

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 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 5 to 7 years.

Fund facts

Portfolio manager: Conrad Burge

ARSN: 093 543 456

APIR code: FPS0005AU

Benchmark: MSCI Ex-Australia Index

Current fund size: \$517 million (May 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 May 2023

| | 1 Mth | 3 Mth | 6 Mth | 1 Yr | 3 Yrs | 5 Yrs | 7yrs | 10 Yrs |
|--------|-------|-------|-------|-------|-------|-------|-------|--------|
| Fund | 0.6% | 4.9% | 4.8% | 8.1% | 7.7% | 8.6% | 10.0% | 11.5% |
| Index | 1.2% | 8.4% | 7.7% | 13.4% | 11.9% | 11.3% | 11.3% | 13.1% |
| Excess | -0.6% | -3.6% | -2.9% | -5.3% | -4.2% | -2.7% | -1.3% | -1.5% |

Risk Exposure

| | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs |
|-----------------------------|-------|-------|-------|--------|
| Fund Volatility (Std Dev %) | 14.2% | 11.9% | 13.1% | 11.6% |
| Benchmark (Std Dev %) | 14.7% | 11.9% | 12.5% | 11.3% |
| Beta | 0.99 | 1.05 | 1.07 | 1.08 |
| Tracking Error (% pa) | 3.3% | 4.5% | 4.2% | 3.9% |

Investment Growth

Time Period: 6/1/2003 to 5/31/2023

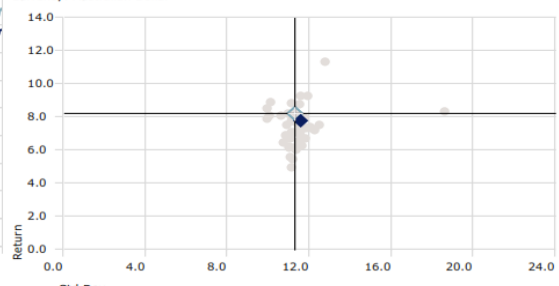


— Fiducian International Shares — MSCI World Ex Australia NR AUD

Risk-Reward

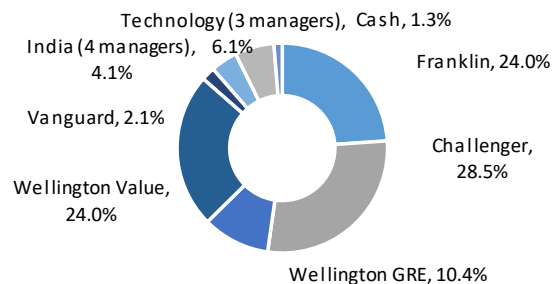
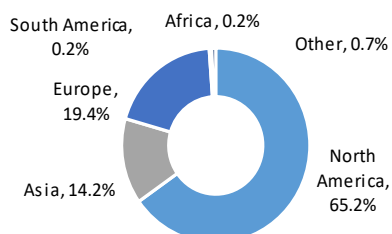
Time Period: 6/1/2003 to 5/31/2023

Currency: Australian Dollar



• Fiducian International Shares ◆ MSCI World Ex Australia NR AUD

Geographic exposures and current manager weights



Market Commentary and Outlook

Economic data 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

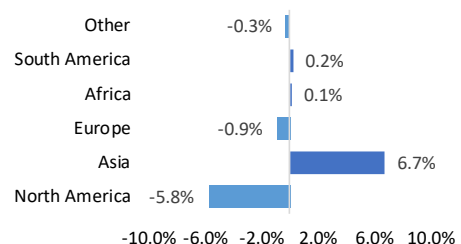
The Fund rose by 0.6% in May, which was below the index return of 1.2% for the MSCI ex-Australia index (in AUD). Over the month, the Fiducian Technology Fund (+8.2%) was the best performer, followed by the Fiducian India Fund (+5.9%)

For the 12 months to the end of May 2023, the Fund rose by 8.1%, compared to the 13.1% rise in the index. The Fiducian India Fund (+16.9%) has been the best performer over the period, with Challenger and Welling Global Research also outperforming. The 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, 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 | 2.2% |
| 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% |



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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.