

### 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 5 to 7 years.

### Fund facts

**Portfolio manager:** Conrad Burge

**ARSN:** 093 542 271

**APIR code:** FPS0006AU

**Benchmark:** ASX 300 Accumulation Index

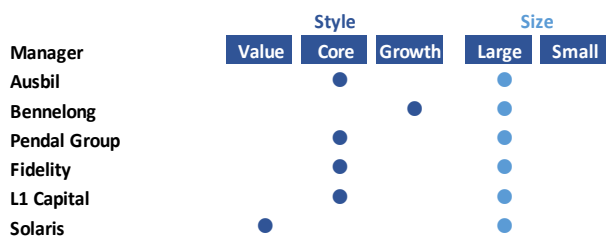
**Current fund size:** \$673 million (May 2023)

**Management cost:** 0.96%

**Total management costs:** 1.03%

**Application/Exit fee:** Nil

**Inception Date:** March 1997



### Performance and Risk

After fee returns as at 31 May 2023

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	-2.0%	-0.8%	-0.5%	1.3%	10.9%	6.4%	8.0%	8.7%
Index	-2.5%	-1.0%	-0.8%	2.4%	11.3%	7.4%	8.3%	8.1%
Excess	0.5%	0.1%	0.3%	-1.1%	-0.4%	-1.0%	-0.2%	0.6%

**Risk Exposure**

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	17.5%	13.7%	16.8%	14.0%
Benchmark (Std Dev %)	17.9%	13.7%	16.4%	13.9%
Beta	0.98	0.98	1.01	0.99
Tracking Error (% pa)	1.7%	3.2%	3.1%	2.8%

**Investment Growth**

Time Period: 6/1/2018 to 5/31/2023

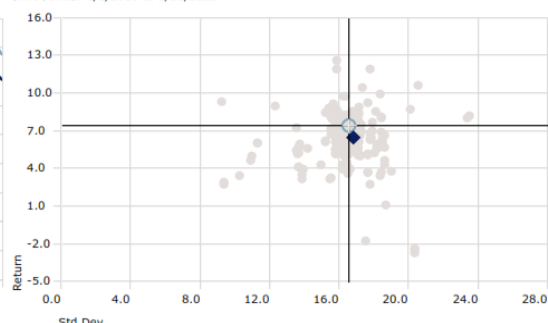


— Fiducian Australian Shares

— S&P/ASX 300 TR

**Risk-Reward**

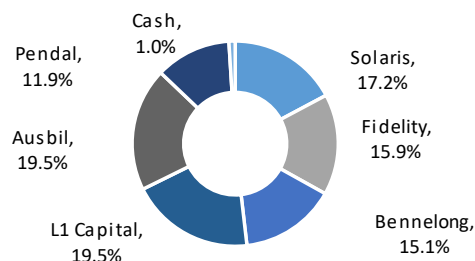
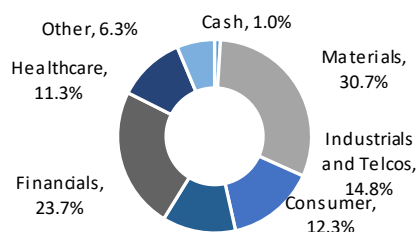
Time Period: 6/1/2018 to 5/31/2023



• Fiducian Australian Shares

• S&P/ASX 300 TR

### Sector exposures and current manager weights



### Market Commentary and Outlook

Economic data released during May continued to point to a slowing outlook for the global economy. Whilst measures of activity in service industries continued to improve, manufacturing across most of the world continued to contract. More positive is that headline rates of inflation have continued to decline, partly driven by falling energy and commodity prices. However, the core levels of inflation monitored by central banks have remained elevated. During the month, the Reserve Bank of Australia, along with the US Federal Reserve and European Central bank again increased interest rates.

Equity market performance was mixed in May. The US market (S&P 500 index) gained 0.2%, despite some uncertainty regarding US debt ceiling negotiations. The Australian market (ASX 200 index) declined by 2.5%, and most European stock markets had negative returns. Bonds and listed property were also weaker during the month, and some key commodity prices also recorded declines due to a moderating economic outlook.

Looking ahead, elevated geopolitical risks, alongside higher interest rates and slower economic growth this year, represent potential headwinds for markets. The International Monetary Fund (IMF) recently made a small downgrade to its economic forecasts, with global growth now expected to be 2.8% in 2023. The IMF expects growth rates to remain slightly below long-term trend levels for some time. However, in broad terms, share markets continue to appear more attractive than most other investment opportunities.

### Fund Commentary

The Fiducian Australian Shares Fund declined by 2.0% in May, which was above the -2.5% return by the index. Ausbil (-1.2%) was the best performer for the month followed by Fidelity (-1.7%) and Pental (-1.7%). Over the last 12 months, L1 Capital (+4.0%) was the best performer followed by Ausbil (+3.0%) and Pental (+3.0%).

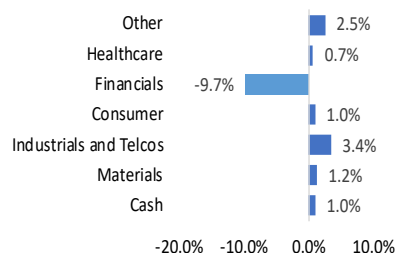
The broad Australian share market (ASX200 index) declined by 2.5% during the month. There was limited news to drive the market performance, however general uncertainty about the global economic growth outlook, alongside some weakness in commodity prices, weighed on near term investor sentiment.

The Information Technology sector (+11.6%) was the only segment of the market to show strong gains, as global technology stocks experienced a positive month. The Utilities sector (+1.2%) along with the Energy sector (+0.2%) recorded small gains. The Consumer Discretionary sector (-6.1%) was the main detractor, as a number of company updates pointed to a weakening demand outlook for retail stocks. Consumer Staples (-4.6%) were lower for similar reasons, and the Materials sector (-4.4%) also declined during the month.

At an aggregate level, the largest sectoral tilts in the Fund are an underweight to financials, primarily lower returning and less volatile property trusts, and small overweight position in the consumer, materials and healthcare sectors.

### Top stock holdings and sector tilts

Stock	Industry	Weight
BHP Group	Diversified Metals & Mining	9.0%
CSL Limited	Biotechnology	8.9%
Commonwealth Bank	Diversified Banks	4.7%
Telstra Group Limited	Telecommunication Services	3.6%
National Australia Bank	Diversified Banks	3.5%
James Hardie Industries	Construction Materials	3.2%
Santos Limited	Oil & Gas	3.2%
Macquarie Group Ltd	Diversified Capital Markets	2.9%
Qbe Insurance	Insurance	2.6%
Qantas Airways Ltd	Airlines	2.5%



### Fiducian Investment Management Services Limited

Issued by Fiducian Investment Management Services Limited ABN 28 602 441 814 AFS Licence number 468211. This document provides general information only. It does not have regard to your objectives, financial situation or needs. We recommend that you seek financial planning advice, and consider whether this investment is appropriate to your objectives, financial situation and needs before making any investment decision.

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](http://fiducian.com.au)) before making a decision about whether to acquire or continue to hold any financial product.