

Fiducian Geared Australian Shares Fund



Monthly Report - April 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 (April 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 30 April 2022

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	-3.1%	12.5%	-0.2%	15.6%	9.2%	9.2%	8.6%	12.2%
Index	-0.9%	8.2%	3.6%	10.2%	9.4%	8.8%	7.9%	9.9%
Excess	-2.2%	4.3%	-3.8%	5.4%	-0.2%	0.4%	0.6%	2.3%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	22.5%	35.1%	28.8%	23.9%
Benchmark (Std Dev %)	11.1%	17.6%	14.8%	13.4%
Beta	1.49	1.61	1.58	1.43
Tracking Error (% pa)	11.9%	18.6%	15.0%	11.7%

Overall Morningstar Rating™

★★★

As at 30 April 2022

Investment Growth

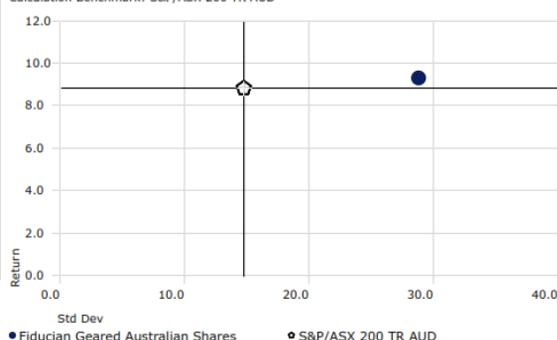
Time Period: 1/05/2017 to 30/04/2022



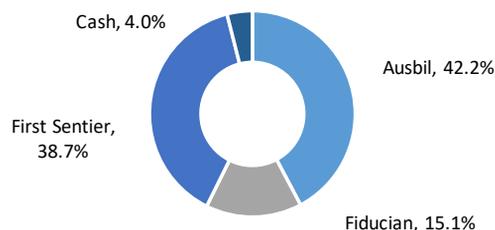
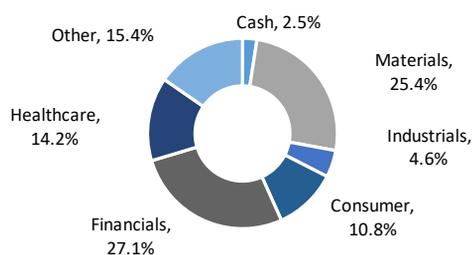
Risk-Reward

Time Period: 1/05/2017 to 30/04/2022

Calculation Benchmark: S&P/ASX 200 TR AUD



Sector exposures and current manager weights



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Market Commentary and Outlook

The global economy has slowed but is still forecast to grow at a solid pace over the rest of the year. This is despite headwinds arising from the Russian invasion of Ukraine and lockdowns imposed in many Chinese cities to counter the spread of COVID-19. These factors have led to significant price rises for many commodities, which has fed into inflationary pressures more generally. While unemployment has been trending lower and wages growth has been trending higher, consumer and business confidence has been dented. During the month, the IMF lowered its global growth forecast for 2022 from 4.4% to 3.6%.

Most equity markets finished the month lower, reversing recent gains. The US market (S&P 500) declined by 8.8%, The Australian equity market (ASX 200) performed relatively well, finishing down only 0.8%, with elevated commodity and energy prices continuing to provide support for the domestic market.

Fixed income markets have responded to inflation measures rising almost everywhere, and central banks have indicated that they plan to increase interest rates through the rest of the year. Bond yields moved materially higher during the month, causing negative returns for fixed income assets.

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 declined by 3.1% in April, which was below the index return of -0.9%. Good performance by the underlying fund managers, combined with the leverage in the Fund, have resulted in a 12 month return of +15.6%, ahead of the benchmark return of 10.2%.

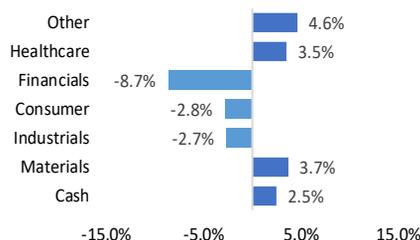
The Australian equity market (ASX200 accumulation index) declined by 0.8% in April but was still up 1.4% over the year-to-date. The best performing sectors for the month were Utilities (+9.3%), Industrials (+3.5%) and Consumer Staples. The worst performing sectors were Information Technology (-10.4%), Materials (-4.3%) and Consumer Discretionary (-4.3%).

High growth companies underperformed during the month as higher interest rates and the potential for economic growth to slow affected valuations. Resources stocks were mixed, with higher oil and coal prices assisting energy stocks and lower iron ore and copper prices causing declines for most other mining stocks.

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 April, the average gearing level in the Fund was 44.2%.

Top stock holdings and sector tilts

First Sentier Top Holdings	Weight	Ausbil Top Holdings	Weight
BHP Group	11.5%	BHP Group	10.8%
Commonwealth Bank	8.0%	CSL	9.1%
National Australia Bank	6.4%	Commonwealth Bank	9.0%
CSL	6.0%	National Australia Bank	7.6%
Woolworths	4.2%	Macquarie Group	5.7%
James Hardie	3.8%	Santos	4.2%
Santos	3.3%	ANZ Bank	4.1%
Goodman Group	3.3%	QBE Insurance	4.1%
Westpac Bank	3.1%	IGO Limited	3.8%
Aristocrat Leisure	3.0%	Qantas	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.