

Fiducian Balanced Fund

Monthly Report - May 2023



Fund description

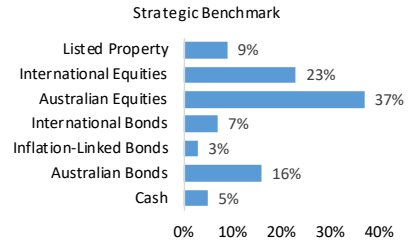
The Fiducian Balanced Fund includes holdings in shares, property, bonds and liquid assets diversified between managers and countries, utilising the Fiducian “Manager the Manager” system that aims to achieve superior returns with reduced risk.

Over the long term, the Fund is expected to generate higher returns than funds with a lower allocation to growth assets, but will also be exposed to capital losses when markets turn down.

The Fund is suitable for investors seeking good long term capital growth with possible short term volatility. The recommended holding period is at least 5 years.

Fund facts

Portfolio manager: Conrad Burge
ARSN: 093 541 612
APIR code: FPS0003AU
Benchmark: Morningstar Multisector Growth Median
Current fund size: \$674 million (May 2023)
Management cost: 0.93%
Total management costs: 1.01%
Application/Exit fee: Nil
Inception Date: March 1997



Performance and Risk

After fee returns as at 31 May 2023

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	-0.9%	1.0%	1.4%	2.4%	6.3%	5.4%	6.4%	7.6%
Index	-1.0%	1.7%	1.8%	2.4%	6.5%	4.8%	5.6%	6.3%
Excess	0.1%	-0.7%	-0.4%	0.0%	-0.2%	0.6%	0.8%	1.3%
Ranking				92/177	91/169	43/159	20/150	6/142

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	12.8%	9.8%	11.4%	9.3%
Benchmark (Std Dev %)	0.0%	0.0%	0.0%	0.0%
Beta	0.00	0.00	0.00	0.00
Tracking Error (% pa)	0.0%	0.0%	0.0%	0.0%

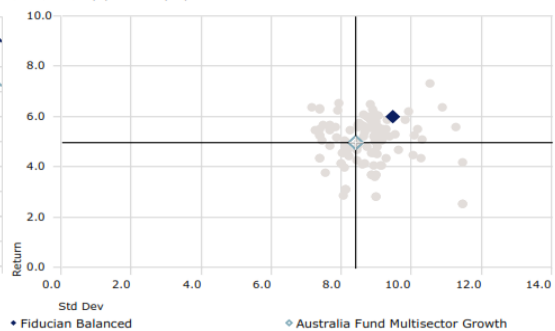
Investment Growth

Time Period: 6/1/2008 to 5/31/2023

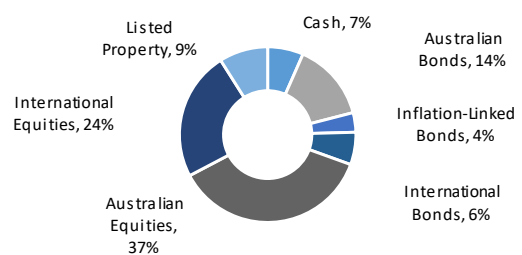
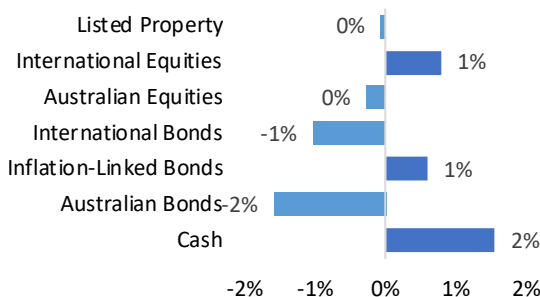


Risk-Reward

Time Period: 6/1/2008 to 5/31/2023



Tactical tilts and current asset weights



Fiducian Balanced Fund

Monthly Report - May 2023



Market Commentary and Outlook

Economic data released during May continued to point to a slowing outlook for the global economy. Whilst measures of activity in service industries continued to improve, manufacturing across most of the world continued to contract. More positive is that headline rates of inflation have continued to decline, partly driven by falling energy and commodity prices. However, the core levels of inflation monitored by central banks have remained elevated. During the month, the Reserve Bank of Australia, along with the US Federal Reserve and European Central bank again increased interest rates.

