

Fiducian Superannuation Service

Registration Number: R1004298

Annual Report 2023



FIDUCIAN
INTEGRITY • TRUST • EXPERTISE

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In this Report:

Trust Deed means the Fiducian Superannuation Service Trust Deed adopted on 23 September 2011.

We, us and **our**, means Fiducian Portfolio Services Limited ABN 13 073 845 931 the Trustee of the Fiducian Superannuation Service.

You and **your** is a reference to a member of Fiducian Superannuation Service.

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From the Trustee

Dear Member,

On behalf of the Trustee Directors and the Management team of the Fiducian Superannuation Service (the Fund), I am pleased to present the fund's Annual Report for the year ended 30 June 2023.

The Fund continues to grow well, with member numbers increasing by 6.7% to 8,029. During the year, member contributions exceeded \$448 million. Additionally, alongside Pearl Superannuation and Auxilium Superannuation, we introduced a new sub fund, the AMFG Superannuation and its range of investment products. Our total assets are now \$2,254,000,000.

While this last financial year has also been one of significant volatility in investment markets, performance returns have been strong.

Our Balanced fund returned 9.6% p.a. for the year to 30 June 2023 while the Fiducian Growth Fund returned 10.9% p.a., for the same period - both pleasing results.

In addition, our longer-term returns, which reflect the consistency of our investment model and growth investment style, continue to rank the Fiducian Balanced Fund in the top quartile of funds for the last 10 years.

Results for 2 of our largest options are set out below.

		Fiducian Growth Fund	Fiducian Balanced Fund
1 year to 30 June 2023	Return	10.9% pa	9.6% pa
	Ranking*	24 out of 172	69 out of 172
3 years to 30 June 2023	Return	7.8% pa	6.4% pa
	Ranking*	33 out of 168	94 out of 168
5 years to 30 June 2023	Return	5.9% pa	5.2% pa
	Ranking	20 out of 158	49 out of 158

* Morningstar

While past performance in investment markets is no guarantee of future success, we believe that these results are testimony to the strength of the investment process at Fiducian.

As your Trustee, we have structured the fund so that members have access to a broad range of investment products to allow effective opportunities for diversification across asset sectors and between different investment managers.

Today, the Fiducian Superannuation Service offers members the opportunity to access over 70 different investment products. Recognising members' interest in ESG (environmental, social and governance) considerations, the Fund also offers the Fiducian Diversified Social Aspirations Fund – a multi manager fund with two underlying fund managers - and has recently introduced an additional ESG managed fund.

The Fiducian Diversified Social Aspirations fund provides investors with a number of potential benefits, including:

- wide geographical and sector diversification of investment across a range of Australian and global companies; and
- the potential for the longer-term investor to achieve fair overall returns, while allowing investors exposure to ESG (Environment, Social and Governance) aware companies.

I am also pleased to report that our service providers performed well during the year and continued to provide our members with seamless support.

I would like to thank all Directors on the Trustee Board for their diligence during what has been another successful year.

I would also like to thank the Fund's Management team for their fabulous support over the year.

We would like to invite members to join us at our Annual Member's Meeting which will be held in December 2023. Full details will be sent to you prior to the Meeting.

As always, we remain fully committed to providing you, our members, with a Fund that enables you to achieve your retirement goals. We thank you for your continued support.

Kind regards

Drew Vaughan

Chairman

Fiducian Portfolio Services Limited –

Trustee of the Fiducian Superannuation Service



Economic overview

GLOBAL ECONOMY

The global economy remains sluggish as a result of severe measures taken over the past 18 months by most of the world's major central banks to counter what had been rising inflationary pressures. However, as the International Monetary Fund (IMF) noted in its October report, 'inflation, both headline and underlying (core), is gradually being brought under control'. Furthermore, the IMF is expecting inflation to 'continue to recede as central banks maintain a tight stance', also noting that 'with many countries near the peak of their tightening cycles, little additional tightening is warranted'. This is positive news that could provide support for some key markets as it becomes more generally understood that the inflationary battle is gradually being won. This task though has been made more difficult by fiscal policy (government spending) remaining relatively loose in many jurisdictions, with the IMF emphasising that 'fiscal policy needs to support the monetary strategy', particularly in the US, where the federal deficit is exploding and 'the fiscal stance has deteriorated substantially'. Nevertheless, despite such hurdles, 'projections are increasingly consistent with a "soft landing" scenario, bringing inflation down without a major downturn in activity'. As such, the IMF is forecasting real (inflation adjusted) global growth to be 3.0% this year and then only 2.9% in 2024 and, while 'risks to the outlook are more balanced than they were six months ago', 'the balance of risks to global growth remains tilted to the downside'. The advanced economies as a group are forecast to grow by only 1.5% this year and 1.4% next year, with US growth expected to be 2.1% this year and only 1.5% in 2024. Growth in the Euro zone (0.7% this year and only 1.2% in 2024) and in Japan (2.0% and 1.0%) is also expected to be less than robust. The developing world is doing better despite also facing stresses. China is forecast to expand by 5.0% this year and 4.2% in 2024, while India is expected to grow more rapidly (6.3% and 6.3%).

In the case of the US, the economy expanded strongly in the September quarter (by 4.9% at an annualised rate), although this was boosted by inventory accumulation and federal government spending, while private investment was weak. The central bank (the 'Fed') has continued its efforts to bring down inflation and has seen the annual inflation rate drop to 3.7% in September (down from 9.1% in June 2022). The Fed's most recent interest rate rise was on 25 July, which saw the 'Fed Funds Rate' lifted to a range of 5.25% to 5.5% (up from 0% in early 2022). The 'Fed' Chairman, Jerome Powell, stated on 19 October that 'inflation readings turned lower over the summer, a very favourable development', so that 'shorter-term measures of core inflation are now running below 3 percent'. This is close to target and 'has not come at the cost of meaningfully higher unemployment' or yet of a significant growth slowdown. Household spending has been held up by a drop in the personal saving rate, which has steadily decreased from a peak of 24.9% of disposable income in May 2020 to 3.8% in the September quarter. However, spending could slow further over coming months as consumers come under increasing pressure from slowly rising unemployment, declining real average weekly earnings and rising mortgage rates and interest rates more generally. Certainly the 'Fed' appears determined to continue its battle to push at least 'core' inflation (excluding food and energy prices) back down to its target of around 2%, with Powell, noting on 19 October that 'my colleagues and I remain resolute in our commitment to returning inflation to 2 percent over time'.

In Europe, the economic outlook is relatively bleaker, at least partly due to the Russian war on Ukraine, which has disrupted the supply of energy to many European economies and which has pushed electricity prices higher. The euro zone contracted in the September quarter (by 0.1%) and has essentially been in recession for the past year. The German economy also contracted in the quarter (by 0.1%) to be down 0.3% for the full year, while the UK economy barely grew (up 0.2%). The outlook for Asian economies is also being affected by the weak global economic environment. Nevertheless, developing economies as a group are forecast by the IMF to grow by 4% this year and in 2024, with India likely to grow faster than most. Japan too has been growing, with its exports benefiting from a significant currency depreciation in recent times.

AUSTRALIAN ECONOMY

The Australian economy has also slowed this year. In the June quarter it expanded by only 0.4% and on a per capita basis it actually contracted (by 0.3%). For the full 2022-23 year it expanded by 2.1% but on a per capita basis it contracted (also by 0.3%). The key factor driving this slowdown has been tight monetary policy by the Reserve Bank (RBA), including rapid interest rate rises. This policy tightening has been weighing on household spending, with discretionary spending declining by 0.5% over the June quarter. The RBA was late in beginning to raise rates compared with some of the major central banks as it apparently did not fully anticipate the extent to which inflation would take off. In fact, it continued to pursue 'quantitative easing' until it was finally ended in early February last year, while official interest rates were not raised from the historic low of 0.1% until 4 May last year (at first to 0.35% and then in increments to 4.1% on 7 June this year). The new RBA Governor, Michele Bullock, could be expected to focus on pushing inflation lower and, as such, further rate rises could be required over coming months. In the September quarter this year, the headline annual inflation rate was 5.4%, with the RBA's preferred measure (trimmed mean CPI) for the month of September also 5.4%, well above its target range of 2% to 3%. With the general economic outlook softening and interest rates likely to have to rise further, both equity and property markets could remain subdued for a time, especially given a relatively soft outlook for earnings.

