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**MEDIA RELEASE**

## **Economy continues ‘weak’, says Fiducian**

Tuesday 22 December 2015 – National income growth continues to be weak, says Conrad Burge, investment manager, Fiducian Investment Management Services.

‘The cause of this weakness was a significant fall over the year in the terms of trade due to falling commodity prices – especially iron ore, coal and natural gas,’ he said.

The non-mining economy is underpinning what growth there is, but the very strong residential housing sector is a significant part of this.

Australia’s international competitiveness continues to be affected by various factors. These include: elevated company tax rates (compared with most of our competitors), minimum wages that are close to the highest in the world, electricity prices that have risen dramatically since 2007 and excessive regulation that restricts investment.

In Fiducian’s quarterly investment strategy report, Burge said that, to counter market uncertainties, investors should hold diversified portfolios. At present, allocations in Fiducian’s funds are:

1. above benchmark: international shares, cash
2. benchmark: Australian shares, listed property trusts
3. under benchmark: Australian and international fixed-interest

The next likely direction of asset allocation change in the next 3 to 6 months is: decrease weighting to cash, increase weighting to Australian shares.

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