

Fiducian Superannuation Service

Registration Number: R1004298

Annual Report 2024



FIDUCIAN
INTEGRITY • TRUST • EXPERTISE

Trustee: Fiducian Portfolio Services Limited ABN 13 073 845 931
AFSL 231101 RSE L0001144 Level 4, 1 York Street, Sydney NSW 2000
Australia. GPO Box 4175, Sydney NSW 2001 Australia.
T: +61 (2) 8298 4600 F: +61 (2) 8298 4611
Fiducian Online: fiducian.com.au



CONTENTS

From the Trustee	1
Economic overview	2
Financial markets overview	3
Superannuation update for 2023/2024	4
Investments and investment returns as at 30 June 2024	6
Asset allocation at 30 June 2024	8
Long term return objectives	10
Investment managers	11
Statement of fund policy on the use of derivative securities	11
Financial accounts	12
Statutory information	15

In this Report:

Trust Deed means the Fiducian Superannuation Service Trust Deed adopted on 23 September 2011.

We, us and **our**, means Fiducian Portfolio Services Limited ABN 13 073 845 931 the Trustee of the Fiducian Superannuation Service.

You and **your** is a reference to a member of Fiducian Superannuation Service.

Client Services 1800 653 263
Client Services email info@fiducian.com.au
Fiducian Online fiducian.com.au

From the Trustee

Dear Member, On behalf of the Trustee Directors and the Management team of the Fiducian Superannuation Service (the Fund) I am pleased to present the Fund's Annual Report for the year ended 30 June 2024.

The Fund continues to grow strongly, with member numbers increasing by 9.9% to 8,825. During the year member contributions exceeded \$460 million with our total assets increasing by over 15% to \$2,603,485,000.

While this last financial year has also been one of significant volatility in investment markets, performance returns have been strong. The Fiducian Active Moderate Growth Portfolio returned 10.1% p.a. for the year to 30 June 2024 while the Fiducian Active Growth Portfolio returned 11.2% p.a. for the same period - both pleasing results.

In addition, our longer-term returns, which reflect the consistency of our investment model and growth investment style, continue to rank the Fiducian Active Moderate Growth Portfolio and Fiducian Active Growth Portfolio in the top quartile of comparable funds for the last 10 years. Results for 2 of our largest options are set out below.

		Fiducian Active Growth Portfolio	Fiducian Active Moderate Growth Portfolio
1 year to 30 June 2024	Return	11.2% p.a. 51	10.1% p.a. 18
	Ranking*	out of 163	out of 121
3 years to 30 June 2024	Return	3.5% p.a.	2.9% p.a.
	Ranking*	98 out of 154	57 out of 113
5 years to 30 June 2024	Return	6.6% p.a.	5.8% p.a.
	Ranking	18 out of 144	6 out of 107

* Morningstar

While past performance in investment markets is no guarantee of future success, we believe that these results are testimony to the strength of the investment process at Fiducian.

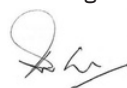
As your Trustee, we have structured the Fund so that members have access to a broad range of investment products to allow effective opportunities for diversification across asset sectors and between different investment managers.

I am also pleased to report that our service providers performed well during the year and continued to provide our members with seamless support.

I would like to thank all Directors on the Trustee Board for their diligence during what has been another successful year. I would also like to thank the Fund's Management team for their fabulous support over the year.

We would like to invite members to join us at our Annual Member's Meeting which will be held in December 2024. Full details will be sent to you prior to the Meeting. As always, we remain fully committed to providing you, our members, with a Fund that enables you to achieve your retirement goals. We thank you for your continued support.

