

Fund description

The Fund invests in a diversified group of international equity managers. The Fund utilises the Fiducian “Manage the Manager” process, carefully selecting best of breed managers with different styles, sector and geographical exposures with the aim of achieving superior returns with reduced risk.

This Fund gives investors exposure to the growth of major global economies through investment in international companies. A currency overlay manages the exposure to international currencies.

International 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: 093 543 456

APIR code: FPS0005AU

Benchmark: MSCI Ex-Australia Index

Current fund size: \$546 million (August 2023)

Management cost: 1.24%

Total management costs: 1.30%

Application/Exit fee: Nil

Inception Date: February 1997

Manager	Style		Sector	
	Value	Core	EM	DM
Franklin Templeton		●		●
Challenger		●		●
Wellington GRE		●		●
Wellington Value	●			●
Fiducian India			●	
Fiducian Technology			●	●
Vanguard		●	●	

Performance and Risk

After fee returns as at 31 August 2023

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	0.8%	6.3%	11.5%	15.5%	7.5%	8.4%	10.9%	11.6%
Index	1.6%	7.0%	16.0%	22.6%	13.3%	10.8%	12.5%	12.9%
Excess	-0.8%	-0.7%	-4.5%	-7.1%	-5.8%	-2.4%	-1.6%	-1.4%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	9.7%	11.6%	12.9%	11.3%
Benchmark (Std Dev %)	11.2%	11.7%	12.3%	11.0%
Beta	0.76	0.90	0.98	0.96
Tracking Error (% pa)	3.3%	4.3%	4.3%	3.9%

Investment Growth

Time Period: 9/1/2003 to 8/31/2023



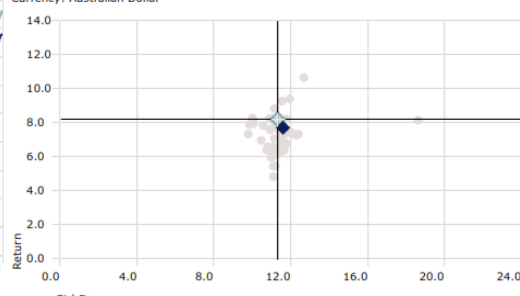
— Fiducian International Shares

— MSCI World Ex Australia NR AUD

Risk-Reward

Time Period: 9/1/2003 to 8/31/2023

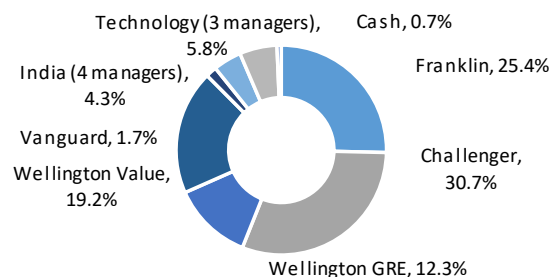
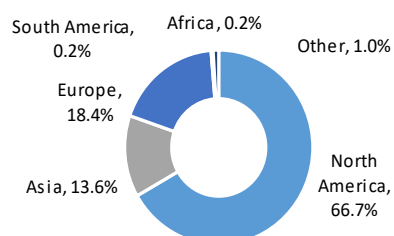
Currency: Australian Dollar



• Fiducian International Shares

• MSCI World Ex Australia NR AUD

Geographic exposures and current manager weights



Market Commentary and Outlook

Economic data across most developed countries continues to highlight sluggish growth at best in response to tight monetary policy being implemented in most jurisdictions. However, higher interest rates have been steadily pushing inflation lower, while unemployment rates have begun to rise modestly.

Overall, this combination of news was modestly negative for most asset class returns in August. The broad US market (S&P 500 index) declined by 1.7%, and the Australian stock market (ASX 200 index) declined by 0.7%. Australian listed property sector recorded gains during the month (+2.3%), and bulk commodity prices, including coal and iron ore, were also higher. The Australian dollar was weaker during the month, declining by 3.6% against the US dollar.

Looking ahead, geopolitical risks, alongside elevated interest rates and slower economic growth this year, represent potential headwinds for markets. The International Monetary Fund (IMF) is forecasting global growth to be 3.0% in both 2023 and 2024. 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

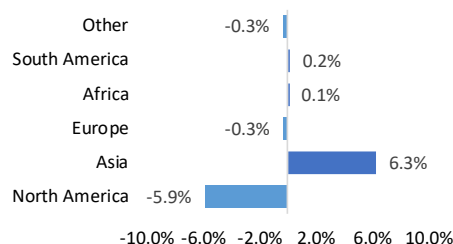
The Fund rose by 0.8% in August, which was below the index return of 1.6% for the MSCI ex-Australia index (in AUD). Over the month, the Fiducian India Fund was the top performer (+3.8%) followed by Challenger (+1.6%).

For the 12 months to the end of August 2023, the Fund rose by 15.5%, compared to the 22.6% rise in the index. Challenger (+23.1%) has been the best performer over the period followed by the Wellington Global Research Equity Mandate (+21.7%). Fiducian Technology Fund and Vanguard Emerging Markets have underperformed during the period.

The Fund remains strongly diversified, with 13 underlying managers and exposure to over 50 different countries and a broad range of industries. The United States and Europe remain the largest regional exposures by virtue of their size in global markets. The largest regional tilt is towards Asian equities (predominantly India), which offer relatively high earnings growth rates, and overall the Fund has a marginal overweight exposure to emerging markets relative to developed markets.

Top stock holdings and geographic tilts

Stock	Industry	Weight
Alphabet Inc	Interactive Media	2.1%
Mercadolibre Inc	Internet & Direct Marketing F	1.7%
Danaher Corp	Life Sciences Tools	1.7%
Humana Incorporated	Managed Health Care	1.7%
Zscaler Inc	Systems Software	1.7%
Broadridge Finance	Data Processing	1.7%
Tyler Technologies Inc	Application Software	1.6%
Equinix Inc	Specialized REITs	1.6%
Synopsys Inc	Application Software	1.6%
Inari Medical Inc	Health Care Equipment	1.5%



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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.