

Fiducian Australian Shares Fund Equities Large Cap



FIDUCIAN
INTEGRITY • TRUST • EXPERTISE

Monthly Report - November 2018

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 Australian equity market fell 2.2% during November, weighed down primarily by the Energy and Consumer Discretionary sectors. Globally, Developed (MSCI World: -1.8%) equity markets fell while Emerging (+4.1%) equity markets rose. Within Developed markets, the US (S&P500 Index: +1.8%) out-paced both Europe (EURO STOXX Index: -1.1%) and the UK (FTSE100 Index: -1.6%).

Domestically, the mid-cap (S&P/ASX MidCap 50 Accumulation Index: -4.6%) and large-cap stocks (S&P/ASX 20 Accumulation Index: -1.6%) underperformed the small-cap segment (S&P/ASX Small Ordinaries Accumulation Index: -0.4%).

In November, the Fund under-performed the index (S&P/ASX 300) by 1.1% with a loss of 3.3%. During the month, all six managers of the portfolio out-performed the index. Fidelity performed the best, falling by 2.4%, followed by Solaris, which fell by 2.5%. The largest contributor to fund performance was an overweight position in Costa Group, which rose by around 25% during November, following better than expected earnings prospects. A number of underweight positions in Woodside Petroleum (-10.9%), Telstra (-4.9%) and Wesfarmers (-5.1%) also added to performance. On the flip side, overweight positions in Lendlease (-28.1%), Cybg Plc (-25.8%), Aristocrat Leisure (-10.7%), BlueScope Steel (-21.8%) and Reliance Worldwide (-5.6%) detracted from fund performance. Over the rolling year to end-November, the Fund under-performed the index by 1.7%, falling 2.8%. Bennelong was the best performing manager with a return of 4.8%, followed by Solaris (+1.0%), against an index return of -1.7%.

Fund Performance and Risk Analytics Summary

Fiducian Australian Shares Fund

Current Period Return (net of fees as at 30 November 2018)

| | 1 Mth | 3 Mth | 6 Mth | 1 Yr | 3 Yrs | 5 Yrs | 7yrs | 10 Yrs |
|--------|-------|--------|-------|-------|-------|-------|------|--------|
| Fund | -3.3% | -11.7% | -7.6% | -2.8% | 7.5% | 6.9% | 9.6% | 8.7% |
| Index | -2.2% | -9.3% | -3.8% | -1.0% | 7.7% | 5.8% | 9.3% | 8.9% |
| Excess | -1.1% | -2.4% | -3.8% | -1.7% | -0.2% | 1.1% | 0.4% | -0.2% |

Risk Exposure

| | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs |
|-----------------------------|------|-------|-------|--------|
| Fund Volatility (Std Dev %) | 7.9% | 9.1% | 10.4% | 12.9% |
| Benchmark (Std Dev %) | 7.6% | 9.1% | 10.7% | 13.0% |
| Beta | 1.01 | 0.99 | 0.97 | 0.98 |
| Tracking Error (% pa) | 1.9% | 2.1% | 2.0% | 2.3% |

Calendar Year Return (net of fees)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|--------|-------|--------|-------|-------|------|------|-------|-------|
| Fund | -1.6% | -12.2% | 14.6% | 22.9% | 5.6% | 8.6% | 8.8% | 16.3% |
| Index | 1.9% | -11.0% | 19.7% | 19.7% | 5.3% | 2.8% | 11.8% | 11.9% |
| Excess | -3.5% | -1.2% | -5.1% | 3.2% | 0.3% | 5.8% | -3.0% | 4.3% |

Note: Figures are annualised over 1 year.

Fund Facts

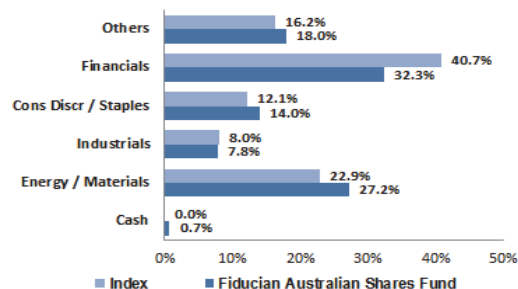
| | |
|-------------------------------|--|
| Portfolio Manager: | Conrad Burge |
| Asset Sector: | Australian Equity |
| Asset Code: | AE1 |
| ARSN: | 093 542 271 |
| APIR Code: | FPS0006AU |
| Benchmark: | S&P / ASX 300 Accumulation Index |
| Inception Date: | February 1997 |
| Fund Size: | \$363.2 million as at 30 November 2018 |
| 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 | 14.8% |
| Bennelong | Growth | 31 | 17.6% |
| Pendal Group | Core | 44 | 11.0% |
| Fidelity | Value | 51 | 16.2% |
| L1 Capital | Style Neutral | 29 | 20.9% |
| Solaris | Style Neutral | 44 | 18.7% |
| Cash | | | 0.7% |