Kind regards



Drew Vaughan

Chairman

Fiducian Portfolio Services Limited –

Trustee of the Fiducian Superannuation Service



Economic overview

Global Economy

The global economy has been able to sustain growth at close to its longer-term trend rate, despite tight monetary policy continuing to be implemented by most of the world's major central banks in an effort to push inflation lower and back into target ranges. However, as the International Monetary Fund (IMF) noted in its October report, 'the global battle against inflation has largely been won'. As a result, monetary policy is now in the process of being loosened, with interest rates having been cut twice since June by the European Central Bank and once in September by the US central bank (the 'Fed'). The IMF notes that this 'will support activity at a time when many advanced economies' labour markets are showing signs of weakness, with rising unemployment rates', while the expectation of lower interest rates has also been providing support for key markets. To speed up further loosening of monetary policy, fiscal policy now needs to be tightened as well. In the IMF's words, 'it is now time to stabilise debt dynamics and rebuild much-needed fiscal buffers', particularly in the US, where the federal deficit remains excessive and government debt has been rising rapidly. In this environment, the IMF's prescription is for 'the policy mix to shift from monetary to fiscal tightening, with an added requirement being the need for 'structural reforms to lift medium-term growth prospects'. These include the implementation of 'ambitious domestic reforms that boost technology and innovation, improve competition and resource allocation, further economic integration and stimulate productive private investment'. Despite 'persistent structural headwinds, such as population ageing and weak productivity growth', real (inflation adjusted) global growth is forecast to be 3.2% this year and again in 2025, although 'risks to the global outlook are tilted to the downside'. The advanced economies as a group are forecast to grow by 1.8% this year and next, with the developing world likely to do better with forecast growth of 4.2% in both years.

In the case of the US, the economy expanded at a solid pace in the September quarter (by 2.8% at an annualised rate), mostly due to household and government spending, while private investment was weak. The central bank (the 'Fed') has continued its efforts to bring down inflation and has seen the annual inflation rate drop to 2.4% in September (down from 9.1% in June 2022). The 'Fed' finally began to cut interest rates in September, with the 'Fed Funds Rate' dropped by 0.5% to a range of 4.75% to 5.0%. The 'Fed' Chairman, Jerome Powell, stated on 23 August that 'the time has come for policy to adjust' and on 18 September noted that the central bank had 'gained greater confidence that inflation is moving sustainably toward two percent and judges that the risks to achieving its employment and inflation goals are roughly in balance'. Earlier, Powell had noted that 'it seems unlikely that the labor market will be a source of elevated inflationary pressures anytime soon'. However, while monetary policy has been effective in lowering inflation, fiscal policy has continued to be highly expansionary, with the federal deficit forecast to remain excessive at 7.1% of GDP in 2025, according to the IMF and with total government net debt spiralling up to around 120% of GDP. In Powell's words, 'in the long run, the US is on an unsustainable fiscal path because the debt is growing faster than the economy. We are borrowing from future generations and have gotten off the path of fiscal sustainability' (February 2024). Household spending could slow over coming months as consumers come under pressure from rising unemployment and high interest rates.

In Europe, the economic outlook remains relatively bleak, at least partly due to the Russian war on Ukraine, which has disrupted the supply of energy to many European economies and which has pushed electricity prices higher. The euro zone grew moderately in the June quarter (by 0.3%) and appears to be slowly emerging from near-recession. The German economy though remains very weak and contracted in the quarter (by 0.1%) to be flat for the full year, while the UK economy did better (up 0.6% for the quarter). The outlook for Asian economies is also being affected by the weak global economic environment. Nevertheless, developing economies as a group are forecast by the IMF to grow by 4.2% this year and in 2025, with India likely to grow faster than most. China too has been growing (up 4.7% for the year) despite suffering a severe recession in the property sector.

Australian Economy

The Australian economy has been particularly weak this year. In the June quarter it expanded by only 0.2% and on a per capita basis it actually contracted (by 0.4%). For the full 2023-24 year it expanded by 1.0% but on a per capita basis it contracted by 1.5%. The key factor driving this slowdown has been tight monetary policy by the Reserve Bank (RBA), including what were rapid interest rate rises. This policy tightening has been weighing on household spending, with discretionary spending declining by 1.1% over the June quarter. The RBA was late in beginning to raise rates compared with some of the major central banks as it apparently did not fully anticipate the extent to which inflation would take off. In fact, it continued to pursue 'quantitative easing' until it was finally ended in early February 2022, while official interest rates were not raised from the historic low of 0.1% until 4 May 2022 (at first to 0.35% and then in increments to 4.35% on 8 November 2023). The RBA Governor, Michele Bullock, appears determined to push inflation lower and rate cuts are unlikely before early 2025. For the month of September this year, while the headline annual inflation rate was only 2.1%, the RBA's preferred measure (trimmed mean CPI) was 3.2%, still above its target range of 2% to 3% but moving in the right direction. With the general economic outlook remaining weak, interest rates still elevated, and valuations relatively high, both equity and property markets could be subdued for a time, especially given a relatively soft outlook for earnings growth.

