

Fiducian Geared Australian Shares Fund



Monthly Report - March 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

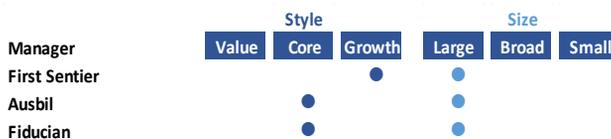
Current fund size: \$15 million (March 2022)

Management cost: 1.12%

Total management costs: 1.45%

Application/Exit fee: Nil

Inception Date: September 2003



Performance and Risk

After fee returns as at 31 March 2022

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7 yrs	10 Yrs
Fund	13.4%	0.7%	3.6%	27.7%	12.0%	10.2%	8.6%	12.6%
Index	6.9%	2.2%	4.4%	15.0%	10.6%	9.2%	7.8%	10.2%
Excess	6.5%	-1.5%	-0.8%	12.7%	1.4%	1.0%	0.8%	2.5%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	23.4%	35.1%	28.8%	23.9%
Benchmark (Std Dev %)	11.2%	17.6%	14.8%	13.4%
Beta	1.55	1.62	1.59	1.43
Tracking Error (% pa)	12.6%	18.6%	15.0%	11.7%

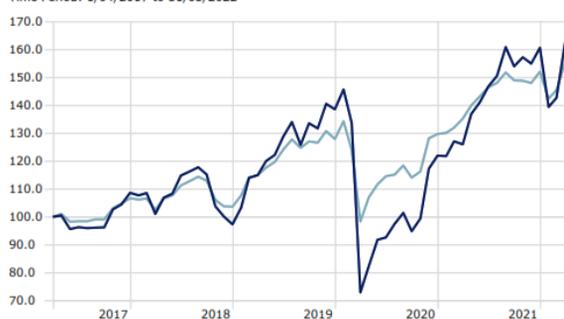
Overall Morningstar Rating™

★★★

As at 31 March 2022

Investment Growth

Time Period: 1/04/2017 to 31/03/2022



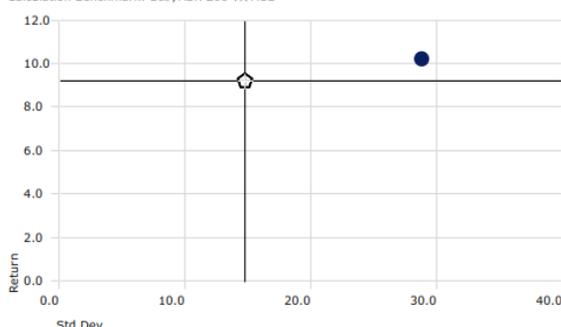
—Fiducian Geared Australian Shares

—S&P/ASX 200 TR AUD

Risk-Reward

Time Period: 1/04/2017 to 31/03/2022

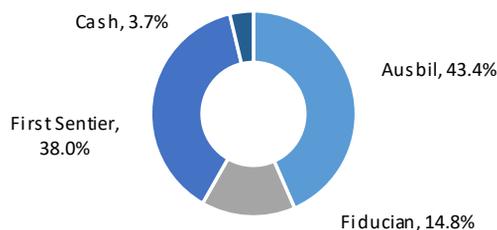
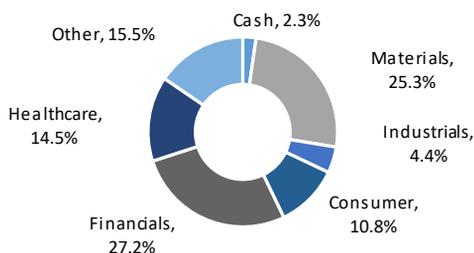
Calculation Benchmark: S&P/ASX 200 TR AUD



●Fiducian Geared Australian Shares

●S&P/ASX 200 TR AUD

Sector exposures and current manager weights



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Market Commentary and Outlook

The global economy continued to expand in the March quarter this year, following its strong rebound last year from the global recession of 2020. However, looking ahead, according to the International Monetary Fund, growth could be lower than previously forecast due to the Russian invasion of Ukraine. This has already led to significantly higher prices for energy, metals and grains, which has fed into higher inflationary pressures more generally. While unemployment has continued to trend lower and wages growth to trend higher, consumer and business sentiment has recently been dented.

Key equity markets around the world finished the month higher, including the broad US market (S&P500 index), which rose by 3.6%, Japan (up 4.9%), the UK (up 1%) and Australia (up 6.9%), with gains in commodity and energy prices supporting the domestic market. In fixed income markets, the US central bank increased interest rates by 0.25%, signaling the start of a tightening cycle. This followed recent moves in the UK and Canada to increase rates from record low levels. The Reserve Bank of Australia is also expected to increase rates in coming months.

Looking ahead, elevated geopolitical risks, alongside the likelihood of higher interest rates this year represent potential headwinds to markets. However, in broad terms, share markets continue to appear more attractive than most other investment opportunities, including bonds and cash.

Fund Commentary

The Fiducian Geared Australian Shares Fund rose by 13.4% in March, well ahead of the index return of 6.9%. Good performance by the underlying fund managers, combined with the leverage in the Fund, have resulted in a 12 month return of +27.7%, ahead of the benchmark return of 15.0%.

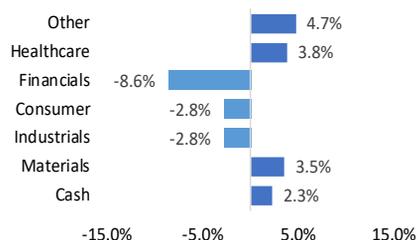
The Australian equity market (ASX200 accumulation index) rose by 6.9% in March, which was above the returns seen in most major global equity markets. Resources stocks helped to support the market, with energy prices including oil, coal, and natural gas rising strongly and iron ore and base metal prices also increasing. The IT sector (+13.2%) was the strongest performer, with energy (+9.8%) and materials (+8.9%) also well up. All sectors finished the month higher, with property (+1.2%) the weakest on a relative basis.

The 2022-23 Federal Budget was released towards the end of the month, highlighting the underlying strength of the economy, with unemployment well down and growth solid. Strong commodity export growth could continue to underpin the resources sector.

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 March, the average gearing level in the Fund was 43.9%.

Top stock holdings and sector tilts

First Sentier Top Holdings	Weight	Ausbil Top Holdings	Weight
BHP Group	11.5%	BHP Group	11.4%
Commonwealth Bank	8.0%	CSL	9.0%
National Australia Bank	6.4%	Commonwealth Bank	8.7%
CSL	6.0%	National Australia Bank	7.2%
Woolworths	4.2%	Macquarie Group	5.3%
James Hardie	3.8%	Santos	4.1%
Santos	3.3%	QBE Insurance	4.0%
Goodman Group	3.3%	ANZ Bank	3.9%
Westpac Bank	3.1%	Lynas	3.7%
Aristocrat Leisure	3.0%	OZ Minerals	3.5%



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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.