



# Fiducian Superannuation Service

## 2024 Annual Member Meeting

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- 1. Trustee Director Introductions**
- 2. Chairman's Update**
- 3. Chief Risk Officer Update**
- 4. Review of Economic Outlook**
- 5. Questions**

# **Fiducian Superannuation Service**

## **Board of Trustees**

**Drew Vaughan** (*Chairman*)

**Maria-Ann Camilleri**

**Sam Hallab**

**Catherine Lynch**

**Jai Singh**

**Ramani Venkatramani**



# Chairman's Update

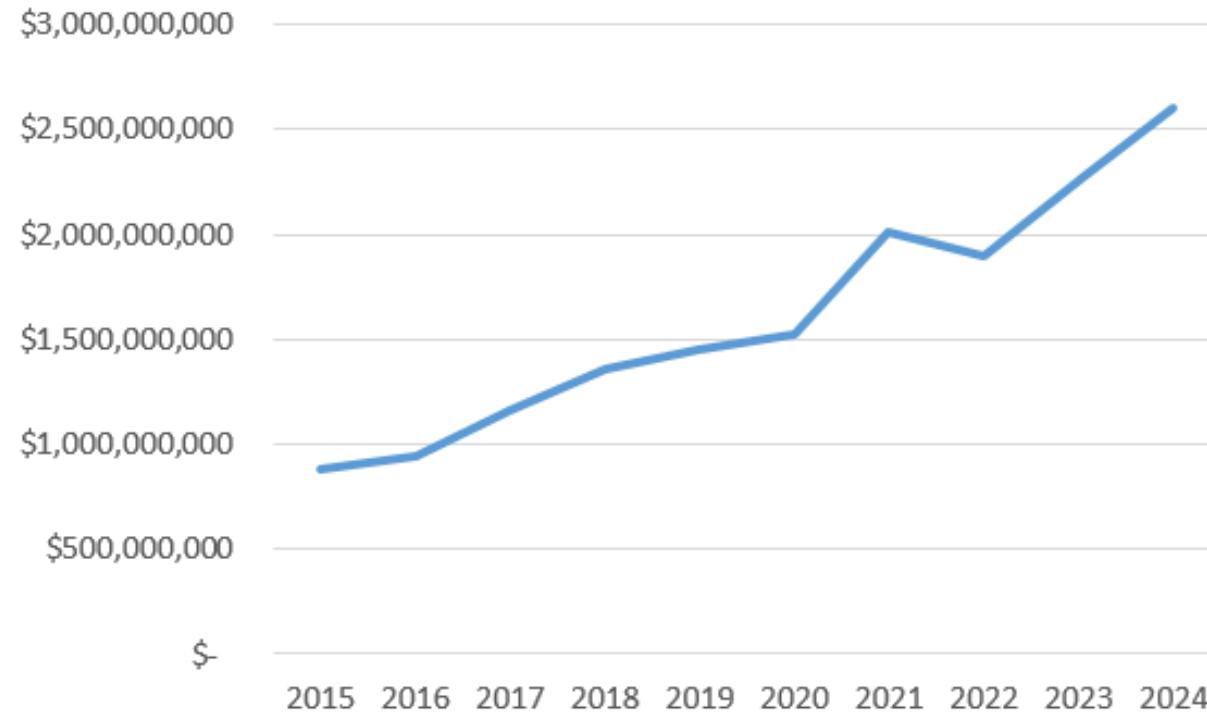
**Drew Vaughan**

## The Fiducian Superannuation Service

- **FSS, PSS, AXS, AMFGS, IMS and LWS are “public offer” superannuation funds**
- **Regulated and licensed by the Australian Prudential Regulation Authority**
- **Has a Corporate Trustee**
- **Provides a broad range of investments including diversified and single asset sector options**
- **Offers over 100 investment products, including specialised managed share portfolios, to enable Members and their advisers to construct appropriate investment portfolios**

