

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: \$693 million (September 2023)

Management cost: 0.96%

Total management costs: 1.03%

Application/Exit fee: Nil

Inception Date: March 1997

Manager	Style			Size	
	Value	Core	Growth	Large	Small
Ausbil		●		●	
Bennelong			●	●	
Pendal Group		●		●	
Fidelity		●		●	
L1 Capital		●		●	
Solaris	●			●	

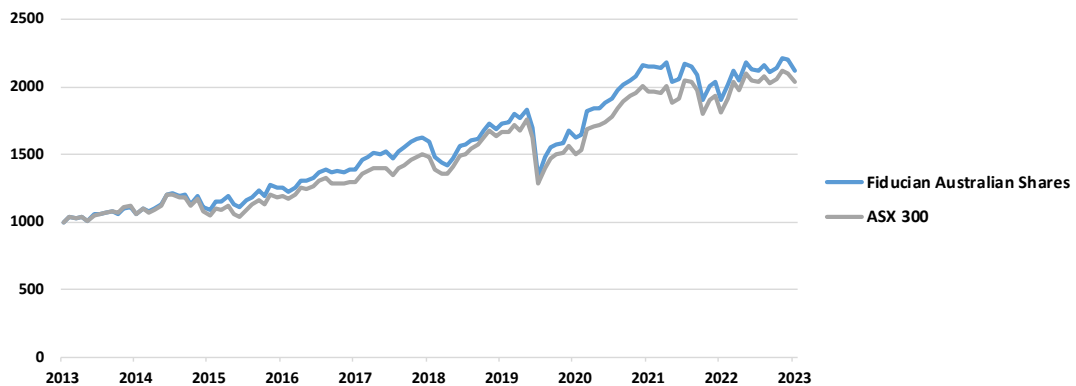
Performance and Risk

After fee returns as at 30 September 2023

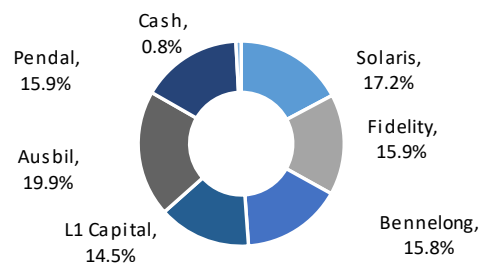
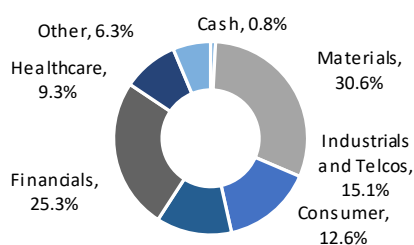
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	-3.7%	-1.0%	-0.2%	11.1%	9.4%	5.9%	7.8%	7.8%
Index	-2.9%	-0.8%	0.1%	12.9%	10.8%	6.6%	8.0%	7.4%
Excess	-0.8%	-0.1%	-0.3%	-1.9%	-1.3%	-0.7%	-0.2%	0.4%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	11.9%	13.3%	16.7%	13.9%
Benchmark (Std Dev %)	12.3%	13.6%	16.5%	13.8%
Beta	0.88	0.94	0.99	0.99
Tracking Error (% pa)	1.6%	2.1%	2.5%	2.2%



Sector exposures and current manager weights



Market Commentary and Outlook

The global economy remains sluggish due to severe measures taken by monetary authorities to reduce inflation. While inflation is slowing, manufacturing and service industry activity levels and retail sales point to a general slowdown in activity. However, employment levels remain high and need to come down further and this, along with an uptick in inflation during September could see interest rates rise further and stay higher for longer.

This realisation that inflation has not yet been tamed saw bond yields jump up during the month, with both US and Australian 10-year government bond yields increasing by approximately 0.5%. This had negative flow-on effects on most asset classes. The broad US market (S&P 500 index) declined by 4.9%, and the Australian stock market (ASX 200 index) declined by 2.8%. Interest rate sensitive sectors had the largest falls. Commodity prices, including oil, coal and iron ore rose during the month.

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 2023 and 2.9% 2024, which is below the long-term trend rate of growth. 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 3.7% in September, which was below the -2.9% return by the index. Solaris (-2.6%) was the best performer for the month followed by Pental (-2.7%). Over the last 12 months, Pental (+13.6%) was the best performer followed by L1 Capital (+13.4%).

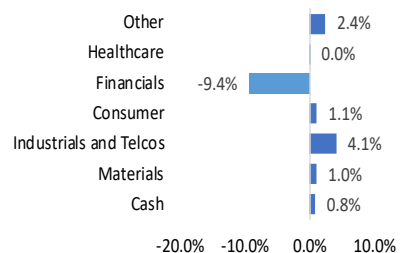
The broad Australian share market (ASX200 index) declined by 2.8% in September. This decline was in line with world-wide stock market declines due to falling investor confidence and rising bond yields.

The Energy sector (+1.6%) recorded gains for the month as prices for oil, gas and coal increased. All other major ASX sectors were lower, with Real Estate (-8.6%), Information Technology (-7.9%) and Healthcare (-6.2%) the worst performers.

At an aggregate level, the largest sectoral tilts in the Fund are an underweight to financials, primarily in listed property trusts, and an overweight position in the industrials sector.

Top stock holdings and sector tilts

Stock	Industry	Weight
BHP Group	Diversified Metals & Mining	9.0%
CSL Limited	Biotechnology	7.2%
Commonwealth Bank	Diversified Banks	5.2%
Santos Limited	Oil & Gas	4.4%
National Australia Bank	Diversified Banks	3.7%
Qbe Insurance Group	Insurance	3.2%
Goodman Group	Industrial REITs	3.0%
Macquarie Group Ltd	Diversified Capital Markets	2.9%
Qantas Airways Ltd	Passenger Airlines	2.4%
Aristocrat Leisure Ltd	Casinos & Gaming	2.3%



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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.