Sector Weights



Top Holdings

| Stocks | Weight |
|-------------------------------|--------------|
| COMMONWEALTH BANK | 6.9% |
| BHP GROUP | 6.7% |
| CSL LIMITED | 6.3% |
| WESTPAC BANKING CORPORATION | 5.5% |
| ANZ BANKING GROUP LIMITED | 3.9% |
| RIO TINTO LTD | 3.5% |
| NATIONAL AUSTRALIA BANK | 2.8% |
| MACQUARIE GROUP LTD | 2.7% |
| ARISTOCRAT LEISURE LTD | 2.6% |
| QBE INSURANCE GROUP LIMITED | 2.6% |
| RELIANCE WORLDWIDE CORP LTD | 1.7% |
| GOODMAN GROUP | 1.6% |
| ORIGIN ENERGY LTD | 1.5% |
| ATLAS ARTERIA LTD | 1.5% |
| TREASURY WINE ESTATES LIMITED | 1.4% |
| QANTAS AIRWAYS LTD | 1.4% |
| BORAL LIMITED | 1.4% |
| OIL SEARCH LIMITED | 1.3% |
| LENLEASE GROUP | 1.3% |
| SANTOS LIMITED | 1.3% |
| TOTAL | 58.1% |

Fiducian Investment Management Services Limited

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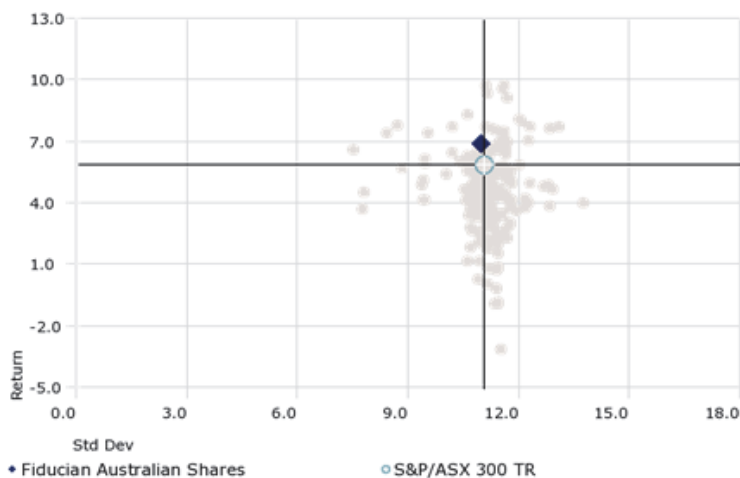
The information has been compiled from sources considered reliable, but is not guaranteed. Past performance is not indicative of future performance and we do not guarantee the performance of the Fund or any specific rate of return.



Fund Performance against Benchmark

Risk-Reward

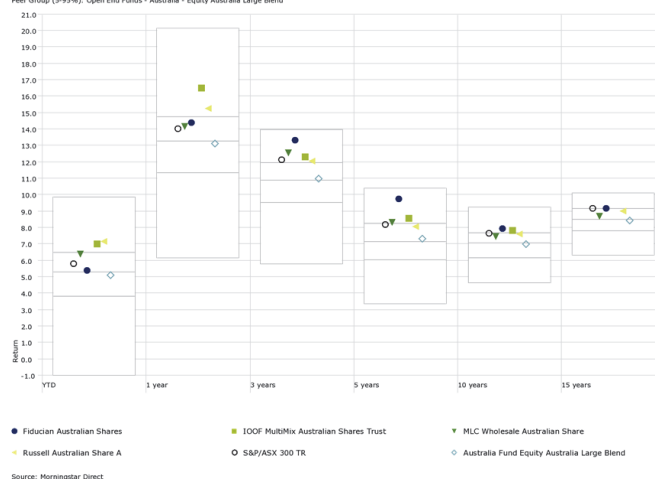
Time Period: 1/12/2013 to 30/11/2018



Performance vs Peer Group

Performance Relative to Peer Group

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



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

Investment Growth

Time Period: 1/12/2013 to 30/11/2018



Performance Contributors and Detractors

(Attribution only for stocks held in the portfolio)

Top Contributors to Performance

| | Under Weight % | Overweight % | Contribution |
|--------------------------------|----------------|--------------|--------------|
| COSTA GROUP HOLDINGS LTD | | 0.80% | 0.20% |
| WOODSIDE PETROLEUM LIMITED | -1.19% | | 0.13% |
| TELSTRA CORPORATION LTD | -1.56% | | 0.08% |
| QANTAS AIRWAYS LTD | | 0.89% | 0.08% |
| WESFARMERS LIMITED ORD FULLY F | -1.07% | | 0.06% |

Top Detractors of Performance

| | Under Weight % | Overweight % | Contribution |
|-----------------------------|----------------|--------------|--------------|
| LENLEASE GROUP | | 0.89% | -0.25% |
| CYBG PLC | | 0.90% | -0.23% |
| ARISTOCRAT LEISURE LTD | | 1.81% | -0.19% |
| BLUESCOPE STEEL LIMITED | | 0.46% | -0.10% |
| RELIANCE WORLDWIDE CORP LTD | | 1.50% | -0.09% |