## Long Term Fund Growth June 2015 – June 2024

FSS Fund Balance



Source: FSS Annual Financial Statements

## Investment Products and Performance

		Fiducian Active Moderate Growth Portfolio
1 year to 30 June 2024	Return	10.1% p.a.
	Ranking*	18/121
5 years to 30 June 2024	Return	5.8% p.a.
	Ranking*	6/107
10 years to 30 June 2024	Return	7.4% p.a.
	Ranking*	2/85

*\*Source: Morningstar Direct (refer Morningstar disclaimer)*

*Past performance is not a reliable indicator of future performance and Fiducian Portfolio Services Limited does not guarantee the performance of the Funds or any specific rate of return.*

## Investment Products and Performance

		Fiducian Active Growth Portfolio
1 year to 30 June 2024	Return	11.2% p.a.
	Ranking*	51/163
5 years to 30 June 2024	Return	6.6% p.a.
	Ranking*	18/144
10 years to 30 June 2024	Return	8.3% p.a.
	Ranking*	4/126

*\*Source: Morningstar Direct (refer Morningstar disclaimer)*

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## Restructure of Fiducian Diversified Funds

**Fiducian Capital Stable Fund** > **Fiducian Active Conservative Growth Portfolio**

**Fiducian Balanced Fund** > **Fiducian Active Moderate Growth Portfolio**

**Fiducian Growth Fund** > **Fiducian Active Growth Portfolio**

**Fiducian Ultra Growth Fund** > **Fiducian Active High Growth Portfolio**

## Retirement of General Manager Superannuation

**Ross Martin:** Retires in December 2024 after serving as the General Manager Superannuation of the Fund since 2015, including 8 years as a Fund Trustee.

**Jonathan Green:** Joined as the new General Manager Superannuation in December 2024, bringing with him over 35 years industry experience in investments, custody and operations management.

## Conclusion

**The Trustee remains fully committed to providing you, our Members, with service excellence, and thanks you for your continued support.**

# Chief Risk Officer - Superannuation Update

**Jessica Dass**

## Trustee Focus Areas

- **Cyber Security**
- **Modern Day Slavery Legislation**
- **Industry Focus Points**
- **Custodial Arrangements**

## Specialist Outsourced Service Providers

### Fiducian Group

- Administration and Call Centre
- Finance and Accounting
- Investment Management
- Risk Management
- Information Technology
- Legal and Compliance

## Specialist Outsourced Service Providers

### External Organisations

- External Auditor (KPMG)
- Internal Auditor (Ernst & Young)
- Asset Custodian (Citi)
- Insurance (TAL)

## Financial Achievements During the Year (2023/24)

- **Contributions Received** **\$208 million**
- **Rollovers Received** **\$252 million**
- **Number of Members** **8,825**
- **Average Account Balance** **\$295,000**
- **Benefits Paid (including pensions)** **\$332 million**