Financial markets overview

AUSTRALIAN SHARES

The 2022-23 financial year saw the Australian share market rise strongly (the ASX200 accumulation index rose by 15%) after declining in 2021-22. The market declined through to October last year but then picked up and peaked in mid-April this year, before trading sideways for the rest of the financial year before falling back marginally in the September quarter. In recent months, stubbornly high inflation and the consequent prospect of even higher interest rates have not helped investor confidence, while the ongoing conflict in Ukraine and the more recent outbreak of war in the Middle East have also weighed on market sentiment. Since the end of the financial year, over the four months to 31 October 2023, the market declined by 4.5%. Over the full financial year, the key Industrials sector declined by 1%, while the Resources sector was flat, with the Energy sub-sector rising by a solid 11%. The Financials sector rose by 2% over the year, while the Technology sector fell for the second year in a row (down 6%). The small-cap sector also fell for the second year in a row (down 2%), after declining by a hefty 20% in the previous year. However, by 26 October, the overall share market appeared fairly priced compared with other investment opportunities, with an estimated price-to-earnings ratio (PER) of 14 times forward earnings (below its long-term average) (Yardeni Research) and with an above average dividend yield of over 4%.

INTERNATIONAL SHARES

International share markets mostly rose over the 2022-23 financial year. This upwards movement appears to have been a positive response to evidence of falling inflation due to an extended period of tighter monetary policy in most jurisdictions. Over the full year to 30 June 2023, market movements included the broad US market (S&P500) up 18% and the technology-laden US Nasdaq index up 25%, while European markets were also mostly positive. Key Asian markets ranged from Japan up 26% to China down 6% and India up 22%. With the IMF indicating in its October report that 'inflation is gradually being brought under control' and with 'projections increasingly consistent with a "soft landing" scenario', the potential outlook for markets appears to be improving. The September quarter this year though saw most markets retreat again, with the broad US market down 4%, Japan also down 4% and most European markets also down (except the UK market which gained 1% on the back of energy stocks). However, with it now appearing likely that most major central banks may not need to raise interest rates further, markets could be expected to look ahead to a gradual decline in the general level of interest rates beginning sometime during 2024. The earnings outlook is also forecast to brighten somewhat next year, with global corporate earnings forecast to grow by 11% (Yardeni Research). In terms of valuations, by 31 October, the price-to-earnings ratio (PER) for the major world markets as a whole (represented by the MSCI World index) was 15.6 times estimated forward earnings, just above its longer-term average. As such, in general terms most major share markets were still looking fairly priced relative to historical averages.

PROPERTY

The domestic listed property sector under-performed the overall domestic share market over the 2022-23 financial year (up 8% against a rise of 15% for the broader market), after out-performing the broader market during the previous year. This relative under-performance appears to reflect the interest rate-sensitive nature of this sector, with strongly rising interest rates having a greater impact on property valuations than on some other market sectors. The sector also appears to have been affected by the trend which first emerged during the pandemic of employees opting to work from home rather than travel in to city offices. As such, the commercial or office sector of the market has taken a larger hit than either the retail, industrial or even residential sectors. Over the September quarter, the sector once again under-performed the broader market (a 3% decline against a 1% decline). However, in broad terms, the sector now appears attractively priced, with a considerable number of listed property securities trading at significant discounts to assessed net asset value. By 30 September, the sector's PER was around 15 times forward earnings with a dividend yield of over 5%.

AUSTRALIAN BONDS

For the year ended 30 June 2023, Australian bonds (Bloomberg Composite Bond All Maturities index) returned 1.2%, after performing even more poorly in the previous year, returning -10.5%, which also followed poor returns for the sector for 2020-21 (-0.8%). With inflation up over the financial year, inflation-linked bonds out-performed (up 5.7%). In February 2022, the Reserve Bank ended its 'quantitative easing' policy and began to switch to a tightening phase and this brought in a period of rising bond yields (and falling prices), which affected the sector's performance. The sector also declined in the September 2023 quarter (down 0.3%). Looking ahead, with official interest rates likely to be at or approaching a peak and with economic activity slowing, the outlook for the sector could be set to improve. Internationally, most major central banks are no longer targeting higher bond yields. As such, the domestic bond market now appears more attractive than in recent years relative to historical norms and relative to other investment options, including share markets.

INTERNATIONAL BONDS

International bonds as a sector performed poorly over the 2022-23 financial year, returning -1.2% (Barclays Capital Global Aggregate index, hedged to the \$A), following an even poorer performance in 2021-22 (-9.3%) and a further weak year in 2020-21 (-0.2%). Bond market returns have been affected by the move to tighter monetary policy by the major central banks in their attempt to rein in inflation. Clearly, with sovereign long bond yields brought close to 0% in early 2020 as a policy response to the onset of the pandemic, bonds were expensive at that time. Currently, bonds appear much more reasonably priced and could be expected to provide reasonable returns for those invested for the medium to longer-term.

Superannuation update for 2022/2023

From July 2023

INCREASE IN SUPERANNUATION GUARANTEE RATE

From 1 July 2023, the superannuation guarantee rate increased from 10.5% to 11%. Employers should update payroll systems to ensure the correct amounts of superannuation are paid to all eligible employees from 1 July 2023.

THE SUPER TRANSFER LIMIT HAS INCREASED

Until 1 July this year, the maximum amount you could move from super into tax-free retirement super income streams, such as Account-Based-Pensions and Annuities, was \$1.7 million (called the 'transfer balance cap'). Due to indexation, that has now been increased to \$1.9 million.

If you had a tax-free retirement pension before 1 July 2023, your cap may only be partially increased and the ATO will calculate your personal transfer balance cap.

NON-CONCESSIONAL CONTRIBUTIONS MORE ACCESSIBLE

What are non-concessional contributions?

Non-concessional contributions are extra super contributions you make using money that has already been taxed, such as your savings. Currently, you can contribute up to \$110,000 per year in non-concessional contributions to super.

However, if you're eligible, you can contribute more under the bring-forward rule. This rule allows you to contribute more than the annual non-concessional contributions cap by making up to three years of non-concessional contributions in a single income year.

Changes from 1 July 2023

One of the eligibility requirements for making non-concessional contribution is based on your total super balance. Your total super balance includes all amounts you have in the super system based on the previous 30 June.

In 2022-23, those who had more than \$1.7 million in super previously could not make non-concessional contributions. With the cap now increased to \$1.9 million, this may no longer be the case. Also, the thresholds to contribute more under the bring forward arrangement have increased which may allow more to be contributed to super.

CHANGES TO MINIMUM WITHDRAWALS FROM PENSION PRODUCTS

In response to COVID, the Government temporarily reduced the minimum amount you needed to withdraw from retirement pension products.

As of 1 July 2023, the temporary reduction in drawdown rates ended, meaning those using a retirement income stream will be required to withdraw more of their super each year.

This table shows the temporary rates and the normal rates:

Age	Normal percentage withdrawal rate (from 1 July 2023)	Temporary percentage withdrawal rate
Under 65	4%	2%
65 to 74	5%	2.5%
75 to 79	6%	3%
80 to 84	7%	3.5%
85 to 89	9%	4.5%
90 to 94	11%	5.5%
95 or more	14%	7%

FUTURE CHANGES PROPOSED IN 2023 BUDGET

Payday super

It is proposed that, from 1 July 2026, employers will be required to pay employees' super at the same time they pay their wages. This measure is part of the 'Securing Australians' Superannuation Package' which was announced as part of the 2023-24 Federal Budget. Currently, employers are only required to pay superannuation on at least a quarterly basis.

This measure will enable employees to check the payment of their superannuation entitlements more easily, and to benefit from higher compounding returns given their super will be paid more frequently.