Financial markets overview

Australian Shares

The 2023-24 financial year saw the Australian share market rise strongly (the ASX200 accumulation index rose by 12%) after rising by 15% in 2022-23. The market rose steadily from October last year through to the end of March before trading sideways for the rest of the financial year before again rising strongly in the September quarter. In recent months, falling inflation and the consequent prospect of declining interest rates have helped investor confidence, despite geo-political stresses continuing to weigh on investor sentiment globally, including the ongoing conflict in Ukraine and the outbreak of war in the Middle East. Over the full financial year, the key Industrials sector rose by 18%, while the Resources sector fell by 3% (with Energy down by 2%). The Financials sector rose by a hefty 29% over this period, while the Technology sector rose by 28%. The small-cap sector rose by 9% after declining over the two previous years. From the end of the financial year, over the four months to 31 October 2024, the market rose by a further 5.1%. However, by 31 October, the overall share market appeared relatively fully priced compared with historical averages, with an estimated price-to-earnings ratio (PER) of 18 times forward earnings (well above its long-term average) (Yardeni Research) and with a below average dividend yield of under 4%.

International Shares

International share markets mostly rose over the 2023-24 financial year. This upwards movement reflected evidence of steadily falling inflation in response to an extended period of tight monetary policy in most jurisdictions. Over the full year to 30 June 2024, market movements included the broad US market (S&P500) up 23% and the technology-laden US Nasdaq index up 29%, while European markets were also mostly positive. Key Asian markets ranged from Japan up 29% and India up 22% to China down 7%. The four months from the end of the financial year saw the broad US market rise another 5%, while the German market also rose 5% and the Chinese market rebounded by 11%. However, some markets slipped back marginally, including Japan and the UK (each down 1%). Overall, with interest rates on a downward path, with economic growth likely to pick up moderately and with global corporate earnings growth forecast to grow by 13% (Yardeni Research), the outlook for most markets remains positive. In terms of valuations, by 31 October, the price-to-earnings ratio (PER) for the major world markets as a whole (represented by the MSCI World index) was 18.9 times estimated forward earnings, above its longer-term average. However, this was boosted significantly by a historically high measure for the broad US market (22 times earnings). In general terms, excluding the US, most major share markets were still looking fairly priced relative to historical averages.

Property

The domestic listed property sector outperformed the overall domestic share market over the 2023-24 financial year (up 25% against a rise of 12% for the broader market), after underperforming the broader market during the previous year. This relative outperformance appears to reflect the interest rate-sensitive nature of this sector, with forecast falls in interest rates having a greater impact on property valuations than on some other market sectors. The sector also appears to be recovering from the trend, which first emerged during the pandemic, of employees opting to work from home rather than travel to city offices. This caused the commercial (office) sector of the market to take a larger hit than either the retail, industrial or even residential sectors. Over the September quarter, the property sector once again outperformed the broader market (rising by 15% against 8%). However, in broad terms, the sector continues to appear fairly priced, with a considerable number of listed property securities still trading at significant discounts to assessed net asset value.

Australian Bonds

For the year ended 30 June 2024, Australian bonds (Bloomberg Composite Bond All Maturities index) returned 3.7%, after returning only 1.2% in the previous year and after performing even more poorly in the previous year, returning -10.5%, which also followed poor returns for the sector for 2020-21 (-0.8%). Inflation-linked bonds performed in line over the year (3.8%), after outperforming in the previous year (up 5.7%) due to elevated inflation. In November 2023, the Reserve Bank (RBA) last lifted its 'cash rate' (to 4.35%), which could be the peak for this cycle. Previously, in February 2022, the RBA had ended its 'quantitative easing' policy and had begun to switch to a tightening phase, which brought in a period of rising bond yields (and falling prices), which caused the sector's underperformance. The sector rose strongly in the September 2024 quarter (up 3.0%). Looking ahead, with official interest rates likely to be at a peak and with economic activity slowing, the outlook for the sector could be set to improve. With most major central banks no longer targeting higher bond yields, the domestic bond market now appears more attractive than in recent years relative to historical norms and relative to other investment options, including share markets.

