

Fiducian Australian Shares Fund Equities Large Cap



FIDUCIAN
INTEGRITY • TRUST • EXPERTISE

Monthly Report - July 2020

Fund Description

The Fund invests in a diversified group of specialist Australian shares managers. This asset sector can deliver high returns over long periods of time, but it can also show sharp and significant fluctuations in value, up or down, over short intervals. This Fund gives investors an opportunity to participate in Australia's economic growth and enables Australian resident investors to benefit from favourable tax treatment accompanying franked earnings of Australian shares.

It is recommended that investment in this Fund be undertaken for at least five to seven years. Share investment can be volatile over the short-term.

Fund Classification Core/Diversified **Sector** Specialist/Satellite

Manager Commentary

The month of July saw global asset markets further stabilise, volatility subside and global equities rebound further as economies around the world began to open up from the Covid-19 pandemic lockdown restrictions. This was despite the continued spread of the Covid-19 pandemic around the world. July's rise was primarily driven by a 2.3% rise by the resources sector and 4.6% rise by the IT sector. By market capitalisation, large-cap stocks (S&P/ASX 20 Index: +0.2%) underperformed mid-cap stocks (S&P/ASX MidCap 50 Accumulation Index: +2.0%) and small-cap stocks (S&P/ASX Small Ordinaries Accumulation Index: +1.4%). The best performing sectors in the S&P/ASX 300 Accumulation Index for July were Materials (+5.9%), IT (+4.8%) and Communication Services (+3.5%). Sectors which lagged the market included Energy (-6.0%), Health Care (-3.8%) and Industrials (-3.8%).

In July, the Fund marginally out-performed the index (S&P/ASX 300), rising 0.7% compared to the 0.6% rise by the benchmark. During the month, three of the Fund's six managers out-performed the index. Bennelong performed the best with a rise of 2.3%, followed by Fidelity (+1.8%) and Ausbil (+1.6%). The largest contributor to fund performance was an underweight position in Goodman Group, which rose by 14.0% during July on market optimism about its earnings prospects. Overweight positions in Breville (+13.9%), Mineral Resources (+21.6%) and Netwealth (+33.9%) added to performance. On the flip side, under-weight positions in Fortescue (+25.7%) and Newcrest Mining (+11.6%), and overweight positions in Qantas (-14.6%), IDP Education (-14.1%) and Star Entertainment (-10.2%) detracted from fund performance. Over the year to end-July, the Fund out-performed the index by 1.6%, declining by 8.1%. Bennelong was the best performing manager with a return of +9.9%, followed by Pental (-8.0%) and Ausbil (-8.3%), against an index return of -9.7%.

Fund Performance and Risk Analytics Summary

Fiducian Australian Shares Fund

Current Period Return (net of fees as at end- July 2020)

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	0.7%	7.5%	-13.4%	-8.1%	4.9%	5.8%	7.6%	7.2%
Index	0.6%	7.8%	-14.2%	-9.7%	5.4%	5.2%	6.8%	7.3%
Excess	0.1%	-0.3%	0.8%	1.6%	-0.5%	0.5%	0.8%	-0.1%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	27.6%	17.5%	15.4%	13.8%
Benchmark (Std Dev %)	26.8%	16.9%	15.1%	13.4%
Beta	1.03	1.03	1.01	1.01
Tracking Error (% pa)	2.6%	2.2%	2.3%	2.3%

Calendar Year Return (net of fees)

	2012	2013	2014	2015	2016	2017	2018	2019
Fund	14.6%	22.9%	5.6%	8.6%	8.8%	16.3%	-6.2%	24.6%
Index	19.7%	19.7%	5.3%	2.8%	11.8%	11.9%	-3.1%	23.8%
Excess	-5.1%	3.2%	0.3%	5.8%	-3.0%	4.3%	-3.1%	0.8%

Note: Figures are annualised over 1 year.

Fund Facts

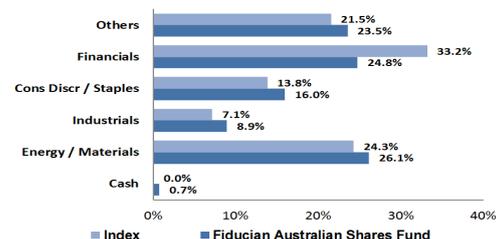
Portfolio Manager: Conrad Burge
Asset Sector: Australian Equity
Asset Code: AE1
ARSN: 093 542 271
APIR Code: FPS0006AU
Benchmark: S&P / ASX 300 Accumulation Index
Inception Date: February 1997
Fund Size: \$444.6 million as at 31 July 2020
Application/Exit Fee: Nil
Management Cost: 0.96% *
Total Management Cost: 1.42% *

(Management Costs includes the base fee charged by the RE for managing your fund. Total Management Costs includes management costs, performance fees payable to underlying managers only for outperformance, margins on cash account monies and out of pocket costs.)

