

### Fund Description

The Fiducian Balanced Fund includes holdings in Australian and international shares, property, bonds and liquid assets. The Fund normally has a relatively higher exposure to shares than the Fiducian Capital Stable Fund and therefore should be capable of generating higher returns, but it will also be exposed to some capital losses when markets turn down. The Fund also usually has a lower exposure to the share sector, and a marginally higher exposure to the cash and fixed interest sectors, than the Fiducian Growth Fund.

This Fund is suitable for investors seeking a balance between capital growth and income. Investors should be prepared to hold their investment for periods exceeding five years.

**Fund Classification**      Core/Diversified      Sector      Specialist/Satellite

### Manager Commentary

The Fund out-performed the median manager by 0.9% with a gain of 1.2% during May. Over the rolling year to end-May, the Fund out-performed the median manager by 2.9% with a return of 9.0%. During the month, cash and bonds significantly under-performed domestic equities and listed properties. Domestic equities and property securities rose in May and out-performed international equities, which rose around 0.4%. The Fund's overweight exposure to both global and domestic shares added to fund performance. A 0.5% rise in the Australian Dollar against the US Dollar detracted from fund performance in local currency terms. Out-performance by the Fiducian Australian Shares Fund also contributed to fund performance on a relative basis. Underweight exposure to defensive assets also contributed to fund performance as fixed interest sectors were only marginally positive, with the Australian 10-year Government bond yield falling by around 0.10% during the month. Energy, base metals and bulk commodities prices were broadly higher during the month, which boosted the resources sector.

An overweight exposure to international and domestic equities remains, as currently valuations for equities still appear to be more attractive than for Australian and international bonds, despite the recent fall in the bond markets. This fund was ranked 7<sup>th</sup> out of 178 multi-sector diversified balanced/growth funds surveyed by Morningstar for the rolling year, while it ranked 4<sup>th</sup> out of 162 funds over the 5 years to end-May.

### Fund Performance and Risk Analytics Summary

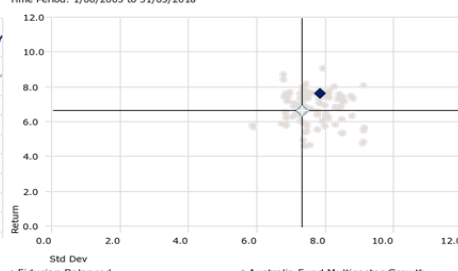
#### Investment Growth

Time Period: 1/06/2003 to 31/05/2018



#### Risk-Reward

Time Period: 1/06/2003 to 31/05/2018



#### Current Period Return (net of fees as at 31 May 2018)

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs (pa)	5 Yrs (pa)	10 Yrs (pa)
<b>Fund</b>	<b>1.2%</b>	<b>2.1%</b>	<b>2.9%</b>	<b>9.0%</b>	<b>7.1%</b>	<b>9.8%</b>	<b>6.3%</b>
Median	0.4%	1.0%	1.2%	6.1%	4.4%	7.3%	4.9%
Excess	0.9%	1.1%	1.8%	2.9%	2.6%	2.5%	1.4%

#### Risk Exposure

	1 Yr	3 Yrs (pa)	5 Yrs (pa)	10 Yrs (pa)
<b>Fund Volatility (Std Dev %)</b>	<b>4.3%</b>	<b>7.1%</b>	<b>6.6%</b>	<b>8.4%</b>
Median (Std Dev %)	3.8%	6.4%	6.1%	8.2%
Beta	0.94	1.02	1.02	1.01
Tracking Error (% pa)	1.0%	1.5%	1.3%	1.5%

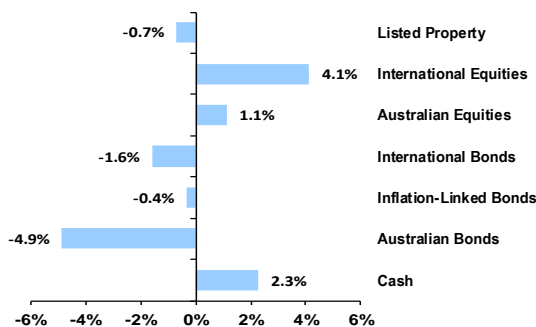
#### Calendar Year return (net of fees)

	2010	2011	2012	2013	2014	2015	2016	2017
<b>Fund</b>	<b>2.1%</b>	<b>-4.8%</b>	<b>13.6%</b>	<b>19.5%</b>	<b>10.0%</b>	<b>7.9%</b>	<b>6.4%</b>	<b>12.6%</b>
Median	1.8%	-4.1%	13.8%	18.2%	8.1%	3.7%	6.2%	9.3%
Excess	+0.3%	-0.7%	-0.2%	+1.3%	+1.9%	+4.2%	+0.2%	+3.2%

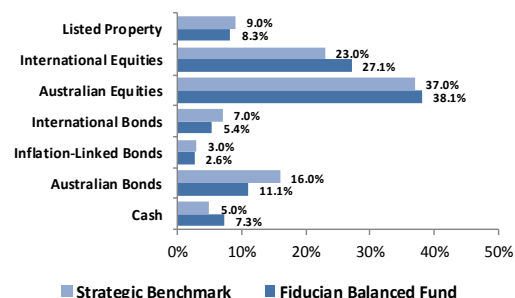
### Fund Facts

**Portfolio Manager:** Conrad Burge  
**Asset Sector:** Diversified Assets  
**Asset Code:** BF1  
**ARSN:** 093 541 612  
**APIR Code:** FPS0003AU  
**Benchmark:** Morningstar Multisector Growth Median  
**Inception Date:** February 1997  
**Fund Size:** \$274.4 million as at 31 May 2018  
**Application/Exit Fee:** Nil  
**Management Fee:** 1.24%

### Tactical Asset Tilts



### Asset Allocation



### Top Holdings

Asset Class	Fund Manager	Weight	
Australian Equities	Solaris	6.9%	
	Fidelity	6.1%	
	Bennelong	6.9%	
	L1 Capital	8.3%	
	Ausbil	5.7%	
	Pendal Group	4.2%	
	International Equities	Franklin Templeton	7.8%
		BlackRock	0.5%
		Wellington	7.2%
		SSGA	7.0%
State Bank of India		0.2%	
Sundaram		0.5%	
HDFC		0.2%	
Tata		0.2%	
Vanguard		0.2%	
Wellington Technology		1.2%	
Wellington Biotechnology	1.3%		
Listed Property	BlackRock	0.7%	
	Phoenix	1.2%	
	Principal	4.6%	
Australian Bonds	BlackRock	0.0%	
Inflation-Linked Bonds	BlackRock	10.2%	
International Bonds	BlackRock	2.6%	
Net Cash	BlackRock	5.4%	
	CMT	6.3%	