International Bonds

International bonds as a sector returned a modest 2.5% over the 2023-24 financial year (Bloomberg Global Aggregate index, hedged to the AUD), after performing poorly in the previous year (-1.2%), following an even poorer performance in 2021-22 (-9.3%). Bond market returns were affected by the move to tighter monetary policy by the major central banks in their attempt to rein in inflation in recent years. Clearly, with sovereign long bond yields brought close to 0% in early 2020 as a policy response to the onset of the pandemic, bonds were expensive at that time. Currently, bonds appear much more reasonably priced and could be expected to provide reasonable returns for those invested for the medium to longer-term.

Superannuation update for 2023/2024

As usual there has been a lot happening around the legislation governing superannuation funds. Some of the major changes are outlined as follows.

Concessional contributions

Effective date: July 1, 2024

The standard concessional cap has increased from \$27,500 to \$30,000. Let's not forget that some clients might have a higher concessional cap than the standard one if they can apply available unused cap amounts accrued in the previous five financial years. More on this later. Given this additional \$2,500 in cap space, clients might wish to review the following strategies:

Non-concessional contributions

Effective date: July 1, 2024

The general non-concessional contributions cap has increased from \$110,000 to \$120,000. As a result, non-concessional contributions using a bring-forward triggered in 2024/25 increased to a maximum of \$240,000 (two-year bring-forward) or \$360,000 (three-year bring-forward).

We usually think of contribution thresholds only going up via indexation. Counterintuitively, some of the TSB thresholds for a bring-forward that will be triggered in 2024/25 actually reduced from the last financial year.

The fourth increase to the Superannuation Guarantee rate

Effective date: July 1, 2024

As previously legislated, the Super Guarantee (SG) rate increased again on July 1. The rate for 2024/25 is 11.5%. The final legislated increase to 12% will commence on July 1, 2025.

Indexation to thresholds

Effective date: July 1, 2024

Various super thresholds are indexed to Average Weekly Ordinary Time Earnings (AWOTE) each financial year.

As shown in the following table, the following thresholds increased via indexation on July 1, 2024:

Contributions	
2024/25 Small business CGT cap (lifetime)	\$1.780 million
Government co-contribution: lower-income threshold	\$45,400
Government co-contribution: higher-income threshold	\$60,400
Withdrawals	
Untaxed plan cap	\$1.780 million
Super Guarantee	
Maximum contribution base (per quarter)	\$65,070

But some things stayed the same

Effective date: July 1, 2024

Some super measures have thresholds that do not have automatic indexation provisions and therefore remain the same for 2024/25 (barring any future legislative changes):

Measure	TSB on June 30, 2024, must be less than:
Recent retiree work test exemption (used for claiming a tax deduction for a personal super contribution made from age 67 - 74)	\$300,000
Applying available unused concessional contribution cap amounts from the previous five financial years	\$500,000
Measure	Threshold
Division 293 tax	\$250,000
Low income super tax offset	\$37,000
Spouse contributions tax offset: lower-income threshold	\$37,000
Spouse contributions tax offset: higher-income threshold	\$40,000

Preservation age increase to 60

Effective date: July 1, 2024

Finally, preservation age has reached its legislated ceiling of 60. This applies to clients born on or after July 1, 1964.

As of July 1, 2024, clients born before July 1, 1964, had reached their preservation age (somewhere between 55 and 59, depending on their date of birth). These clients would also have been 60 or older on July 1, 2024.

Clients born on or after July 1, 1964, will attain preservation age when they reach 60.

We are unaware of any plans from the Government to increase the preservation age beyond 60.

Improvements for the First Home Super Saver (FHSS) scheme

Start date: September 15, 2024

The following changes to improve the process and flexibility in releasing contributions and associated earnings under the FHSS scheme were legislated to commence on September 15, 2024:

- Individuals and/or the ATO will be able to amend or revoke an FHSS scheme application, but only where an FHSS scheme amount has not already been paid to the individual.
- Where an application is successfully revoked or amended, and the individual is no longer entitled to an FHSS scheme amount, the amount released to the ATO from the individual's super fund will be able to be returned to the Fund (or to the individual in very limited circumstances). Where the ATO returns an FHSS scheme amount to the individual's super fund, it will not count towards any contribution cap and will retain the same tax components as if the amount hadn't been released.