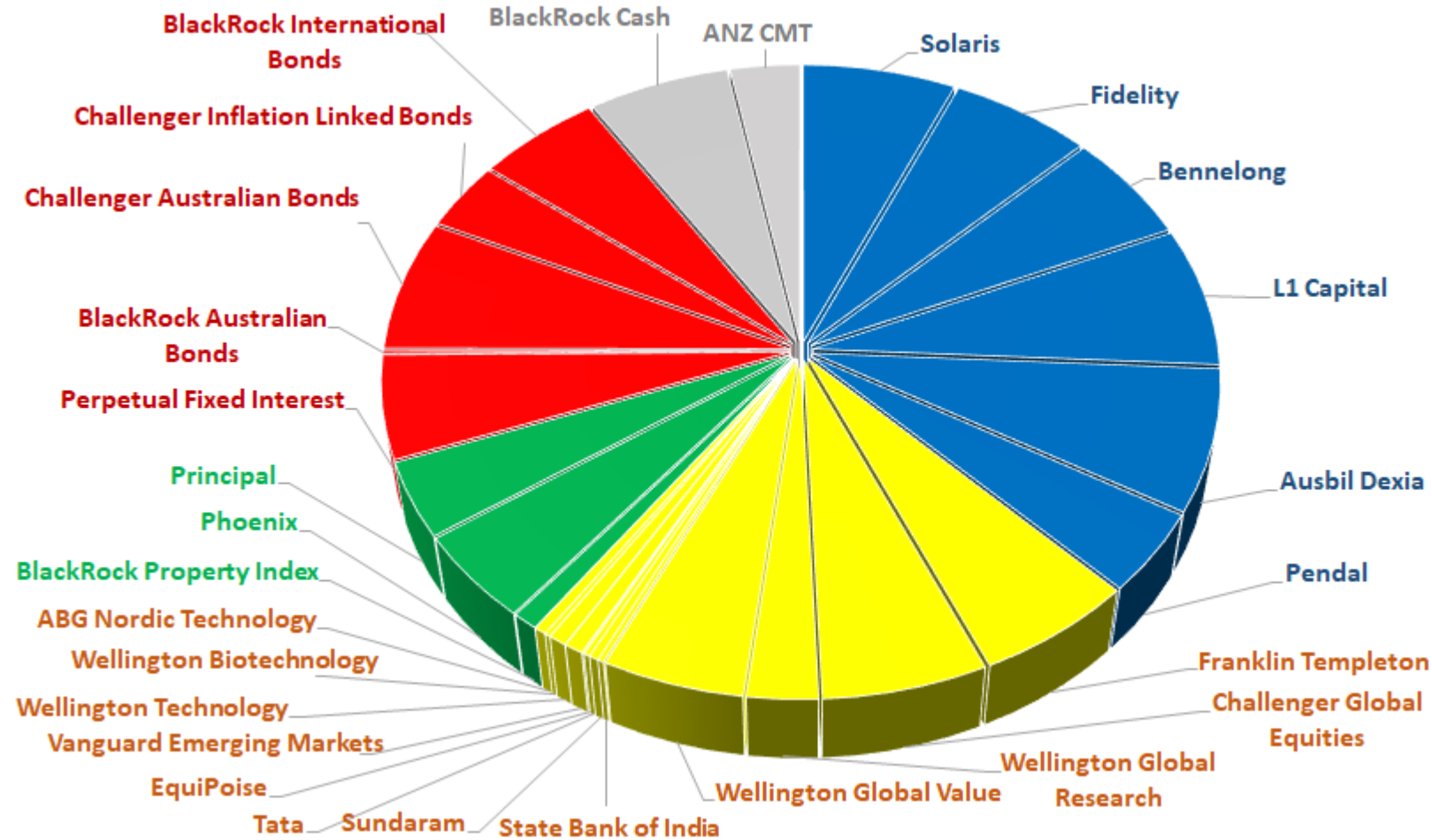


## Conrad Burge

**Executive Chairman  
Fiducian Investment Management Services**

# Our multi-manager approach (the Fiducian Active Moderate Growth Portfolio)

- 28 underlying managers (same for active conservative growth and active growth portfolios)
- wide diversification across sectors, funds and securities



28 different fund manager portfolios through one investment transaction

# Where to now for the global economy?

- some policy shifts have already begun

- The latest IMF report forecasts solid global growth over the coming year (3.2% after growth of 3.2% in 2024), with growth in the advanced economies more subdued (1.8% in 2025 after 1.8% in 2024).
- While, ‘persistent structural headwinds, such as population ageing and weak productivity, are holding back potential growth in many economies’, in the IMF’s view, the time has come for 3 major pivots.
- **The first of these is a monetary policy pivot**, which has already begun: ‘major central banks in advanced economies have started to cut their policy rates...which will support activity’, although ‘vigilance remains key as inflation in services remains too elevated’.
- **Second is a fiscal policy pivot**: ‘it is now time to stabilise debt dynamics and rebuild much-needed fiscal buffers....success requires staying the course by implementing gradual and credible multiyear adjustments where consolidation (lower government deficits) is necessary’ (i.e. most economies).
- **Finally, the hardest (but most important) pivot**: ‘economic growth must come from ambitious domestic reforms that boost technology and innovation, improve competition and resource allocation, further economic integration and stimulate productive private investment’.