Employers should consider whether the administrative burden in complying with the payday super measures may be reduced by adjusting the frequency of payment of wages.

Increasing the ATO's visibility over unpaid super

Under the 'Securing Australians' Superannuation Package', the Federal Government has allocated \$27 million to the ATO to improve data capabilities - including matching employer and super fund data to identify instances of underpayment of the superannuation guarantee by employers. An additional \$13.2 million has been allocated to the ATO to consult and co-design a new compliance system which will proactively identify instances of underpayment of the superannuation guarantee.

Employers should be aware that the ATO will have more resources to detect non-compliance with the superannuation guarantee regime.

Enhancing the ATO's unpaid superannuation recovery targets

As part of the 2023-24 Federal Budget, the Government has set targets in the Treasury Portfolio's 'Budget Statements 2023-24' on which the ATO will be assessed on the recovery of unpaid superannuation. The ATO will have targets on the superannuation guarantee distributed as a proportion of superannuation guarantee raised, and the superannuation guarantee charge raised and distributed within 12 months.

Employers should be aware that the ATO will be subject to enhanced targets on the recovery of unpaid superannuation.

Superannuation update for 2022/2023 (cont)

Reduced tax concessions for individuals with more than \$3 million in super

As part of the 'Better Targeted Superannuation Concessions' measures, from 1 July 2025, individuals with a super balance exceeding \$3 million will be subject to an additional 15% tax on investment earnings on the portion of their super balance which exceeds \$3 million. This means that the headline tax rate will increase from 15% to 30%, for earnings corresponding to the portion of an individual's superannuation balance that is greater than \$3 million. Earnings on assets below the \$3 million threshold will continue to be taxed at 15% if held in an accumulation or defined benefit account, and 0% if held in a retirement pension account.

The \$3 million threshold is not expected to be indexed, and the 'Better Targeted Superannuation Concessions' measures are only expected to impact a modest number of individuals.

Change in AFCA's jurisdiction to hear superannuation related complaints

On 23 May 2023, Treasury released the Treasury Laws Amendment (Measures for Consultation) Bill 2023 which seeks to amend AFCA's jurisdiction to hear superannuation matters. The Bill seeks to amend the Corporations Act 2001 (Cth) (Corporations Act) by expanding AFCA's jurisdiction to include complaints relating to superannuation which are not listed under section 1053(1) of the Corporations Act, which will be heard in AFCA's non-superannuation jurisdiction. These changes are intended to take effect the day after the Bill receives Royal Assent.

Currently, section 1053(1) of the Corporations Act sets out the matters for which a person may make a complaint relating to superannuation under the AFCA scheme. In *MetLife v Australian Financial Complaints Authority* [2022] FCAFC 173, the Court held that AFCA only had jurisdiction to hear complaints relating to superannuation if the complaint was specifically listed in section 1053(1) of the Corporations Act. This meant that AFCA could not hear superannuation-related complaints which were not listed in section 1053(1) of the Corporations Act, for which the only avenue to seek redress was via the courts. This is contrary to the intention of section 1053(1) of the Corporations Act, which was not to restrict the complaints which may be made under the AFCA scheme.

Investments and investment returns

As at 30 June 2023, the following investments have a value in excess of 5% of the total assets of the Fund:

Funds	% of Fund
Fiducian Australian Shares Fund	7.2%
Fiducian Balanced Fund	24.3%
Fiducian Capital Stable Fund	15.9%
Fiducian Growth Fund	11.0%
Fiducian International Shares Fund	7.4%
Fiducian Ultra Growth Fund	10.5%

FIDUCIAN FUNDS INVESTMENT RETURNS

Fiducian Funds were first offered on 16 January 1997.

Fiducian Funds	Year to 30/06/19	Year to 30/06/20	Year to 30/06/21	Year to 30/06/22	Year to 30/06/23	Compound Return p.a.
Fiducian Capital Safe Fund	1.8%	0.8%	0.2%	-0.2%	3.0%	1.1%
Fiducian Capital Stable Fund	6.0%	1.5%	9.5%	-7.7%	4.9%	2.7%
Fiducian Balanced Fund	7.3%	-0.2%	21.8%	-9.8%	9.6%	5.2%
Fiducian Growth Fund	7.5%	-1.1%	25.6%	-10.2%	10.9%	5.9%
Fiducian Australian Shares Fund	4.9%	-5.8%	30.5%	-7.2%	12.4%	6.1%
Fiducian Aust Small Companies Shares Fund	1.3%	0.7%	42.6%	-16.4%	8.9%	5.8%
Fiducian International Shares Fund	8.5%	10.8%	29.6%	-15.8%	17.4%	9.0%
Fiducian Geared Australian Shares Fund	12.0%	-27.4%	56.7%	-15.5%	23.3%	5.8%
Fiducian Global Smaller Company & Emerging Markets Fund ¹	1.8%	-5.7%	37.9%	-15.3%	10.6%	4.4%
Fiducian India Fund ¹	5.1%	-20.8%	57.5%	-1.6%	22.8%	9.6%
Fiducian Property Securities Fund	17.6%	-19.4%	34.5%	-12.6%	7.7%	3.7%
Fiducian Technology Fund ¹	12.2%	30.7%	31.7%	-29.8%	5.3%	7.4%
Fiducian Ultra Growth Fund ¹	3.7%	-1.7%	38.4%	-16.9%	8.7%	5.0%
Fiducian Diversified Social Aspirations Fund ¹	9.7%	-4.1%	20.8%	-6.9%	17.7%	6.8%

¹ Fund was not offered in 1997 but has been available for over 5 years.

FIDUCIAN PERSONAL MANAGED SHARE PORTFOLIOS

The returns in the following table are notional and are based on the assumptions of portfolios with equal weighting to each share at the commencement of the portfolio and after every stock change. The actual returns for an individual portfolio will differ depending on when the member invested.

Personal Managed Share Portfolios	Year to 30/06/19	Year to 30/06/20	Year to 30/06/21	Year to 30/06/22	Year to 30/06/23	Compound Return p.a.
Imputation Portfolio	3.7%	-15.8%	27.7%	-2.1%	7.4%	3.2%
Emerging Leaders Portfolio	-12.0%	-11.6%	35.4%	-28.7%	4.9%	-4.7%
Growth Portfolio	12.5%	14.1%	34.3%	-20.2%	18.7%	10.3%
Property Securities Portfolio	13.0%	-21.1%	33.5%	-14.9%	14.3%	3.0%
Deep Green ESG					-4.0%	

Notes to tables on pages 7-8:

1. The returns shown are net earnings i.e. after deduction of investment management fees. The returns are also before income tax.

2. The value of Members' Accounts will vary with the market value of the investments selected. Account values may, therefore, rise and fall. Past performance should not be taken as an indication of future performance.

Investments and investment returns (cont)