Superannuation update for 2023/2024 (cont)

- Applying for a release of eligible contributions under the Scheme will remain a two-step process.

First, the individual must request a FHSS determination (this shows the maximum amount they can withdraw). Second, after that determination has been received an individual can then apply for the release of their eligible contributions.

An individual cannot request an FHSS determination if they have ever held a relevant interest in Australian real property or land.

- Under current rules, an individual is considered to hold an interest in Australian real property once they sign a purchase contract.
- Under the new rules, an individual will not be considered to hold a relevant interest in Australian real property or land until the purchase contract is completed and ownership of the real property is transferred to the purchaser. This typically occurs upon the settlement of the property. The timeframe for notifying the ATO of a signed contract will be extended from 28 days to 90 days.

Some of the above changes will have a retrospective application from July 1, 2018.

General transfer balance cap

Likely indexation from July 1, 2025.

The general transfer balance cap (GTBC) is indexed periodically to CPI in increments of \$100,000.

The relevant CPI indexation factor was insufficient for the cap to increase on July 1, 2024. Therefore, it remains at \$1.9 million for 2024/25. Additionally, the defined benefit income cap (relevant to capped defined benefit income streams) remains at \$118,750. Barring any legislative change, the cap will almost certainly be indexed on July 1, 2025. This is because inflation only needs to increase by a tiny amount to reach the magic figure that will result in an indexation of \$100,000, landing the GTBC at \$2 million.

Still to be finalised

The measures listed below are currently before parliament, but have not yet passed:

Legislating the objective of superannuation

Legislates the objective of superannuation to codify a shared purpose of superannuation.

To be introduced - 28 days following the Royal Assent of the amending legislation.

Currently before the Senate. The Senate Economics Legislation Committee recommended that the measure be passed without amendments.

Division 296 tax

Introduces an additional 15% tax on “earnings” proportional to total super balances above \$3 million.

To be introduced - July 1, 2025.

Currently before the House of Representatives. The Senate Economics Legislation Committee recommended that the measure be passed without amendments.

However, the Coalition Senators are against the measure and the Greens Senators want the threshold reduced to \$2 million, along with some other wishes. Draft Regulations to support the primary legislation (mainly to do with defined benefit schemes) have been issued for feedback with the consultation period closing on April 26, 2024.

The following measures are currently in the consultation phase:

Payday super

Announced in the 2023/24 Federal Budget.

Treasury released a consultation paper for feedback on October 9, 2023.

The consultation period closed on November 3, 2023.

The ATO is currently conducting additional consultations with various stakeholders, which were due to conclude in May 2024.

Two-year window to commute legacy pensions

Announced by the former Coalition Government in the 2021/22 Federal Budget.

The Government has now released draft Regulations and explanatory material for feedback regarding this proposal.

The draft Regulations propose that individuals with legacy income streams that commenced before September 20, 2007, will have the option to exit these products for up to five years (starting from when the Regulations come into force). The rules won't apply to income streams paid from defined benefit funds.

And finally

The following measures are still just proposals:

Paying Super Guarantee on Commonwealth Paid Parental Leave

Media release issued on March 7, 2024.

The measure was reaffirmed by the Government in the 2024/25 Federal Budget. No consultation or legislation has been released.

Relaxing residency requirements for SMSFs and small APRA funds

Announced by the former Coalition Government in the 2021/22 Federal Budget.

The Labor Government included this measure in the 2022/23 Federal Budget, but nothing has been heard since. No consultation or legislation has been released.

Investments and investment returns as at 30 June 2024

As at 30 June 2024, the following investments have a value in excess of 5% of the total assets of the Fund:

Funds	% of Fund
Fiducian Active Moderate Growth Portfolio	25.4%
Fiducian Active Conservative Growth Portfolio	15.0%
Fiducian Active Growth Portfolio	13.1%
Fiducian Active High Growth Portfolio	10.5%
Fiducian International Shares Fund	7.2%
Fiducian Australian Shares Fund	6.7%

Please note that this data has been compiled from the total holdings of each member invested in each of the Fiducian funds or portfolios within Fiducian Superannuation Service.

Please note that the four diversified options listed above are held within an SMA structure, and the members can elect to follow the model diversified portfolio, or change their investment strategy within acceptable ranges. Please refer to their corresponding PDS for details.