# Growth is slowly rising (latest GDP data as at 30 September 2024)

- most economies are out of recession but some only barely
- manufacturing indices still mostly very weak



GDP (quarter-on-quarter)		GDP (year-on-year)			Manufacturing PMIs	
• US	0.7%	2.7%			51.7 (Jun)	48.8 (Nov)
• Euro zone	0.4%	0.9%			45.6	45.2
• Japan	0.2%	0.3%			50.1	49.0
• Germany	0.1% (near-recession)	-0.3%			43.4	43.2
• France	0.4% (slight growth)	1.3%			45.3	43.2
• UK	0.1%	1.0%			51.4	48.6
• Australia	0.3% (-0.3% per capita)	0.8% (-1.5% per capita)			47.0	49.4
• China	0.9%	4.6%			51.7	50.3
• India	1.3% (June)	5.4%			58.5	57.3
• Argentina	-1.7%	-1.7%				
	<b>2020</b>	<b>2021</b>	<b>2023</b>		<b>2024est</b>	<b>2025 est</b>
• World	-3.1%	6.3%	3.2%		3.2%	3.2%
• Advanced economies	-4.5%	5.4%	1.6%		1.8%	1.8%
• Developing economies	-2.0%	6.8%	4.3%		4.2%	4.2%

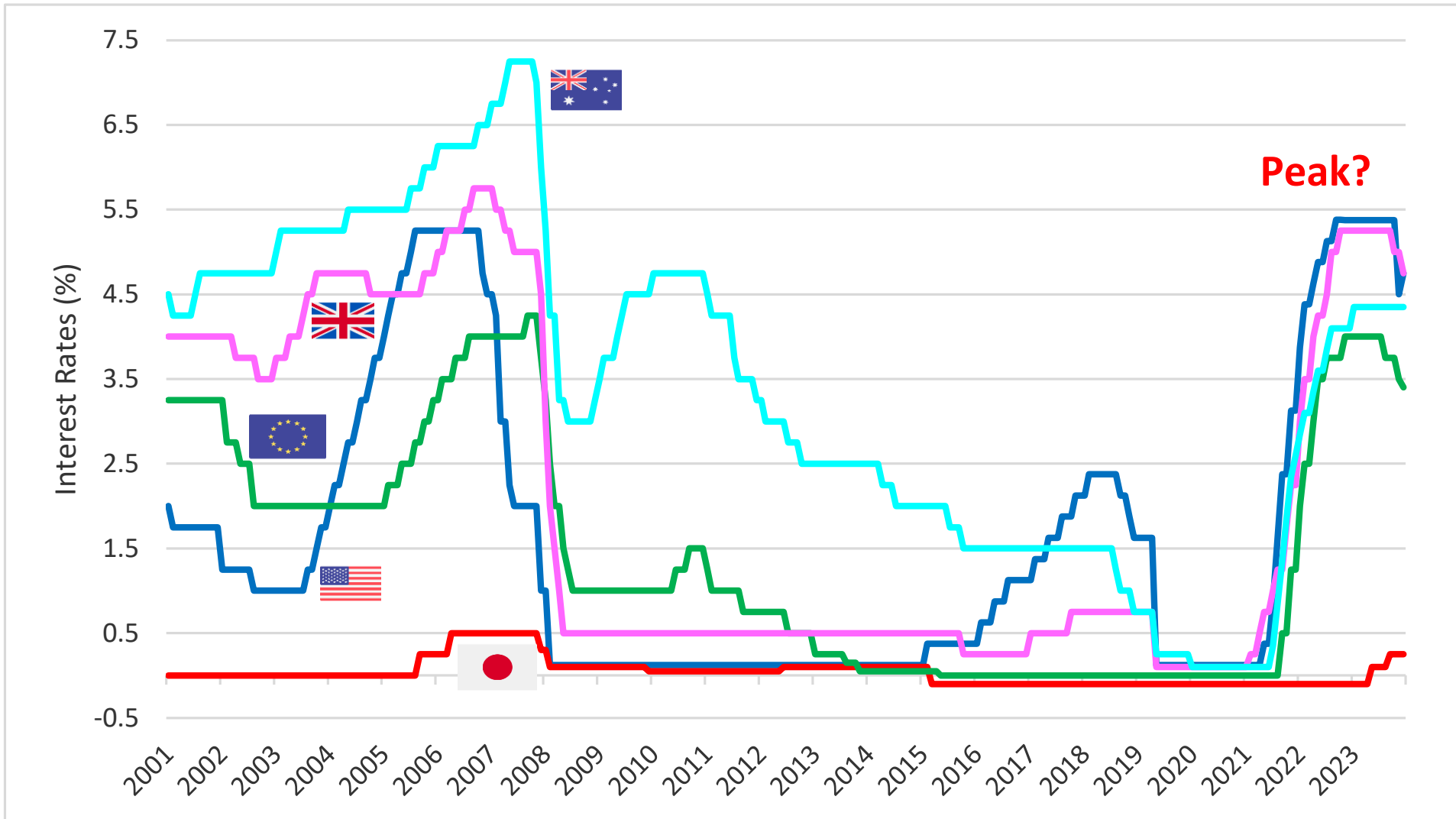
PMI = Purchasing Managers' Index (economic trends). Figures below 50 indicate contraction in the manufacturing sector.