FIDUCIAN COLLECTION INVESTMENT RETURNS

Asset Name	Year to 30/06/19	Year to 30/06/20	Year to 30/06/21	Year to 30/06/22	Year to 30/06/23	Compound Return p.a.
Capital Safe						
Macquarie Managed Income Fund	2.1%	1.0%	0.4%	-0.1%	3.1%	1.3%
UBS Cash Fund	1.9%	0.8%	0.0%	0.0%	3.0%	1.2%
UBS Short-Term Fixed Income Fund	2.5%	1.1%	0.5%	-0.2%	3.4%	1.5%
Capital Stable						
Invesco Wholesale Senior Secured Income	2.8%	-5.9%	14.7%	-3.1%	7.1%	2.9%
Macquarie Master Capital Stable Fund	6.5%	7.0%	8.1%	-11.8%	4.1%	2.5%
Onepath Wholesale Capital Stable Trust	5.6%	0.5%	4.3%	-6.6%	2.1%	1.1%
Pendal Active Conservative	4.1%	-0.4%	7.5%	-5.6%	3.5%	1.7%
Balanced						
First Sentier W'sale Diversified Fund	9.2%	-0.6%	18.1%	-9.0%	10.5%	5.2%
Martin Currie Diversified Growth Fund	4.9%	-3.5%	17.9%	-2.9%	9.4%	4.9%
Macquarie Master Balanced Fund	8.4%	4.6%	15.6%	-9.8%	7.6%	4.9%
Onepath Tax Effective Income Trust - Wholesale Class	9.6%	-10.6%	20.5%	-6.0%	7.2%	3.5%
Pendal Balanced Returns Fund	4.4%	-1.8%	16.9%	-5.3%	8.1%	4.2%
Schroder Sustainable Growth Fund Wholesale Class	7.1%	-1.1%	17.6%	-7.5%	8.5%	4.6%
Growth						
abrdn Multi-Asset Real Return Fund	6.0%	-4.5%	15.2%	-8.2%	-1.2%	1.1%
Onepath Wholesale Managed Growth Trust	6.8%	-3.2%	19.2%	-4.6%	8.4%	5.0%
Australian Shares						
AMP Capital Equity Fund	11.5%	-7.8%	27.1%	-6.9%	13.3%	6.6%
Antares Professional High Growth Shares Fund	5.4%	-11.7%	39.9%	-5.6%	17.6%	7.6%
Ausbil Australian Active Equity Fund	6.1%	-6.7%	37.8%	-2.5%	15.1%	8.9%
First Sentier Wholesale Australian Share Fund	8.9%	4.2%	33.8%	-19.4%	17.3%	7.5%
First Sentier Wholesale Imputation Fund	9.9%	-3.1%	29.8%	-11.9%	16.8%	7.3%
Hyperion Australian Growth Companies Fund	6.0%	17.7%	39.2%	-26.8%	21.2%	9.0%
Investors Mutual Australian Shares Fund	8.7%	-12.0%	21.0%	1.9%	11.0%	5.6%
Pendal Australian Share Fund	7.9%	-6.2%	30.5%	-6.9%	14.2%	7.0%
Perpetual Industrial Share Fund	4.4%	-11.1%	32.3%	-7.8%	16.1%	5.6%
Perpetual ESG Australian Share Fund	-0.8%	-8.3%	38.5%	-6.1%	15.6%	7.1%
Sandhurst IML Industrial Share Fund	6.7%	-15.6%	25.1%	0.8%	10.5%	4.6%
Schroder Wholesale Australian Equity Fund	9.4%	-10.9%	33.5%	0.0%	13.6%	7.1%
Tyndall Australian Share Wholesale Fund	-2.5%	-15.7%	27.5%	0.9%	10.1%	4.0%
Vanguard Wholesale Australian Shares Index Fund	11.2%	-7.6%	28.4%	-6.8%	14.3%	7.1%
Australian Smaller Company Shares						
Pendal Smaller Companies Fund	-3.5%	-3.1%	28.8%	-16.4%	15.4%	3.0%
Investors Mutual Aust. Smaller Cos Fund	-0.8%	-10.1%	31.6%	-10.7%	6.3%	2.2%

Investments and investment returns (cont)

FIDUCIAN COLLECTION INVESTMENT RETURNS (CONT)

Asset Name	Year to 30/06/19	Year to 30/06/20	Year to 30/06/21	Year to 30/06/22	Year to 30/06/23	Compound Return p.a.
International Shares						
abrdn Sustainable Emerging Opportunities Fund	13.4%	-4.4%	37.9%	-26.6%	22.5%	10.1%
Arrowstreet Global Equity Fund (Hedged)	6.9%	-1.6%	46.1%	-10.3%	16.0%	9.9%
AMP Capital Wholesale Global Equity - Value Fund	0.9%	-4.5%	31.5%	-8.0%	20.5%	13.7%
Janus Henderson Wholesale Global Natural Resources Fund	-2.7%	-7.9%	36.5%	-0.8%	14.5%	6.8%
Magellan Global Fund	20.2%	9.0%	10.8%	-11.8%	20.6%	9.1%
Magellan Infrastructure Fund	16.5%	-8.9%	7.9%	6.6%	-1.5%	3.7%
Pendal Asian Share Fund	5.1%	9.5%	47.1%	-21.7%	-1.2%	5.6%
Pendal International Share Fund	4.1%	-5.0%	35.4%	-6.2%	24.3%	9.3%
Platinum Asia Fund	0.5%	14.7%	26.2%	-14.4%	2.1%	4.9%
Platinum International Fund	0.8%	-4.1%	26.2%	-5.9%	13.9%	5.5%
PM Capital Global Companies Fund	0.5%	-6.4%	52.1%	-0.9%	30.2%	13.1%
Premium China Fund	-4.0%	8.8%	37.4%	-30.9%	-14.7%	-3.2%
Vanguard Wholesale International Shares Index Fund	12.2%	5.2%	27.5%	-6.5%	22.8%	11.6%
Vanguard Wholesale International Shares Index Fund (Hedged)	6.5%	1.4%	35.8%	-12.4%	16.7%	8.4%
Property Securities						
Dexus Property for Income Fund No. 2	11.3%	-19.8%	27.8%	-11.7%	4.9%	1.1%
Ironbark Paladin Property Securities Fund	16.3%	-16.0%	35.1%	-13.8%	5.6%	4.1%
Martin Currie Property Securities Trust	5.4%	-18.3%	34.5%	-9.8%	4.6%	1.8%
Pendal Property Investment Fund	23.5%	-16.6%	34.8%	-13.1%	8.5%	5.5%
SG Hiscock Property Opportunities Fund	3.7%	-25.0%	31.6%	-9.5%	9.3%	0.2%
Vanguard Wholesale Property Securities Index Fund	19.3%	-20.7%	33.7%	-11.4%	7.3%	3.7%
Geared Funds						
First Sentier Wholesale Geared Share Fund	16.5%	-11.7%	76.3%	-25.9%	26.1%	11.1%
Fixed Income						
Janus Henderson Tactical Income Trust	3.3%	2.8%	2.2%	-3.8%	4.9%	1.8%
Vanguard International Fixed Interest Index Fund (Hedged)	6.8%	5.2%	-1.7%	-9.1%	-0.8%	0.0%
Perpetual Wholesale Diversified Income Fund	3.2%	0.7%	5.9%	-2.4%	6.3%	2.7%
Schroder Fixed Income Wholesale Class	9.0%	4.3%	1.5%	-12.1%	0.8%	0.4%
Vanguard Australian Fixed Interest Index Fund	9.4%	3.8%	-0.9%	-10.7%	1.1%	0.3%

Asset allocation at 30 June 2023

Asset Name	Cash	Aus. Fixed Interest	Int. Fixed Interest	CPI Fixed Interest	Aus. Shares	Int. Shares	Listed Property	Mortgages or Others
Fiducian Funds								
Fiducian Capital Safe Fund	49.9%	50.1%						
Fiducian Capital Stable Fund	25.4%	25.8%	12.4%	4.5%	15.6%	11.1%	5.1%	
Fiducian Balanced Fund	10.2%	12.3%	5.9%	2.2%	36.6%	23.9%	9.0%	
Fiducian Growth Fund	5.3%	8.0%	3.9%	1.4%	41.5%	28.9%	10.9%	
Fiducian Australian Shares Fund	1.8%				98.2%			
Fiducian Aust. Smaller Co Shares Fund	0.7%				99.3%			
Fiducian International Shares Fund	0.9%					99.4%		
Fiducian Geared Australian Shares Fund	2.7%				97.3%			
Fiducian Global Smaller Company & Emerging Mkts Fund	2.5%					97.5%		
Fiducian India Fund	1.6%					98.4%		
Fiducian Property Securities Fund	1.1%						98.9%	
Fiducian Technology Fund	0.5%					99.5%		
Fiducian Ultra Growth Fund	0.3%				42.9%	46.5%	10.3%	
Fiducian Diversified Social Aspirations Fund	2.6%				54.2%	43.1%		

