

# Fiducian Australian Smaller Company Shares Fund Equities Small Cap



**FIDUCIAN**  
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Monthly Report - July 2020

## Fund Description

The Fund invests in a diversified group of specialist Australian smaller company fund managers. Investments are in smaller companies listed on the Australian Stock Exchange, which are generally defined to be companies other than those in the top 100 companies by market capitalisation. Smaller companies can more readily offer diversification across a number of industries than larger companies. They also tend to perform differently at different stages of the business cycle than larger companies. Smaller companies are often more flexible with less bureaucratic management. This may allow them to respond to market opportunities more quickly and to deliver higher growth than larger company shares over the longer term. However, smaller company shares tend to be more volatile in their performance and may also be difficult to buy and sell from time to time.

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

During the month of July, markets remained resilient in the face of surging new Covid-19 infection rates in Victoria and the reimposition of movement restrictions. The borders between NSW and Victoria and between NSW and Queensland were closed to help halt the spread of the virus. The S&P/ASX Small Ordinaries Index rose by 1.4% in July, out-performing the broader market, which rose by 0.9%. Over the year to end-July, the Small Ordinaries Accumulation Index declined 8.5%, marginally out-performing the broader market, which declined by 9.0%. Within the small-cap sector, the Industrials sector (-2.3%) under-performed the Resources sector (-0.1%) during the month.

The Fund out-performed the benchmark by 3.0% in July, rising 4.3%. Pleasingly, all of the Fund's 6 managers out-performed the index during the month. Phoenix performed the best, with a rise of 8.7%, followed by fellow micro-cap manager Ausbil (+6.6%). Over the year to end-July, the Fund out-performed the index, declining 0.2% against an index loss of 8.5%. The best performing managers over this period were Phoenix (+10.4%), followed by Ophir (+6.5%).

## Fund Performance and Risk Analytics Summary

### Investment Growth

Time Period: 1/08/2010 to 31/07/2020



### Risk-Reward

Time Period: 1/08/2010 to 31/07/2020

Calculation Benchmark: S&P/ASX Small Ordinaries TR AUD



—Fiducian Australian Smaller Co Shares —S&P/ASX Small Ordinaries TR AUD ●Fiducian Australian Smaller Co Shares ●S&P/ASX Small Ordinaries TR AUD

## Fiducian Australian Smaller Company 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	4.3%	15.5%	-8.5%	-0.2%	7.3%	7.9%	10.1%	10.6%
Index	1.4%	9.9%	-10.9%	-8.5%	6.5%	7.9%	6.3%	4.2%
Excess	3.0%	5.6%	2.5%	8.2%	0.8%	0.0%	3.8%	6.4%

## Risk Exposure

	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Fund Volatility (Std Dev %)	34.3%	21.3%	17.9%	16.4%	15.6%
Benchmark (Std Dev %)	32.2%	20.7%	17.7%	16.7%	16.7%
Beta	1.05	1.02	0.99	0.97	0.93
Tracking Error (% pa)	4.6%	4.3%	5.0%	5.3%	5.5%

## Calendar Year Return (net of fees)

	2012	2013	2014	2015	2016	2017	2018	2019
Fund	24.1%	21.9%	6.8%	23.1%	7.1%	13.2%	-8.8%	26.3%
Index	6.6%	-0.8%	-3.8%	10.2%	13.2%	20.0%	-8.7%	21.4%
Excess	17.5%	22.7%	10.7%	12.9%	-6.1%	-6.8%	-0.1%	4.9%

Note: Figures are annualised over 1 year.

## Fund Facts

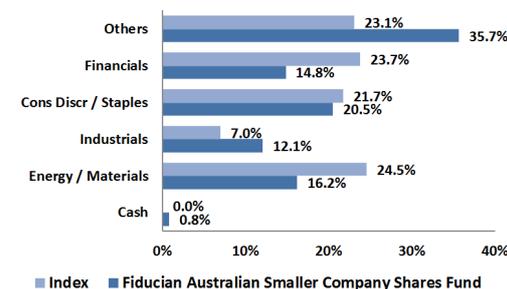
**Portfolio Manager:** Conrad Burge  
**Asset Sector:** Australian Small Cap Equity  
**Asset Code:** SC3  
**ARSN:** 093 542 020  
**APIR Code:** FPS0008AU  
**Benchmark:** S&P/ASX Small Ordinaries  
**Inception Date:** March 1997  
**Fund Size:** \$214.1 mil as at 31 July 2020  
**Application/Exit Fee:** Nil  
**Management Cost:** 1.19%  
**Total Management Cost:** 2.01%

(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	Micro-Cap	36	20%
Pendal	Value	64	10%
Novaport	Value	41	15%
Phoenix	Micro-Cap	44	6%
QVG	Micro-Cap	40	23%
Ophir	Small-Cap	40	21%

## Sector Weights



## Top Holdings

Stocks	Weight
UNITI GROUP LTD	3.8%
CITY CHIC COLLECTIVE LTD	3.7%
AFTERPAY LIMITED	2.9%
JOHNS LYNG GROUP LTD	2.8%
OPTICOMM LTD	1.8%
NEXTDC LIMITED	1.8%
BREVILLE GROUP LIMITED	1.7%
MNF GROUP LTD	1.7%
A2 MILK CO LTD	1.6%
TYRO PAYMENTS LTD	1.6%
RAMELIUS RESOURCES LIMITED	1.6%
SARACEN MINERAL HOLDINGS LIMITED	1.6%
MEGAPORT LTD	1.6%
WEST AFRICAN RESOURCES LIMITED	1.4%
DOMINOS PIZZA ENTERPRISES LIMITED	1.4%
APPEN LTD	1.4%
EML PAYMENTS LIMITED	1.3%
RESMED INC	1.3%
OMNI BRIDGEWAY LTD	1.3%
AUSTRALIAN FINANCE GROUP LTD	1.2%
<b>Total</b>	<b>37.5%</b>

## Fiducian Investment Management Services Limited

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