# Inflation rates (as at 31 October 2024)

Headline CPI (year-on-year):	(monthly)	3-months	Core inflation rate (excludes volatile energy & food)
• <b>US</b> <b>2.6%</b> (peak was 9.1% in June 2022)	<b>0.2%</b>	<b>0.6%</b>	<b>3.3%</b>
• <b>Euro zone</b> <b>2.0%</b> (record high was 10.6% in Oct 2022)	<b>0.3%</b>	<b>0.3%</b>	<b>2.7%</b>
• <b>Germany</b> <b>2.0%</b> (10.4% in Oct 2022, highest since 1990)	<b>0.4%</b>	<b>0.3%</b>	<b>2.9%</b>
• <b>France</b> <b>1.2%</b> (6.3% in Feb 2023, highest since 1985)	<b>0.3%</b>	<b>-0.4%</b>	<b>1.4%</b>
• <b>UK</b> <b>2.3%</b> (11.1% in Oct 2022, highest since 1981)	<b>0.6%</b>	<b>0.9%</b>	<b>3.3%</b>
• <b>Japan</b> <b>2.3%</b> (4.3% in Jan 2023, highest since 1991)	<b>0.4%</b>	<b>0.6%</b>	<b>2.3%</b>
• <b>China</b> <b>0.3%</b>	<b>-0.3%</b>	<b>0.1%</b>	<b>0.2%</b>
• <b>India</b> <b>6.2%</b>	<b>1.3%</b>	<b>2.0%</b>	
• <b>Australia</b> <b>2.1%</b> (7.8% Dec 2022, highest since 1990)	<b>0.1%</b>	<b>-0.2%</b>	<b>3.5%</b> (trimmed mean)

# Global interest rates – now on their way down

- US (4.5% to 4.75%), Euro zone (3.4%), UK (4.75%), Japan (0.25%), Australia (4.35%)
- have now peaked



