

Fiducian Ultra Growth Fund

Monthly Report - December 2023



Fund description

The Fiducian Ultra Growth Fund has over 95% exposure to growth assets. It is diversified between multiple managers and geographies, utilising the Fiducian “Manage the Manager” system that aims to achieve superior returns with reduced risk. The main assets held are Australian and international small cap shares, emerging market shares and listed property securities. The fund should be capable of generating high returns over the longer term, but will also experience significant volatility and capital losses when markets turn down.

The Fund is suitable for investors seeking good long term capital growth with possible significant short term volatility. The recommended holding period is at least 8 years.

Fund facts

Portfolio manager: Conrad Burge

ARSN: 133 391 634

APIR code: FPS0014AU

Benchmark: Zenith AMI Mixed Asset Aggressive Index

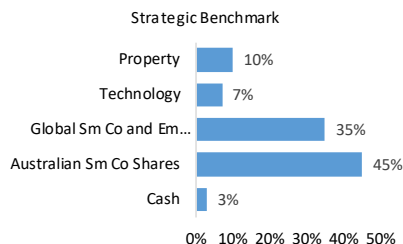
Current fund size: \$286 million (December 2023)

Management cost: 1.45%

Total management costs: 1.81%

Application/Exit fee: Nil

Inception Date: September 2008



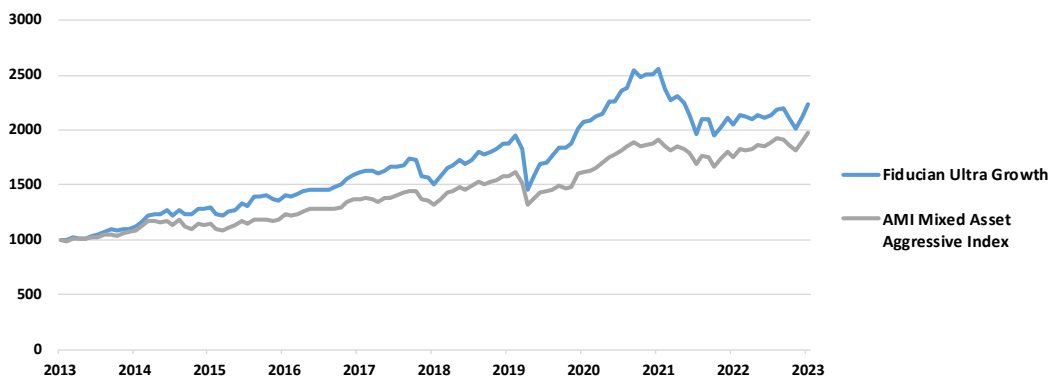
Performance and Risk

After fee returns as at 31 December 2023

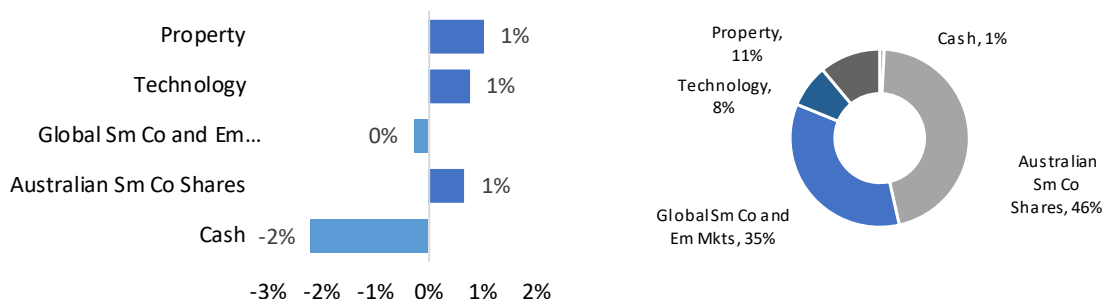
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5yrs	7 Yrs	10 Yrs
Fund	5.5%	6.0%	4.8%	9.1%	2.5%	8.2%	6.8%	8.4%
Index	3.9%	5.9%	4.9%	12.9%	6.8%	8.4%	7.1%	7.0%
Excess	1.6%	0.0%	-0.1%	-3.8%	-4.3%	-0.2%	-0.2%	1.3%
Ranking				83/89	79/80	47/75	38/71	4/65