Asset allocation at 30 June 2022

Asset Name	Cash	Aus. Fixed Interest	Int. Fixed Interest	CPI Fixed Interest	Aus. Shares	Int. Shares	Listed Property	Mortgages or Others
Fiducian Funds								
Fiducian Capital Safe Fund	41.1%	58.9%						
Fiducian Capital Stable Fund	31.0%	23.2%	10.0%	6.4%	14.9%	9.7%	4.7%	
Fiducian Balanced Fund	12.8%	11.9%	5.1%	3.3%	36.0%	22.5%	8.4%	
Fiducian Growth Fund	9.2%	6.5%	2.8%	1.8%	41.5%	27.9%	10.3%	
Fiducian Australian Shares Fund	0.9%				99.1%			
Fiducian Aust. Smaller Co Shares Fund	5.8%				94.2%			
Fiducian International Shares Fund	1.6%					98.4%		
Fiducian Geared Australian Shares Fund	5.2%				94.8%			
Fiducian Global Smaller Company & Emerging Mkts Fund	5.3%					94.7%		
Fiducian India Fund	2.1%					97.9%		
Fiducian Property Securities Fund	3.4%						96.6%	
Fiducian Technology Fund	2.6%					97.4%		
Fiducian Ultra Growth Fund	3.3%				41.6%	45.1%	10.0%	
Fiducian Diversified Social Aspirations Fund	3.1%				55.2%	41.7%		

Asset allocation at 30 June 2023

Asset Name	Cash	Aus. Fixed Interest	Int. Fixed Interest	CPI Fixed Interest	Aus. Shares	Int. Shares	Listed Property	Mortgages or Others
Fiducian Collection								
Capital Safe								
AMP Capital Managed Treasury Fund	14.1%	78.8%	7.1%					
UBS Cash Fund	91.7%	8.3%						
UBS Short-Term Fixed Income Fund	38.7%	61.3%						
Capital Stable								
Invesco Wholesale Senior Secured Income	1.9%		98.1%					
Macquarie Master Capital Stable Fund	15.0%	45.6%	16.3%		8.9%	13.3%		0.8%
Onepath Wholesale Capital Stable Trust	23.4%	32.8%	25.9%		8.3%	2.1%	3.1%	4.4%
Balanced								
Colonial First State W'sale Diversified Fund	7.6%	19.5%	3.9%		31.2%	31.8%	6.0%	
Macquarie Master Balanced Fund	5.2%	29.3%	15.6%		23.4%	26.0%		0.5%
Onepath Tax Effective Income Trust - Wholesale Class	11.3%	21.0%			32.6%		35.1%	
Pendal Balanced Returns Fund	6.9%	11.3%	15.1%		22.4%	24.9%	4.2%	15.1%
Schroder Sustainable Growth Fund Wholesale Class	16.4%	11.5%	9.5%		33.7%	28.8%		
Growth								
abrdn Multi-Asset Real Return Fund	7.8%	26.4%	14.1%		0.7%	25.6%		25.4%
Onepath Wholesale Managed Growth Trust	5.3%	17.8%	1.7%		23.0%	30.2%	3.6%	18.4%
Australian Shares								
AMP Capital Equity Fund	0.2%				93.9%		5.9%	
Antares Professional High Growth Shares Fund	1.4%				98.6%			
Ausbil Australian Active Equity Fund	2.4%				97.6%			
Colonial First State Wholesale Australian Share Fund	2.8%				80.1%	12.8%	4.3%	
Colonial First State Wholesale Imputation Fund	1.7%				85.7%	8.6%	4.0%	
Hyperion Australian Growth Companies Fund	2.2%				97.8%			
Investors Mutual Australian Shares Fund	4.7%				95.0%		0.3%	
Pendal Australian Share Fund	1.3%				98.7%			
Perpetual's W/S Industrial Fund	7.8%				74.8%	9.8%	7.6%	
Perpetual Wholesale Ethical SRI Fund	7.8%				88.1%	4.1%		
Sandhurst IML Industrial Share Fund	1.0%				99.0%			
Schroder Wholesale Australian Equity Fund	0.8%				99.2%			
Tyndall Australian Share Wholesale Fund	3.3%				96.7%			
Vanguard Wholesale Australian Shares Index Fund	0.6%				99.4%			
Australian Smaller Company Shares								
Pendal Smaller Companies Fund	6.5%				93.5%			
Investors Mutual Aust. Smaller Cos Fund	8.1%				82.8%		9.1%	

Note: The Trustee is required to advise asset allocation at both the latest and previous 30 June. (See 2022 on pages 12-13).

Asset allocation at 30 June 2023 (cont)

Asset Name	Cash	Aus. Fixed Interest	Int. Fixed Interest	CPI Fixed Interest	Aus. Shares	Int. Shares	Listed Property	Mortgages or Others
International Shares								
abrdrn Sustainable International Equities Fund	3.2%					96.8%		
Arrowstreet Global Equity Fund (Hedged)	4.0%					96.0%		
AMP Capital Wholesale Global Equity - Value Fund	1.3%					98.7%		
Janus Henderson Wholesale Global Natural Resources Fund	2.3%				16.4%	81.3%		
Magellan Global Fund	6.8%					93.2%		
Magellan Infrastructure Fund	2.9%				11.5%	85.6%		
Pendal Asian Share Fund	2.0%					98.0%		
Pendal International Share Fund	1.4%					98.6%		
Platinum Asia Fund	7.3%					92.7%		
Platinum International Fund	10.7%				2.3%	86.9%		
PM Capital Global Companies Fund	5.6%				5.0%	89.3%		
Premium China Fund	0.2%					99.8%		
Vanguard Wholesale International Shares Index Fund	0.1%					99.9%		
Vanguard Wholesale International Shares Index Fund (Hedged)	0.1%					99.9%		
Property Securities								
APN Property for Income Fund No. 2	0.1%						99.9%	
Ironbark Paladin Property Securities Fund	1.8%						98.2%	
Martin Currie Property Securities Trust	0.5%					4.5%	95.0%	
Pendal Property Investment Fund	1.9%						98.1%	
SG Hiscock Property Opportunities Fund	2.3%						97.7%	
Vanguard Wholesale Property Securities Index Fund		0.4%					99.6%	
Geared Funds								
First Sentier Wholesale Geared Share Fund					100.0%			
Fixed Income								
Janus Henderson Tactical Income Trust	15.3%	83.7%	1.0%					
Vanguard International Fixed Interest Index Fund (Hedged)	3.4%	1.5%	95.1%					
Perpetual Wholesale Diversified Income Fund	10.7%	68.5%	20.8%					
Schroder Fixed Income Wholesale Class	8.2%	91.8%						
Vanguard Australian Fixed Interest Index Fund	0.2%	99.8%						

Note: The Trustee is required to advise asset allocation at both the latest and previous 30 June. (See 2022 on pages 12-13).