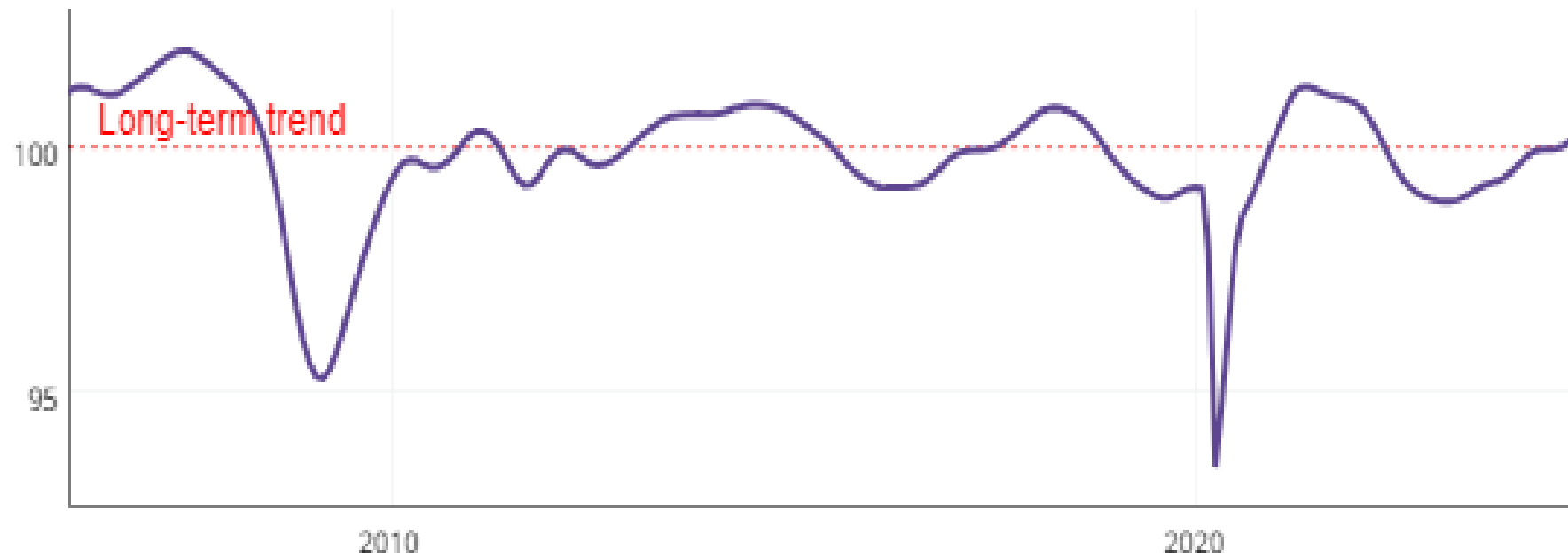
# Leading indicators

- economic indicators for the US now improving after post-tightening dip
- indicating that the general outlook is improving despite ongoing tight monetary policy

## Composite Leading Indicators ⓘ

Normalised

Oct 2024: USA  
100.23



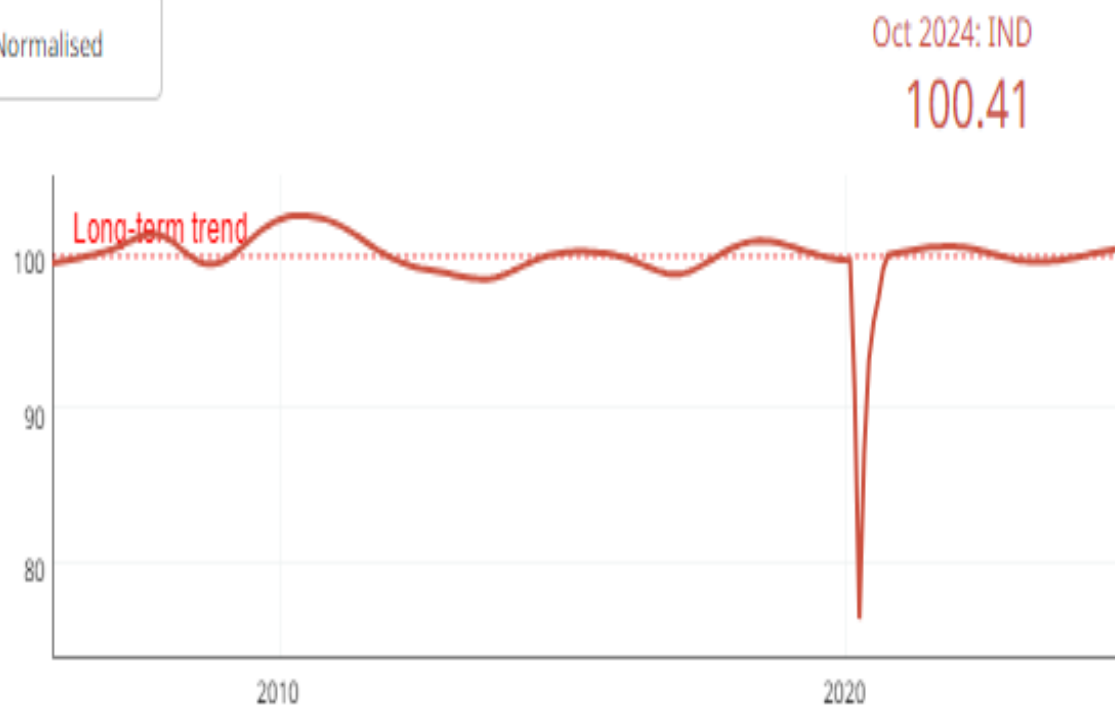
A reading above 100 that is rising predicts expansion, above 100 and falling, a downturn; below 100 and falling a slowdown, below 100 and rising a recovery