Style Tilts

Managers	Style	No. of Stocks	Weight
Ausbil	Style Neutral	40	11.5%
Bennelong	Growth	31	21.8%
Pental Group	Core	44	9.8%
Fidelity	Value	51	20.0%
L1 Capital	Style Neutral	29	17.0%
Solaris	Style Neutral	44	19.3%
Cash			0.7%

Sector Weights



Top Holdings

Stocks	Weight
CSL LIMITED	8.7%
BHP GROUP	6.4%
COMMONWEALTH BANK OF AUSTRALIA	5.0%
GOODMAN GROUP	3.2%
WESTPAC BANKING CORPORATION NORD F/PD SHARES	3.1%
RIO TINTO LTD	2.8%
MACQUARIE GROUP LTD	2.7%
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED	2.5%
ARISTOCRAT LEISURE LTD	2.4%
TELSTRA CORPORATION LTD	2.2%
NATIONAL AUSTRALIA BANK	2.1%
JAMES HARDIE INDUSTRIES PLC CDI	2.0%
ATLAS ARTERIA LTD	1.8%
FORTESCUE METALS GROUP LIMITED ORDINARY FULLY APID SHA	1.6%
CHORUS LIMITED	1.5%
BREVILLE GROUP LIMITED	1.5%
WOOLWORTHS GROUP LIMITED	1.4%
QBE INSURANCE GROUP LIMITED	1.3%
A2 MILK CO LTD	1.3%
COLES GROUP LTD	1.3%
Total	54.8%

Fiducian Investment Management Services Limited

Issued by Fiducian Investment Management Services Limited ABN 28 602 441 814 AFS Licence number 231101. This document provides general information only. It does not have regard to your objectives, financial situation or needs. We recommend that you seek financial planning advice, and consider whether this investment is appropriate to your objectives, financial situation and needs before making any investment decision.

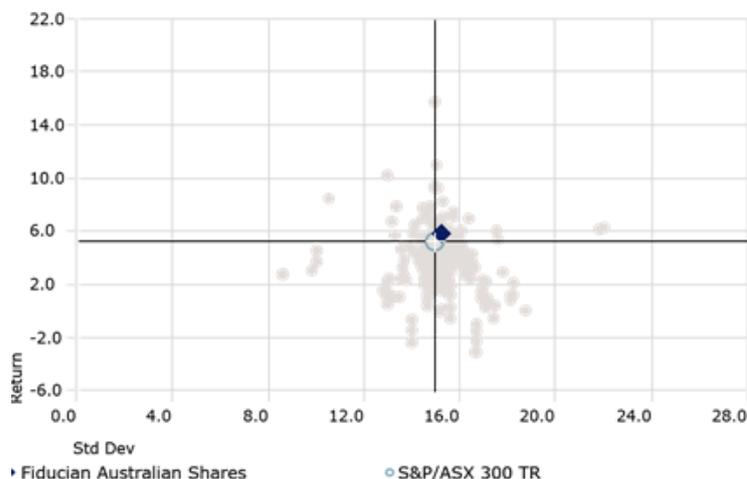
The information has been compiled from sources considered reliable, but is not guaranteed. Past performance is not indicative of future performance and we do not guarantee the performance of the Fund or any specific rate of return.



Fund Performance against Benchmark

Risk-Reward

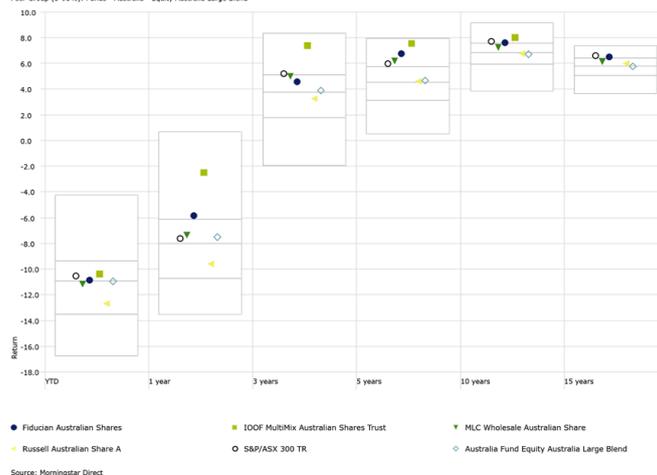
Time Period: 1/08/2015 to 31/07/2020



Performance vs Peer Group

Performance Relative to Peer Group

Peer Group (5-95%): Funds - Australia - Equity Australia Large Blend



Fund Growth of \$1,000 Invested compared to Benchmark

Investment Growth

Time Period: 1/08/2015 to 31/07/2020



Performance Contributors and Detractors

(Attribution only for stocks held in the portfolio)

Top Contributors to Performance

	Under Weight %	Overweight %	Contribution
GOODMAN GROUP		1.63%	0.22%
BREVILLE GROUP LIMITED		1.31%	0.18%
ORIGIN ENERGY LTD	-0.03%		0.18%
MINERAL RESOURCES LIMITED		0.77%	0.17%
NETWEALTH GROUP LTD		0.28%	0.09%

Top Detractors of Performance

	Under Weight %	Overweight %	Contribution
FORTESCUE METALS GROUP LIMITED	-0.53%		-0.14%
QANTAS AIRWAYS LTD		0.96%	-0.14%
NEWCREST MINING LIMITED	-1.25%		-0.14%
IDP EDUCATION LTD		0.69%	-0.10%
STAR ENTERTAINMENT GRP LTD/T		0.75%	-0.08%