

Fund description

The Fund invests in a diversified group of specialist Australian Share managers, utilising the Fiducian “Manage the Manager” process, to carefully select best of breed managers with different styles to provide diversification with the aim of achieving superior returns with reduced risk.

The Fund gives investors an opportunity to participate in Australia’s economic growth and enables Australian resident investors to benefit from favourable tax treatment of franked dividends.

Share investment can be volatile over the short term, and the recommended holding period is at least 8 years.

Fund facts

Portfolio manager: Conrad Burge

ARSN: 093 542 271

APIR code: FPS0006AU

Benchmark: ASX 300 Accumulation Index

Current fund size: \$774 million (February 2024)

Management cost: 0.96%

Total management costs: 1.03%

Application/Exit fee: Nil

Inception Date: March 1997

Manager	Style			Size	
	Value	Core	Growth	Large	Small
Ausbil		●		●	
Bennelong			●	●	
Pendal Group		●		●	
Fidelity		●		●	
L1 Capital		●		●	
Solaris	●			●	

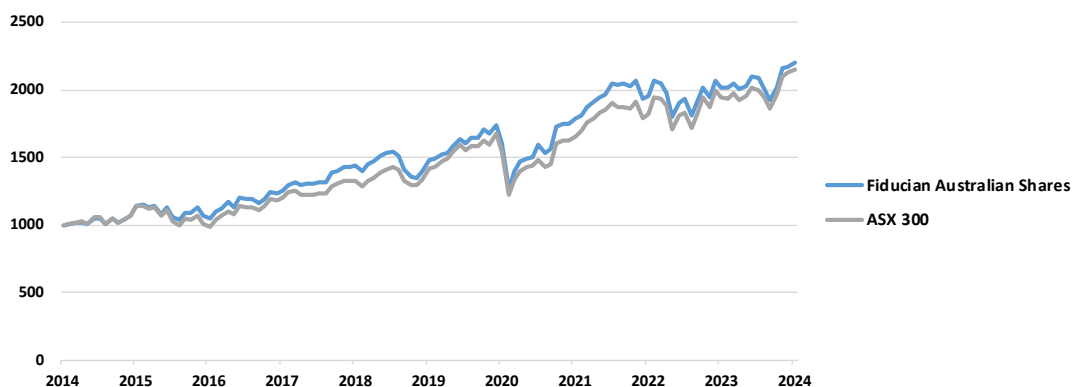
Performance and Risk

After fee returns as at 29 February 2024

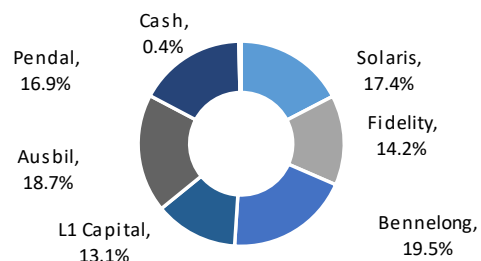
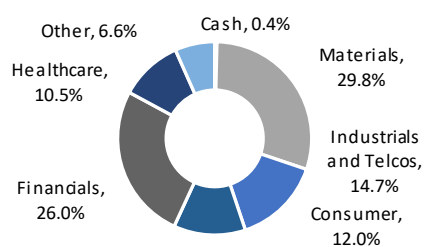
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	1.6%	9.1%	5.7%	9.0%	7.2%	8.3%	8.4%	8.2%
Index	1.0%	9.5%	7.4%	10.5%	9.1%	8.6%	8.6%	7.9%
Excess	0.6%	-0.4%	-1.8%	-1.5%	-1.9%	-0.3%	-0.2%	0.3%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	10.8%	13.0%	16.5%	14.0%
Benchmark (Std Dev %)	10.7%	13.5%	16.4%	14.0%
Beta	0.91	0.93	0.98	0.98
Tracking Error (% pa)	1.5%	2.1%	2.4%	2.3%



Sector exposures and current manager weights



Market Commentary and Outlook

Measures of global economic growth have generally been better than expected in recent months. There have been some signs of improvement in manufacturing activity, and consumer spending has remained robust. The downside to this is that inflation has also been slightly higher, and interest rates are likely to stay 'higher for longer' than previously anticipated.

Global equity market performance was strong in February. In the US, the broad market (S&P 500 index) gained 5.2%, bolstered by a number of positive earnings announcements, and the Australian stock market (ASX 200 index) gained 0.8%. Emerging markets rebounded, led by gains in China (+8.1%) following the announcement of government measures to support the stock market. Fixed income returns were negative as longer term bond yields increased.

Looking ahead, monetary policy could become less restrictive this year, which may be positive for markets. However, geopolitical risks, alongside slower economic growth in the coming year represent potential headwinds. The International Monetary Fund (IMF) recently updated its economic outlook, and is now forecasting global growth to be 3.1% in 2024. This is above previous estimates, but still below the long-term trend rate of growth. In broad terms, share markets continue to appear more attractive than most other investment opportunities.

Fund Commentary

The Fiducian Australian Shares Fund rose by 1.6% in February, which was above the 1.0% return by the index. Bennelong (+2.3%) was the best performer for the month followed by L1 Capital (+2.1%). Over the last 12 months, Bennelong (+17.6%) was the best performer followed by Pandal (+11.1%).

The broad Australian share market (ASX200 index) gained 0.8% in February.

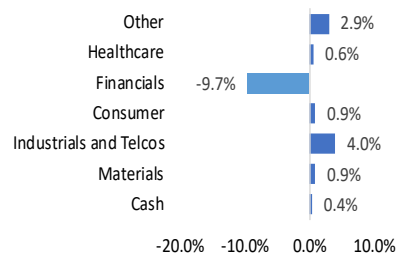
Most companies reported financial results for the half year ended 31 December 2023. For many companies, expenses have been growing faster than revenue. Over calendar 2023, average expenses increased by 6%, compared with average revenue growth of only 3%. These challenging conditions had generally been anticipated, with approximately two-thirds of companies reporting results that were either in-line with, or above, market expectations.

The best performing sectors for the month were Information Technology (+19.5%) and Consumer Discretionary (+4.3%). Energy (-5.9%) and Materials (-5.0%) were the worst performing sectors.

At an aggregate level, the largest sectoral tilts in the Fund are an underweight to Financials, primarily in Listed Property Trusts, and an overweight position in the Industrials sector.

Top stock holdings and sector tilts

Stock	Industry	Weight
BHP Group	Mining	8.2%
CSL Limited	Biotechnology	7.6%
Commonwealth Bank	Banks	5.3%
Goodman Group	REITS	4.5%
National Australia Bank	Banks	3.6%
Santos Ltd	Oil & Gas	3.5%
Macquarie Group	Banks	3.1%
James Hardie Industries	Building Materials	2.9%
Qbe Insurance Group	Insurance	2.8%
Aristocrat Leisure	Entertainment	2.3%



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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. Potential investors should also obtain and consider the relevant Target Market Determination (TMD) and Product Disclosure Statement (PDS) (available from your financial adviser and via fiducian.com.au) before making a decision about whether to acquire or continue to hold any financial product.