



Monthly Report – December 2017

### Fund Description

The Fiducian Growth Fund is intended to have a relatively higher exposure to shares than either the Fiducian Capital Stable Fund or the Fiducian Balanced Fund and therefore should be capable of generating higher returns, but it will also be exposed to capital losses when markets turn down. Over long periods of time (at least 5 to 7 years), growth funds tend to outperform other managed funds that have a lower exposure to growth assets (shares and property).

This Fund is suitable for investors seeking good long-term capital growth with possible short-term volatility. Investors should be prepared to hold their investment for periods exceeding five years. Holdings include international and Australian shares, property, fixed interest and liquid assets.

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

### Manager Commentary

The Fund out-performed the median manager during December, rising 0.7% against a gain of 0.5% by the benchmark. Over the 2017 calendar year, the Fund out-performed the median manager by a solid 5.0% with a return of 14.3%. 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 a recent fall in the bond markets. This fund was ranked 2<sup>nd</sup> out of 178 multi-sector diversified growth funds surveyed by Morningstar for the 2017 calendar year, while it ranked 1<sup>st</sup> out of 164 funds over the 5 years to end-December.

### Fund Performance and Risk Analytics Summary

#### Investment Growth

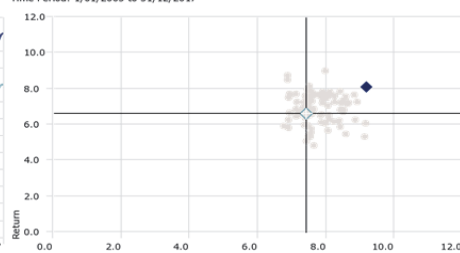
Time Period: 1/01/2003 to 31/12/2017



—Fiducian Growth Fund      —Australia Fund Multisector Growth      •Fiducian Growth Fund      •Australia Fund Multisector Growth

#### Risk-Reward

Time Period: 1/01/2003 to 31/12/2017



#### 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) |
|-------------|-------------|-------------|-------------|--------------|--------------|--------------|-------------|
| <b>Fund</b> | <b>0.7%</b> | <b>6.3%</b> | <b>8.4%</b> | <b>14.3%</b> | <b>10.0%</b> | <b>12.6%</b> | <b>5.2%</b> |
| Median      | 0.5%        | 4.5%        | 5.7%        | 9.3%         | 6.3%         | 8.9%         | 4.1%        |
| Excess      | 0.2%        | 1.9%        | 2.6%        | 5.0%         | 3.7%         | 3.6%         | 1.0%        |

#### Risk Exposure

|                                    | 1 Yr        | 3 Yrs (pa)  | 5 Yrs (pa)  | 10 Yrs (pa)  |
|------------------------------------|-------------|-------------|-------------|--------------|
| <b>Fund Volatility (Std Dev %)</b> | <b>4.5%</b> | <b>8.6%</b> | <b>7.7%</b> | <b>10.2%</b> |
| Median (Std Dev %)                 | 3.5%        | 6.7%        | 6.2%        | 8.5%         |
| Beta                               | 0.90        | 1.09        | 1.06        | 1.06         |
| Tracking Error (% pa)              | 1.2%        | 2.5%        | 2.2%        | 2.5%         |

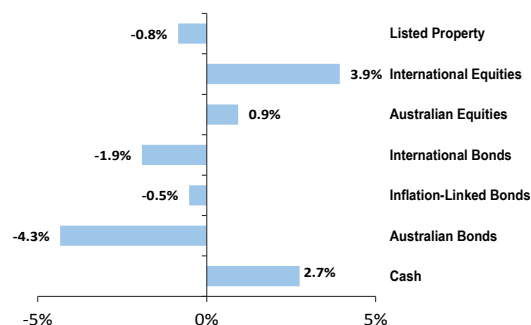
#### Calendar Year return (net of fees)

|             | 2010        | 2011         | 2012         | 2013         | 2014         | 2015        | 2016        | 2017         |
|-------------|-------------|--------------|--------------|--------------|--------------|-------------|-------------|--------------|
| <b>Fund</b> | <b>2.0%</b> | <b>-6.9%</b> | <b>14.8%</b> | <b>22.6%</b> | <b>10.7%</b> | <b>9.0%</b> | <b>6.9%</b> | <b>14.3%</b> |
| Median      | 1.8%        | -4.1%        | 13.8%        | 18.2%        | 8.1%         | 3.7%        | 6.2%        | 9.3%         |
| Excess      | +0.1%       | -2.8%        | +1.0%        | +4.4%        | +2.6%        | +5.3%       | +0.7%       | +5.0%        |

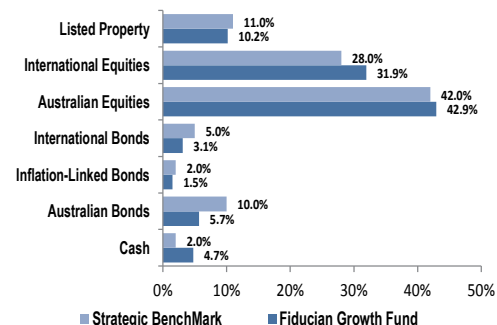
### Fund Facts

**Portfolio Manager:** Conrad Burge  
**Asset Sector:** Diversified Assets  
**Asset Code:** GF1  
**ARSN:** 093 543 241  
**APIR Code:** FPS0004AU  
**Benchmark:** Morningstar Multisector Growth Median  
**Inception Date:** February 1997  
**Fund Size:** \$112.0 million as at 31 December 2017  
**Application/Exit Fee:** Nil  
**Management Fee:** 1.34%

### Tactical Asset Tilts



### Asset Allocation



### Top Holdings

| Asset Class              | Fund Manager           | Weight             |      |
|--------------------------|------------------------|--------------------|------|
| Australian Equities      | Solaris                | 8.0%               |      |
|                          | Fidelity               | 7.1%               |      |
|                          | Bennelong              | 7.0%               |      |
|                          | L1 Capital             | 9.3%               |      |
|                          | Ausbil Dexia           | 6.6%               |      |
|                          | BT                     | 4.8%               |      |
|                          | International Equities | Franklin Templeton | 8.8% |
|                          |                        | BlackRock          | 0.6% |
|                          |                        | Wellington         | 8.6% |
|                          |                        | SSGA               | 8.6% |
| State Bank of India      |                        | 0.2%               |      |
| Sundaram                 |                        | 0.6%               |      |
| HDFC                     |                        | 0.3%               |      |
| Tata                     |                        | 0.2%               |      |
| Vanguard                 |                        | 0.2%               |      |
| Wellington Technology    |                        | 1.5%               |      |
| Wellington Biotechnology | 1.3%                   |                    |      |
| Listed Property          | BlackRock              | 0.8%               |      |
|                          | Phoenix                | 1.5%               |      |
|                          | Principal              | 5.7%               |      |
| Australian Bonds         | BlackRock              | 0.0%               |      |
| Inflation-Linked Bonds   | BlackRock              | 5.4%               |      |
| International Bonds      | BlackRock              | 1.5%               |      |
| Net Cash                 | BlackRock              | 3.1%               |      |
|                          | CMT                    | 2.7%               |      |