Fiducian Funds Investment Returns

Fiducian Funds were first offered on 16 January 1997.

Fiducian Funds	Year to 30/06/20	Year to 30/06/21	Year to 30/06/22	Year to 30/06/23	Year to 30/06/24	Compound Return p.a.
Fiducian Australian Shares Fund	-5.80%	30.50%	-7.20%	12.40%	9.20%	7.00%
Fiducian Aust Small Companies Shares Fund	0.70%	42.60%	-16.40%	8.90%	17.80%	9.00%
Fiducian Geared Australian Shares Fund	-27.40%	56.70%	-15.50%	23.30%	17.00%	6.80%
Fiducian Global Smaller Companies Strategy 2						
Fiducian Emerging Markets Strategy 2						
Fiducian India Fund 1	-20.80%	57.50%	-1.60%	22.80%	26.30%	13.70%
Fiducian International Shares Fund	10.80%	29.60%	-15.80%	17.40%	14.90%	10.30%
Fiducian Property Securities Fund	-19.40%	34.50%	-12.60%	7.70%	22.20%	4.50%
Fiducian Technology Fund 1	30.70%	31.70%	-29.80%	5.30%	31.50%	10.80%
Fiducian Capital Safe Fund	0.80%	0.20%	-0.20%	3.00%	4.40%	1.60%

NOTES: Compound Returns are for the 5-year period.

¹ Fund was not offered in 1997 but has been available for over 5 years.

² The Fiducian Global Smaller Companies and Fiducian Emerging Market Strategies were inceptioned on 27 June 2024. Fiducian Global Smaller Company & Emerging Markets Fund was terminated in June 2024. Fiducian Diversified Social Aspirations Fund was terminated in May 2024.

Fiducian Personal Managed Portfolios

The returns in the following table are notional. The actual returns for an individual portfolio will differ depending on when the member invested.

Personal Managed Portfolios	Year to 30/06/20	Year to 30/06/21	Year to 30/06/22	Year to 30/06/23	Year to 30/06/24	Compound Return p.a.
Deep Green ESG				-4.00%	-15.60%	-10.00%
Emerging Leaders Portfolio	-11.60%	35.40%	-28.70%	4.90%	13.90%	0.40%
Fiducian Active Conservative Growth Portfolio	1.50%	9.50%	-7.70%	4.90%	6.70%	2.80%
Fiducian Active Growth Portfolio	-1.10%	25.60%	-10.20%	10.90%	11.20%	6.60%
Fiducian Active High Growth Portfolio	-1.70%	38.40%	-16.90%	8.70%	13.30%	6.80%
Fiducian Active Moderate Growth Portfolio	-0.20%	21.80%	-9.80%	9.60%	10.10%	5.80%
Growth Portfolio	14.10%	34.30%	-20.20%	18.70%	23.00%	12.30%
Imputation Portfolio	-15.80%	27.70%	-2.10%	7.40%	9.10%	4.30%
Property Securities Portfolio	-21.10%	33.50%	-14.90%	14.30%	29.90%	5.90%

NOTES: Compound Returns are for the 5-year period.

Notes to table on page 7:

1. The returns shown are net earnings i.e. after deduction of investment management fees. The returns are also before income tax.

2. The value of Members' Accounts will vary with the market value of the investments selected. Account values may, therefore, rise and fall. Past performance should not be taken as an indication of future performance.

3. The returns of the Fiducian Active Portfolios are based on its corresponding model portfolio. Please refer to its corresponding PDS for further details.

Investments and investment returns as at 30 June 2024 (cont)

