

# Fiducian Geared Australian Shares Fund



Monthly Report - December 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 (December 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 31 December 2021

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	3.7%	2.8%	9.5%	34.2%	18.1%	11.6%	11.0%	14.0%
Index	2.7%	2.1%	3.8%	17.2%	13.6%	9.8%	9.0%	10.8%
Excess	0.9%	0.7%	5.6%	16.9%	4.5%	1.8%	2.0%	3.2%

**Risk Exposure**

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	12.6%	33.7%	27.5%	23.3%
Benchmark (Std Dev %)	5.5%	17.1%	14.2%	13.1%
Beta	1.45	1.61	1.58	1.42
Tracking Error (% pa)	8.8%	17.9%	14.3%	11.3%

Overall Morningstar Rating™

★★★

As at 31 December 2021

**Investment Growth**

Time Period: 1/01/2017 to 31/12/2021



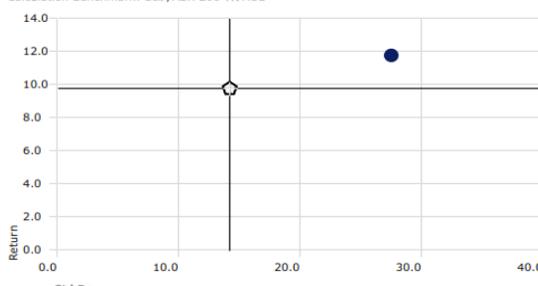
—Fiducian Geared Australian Shares

—S&P/ASX 200 TR AUD

**Risk-Reward**

Time Period: 1/01/2017 to 31/12/2021

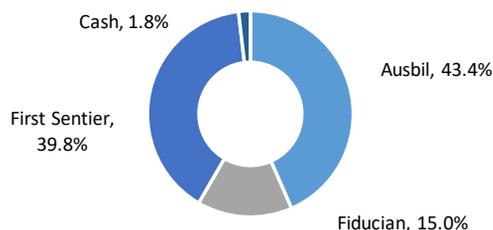
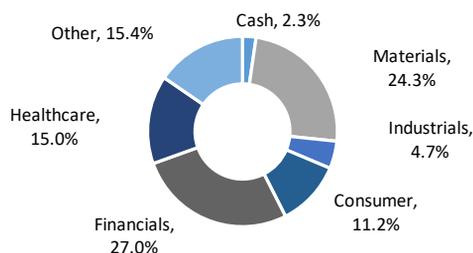
Calculation Benchmark: S&P/ASX 200 TR AUD



●Fiducian Geared Australian Shares

●S&P/ASX 200 TR AUD

## Sector exposures and current manager weights



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## Market Commentary and Outlook

The rapid spread through the month and into 2022 of the latest variant of the COVID-19 coronavirus (Omicron) has the potential to slow global economic growth for a time. So far, however, indications are that despite being highly contagious, this strain is less virulent or deadly than previous versions of the virus. Combined with high vaccination rates in most developed nations, the need for restrictive lockdowns is largely being avoided. Against this backdrop, the positive economic momentum seen across most of the world in 2021 is likely to be sustained in 2022.

Global equity markets ended 2021 on a positive note, with most indices recording gains for the month. For the year, the US market (S&P 500) finished 28.7% higher. European markets (MSCI Europe ex UK) were 24.4% higher for the year and the Australian market (ASX 200) gained 17.2%. Emerging markets (-2.2%) trailed developed markets (+22.3%), and property stocks outperformed the broader market. Government bond yields also moved higher over the year, as the scaling down of emergency stimulus programmes and recent higher than expected inflation data has brought forward the timeline for interest rate increases.

Looking ahead, leading indicators remain supportive of a continued economic recovery through 2022, with the IMF forecasting global GDP growth of around 5% for the year. The risk of further disruption caused by lockdowns to counter the pandemic remains but is lessening as vaccine rollouts continue and restrictions become more targeted.

## Fund Commentary

The Fiducian Geared Australian Shares Fund rose by 3.7% in December, compared to the index return of 2.7%. Ausbil generated the best return for the month, rising by 5.7%. Good performance by the underlying fund managers, combined with the leverage in the Fund, have resulted in a 12 month return of +34.2%, well ahead of the benchmark return of 16.9%.

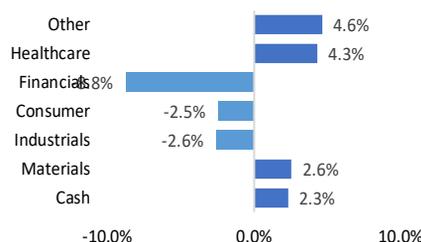
The Australian equity market had a positive month in December, rising by 2.7%. The top performing sectors were Utilities (+7.9%), Materials (+6.5%) and Real Estate (+4.9%). IT (-5.3%) and Healthcare (-2.3%) were the weakest.

For the year to the end of December, the ASX 200 recorded a gain of 17.2%. Telecommunications (+32.6%) was the best performing sector, with Consumer Discretionary, Financials and Real Estate also recording strong gains of around 25%. The IT sector (-2.2%) was the only major sector to finish the year down.

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 December, the average gearing level in the Fund was 41.5%.

## Top stock holdings and sector tilts

First Sentier Top Holdings	Weight	Ausbil Top Holdings	Weight
CSL	8.6%	CSL Limited	8.4%
BHP Group	8.0%	BHP Billiton	8.1%
Commonwealth Bank	7.8%	Commonwealth Bank	7.7%
National Australia Bank	5.8%	National Australia Bank	6.3%
Woolworths	4.8%	Macquarie Group	5.2%
James Hardie	4.5%	ANZ Bank	3.8%
Goodman Group	3.9%	Aristocrat Leisure	3.7%
Afterpay Touch	3.4%	Lynas Corporation	3.7%
Macquarie Group	3.3%	QBE Insurance	3.5%
Aristocrat Leisure	3.2%	OZ Minerals	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.