Asset allocation at 30 June 2022

Asset Name	Cash	Aus. Fixed Interest	Int. Fixed Interest	CPI Fixed Interest	Aus. Shares	Int. Shares	Listed Property	Mortgages or Others
Fiducian Collection								
Capital Safe								
Macquarie Managed Income Fund	14.1%	78.8%	7.1%					
UBS Cash Fund	92.8%	7.2%						
UBS Short-Term Fixed Income Fund	32.5%	67.5%						
Capital Stable								
Invesco Wholesale Senior Secured Income	1.8%		98.2%					
Macquarie Master Capital Stable Fund	54.7%	16.9%	4.1%		10.3%	10.8%		3.1%
Onepath Wholesale Capital Stable Trust	33.9%	26.5%	22.0%		8.4%	1.7%	2.6%	4.9%
Pendal Active Conservative	28.9%	19.5%	16.9%		8.0%	7.3%	5.2%	14.2%
Balanced								
First Sentier Wholesale Diversified Fund	8.4%	6.2%	19.5%		28.5%	23.8%	4.6%	8.9%
Martin Currie Diversified Growth Fund	6.5%	10.7%	7.7%		41.2%	25.8%	8.1%	
Macquarie Master Balanced Fund	31.8%	-0.2%	1.9%		30.3%	32.1%		4.1%
Onepath Tax Effective Income Trust - Wholesale Class	11.6%	21.0%			38.2%		29.1%	
Pendal Balanced Returns Fund	20.6%	10.8%	10.8%		20.1%	18.9%	5.0%	13.8%
Schroder Sustainable Growth Fund Wholesale Class	17.7%	16.8%	6.7%		31.4%	27.4%		
Growth								
abrdn Multi-Asset Real Return Fund	33.0%	7.8%	11.1%		4.4%	16.4%		27.3%
Onepath Wholesale Managed Growth Trust	2.1%	5.5%	9.7%		21.9%	32.1%	5.2%	23.6%
Australian Shares								
AMP Capital Equity Fund	0.1%				93.5%		6.4%	
Antares Professional High Growth Shares Fund	1.4%				98.6%			
Ausbil Australian Active Equity Fund	0.8%				99.2%			
First Sentier Wholesale Australian Share Fund	3.4%				96.6%		0.0%	
First Sentier Wholesale Imputation Fund	4.3%				95.7%		0.0%	
Hyperion Australian Growth Companies Fund	2.7%				97.3%			
Investors Mutual Australian Shares Fund	6.1%				91.4%		2.5%	
Pendal Australian Share Fund	4.1%				95.9%			
Perpetual Industrial Share Fund	4.1%				84.4%	7.7%	3.8%	
Perpetual ESG Australian Share Fund	8.1%				84.4%	3.0%	4.5%	
Sandhurst IML Industrial Share Fund	0.6%				99.4%			
Schroder Wholesale Australian Equity Fund	1.3%				98.7%			
Tyndall Australian Share Wholesale Fund	-3.6%				100.7%		2.9%	
Vanguard Wholesale Australian Shares Index Fund					100.0%			
Australian Smaller Company Shares								
Pendal Smaller Companies Fund	5.8%				94.2%			
Investors Mutual Aust. Smaller Cos Fund	11.8%				85.5%		2.7%	

Asset allocation at 30 June 2022 (cont)

Asset Name	Cash	Aus. Fixed Interest	Int. Fixed Interest	CPI Fixed Interest	Aus. Shares	Int. Shares	Listed Property	Mortgages or Others
International Shares								
abrdrn Actively Hedged International Equities Fund	0.6%					99.4%		
abrdrn Sustainable Emerging Opportunities Fund	1.1%					98.9%		
Arrowstreet Global Equity Fund (Hedged)	2.4%					97.6%		
AMP Capital Wholesale Global Equity - Value Fund	2.0%					98.0%		
Janus Henderson W'sale Global Natural Resources Fund	3.9%				19.9%	76.2%		
Magellan Global Fund	9.1%					90.9%		
Magellan Infrastructure Fund	4.7%				12.0%	83.4%		
Pendal Asian Share Fund	3.2%					96.8%		
Pendal International Share Fund	4.2%					95.8%		
Platinum Asia Fund	14.1%					85.9%		
Platinum International Fund	23.7%				3.3%	73.0%		
PM Capital Global Companies Fund	8.7%				4.8%	86.5%		
Premium China Fund	0.4%					99.6%		
Templeton Global Equity Fund	17.5%					82.6%		
Vanguard Wholesale International Shares Index Fund						100.0%		
Vanguard Wholesale International Shares Index Fund (Hedged)						100.0%		
Property Securities								
APN Property for Income Fund No. 2	2.8%						97.2%	
Ironbark Paladin Property Securities Fund	1.9%						98.1%	
Martin Currie Property Securities Trust	0.5%				5.2%	2.4%	91.9%	
Pendal Property Investment Fund	10.8%						89.2%	
SG Hiscock Property Opportunities Fund	3.9%						96.1%	
Vanguard Wholesale Property Securities Index Fund							100.0%	
Geared Funds								
First Sentier Wholesale Geared Share Fund	-105.7%				205.7%			
Fixed Income								
Janus Henderson Tactical Income Trust	5.7%	93.1%	1.2%					
Vanguard International Fixed Interest Index Fund (Hedged)		1.8%	98.2%					
Perpetual Wholesale Diversified Income Fund	7.1%	69.6%	23.3%					
Schroder Fixed Income Wholesale Class	23.6%	88.0%	-11.6%					
Vanguard Australian Fixed Interest Index Fund		100.0%						

Long term return objectives

The following table indicates the choices currently available through the Trustee's investment strategy, the asset ranges within investment options, long term expected returns and the likelihood of negative returns over a 20 year period:

Categories	Maximum Asset Ranges		Long-term Return Objective over 7+ years	Estimated Number of Negative Returns over a 20-year period	Risk Label
	Growth	Defensive			
Diversified Funds					
Capital Stable	35%	80%	CPI + 3.5%	1 to 2	Low to medium
Balanced	75%	50%	CPI + 5.5%	2 to 3	Medium
Growth	95%	25%	CPI + 6.5%	3 to 4	Medium to high
High Growth / Ultra Growth	100%	5%	CPI + 8.5%	6 or greater	Very high
Asset Sector Funds					
Australian Shares	100%	10%	CPI + 7.5%	4 to 6	High
International Shares	100%	10%	CPI + 7.0%	4 to 6	High
Australian Smaller Company Shares	100%	10%	CPI + 8.5%	6 or greater	Very high
Emerging Markets	100%	10%	CPI + 10.0%	6 or greater	Very high
Listed Property Securities	100%	10%	CPI + 6.5%	3 to 4	Medium to high
Specialist Funds					
Cash or Capital Safe	-	100%	CPI + 0.0%	1	Very low
Geared Shares	100%	10%	CPI + 10.5%	6 or greater	Very high
Technology	100%	10%	CPI + 10.5%	6 or greater	Very high
Debt / Income / Mortgage Securities	-	100%	CPI + 2.0%	2 to 3	Medium
Resources	100%	10%	CPI + 8.0%	4 to 6	High
India / China	100%	25%	CPI + 10.5%	6 or greater	Very high

Investment managers

The investment managers appointed, as at 30 June 2023, for the Fiducian Collection and the Fiducian Funds were:

- Aberdeen Asset Management Limited
- ABG Sundal Collier ASA
- AMP Capital Investors Ltd
- Ausbil Investment Management Ltd
- Bennelong Australian Equity Partners Pty Ltd
- BlackRock Asset Management Australia Ltd
- Challenger Ltd
- Equipoise Asset Management Limited
- FIL Ltd
- Fidante Partners Limited
- Fiducian Investment Management Services Limited
- First Sentier Investors (Australia) IM Ltd
- Franklin Templeton Investments Australia Limited
- Investors Mutual Limited
- L1 Capital Pty Ltd
- Macquarie Investment Management Aus Ltd
- NovaPort Capital Pty Limited
- OnePath Funds Management Ltd
- Pareto Australia Pty Ltd
- Pental Group Ltd
- Perpetual Investment Management Ltd
- Phoenix Portfolios Pty Ltd
- Platinum Asset Management Ltd
- Premium China Funds Management Pty Ltd
- Principal Global Investors (Australia) Ltd
- Sandhurst Trustees Limited
- SBI Funds Management Private Limited
- Schroder Investment Management (Australia) Limited
- SG Hiscock & Company Limited
- Solaris Investment Management Limited
- State Street Global Advisors, Australia, Ltd
- Sundaram Asset Management Company Ltd
- Tata Asset Management Ltd
- UBS Global Asset Management (Australia) Ltd
- Vanguard Investments Australia Ltd
- Wellington Management Company, LLP

Fiducian portfolios

The shares held in the four Fiducian Portfolios at 30 June 2023 were:

Imputation Portfolio

- Ampol Limited
- Bank of Queensland Limited
- Challenger Limited
- Commonwealth Bank of Aust Ltd
- Downer EDI Ltd
- Harvey Norman Holdings Limited
- Insignia Financial Ltd
- Medibank Private Limited
- Perpetual Limited
- Qantas Airways Ltd
- Rio Tinto Ltd
- Washington H Soul Pattinson & Company Limited
- Westpac Banking Corp Ltd
- Woodside Energy Group Ltd

Growth Portfolio

- Altium Limited
- Aristocrat Leisure Ltd
- Cochlear Ltd
- CSL Limited
- Macquarie Group Limited
- Mineral Resources Limited
- Nextdc Limited
- Pilbara Minerals Ltd
- REA Group Ltd
- Santos Ltd
- Seek Limited
- South32 Limited
- Wisetech Global Limited
- Worleyparsons Limited