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	11.0%	13.2%	16.1%	12.9%
Benchmark (Std Dev %)	8.3%	9.4%	11.5%	9.6%
Beta	1.17	1.26	1.30	1.25
Tracking Error (% pa)	3.6%	5.6%	6.3%	5.2%



Tactical tilts and current asset weights



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Market Commentary and Outlook

Global monetary policy tightening, which commenced in early 2022, slowed the levels of economic growth across most of the world in 2023. In recent months too, it appears that this policy has been proving effective in achieving its aim of lowering inflation, with rates of inflation returning towards the target levels of most central banks. This has increased the likelihood that interest rates will remain on hold in the near term, and may be cut in the later part of 2024 if current trends persist.

Global markets enjoyed a strong finish for the year. The broad US market (S&P 500 index) gained 4.4% in December, and the Australian stock market (ASX 200 index) gained 7.3%. Listed property had another strong month, and falling yields produced positive returns for bonds. For calendar year 2023, all major global equity markets, with the exception of China, generated positive returns.

Looking ahead, less restrictive monetary policy could be positive for markets. However, geopolitical risks, alongside slower economic growth in the coming year represent potential headwinds. The International Monetary Fund (IMF) is forecasting global growth to be 2.9% in 2024, which is below the long-term trend rate of growth. In broad terms, share markets continue to appear more attractive than most other investment opportunities.

Managers and weights

Asset Class	Fund Manager	Weight
Australian Equities (Small Cap) 45.3%	Ausbil Dexia	15.3%
	Pendal	7.9%
	Novaport	6.6%
	Phoenix	5.0%
	Perpetual	10.6%
International Equities (Small Cap, Emerging Markets) 33.1%	Royce	13.3%
	Fidelity	12.4%
	Vanguard Global Small Cap	5.1%
	State Bank of India	0.4%
	Sundaram	0.6%
	Tata	0.4%
	EquiPoise	0.2%
	Vanguard Emerging Market:	0.6%
	Wellington Technology	4.6%
	Wellington Biotechnology	1.3%
Technology 7.6%	Loftus Peak Technology	0.4%
	Nordic Technology	1.4%
	BlackRock	1.0%
Listed Property 11.0%	Phoenix	5.0%
	Principal	4.9%
Cash 3.0%	CMT	3.0%

Fund Commentary

The Fund outperformed its benchmark during the month, returning 5.5% compared to the 3.9% return by the median manager. Over the 12 months to the end of December, the Fund has returned 9.1%.

All major asset classes finished the month higher, with Listed Property (+10.9%) and Technology (+6.0%) the best performers.

A small overweight exposure to technology, property and global small cap and emerging markets remains, as valuations appear attractive relative to other asset classes. There is currently an underweight position in cash.

In the Zenith AMI Mixed Asset-Aggressive Category, the Fiducian Ultra Growth Fund returns were ranked 83 out of 89 funds over one year, 47 out of 75 funds over five years, and 4 out of 65 funds over the ten year period to 31 December 2023.

Top stock holdings

Top Australian Stocks	Industry	Weight
Mma Offshore Ltd	Commercial Services	2.8%
Eqt Holdings Ltd	Diversified Financial Services	2.2%
Macquarie Technology Gr	Telecommunications	2.0%
Tuas Ltd	Leisure Time	1.8%
Johns Lyng Group Ltd	Engineering & Construction	1.7%
Psc Insurance Group Ltd	Insurance	1.7%
Gold Road Resources	Mining	1.7%
Light & Wonder Inc	Entertainment	1.6%
Lovisa Holdings Ltd	Retail	1.5%
Life360 Inc	Software	1.5%

Top Technology Stocks	Industry	Weight
Microsoft Corp	Software	8.6%
Amazon.Com	Internet	5.9%
Uber Technologies	Internet	3.5%
Alphabet Inc	Internet	3.2%
Nvidia Corp	Semiconductors	3.0%
Adv Micro Devices	Semiconductors	2.9%
Integrum Ab	Healthcare-Products	2.8%
Flex Ltd	Electronics	2.3%
Taiwan Semiconductor	Semiconductors	2.2%
Intuit Inc	Software	1.9%

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