# Leading economic indicators

- India and China close to longer-term averages
- India forecast to continue to grow strongly in 2025, while China is slowing

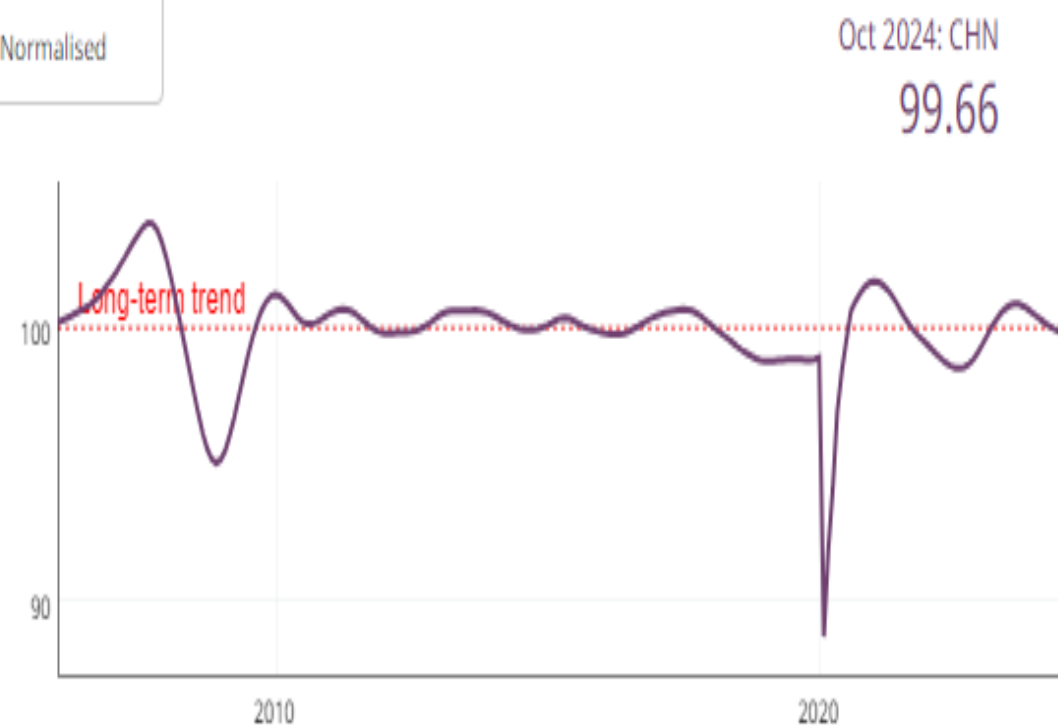
## Composite Leading Indicators ⓘ

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## Composite Leading Indicators ⓘ

Normalised



*A reading above 100 that is rising predicts expansion, above 100 and falling, a downturn; below 100 and falling a slowdown, below 100 and rising a recovery*



