



### Monthly Report - July 2020

#### Fund Description

The Fund provides investors with the opportunity to combine investments in companies that are generally of small capitalisation in the more developed markets; with investments in companies that are listed on the stock exchanges of the less developed (emerging) markets. Smaller companies in developed and better regulated markets have shown superior long-term growth when compared with their larger peers, as they are generally more flexible and operate in market niches that give them greater opportunity to increase profits. Emerging markets funds invest in developing countries and offer investors the opportunity to benefit from the significant growth potential inherent in many of these economies as they raise their standards of living.

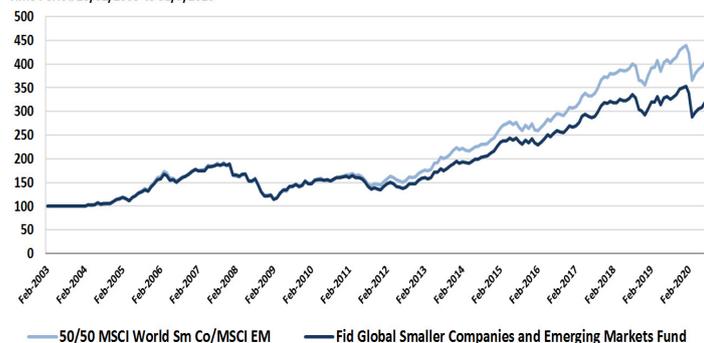
It is expected that by diversifying between these two segments of the international share market, investors could be somewhat cushioned against unexpected volatility and loss of capital that any one country's market, industry sector or individual share could generate. However, while this Fund could deliver high returns over the long term, it could also show periods of significant volatility caused by rapid changes in investor sentiment, difficulties in buying and selling shares, regulatory changes by Governments and currency, economic and political developments. In our view, it therefore appears suited for limited components of an investor's portfolio that are not needed for cash flow at short notice and can be left to grow despite large fluctuations, for potential long-term gain.

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

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

#### Fund Performance and Risk Analytics Summary

Investment Growth  
Time Period 28/02/2003 to 31/7/2020



#### Fiducian Global Smaller Companies and Emerging Markets 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	2.9%	6.5%	-10.1%	-3.8%	3.5%	4.1%	7.6%	6.8%
Index	2.1%	5.8%	-8.5%	-1.6%	6.5%	6.2%	9.0%	9.1%
Excess	0.8%	0.6%	-1.6%	-2.2%	-3.0%	-2.0%	-1.4%	-2.3%

Calendar Year Return (net of fees)

	2013	2014	2015	2016	2017	2018	2019
Fund	26.0%	11.1%	4.8%	11.4%	17.3%	-7.9%	20.2%
Index	32.3%	9.5%	3.9%	11.9%	20.3%	-4.5%	22.5%
Excess	-6.3%	1.6%	0.9%	-0.5%	-3.0%	-3.4%	-2.3%

Note: Figures are annualised over 1 year.

The performance figures shown for the Fund above have been calculated on an exit unit price basis. Distributions (which include net realised capital gains from sale of securities) have been treated as being reinvested. No allowance has been made for tax you may pay on the distributions. Returns over a year are annualised

#### Fund Facts

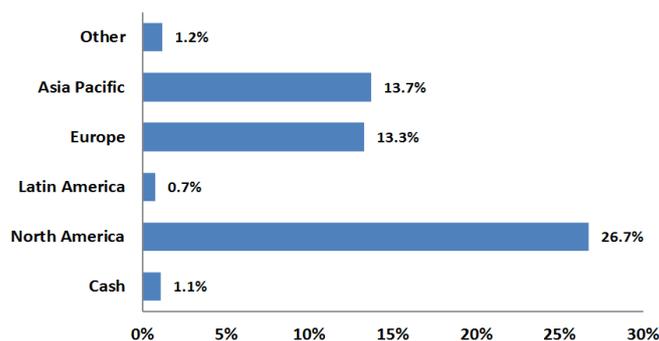
<b>Portfolio Manager:</b>	Conrad Burge
<b>Asset Sector:</b>	Global Smaller Companies & Emerging Markets
<b>Asset Code:</b>	IE6
<b>ARSN:</b>	093 543 849
<b>APIR Code:</b>	FPS0009AU
<b>Benchmark:</b>	50:50 MSCI Emerging Markets & MSCI Small Caps Index
<b>Inception Date:</b>	January 1999
<b>Fund Size:</b>	\$104.6 million as at 31 July 2020
<b>Management Cost:</b>	1.27%
<b>Total Management Cost:</b>	1.34%

(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	Weight
Fidelity	Growth	43.2%
Vanguard	Emerging Markets (Index)	5.0%
DFA Australia (Dimensional)	Quantitative	47.7%
Fiducian	Emerging Markets (India)	3.0%
Cash		1.1%

#### Country Weights



#### Manager's Commentary

The Fund out-performed in July, adding 2.9% against a rise of 2.1% by the composite index. Over the year to end-July, the Fund declined 5.7%, below the 2.3% decline by the composite benchmark. During the month, the Fidelity Global Emerging Markets Fund (+6.4%) was the best performance contributor in relative terms, while the DFA Global Small Companies Trust (-0.1%) was the largest detractor from Fund performance.

Emerging markets delivered strong absolute returns for a third consecutive month and outperformed developed markets in July. Investor sentiment improved on optimism around the gradual reopening of the global economy following the 'Great Lockdown', improving economic data, as well as continued monetary and fiscal support. New coronavirus cases in Brazil and India continued to rise throughout July. Recent outbreaks in Hong Kong have also seen the reintroduction of restrictions, which limit the number of people in group gatherings to just two, while mask-wearing has been made mandatory. In China, GDP for the second quarter grew by 3.2% year on year. Mobility data shows that people movements in China and South Korea have recovered well without a significant rise in virus cases. Both countries appear to show, at least so far, that a recovery is possible without a vaccine if the virus can be brought under control with other measures. Chinese equities were up 8.7% over the month.

Global small caps fell (-0.3%) in July, under-performing the broader global equity market (0.6%). The Fund is currently marginally overweight the emerging markets sector at just over 51% and slightly under-weight the global small-cap sector.