Property Securities Portfolio

- Charter Hall Group
- Goodman Group
- Lendlease Group
- Mirvac Group
- Peet Limited
- Scentre Group
- Stockland Trust Group
- Unibail-Rodamco-Westfield

Emerging Leaders Portfolio

- Bapcor Limited
- DGL Group Limited
- Dicker Data Limited
- Hipages Group Holdings Ltd
- IGO Limited
- Imdex Limited
- IPH Limited
- Jumbo Interactive Limited
- Lynas Rare Earths Limited
- Pwr Holdings Limited
- Regis Resources Limited
- Siteminder Limited
- Telix Pharmaceuticals Limited
- Whitehaven Coal

Deep Green ESG Portfolio

- Acciones Iberdrola
- ATAI Life Sciences N.V.
- Ballard Power Systems, Inc
- Canadian Solar Inc
- ChemoMetec A/S
- Mission Produce, Inc
- Oatly Group AB
- Scatec ASA
- Schneider Electric
- Sprouts Farmers Market Inc
- Tomra System ASA
- Umicore
- Vestas Wind Systems A/S
- Warby Parker Inc



Statement of fund policy on the use of derivative securities

The Fund does not currently use derivative securities.

In future, if it is decided to use such products, the Trustee will be required to modify the Risk Management Statement (RMS). Any such approved RMS must specify procedures for approval of actions and include detailed responsibilities and authorities as well as reporting and review procedures.

Financial accounts

FIDUCIAN SUPERANNUATION SERVICE INCOME STATEMENT

For the year ended 30 June 2023

	2023	2022
	\$000	\$000
Superannuation Activities		
Interest income	3,004	645
Distribution income	43,613	147,699
Dividend income	898	573
Net change in fair value of financial instruments	131,016	(388,597)
Total income/(loss) from Superannuation activities	178,531	(239,680)
General administration expenses		
Administration and other service provider expenses	(16,402)	(16,394)
Financial advice fees	(11,352)	(10,793)
Total expenses	(27,754)	(27,187)
Profit/(Loss) from superannuation activities before Income tax	150,777	(266,867)
Income tax (expense)/benefit	(750)	31,047
Profit/(Loss) from superannuation activities after Income tax	150,027	(235,820)
Net (benefits)/loss allocated to defined contribution members	(150,027)	235,820
Operating result after income tax	-	-

Notes:

1. The financial information shown above has been extracted from the audited financial statements of the Fund.
2. The audited financial statements of Fiducian Superannuation Service for the year ended 30 June 2023 are available on request.

FIDUCIAN SUPERANNUATION SERVICE STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	2023	2022
	\$000	\$000
Assets		
Cash and cash equivalents	110,127	83,287
Distributions receivable	28,636	138,005
Income tax refund	8,063	238
Deferred tax asset	-	9,568
Outstanding settlements and other receivables	3,564	2,322
Financial Assets at fair value through profit and loss	2,108,543	1,674,978
Total assets	2,258,933	1,908,398
Liabilities		
Administration and other service provider fees payable	2,020	1,549
Financial advice fees payable	1,044	799
Other payable	110	57
Deferred tax liability	940	-
Total liabilities excluding member benefits	4,114	2,405
Net assets available for member benefits	2,254,819	1,905,993
Member Benefits		
Allocated to members	2,245,522	1,898,179
Total member benefits	2,245,522	1,898,179
Net Assets	9,297	7,814
Equity		
Reserves	9,297	7,814
Total Equity	9,297	7,814

Notes:

1. The financial information shown above has been extracted from the audited financial statements of the Fund.
2. The audited financial statements of Fiducian Superannuation Service for the year ended 30 June 2023 are available on request.

Financial accounts (cont)

FIDUCIAN SUPERANNUATION SERVICE STATEMENT OF CHANGES IN MEMBER BENEFITS

For the year ended 30 June 2023

	2023	2022
	\$000	\$000
Opening balance of member benefits	1,898,179	1,978,212
Contributions received:		
Employer	23,798	21,058
Members	172,384	83,029
Transfers from other superannuation funds	252,280	191,718
Government superannuation co-contributions	54	56
Income tax on contributions	(7,832)	(6,107)
Net after tax contributions	440,684	289,754
Benefits to members:		
Benefit Payments	(185,859)	(109,414)
Transfers to other superannuation funds	(54,629)	(24,700)
Net Insurance Premiums adjusted in members' accounts	(1,927)	(321)
Net Transfer (to)/from Reserves	(954)	468
Benefits allocated to members' accounts:		
Net Investment Income	178,531	(239,680)
Net Advice fee, Administration and other service providers	(27,754)	(27,187)
Tax (expense)/benefit	(750)	31,047
	(93,341)	(369,787)
Closing balance of member benefits	2,245,522	1,898,179

Notes:

1. The financial information shown above has been extracted from the audited financial statements of the Fund.
2. The audited financial statements of Fiducian Superannuation Service for the year ended 30 June 2023 are available on request.

FIDUCIAN SUPERANNUATION SERVICE STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

	Expense Reserve	Operational Risk Reserve	Total Equity
	\$000	\$000	\$000
Balance as at 30 June 2021	262	7,535	7,797
Transfer from members	485	-	485
Structural tax benefits	3,943	-	3,943
Income and net change in fair value of financial instruments	-	(731)	(731)
Payment to service providers	(3,680)	-	(3,680)
Balance as at 30 June 2022	1,010	6,804	7,814
Transfer from members	616	-	616
Structural tax benefits	4,047	-	4,047
Income and net change in fair value of financial instruments	33	652	685
Payment to service providers	(3,865)	-	(3,865)
Balance as at 30 June 2023	1,841	7,456	9,297

Notes:

1. The financial information shown above has been extracted from the audited financial statements of the Fund.
2. The audited financial statements of Fiducian Superannuation Service for the year ended 30 June 2023 are available on request.

Financial accounts (cont)

FIDUCIAN SUPERANNUATION SERVICE STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

	2023	2022
	\$000	\$000
Cash flows from operating activities		
Interest received	3,004	645
Distributions received	152,982	127,259
Dividends received	898	573
Other income received	114	1,554
Financial advice, administration and other service provider fees paid	(28,962)	(29,226)
Taxes received	4,059	1,301
Net cash flows from operating activities	132,095	102,106
Cash flows from investing activities		
Proceeds from sale of unit trusts	387,212	297,556
Proceeds from sale of shares in listed companies	14,494	7,323
Proceeds from sale of fixed interest securities	4,097	-
Units in unit trusts purchased	(676,061)	(545,427)
Term deposits invested	(6,760)	(587)
Shares in listed companies purchased	(26,775)	(6,819)
Net cash used in investing activities	(303,793)	(247,954)
Cash flows from financing activities		
Contributions received:		
Employer	23,798	21,058
Members	172,384	83,029
Transfers from other funds	252,280	191,718
Government co-contributions	54	56
Contributions tax paid	(7,832)	(6,107)
Net transfer from reserves	532	485
Premiums on term insurance policies paid	(2,190)	(2,016)
Benefits paid	(240,488)	(134,114)
Net cash flow from financing activities	198,538	154,109
Net increase in cash and cash equivalents	26,840	8,261
Cash and cash equivalents at the beginning of the year	83,287	75,026
Cash and cash equivalents at the end of the year	110,127	83,287

Notes:

1. The financial information shown above has been extracted from the audited financial statements of the Fund.
2. The audited financial statements of Fiducian Superannuation Service for the year ended 30 June 2023 are available on request.

Statutory information

Trustee

Fiducian Portfolio Services Limited was appointed as the Trustee for the Fund under the provisions of the Trust Deed. Fiducian Portfolio Services Limited has been the Trustee since the commencement of the Fund on 16 January 1997 and has indemnity insurance for the protection of members.

Fiducian Portfolio Services Limited is a wholly owned subsidiary of Fiducian Group Limited. Fiducian was first listed on the Australian Securities Exchange on 12 September 2000.

