

### 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

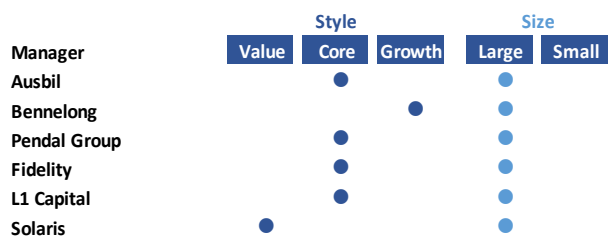
**Current fund size:** \$687 million (June 2023)

**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 30 June 2023

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	1.2%	0.8%	4.7%	12.4%	10.8%	6.1%	8.7%	9.1%
Index	1.7%	1.0%	4.4%	14.4%	11.1%	7.1%	8.9%	8.5%
Excess	-0.5%	-0.2%	0.4%	-2.0%	-0.2%	-1.0%	-0.2%	0.5%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	14.4%	13.7%	16.8%	14.0%
Benchmark (Std Dev %)	14.8%	13.7%	16.4%	13.9%
Beta	0.97	0.99	1.01	0.99
Tracking Error (% pa)	1.8%	3.1%	3.1%	2.8%

Investment Growth

Time Period: 7/1/2018 to 6/30/2023

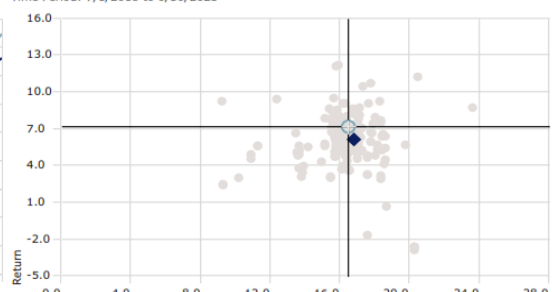


— Fiducian Australian Shares

— S&P/ASX 300 TR

Risk-Reward

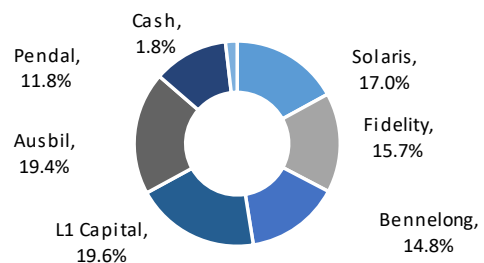
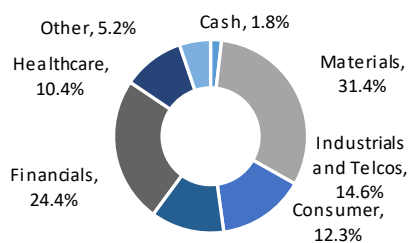
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◆ Fiducian Australian Shares

○ S&P/ASX 300 TR

### Sector exposures and current manager weights



### Market Commentary and Outlook

Global economic growth slowed during the first half of 2023, as monetary tightening policies enacted by central banks to reduce high rates of inflation began to take effect. Manufacturing output has been contracting in most advanced economies, while retail sales have been weak, as have consumer and business confidence levels. On the other hand, employment data has been too strong.

The Reserve Bank of Australia increased interest rates by a further 0.25% in June, bringing the 'cash rate' to 4.1% and the cumulative increase this year to 1.0%, in line with actions taken by the US Federal Reserve. In Australia, the rate of inflation has moderated from a peak of 8.4% in December 2022 to the most recent measure of 5.6% in May.

Global equity markets had a strong month in June. The broad US market (S&P 500 index) gained 6.5% amid optimism that interest rates may be approaching a peak. Economic data, whilst indicating a slowing economy, has also been slightly better than forecast. The Australian market (ASX 200 index) rose 1.8% for the month. Year to date, developed market equities have performed well, with a 15.9% gain for the US market, a 4.5% rise for the Australian market and strong gains across most of Europe as well as Japan. Property stocks rose by 3.9% for the first half of the year, and bonds have been relatively flat.

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 rose by 1.2% in June, which was below the 1.7% return by the index. L1 Capital (+2.6%) was the best performer for the month. Over the last 12 months, L1 Capital (+16.5%) was the best performer followed by Ausbil (+15.4%) and Pental (+14.5%).

The Australian share market (ASX200 index) rose by 1.8% during the month amid broad gains for global stock markets.

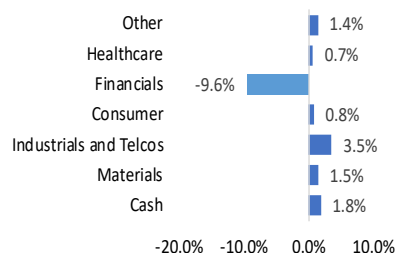
The materials sector (+4.8%) was the best performer during the month, as a number of commodity prices increased, including copper and iron ore. Information technology (+3.5%) and financials (+3.2%) also performed strongly. Healthcare (-6.6%) and Telcos (-1.0%) declined over the month.

For the Financial Year ending 30 June 2023, the ASX 200 gained 14.8% inclusive of dividends. All sectors gained over the 12-month period, with Information Technology (+38.1%) the best performer, followed by Materials (+22.6%) and Utilities (+20.3%).

At an aggregate level, the largest sectoral tilts in the Fund are an underweight to financials, primarily in listed property trusts, and small overweight positions in the industrials and materials sectors.

### Top stock holdings and sector tilts

Stock	Industry	Weight
BHP Group	Diversified Metals & Mining	9.3%
CSL Limited	Biotechnology	8.1%
Commonwealth Bank	Diversified Banks	4.8%
National Australia Bank	Diversified Banks	3.6%
Telstra Group Limited	Telecommunication Services	3.5%
James Hardie Industries	Construction Materials	3.3%
Santos Limited	Oil & Gas	3.2%
Macquarie Group Ltd	Diversified Capital Markets	3.0%
Qbe Insurance	Insurance	2.7%
Rio Tinto Ltd	Diversified Metals & Mining	2.6%



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