

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

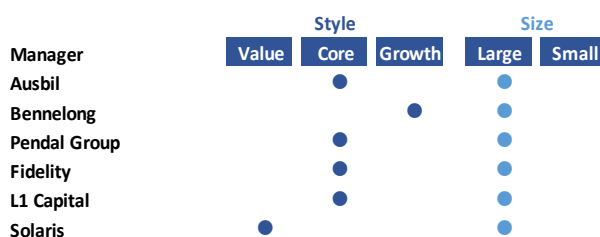
Current fund size: \$715 million (July 2023)

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 July 2023

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	3.4%	2.5%	1.4%	10.4%	11.8%	6.6%	8.2%	8.8%
Index	2.9%	2.0%	1.0%	11.1%	11.9%	7.5%	8.4%	8.3%
Excess	0.5%	0.5%	0.4%	-0.7%	-0.1%	-0.9%	-0.2%	0.5%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	13.9%	13.8%	16.8%	13.9%
Benchmark (Std Dev %)	14.2%	13.7%	16.4%	13.8%
Beta	0.97	0.99	1.01	0.99
Tracking Error (% pa)	1.9%	3.1%	3.1%	2.8%

Investment Growth

Time Period: 8/1/2018 to 7/31/2023

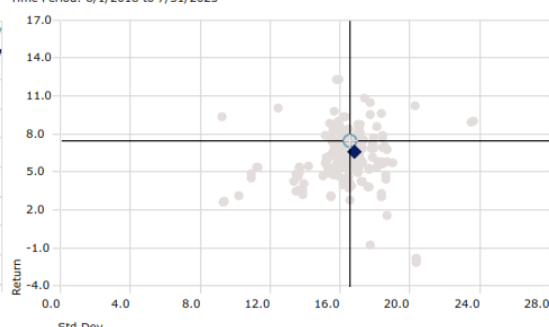


— Fiducian Australian Shares

— S&P/ASX 300 TR

Risk-Reward

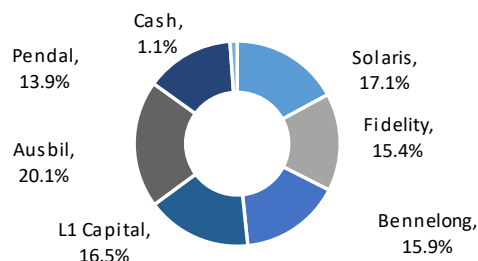
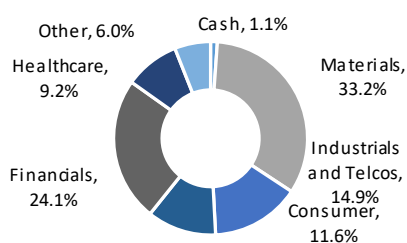
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• Fiducian Australian Shares

○ S&P/ASX 300 TR

Sector exposures and current manager weights



Market Commentary and Outlook

Economic data was largely positive in July, as inflation measures in both the US and Australia showed larger than expected declines, although current inflation rates remain above central bank targets. Additionally, US economic growth over the June quarter was better than market expectations, raising hopes of a so-called 'soft landing' for the US economy.

However, the global economy continues to face challenges. Manufacturing activity is still contracting in most advanced economies, consumer confidence remains low and employment data has been too strong (adding upwards pressure on inflation).

Overall, this backdrop was positive for markets. The broad US market (S&P 500 index) gained 3.1% and the Australian market (ASX 200 index) rose 2.9% for the month. The listed property sector gained 3.8%, and bonds also recorded a small positive return. Most commodity prices increased during the month, with the oil price rising by 16%.

Looking ahead, geopolitical risks, alongside elevated interest rates and slower economic growth this year, represent potential headwinds for markets. The International Monetary Fund (IMF) recently made a minor upgrade to its economic forecasts, with global growth now expected 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 Fiducian Australian Shares Fund rose by 3.4% in July, which was above the 1.9% return by the index. Bennelong (+6.6%) was the best performer for the month followed by L1 Capital (+3.4%). Over the last 12 months, L1 Capital (+17.8%) was the best performer followed by Ausbil (+13.6%).

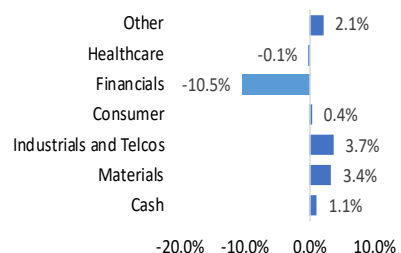
The broad Australian share market had another positive month, rising by 2.8%. Gains were led by the Energy sector (+8.8%), Financials (+4.9%) and Information Technology (+4.5%). Healthcare (-1.5%) and Consumer Staples (-1.0%) declined over the month.

Continued evidence of a moderation in the rate of inflation was positive for market sentiment, as was the decision by the Reserve Bank of Australia to hold its cash rate steady in July, following increases in May and June.

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	8.9%
CSL Limited	Biotechnology	6.9%
Commonwealth Bank	Diversified Banks	5.1%
Santos Limited	Oil & Gas	4.3%
James Hardie Industries	Construction Materials	3.9%
National Australia Bank	Diversified Banks	3.3%
Qbe Insurance	Insurance	3.3%
Qantas Airways Ltd	Passenger Airlines	3.0%
Macquarie Group Ltd	Diversified Capital Markets	2.9%
Bluescope Steel Limited	Steel	2.8%



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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.