Equity market performance was mixed in May. The US market (S&P 500 index) gained 0.2%, despite some uncertainty regarding US debt ceiling negotiations. The Australian market (ASX 200 index) declined by 2.5%, and most European stock markets had negative returns. Bonds and listed property were also weaker during the month, and some key commodity prices also recorded declines due to a moderating economic outlook.

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 Fund performed broadly in line with its benchmark in May, with a return of -0.9%, compared to the benchmark return of -1.0%. Over the year to the end of May, the Fund returned 2.4%.

Over the course of the month, Australian Shares, Listed Property and Fixed Income asset recorded small declines. International shares finished higher, due in a large part to a strong US stock market.

The Fund has a neutral exposure to equities and property, as relatively attractive valuations are offset by rising interest rates and a slowing economy. Additionally, an overweight position is still held in cash relative to bonds, although this position has been reduced in recent months.

In the Morningstar Multisector Growth Category, the Fiducian Balanced Fund returns were ranked 92nd out of 177 funds over one year, 43rd out of 159 funds over five years, and 6th out of 142 funds over the ten year period to 31 May 2023.

Managers and weights

Asset Class	Fund Manager	Weight
Australian Equities 36.4%	Solaris	6.3%
	Fidelity	5.8%
	Bennelong	5.5%
	L1 Capital	7.2%
	Ausbil Dexia	7.1%
	Pendal	4.4%
International Equities 23.6%	Franklin Templeton	5.7%
	Challenger	6.8%
	Wellington	2.5%
	Wellington Value	5.7%
	State Bank of India	0.2%
	Sundaram	0.4%
	Tata	0.3%
	EquiPoise	0.1%
	Vanguard	0.5%
	Wellington Technology	0.8%
Wellington Biotechnology	0.2%	
Nordic Technology	0.4%	
Listed Property 8.8%	BlackRock	0.9%
	Phoenix	4.3%
	Principal	3.7%
Australian Bonds 14.4%	Perpetual Fixed Interest	4.8%
	BlackRock	0.2%
	Challenger	9.4%
Inflation Linked Bonds 3.6%	Challenger	3.6%
International Bonds 6.0%	BlackRock	6.0%
	BlackRock	5.5%
Cash 7.2%	BlackRock	5.5%
	Cash	1.7%

Top stock holdings

Top Australian Stocks	Industry	Weight
BHP Group	Diversified Metals & Mining	9.0%
CSL Limited	Biotechnology	8.9%
Commonwealth Bank	Diversified Banks	4.7%
Telstra Group Limited	Telecommunication Services	3.6%
National Australia Bank	Diversified Banks	3.5%
James Hardie Industries	Construction Materials	3.2%
Santos Limited	Oil & Gas	3.2%
Macquarie Group Ltd	Diversified Capital Markets	2.9%
Qbe Insurance	Insurance	2.6%
Qantas Airways Ltd	Airlines	2.5%

Top International Stocks	Industry	Weight
Alphabet Inc	Interactive Media	2.2%
Humana Incorporated	Managed Health Care	1.6%
Intuitive Surgical Inc	Health Care Equipment	1.5%
Equinix Inc	Specialized REITs	1.5%
Charles River	Life Sciences Tools	1.5%
Danaher Corp	Life Sciences Tools	1.5%
Zscaler Inc	Systems Software	1.5%
Microsoft Corp	Systems Software	1.5%
Visa Incorporated	Data Processing Services	1.5%
Amadeus IT	Hotels Resorts	1.5%

Fiducian Investment Management Services Limited

Issued by Fiducian Investment Management Services Limited ABN 28 602 441 814 AFS Licence number 468211. This document provides general information only. It does not have regard to your objectives, financial situation or needs. We recommend that you seek financial planning advice, and consider whether this investment is appropriate to your objectives, financial situation and needs before making any investment decision.

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.

The Morningstar Category rankings have the Morningstar Australia Multisector Aggressive Category for Ultra Growth Fund, Multisector Moderate Category for Capital Stable Fund, and Multisector Growth Category for the Balanced and Growth Fund. Source: Morningstar Direct, Performance Report as of 5.6.2023 ©2023 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. This report or data has been prepared for clients of Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or New Zealand wholesale clients of Morningstar Research Ltd, subsidiaries of Morningstar, Inc. Any general advice has been provided without reference to your financial objectives, situation or needs. For more information refer to our Financial Services Guide at www.morningstar.com.au/sfsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Morningstar's publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a financial adviser.