources stocks had a very strong month, with energy prices including oil, coal, and natural gas experiencing large price rises. Metals including gold, copper and nickel were also higher. Energy (+8.57%), consumer staples (+5.6%) and materials (+5.2%) were the best performing sectors, while IT (-6.6%) and consumer discretionary (-5.0%) were the weakest.

A large number of companies released their interim financial results during the month. 67% of companies reported higher profits, as much of the Australian economy reopened following the lifting of pandemic-related lockdowns.

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 February, the average gearing level in the Fund was 43.7%.

## Top stock holdings and sector tilts

First Sentier Top Holdings	Weight	Ausbil Top Holdings	Weight
BHP Group	10.7%	BHP Group	10.4%
CSL	7.8%	CSL	8.2%
Commonwealth Bank	6.0%	Commonwealth Bank	7.8%
National Australia Bank	5.9%	National Australia Bank	6.9%
James Hardie	4.1%	Macquarie Group	5.1%
Woolworths	4.0%	Santos	3.9%
Goodman Group	3.4%	QBE Insurance	3.8%
Macquarie Group	3.2%	ANZ Bank	3.7%
Westpac Bank	3.2%	Lynas	3.6%
Aristocrat Leisure	3.1%	OZ Minerals	3.2%



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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.