Trustee board and committees

FIDUCIAN PORTFOLIO SERVICES LIMITED - RECORD OF ATTENDANCE AT TRUSTEE BOARD AND COMMITTEE MEETINGS

Trustee Director or Committee Member Name	Trustee Board		Audit, Risk and Compliance Committee		Investment Committee		Remuneration and Nominations Committee	
	No. of Meetings Attended	No. of Meetings Eligible to Attend	No. of Meetings Attended	No. of Meetings Eligible to Attend	No. of Meetings Attended	No. of Meetings Eligible to Attend	No. of Meetings Attended	No. of Meetings Eligible to Attend
Drew Vaughan	8	8	5	5	4	4	1	1
S.G. Venkatramani	7	8	4	5	-	-	-	1
Catherine Lynch	8	8	-	-	-	-	-	-
Maria-Ann Camilleri	8	8	-	-	-	-	-	-
Sam Hallab	8	8	5	5	-	-	1	1
Jai Singh	7	8	-	-	4	4	-	-
Tony Breen	-	-	-	-	4	4	-	-
Peter Mouatt	-	-	-	-	4	4	-	-

Statutory information (cont)

Trust deed

A copy of the Trust Deed is available on the Fiducian website at:

https://www.fiducian.com.au/images/fiducian_superannuation_service_trust_deed.pdf

How your Member Account works

Your Member Account reflects accumulated contributions and net earnings, less taxes, pension payments and withdrawals, and any insurance premiums paid.

Net earnings are your share of the net earnings of the investments in which you invested. These net earnings are calculated as:

Income/Gains

- Investment income (after investment managers' fees and transaction costs)
- Realised capital gains
- Unrealised capital gains

Less Outgoings/Losses

- Management fees and charges
- Realised capital losses
- Unrealised capital losses
- Taxes and duties (where applicable)

Investment objectives

The investment objective of the Fund is to provide members with a diversified range of investments to enable members, in conjunction with their financial planners, to maximise their superannuation and retirement planning needs. The Fund has been established solely for the purpose of:

- (a) paying benefits to members on or after retirement from gainful employment and when a prescribed event has occurred;
- (b) paying benefits to members when they have reached the prescribed age; or
- (c) paying benefits on the member's death to the member's dependents or legal representative.

Investment strategy

In support of the investment objectives, the Trustee has implemented an investment strategy that has regard to, amongst other things:

- (a) the risk involved in making, holding and realising, and the likely return from the investments;
- (b) offering a range of investments from which Fund members may implement an investment strategy or strategies and minimise investment risk through a diversified investment choice;
- (c) the liquidity of investments offered as part of a diversified investment strategy;
- (d) the reliability of valuation information for investment options; and
- (e) associated liabilities, costs and taxation.

The investment strategy has been formulated by the Trustee on the basis that Fund members are offered a range of investments and are able to give directions to the Trustee on their choice of investment in a particular asset or class of assets offered through the Fund.

The Trustee has considered investment opportunities to allow diversification across investment funds, investment styles and investment managers. In approving each investment option as part of the Fund investment strategy, the Trustee has put in place procedures for the research, recommendation and approval of all investment options offered. While the Trustee will determine the types of investment opportunities and asset classes available through the Fund, it does not direct investment managers in the selection of underlying investments. Rather, the Trustee approves investments offered through the Fund on the basis of a proper selection process.

Expense reserve and expense recovery fee

The Trustee is entitled to be reimbursed for expenses properly incurred in the operation of the Fund. For this reason, the Trustee has established an Expense Reserve within the Fund for payment of the operational expenses of the Fund.

The Expense Reserve is built up from Fund income (if and when allocated) and taxation benefits, which are generated from the design of the Fund and that have been allocated by the Trustee to the Expense Reserve. The funding of the Expense Reserve is not an additional charge to your account.

The difference between the amounts withheld from your account for payment of tax, provision for tax and the actual tax payable are credited to the Expense Reserve.

The actual amount of tax paid in the Fund is generally less than the 15% that is withheld for tax because of the benefit of tax deductions as well as capital gains discounts and franking credits that reduce the Trustee's effective rate of tax.

The Trustee estimates that operational expenses may be up to 0.45% of the assets of the Fund.

Under the administration agreement between the Trustee and the Administrator, the Administrator is entitled to charge an Expense Recovery Fee from the Fund for expenses incurred in the operation of the Fund. The Expense Recovery Fee is calculated as a percentage of the average monthly value of the assets of the Fund and paid out of the Expense Reserve. As the Expense Recovery Fee is paid from the Expense Reserve, it is not an additional charge to your account. This arrangement could change pursuant to any amendment to the administration agreement. The Expense Reserve is managed by the Trustee and invested in cash or similar type assets.

Operational Risk Financial Requirement (ORFR)

As required by APRA, the Trustee is required to establish and maintain a financial reserve to address the risk of loss resulting from inadequate or failed internal process, people and systems, or from external events. APRA Prudential Standards require the Trustee to set a Target Amount that reflects the scale of possible losses having regard to its risk management framework, risk appetite, risk mitigation and controls.

Statutory information (cont)

The Operational Risk Reserve (ORR) is a reserve held within the Fund for your benefit and the Target Amount has been built up gradually over 3 years from your ORFR contributions. The ORFR contribution may change from time to time (depending on the size of the Fund, the Operational Risk Reserve and other factors). The ORFR contribution, currently 0.083% capped at \$300 per 6 monthly instalment with a maximum of 6 instalments from an account, has been temporarily suspended. You will be informed if there are any changes in the ORFR contribution. The ORR is managed by the Trustee and invested in a Balanced portfolio or similar type assets.

The Reserve levels for the 2023 financial year and preceding years are shown below:

		Expense Reserve	ORR	Total
30 June '13	Bal.	\$3,521,526	-	\$3,521,526
	Mov.	-\$503,818	\$778,488	\$274,670
30 June '14	Bal.	\$3,017,708	\$778,488	\$3,796,196
	Mov.	-\$616,708	\$1,104,512	\$487,804
30 June '15	Bal.	\$2,401,000	\$1,883,000	\$4,284,000
	Mov.	-\$1,072,638	\$1,837,918	\$765,280
30 June '16	Bal.	\$1,328,362	\$3,720,918	\$5,049,280
	Mov.	\$52,499	\$651,064	\$703,563
30 June '17	Bal.	\$1,380,861	\$4,371,982	\$5,752,843
	Mov.	\$2,887	\$1,151,547	\$1,154,434
30 June '18	Bal.	\$1,383,748	\$5,523,529	\$6,907,277
	Mov.	-\$892,305	\$690,198	-\$202,107
30 June '19	Bal.	\$491,443	\$6,213,727	\$6,705,170
	Mov.	-\$486,497	-\$25,198	-\$511,695
30 June '20	Bal.	\$4,946	\$6,188,529	\$6,193,475
	Mov.	\$256,998	\$1,346,043	\$1,603,041
30 June '21	Bal.	\$261,944	\$7,534,572	\$7,796,516
	Mov.	\$748,301	-\$730,388	\$17,913
30 June '22	Bal.	\$1,010,245	\$6,804,184	\$7,814,429
	Mov.	\$831,094	\$652,251	\$1,483,345
30 June '23	Bal.	\$1,841,339	\$7,456,435	\$9,297,774

Fund website details

The Fund is required to make available online product disclosure documents for the Fund together with specified information regarding Trustee Director details and Fund governance. This information is available at:

<https://www.fiducian.com.au/superannuation/governance-information/>

Indemnity insurance

The Trustee is indemnified by a policy of insurance which protects the Fund in the event of claim.

Transfer of account

By law, FSS must transfer lost member super accounts that have a balance below \$6,000, or have been inactive for 12 months, to the Australian Taxation Office (ATO). New legislation also means that we may have to transfer accounts that have received no payments for 16 months in a row and have a balance below \$6,000 even if that member is not 'lost'. We will write to you explaining your options before that happens.

There are other circumstances where an account may be transferred. To find out more, visit www.ato.gov.au.