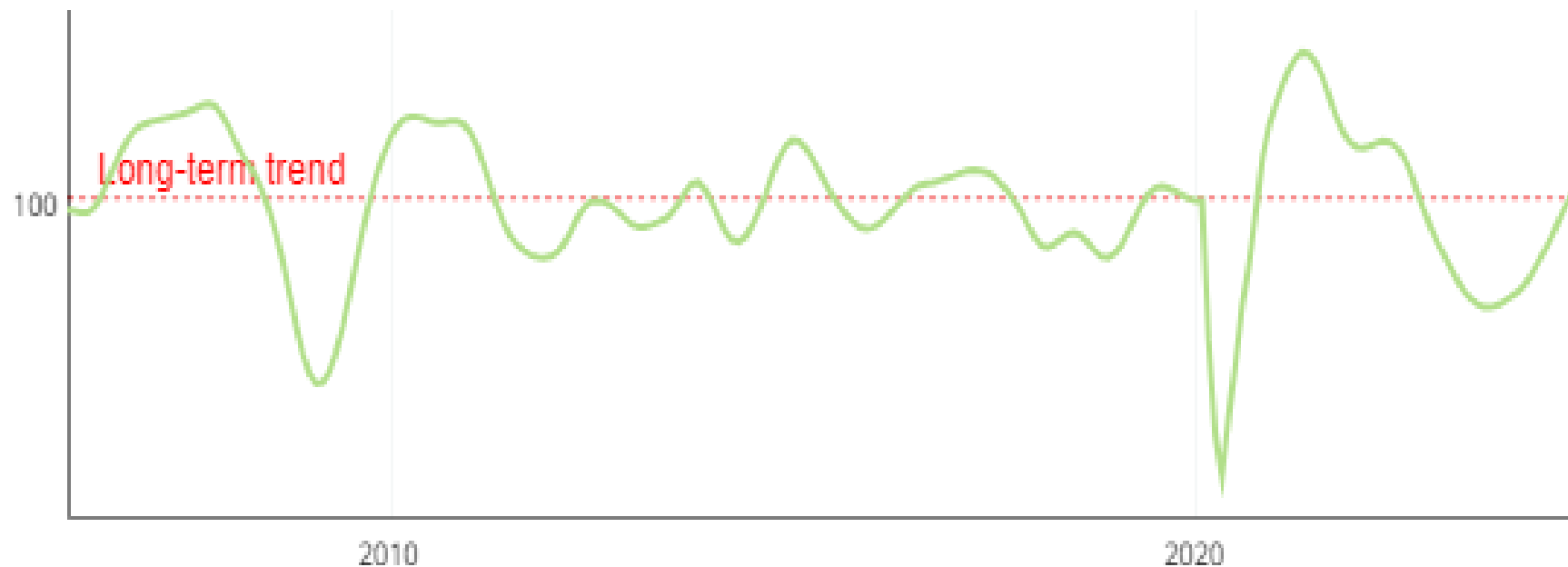
# Leading economic indicators

- indicators in Australia back to trend but economy remains in a per capita recession
- despite weakness, RBA is likely to hold interest rates until unemployment rises further

## Composite Leading Indicators ⓘ

Normalised

Oct 2024: AUS  
100.15



A reading above 100 that is rising predicts expansion, above 100 and falling, a downturn; below 100 and falling a slowdown, below 100 and rising a recovery

# What could underpin markets over the coming year?

- **Economic recovery in the major economies appears to be underway**
- **Consumer and business sentiment could rise as interest rates come down**
- **A further steady loosening of monetary policy**
  - Inflation appears to be approaching central bank target ranges in the major economies
  - Central banks (including the US 'Fed') are focused on achieving 'soft landings' (low inflation with positive economic growth)
- **Corporate earnings are forecast to grow by a solid 12% globally in 2025**
  - US 14%, Europe 8%, China 10%, India 19%
- **Most share markets still appear fairly priced, despite appearing to have 'priced in' much positive news**
  - Including an expectation that the new Trump administration in the US will be able to boost US and global growth and reduce geopolitical tensions, especially regarding the Ukraine and Middle East wars
- **Overall, share markets could enjoy some further upside next year**
  - assuming that recession can be avoided



**Questions?**

**Thank you for attending the 2024 Fiducian  
Superannuation Service Annual Member Meeting**

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The information was prepared in December 2024.

# Disclaimer



Source: Morningstar Direct. The above peer group rankings have the Morningstar Australia Category Multisector Multisector Growth for the Balanced Funds.

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