Fiducian Collection Investment Returns

Asset Name	Year to 30/06/20	Year to 30/06/21	Year to 30/06/22	Year to 30/06/23	Year to 30/06/24	Compound Return p.a.
Australian Shares						
AMP Capital Equity Fund	-7.80%	27.10%	-6.90%	13.30%	12.61%	6.80%
Ausbil Australian Active Equity Fund	-6.70%	37.80%	-2.50%	15.10%	10.10%	9.70%
First Sentier Wholesale Australian Share Fund	4.20%	33.80%	-19.40%	17.30%	16.64%	9.00%
First Sentier Wholesale Imputation Fund	-3.10%	29.80%	-11.90%	16.80%	15.45%	8.40%
Investors Mutual Australian Shares Fund	-12.00%	21.00%	1.90%	11.00%	4.21%	4.60%
Pendal Australian Share Fund Perpetual	-6.20%	30.50%	-6.90%	14.20%	13.08%	8.00%
Industrial Share Fund Perpetual ESG	-11.10%	32.30%	-7.80%	16.10%	18.01%	8.20%
Australian Share Fund* Sandhurst IML					12.47%	12.47%
Industrial Share Fund	-15.60%	25.10%	0.80%	10.50%	7.05%	4.70%
Schroder Wholesale Australian Equity Fund	-10.90%	33.50%	0.00%	13.60%	8.28%	7.90%
UBS Australian Share Fund	-11.28%	30.93%	-7.36%	21.31%	4.93%	6.50%
Nikko AM Australian Share Wholesale Fund	-15.64%	33.51%	-0.91%	10.07%	4.38%	5.50%
Australian Smaller Company Shares						
IML Australian Small Companies Fund	-10.10%	31.60%	-10.70%	6.30%	24.06%	6.90%
Pendal Smaller Companies Fund	-3.10%	28.80%	-16.40%	15.40%	16.71%	7.00%
Balanced						
First Sentier W'sale Diversified Fund	-0.60%	18.10%	-9.00%	10.50%	10.20%	5.40%
Martin Currie Diversified Growth Fund	-3.50%	17.90%	-2.90%	9.40%	8.94%	5.70%
Schroder Sustainable Growth Fund Wholesale Class	-1.10%	17.60%	-7.50%	8.50%	11.22%	5.40%
Pendal Balanced Returns Fund	-1.93%	16.99%	-5.26%	8.06%	6.87%	4.70%
One Path Tax Effective Income Trust	-10.61%	20.45%	-5.95%	7.19%	11.08%	3.80%
Capital Safe						
Macquarie Managed Income Fund	1.00%	0.40%	-0.10%	3.10%	4.67%	1.80%
UBS Cash Fund	0.80%	0.00%	0.00%	3.00%	4.42%	1.60%
UBS Short-Term Fixed Income Fund	1.10%	0.50%	-0.20%	3.40%	4.99%	1.90%
Capital Stable						
Invesco Wholesale Senior Secured Income	-5.90%	14.70%	-3.10%	7.10%	8.20%	3.90%
Onepath Wholesale Capital Stable Trust	0.50%	4.30%	-6.60%	2.10%	3.68%	0.70%
Fixed Income						
Janus Henderson Tactical Income	2.80%	2.20%	-3.80%	4.90%	5.89%	2.30%
Schroder Fixed Income Equity	4.28%	1.45%	-12.10%	0.78%	4.75%	-0.40%
Vanguard International Fixed Interst Index Fund (hedged)	5.19%	-1.73%	-9.06%	-2.30%	0.94%	-1.50%
Geared Funds						
First Sentier Wholesale Geared Share Fund	-11.70%	76.30%	-25.90%	26.10%	23.30%	12.40%
Growth						
abrdn Multi-Asset Real Return Fund	-4.50%	15.20%	-8.20%	-1.20%	9.11%	1.70%
One Path W/S Managed Growth Fund	-3.23%	19.24%	-4.63%	8.42%	9.86%	5.60%
International Shares						
abrdn Sustainable International Equities Fund	3.24%	26.20%	-7.89%	22.49%	10.33%	10.20%
AMP Wholesale Global Equity Value	-4.50%	31.50%	-8.00%	20.50%	14.10%	9.70%
Antipodes China Fund	8.80%	37.40%	-30.90%	-14.70%	-3.78%	-3.20%
Barrow Hanley Concentrated Global Share No 3	-5.00%	35.40%	-6.20%	24.30%	2.38%	9.00%
Candriam Sustainable Global Equity Fund*					17.47%	17.47%
CFS Janus Henderson W'sale Global Natural Resources Fund	-7.90%	36.50%	-0.80%	14.50%	3.15%	8.10%
Pendal Asian Share Fund	9.50%	47.10%	-21.70%	-1.20%	15.94%	7.60%
PIMCO Global Bond Wholesale	3.61%	3.19%	-10.31%	-0.75%	4.50%	-0.10%
Platinum International Fund	-4.10%	26.20%	-5.90%	13.90%	1.98%	5.80%
Aberdeen Standard Emerging Opportunities Fund	-4.40%	37.87%	-26.63%	4.56%	7.17%	1.60%
Magellan Global Fund	8.96%	10.77%	-11.82%	20.64%	19.29%	8.90%
Magellan Infrastructure Fund	-8.92%	7.87%	6.55%	-1.48%	-0.12%	0.60%
Platinum Asia Fund	14.72%	26.22%	-14.44%	2.09%	4.94%	5.80%
PM Capital Global Companies Fund	-6.39%	52.14%	-0.85%	30.23%	24.43%	18.00%

