

Fiducian Geared Australian Shares Fund



Monthly Report - September 2021

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 (September 2021)

Management cost: 1.12%

Total management costs: 1.45%

Application/Exit fee: Nil

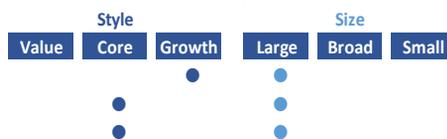
Inception Date: September 2003

Manager

First Sentier

Ausbil

Fiducian



Performance and Risk

After fee returns as at 30 September 2021

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	-3.5%	6.4%	23.3%	64.6%	10.5%	12.9%	11.3%	13.8%
Index	-1.9%	1.7%	10.1%	30.6%	9.7%	10.4%	9.1%	10.8%
Excess	-1.7%	4.7%	13.1%	34.0%	0.8%	2.5%	2.1%	3.0%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	19.1%	34.5%	27.7%	23.8%
Benchmark (Std Dev %)	9.8%	17.6%	14.3%	13.3%
Beta	1.50	1.62	1.60	1.42
Tracking Error (% pa)	10.7%	18.1%	14.4%	11.6%

Overall Morningstar Rating™

★★★

As at 30 September 2021

Investment Growth

Time Period: 1/10/2016 to 30/09/2021



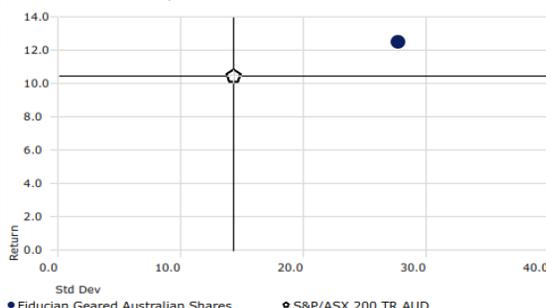
—Fiducian Geared Australian Shares

—S&P/ASX 200 TR AUD

Risk-Reward

Time Period: 1/10/2016 to 30/09/2021

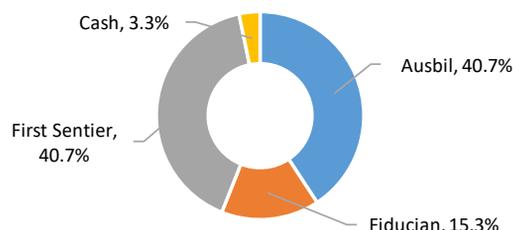
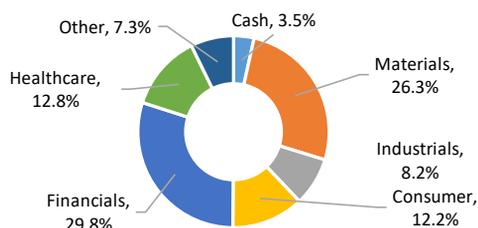
Calculation Benchmark: S&P/ASX 200 TR AUD



● 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, including employment growth, industrial production and consumer spending, generally remained positive in September, albeit with a deceleration in growth rates as some stimulus measures began to be reduced.

Most asset classes experienced negative returns for the month. This was attributed to a number of factors, including expectations for higher interest rates, escalating energy prices and some political gridlock in the United States. Equity markets were weaker across the globe, with the MSCI World index falling by 4.3%, the US market (S&P 500) dropping by 4.8% and the Australian market (ASX 200) finishing 1.9% lower.

Bond prices also fell for the month. The US central bank (the Federal Reserve) gave further guidance about the likely conclusion of its bond purchasing programme next year as the US economy continues to recover, although any increase in interest rates is not expected until at least the latter half of 2022. In Australia, the Reserve Bank has maintained its forecast of no interest rate rises until 2024.

Looking ahead, leading indicators remain supportive of a continued economic recovery into next year, with the IMF forecasting global GDP growth of around 6.0% in 2021. The risk of further disruption caused by lockdowns to counter the pandemic remains, but is lessening as vaccine rollouts continue to progress across the globe.

Fund Commentary

The Fiducian Geared Australian Shares Fund fell by 3.5% in September, below the index return of -1.9%. Despite the fall this month, good performance by the underlying fund managers, combined with the leverage in the Fund, have resulted in a 12 month return of +64.6%, well ahead of the benchmark return of 30.6%.

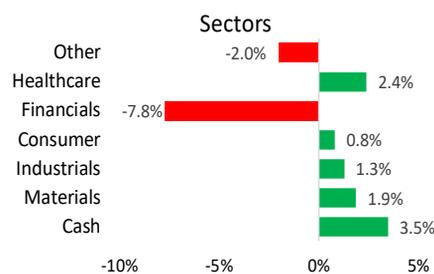
The ASX 200 fell by 1.9% in September, the first negative month following a run of 11 consecutive positive monthly returns.

The materials sector was the worst performer, falling by 12.1% due to some concerns about the commodity demand outlook from China. The healthcare sector (-5.5%) and consumer staples (-4.4%) also recorded declines. This was offset by strong gains in the energy sector (+16.4%) as oil, natural gas and coal prices all moved strongly higher on the back of supply shortages across the globe.

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 small overweight positions spread relatively broadly across the remaining sectors. As at the end of September, the average gearing level in the Fund was 41.2%.

Top stock holdings and sector tilts

First Sentier Top Holdings	Weight	Ausbil Top Holdings	Weight
Commonwealth Bank	8.8%	Commonwealth Bank	8.8%
CSL	8.2%	CSL	7.5%
BHP	7.1%	BHP	7.3%
National Australia Bank	6.2%	National Australia Bank	6.1%
Westpac Bank	5.5%	Westpac Bank	5.1%
Woolworths	4.6%	Macquarie Group	4.4%
James Hardie	4.1%	ANZ Bank	4.2%
Afterpay Touch	3.8%	Aristocrat Leisure	4.1%
Goodman Group	3.4%	Santos	3.4%
Aristocrat Leisure	3.1%	QBE Insurance	3.3%



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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.