

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.

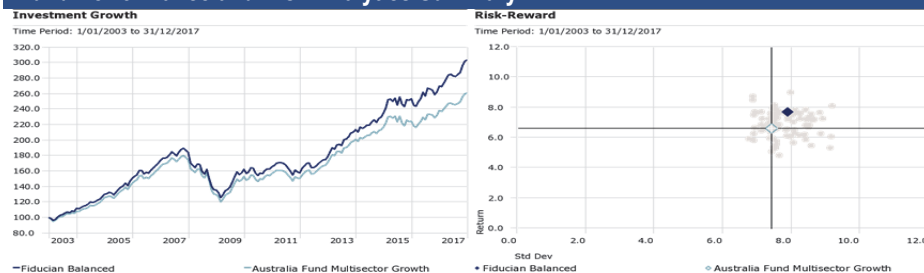
Fund Classification Core/Diversified Sector Specialist/Satellite

Manager Commentary

The Fund beat the median manager during December, rising 0.6% against a median return of 0.5%. Over the 2017 calendar year, the Fund out-performed the median manager by 3.2% with a return of 12.6%. During the month, both cash and bonds under-performed domestic equities including domestic listed property securities. The Fund's overweight exposure to domestic shares added to fund performance as domestic equities rose during the month. Over weight exposure to global equities, however, detracted from performance as global equities fell in AUD terms, following a 3.1% rise in the Australian Dollar against the US Dollar. Out-performances by the Fiducian Australian Shares Fund, the Fiducian International Shares Fund and the Fiducian Property Securities Fund, however, contributed to fund performance on a relative basis. Underweight exposure to defensive assets also contributed to fund performance as fixed interest sectors were negative, with the Australian 10-year Government bond yield rising by 13 basis points 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 8th out of 178 multi-sector diversified growth funds surveyed by Morningstar for the 2017 calendar year, while it ranked 5th out of 164 funds over the 5 years to end-December.

Fund Performance and Risk Analytics Summary



Current Period Return (net of fees as at 31 December 2017)

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs (pa)	5 Yrs (pa)	10 Yrs (pa)
Fund	0.6%	5.6%	7.3%	12.6%	8.9%	11.2%	5.2%
Median	0.5%	4.5%	5.7%	9.3%	6.3%	8.9%	4.1%
Excess	0.1%	1.1%	1.6%	3.2%	2.6%	2.3%	1.0%

Risk Exposure

	1 Yr	3 Yrs (pa)	5 Yrs (pa)	10 Yrs (pa)
Fund Volatility (Std Dev %)	3.9%	7.5%	6.7%	8.8%
Median (Std Dev %)	3.5%	6.7%	6.2%	8.5%
Beta	0.95	1.04	1.02	1.01
Tracking Error (% pa)	0.8%	1.5%	1.3%	1.5%

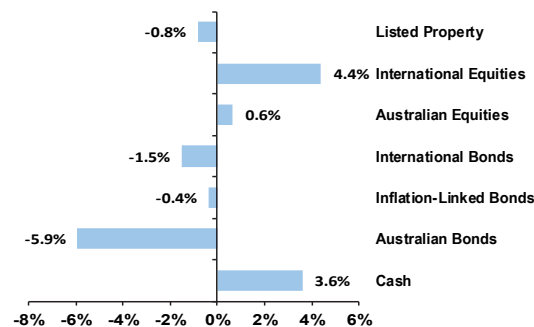
Calendar Year return (net of fees)

	2010	2011	2012	2013	2014	2015	2016	2017
Fund	2.1%	-4.8%	13.6%	19.5%	10.0%	7.9%	6.4%	12.6%
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%

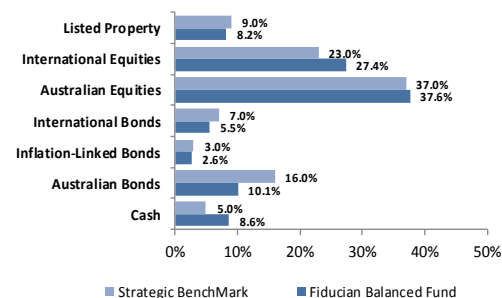
Fund Facts

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: \$263.5 million as at 31 December 2017
Application/Exit Fee: Nil
Management Fee: 1.24%

Tactical Asset Tilts



Asset Allocation



Top Holdings

Asset Class	Fund Manager	Weight	
Australian Equities	Solaris	7.0%	
	Fidelity	6.3%	
	Bennelong	6.1%	
	L1 Capital	8.1%	
	Ausbil Dexia	5.8%	
	BT	4.2%	
	International Equities	Franklin Templeton	7.6%
		BlackRock	0.5%
		Wellington	7.4%
		SSGA	7.3%
State Bank of India		0.2%	
Sundaram		0.5%	
HDFC		0.3%	
Tata		0.2%	
Vanguard		0.2%	
Wellington Technology		1.3%	
Wellington Biotechnology	1.1%		
Listed Property	BlackRock	0.7%	
	Phoenix	1.2%	
	Principal	4.6%	
Australian Bonds	BlackRock	0.0%	
Inflation-Linked Bonds	BlackRock	9.6%	
International Bonds	BlackRock	2.6%	
Net Cash	BlackRock	5.5%	
	CMT	6.5%	