



Monthly Report - August 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

Global equities markets remain resilient in the face of continued uncertainty around COVID-19, supported by unprecedented global stimulus, with governments and central banks determined to do whatever it takes to support economic recovery. The S&P/ASX Small Ordinaries Index rose by 7.2% in August, out-performing the broader market, which rose by 2.8%. Over the year to end-August, the Small Ordinaries Accumulation Index rose 2.1%, marginally out-performing the broader market, which declined by 3.5%. Within the small-cap sector, the Industrials sector (+9.6%) out-performed the Resources sector (-1.5%) during the month.

The Fund marginally under-performed the benchmark by 0.1% in August, rising 7.1%. Three of the Fund's 6 managers out-performed the index during the month. Ausbil performed the best, with a rise of 9.9%, followed by fellow micro-cap manager QVG (+7.6%). Over the year to end-August, the Fund out-performed the index, rising 7.5% against an index gain of 2.1%. The best performing managers over this period were Phoenix (+17.9%), followed by Ophir (+16.0%).

Fund Performance and Risk Analytics Summary



Fiducian Australian Smaller Company Shares Fund

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

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	7.1%	11.9%	7.9%	7.5%	9.4%	9.9%	10.6%	11.2%
Index	7.2%	6.6%	4.6%	2.1%	8.0%	10.5%	6.9%	4.7%
Excess	-0.1%	5.3%	3.3%	5.5%	1.4%	-0.5%	3.6%	6.5%

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

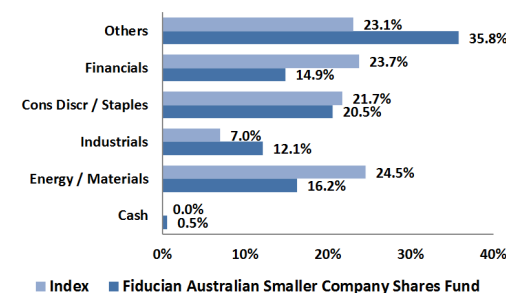
Portfolio Manager: Conrad Burge
Asset Sector: Australian Small Cap Equity
Asset Code: SC3
ARSN: 093 542 020
APIR Code: FPS0008AU
Benchmark: S&P/ASX Small Ordinaries
Inception Date: March 1997
Fund Size: \$229.2 mil as at 31 August 2020
Application/Exit Fee: Nil
Management Cost: 1.19%
Total Management 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%
Total	37.5%

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.