NOTES: Compound Returns are for the 5-year period. * Please note that the Perpetual ESG Australian Share Fund and Candriam Sustainable Global Equity Fund have been made available on this platform for less than one year, the performance numbers represent the Fund returns as provided by the Fund Manager.

Investments and investment returns as at 30 June 2024 (cont)

Fiducian Collection Investment Returns (cont)

Asset Name	Year to 30/06/20	Year to 30/06/21	Year to 30/06/22	Year to 30/06/23	Year to 30/06/24	Compound Return p.a.
Property Securities						
Ironbark Paladin Property Securities	-16.00%	35.10%	-13.80%	5.60%	25.12%	5.30%
Martin Currie Property Securities Trust	-18.30%	34.50%	-9.80%	4.60%	23.93%	5.10%
Pendal Property Investment Fund	-16.60%	34.80%	-13.10%	8.50%	23.82%	5.60%
Vanguard Australian Property Securities Index	-20.70%	33.70%	-11.40%	7.30%	23.48%	4.50%
APN Property for Income Fund No. 2	-19.78%	27.76%	-11.72%	4.88%	15.38%	1.80%

NOTES: Compound Returns are for the 5-year period. * Please note that the Perpetual ESG Australian Share Fund and Candriam Sustainable Global Equity Fund have been made available on this platform for less than one year, the performance numbers represent the Fund returns as provided by the Fund Manager.

Asset allocation at 30 June 2024

Asset Name	Cash	Aus. Fixed Interest	Int. Fixed Interest	CPI Fixed Interest	Aus. Shares	Int. Shares	Listed Property	Mortgages or Others
Fiducian Funds								
Fiducian Australian Shares Fund	0.74%				99.26%			
Fiducian Aust. Smaller Co Shares Fund	1.19%				98.81%			
Fiducian Capital Safe Fund	90.76%	9.24%						
Fiducian Emerging Markets Strategy *	0.39%					99.61%		
Fiducian Geared Australian Shares Fund	-43.12%				143.12%			
Fiducian Global Smaller Companies Strategy *	0.32%					99.68%		
Fiducian India Fund	0.94%					99.06%		
Fiducian International Shares Fund	1.17%					98.83%		
Fiducian Property Securities Fund	0.66%						99.34%	
Fiducian Technology Fund	1.67%					98.33%		

The Fiducian Global Smaller Companies and Fiducian Emerging Market Strategies were inceptioned on 27 June 2024. Fiducian Global Smaller Company & Emerging Markets Fund was terminated in June 2024. Fiducian Diversified Social Aspirations Fund was terminated in May 2024.

Asset Name	Cash	Aus. Fixed Interest	Int. Fixed Interest	CPI Fixed Interest	Aus. Shares	Int. Shares	Listed Property	Mortgages or Others
Fiducian Collection								
Australian Shares								
AMP Capital Equity Fund	0.44%				93.38%		6.18%	
Ausbil Australian Active Equity Fund	0.64%				99.36%			
First Sentier Wholesale Australian Share Fund	3.02%				96.98%			
First Sentier Wholesale Imputation Fund	1.65%				98.35%			
Investors Mutual Australian Shares Fund	-2.86%				103.25%		2.49%	-2.88%
Pendal Australian Share Fund Perpetual	7.04%				92.96%			
Industrial Share Fund Perpetual ESG	2.06%				89.27%	8.67%		
Australian Share Fund* Sandhurst IML	8.89%				89.57%	1.54%		
Industrial Share Fund Schroder Wholesale	0.77%				99.23%			
Australian Equity Fund	1.50%				98.50%			
UBS Australian Share Fund	1.36%				93.59%		5.05%	
Nikko AM Australian Shares Wholesale Fund	1.08%				98.92%			

Asset allocation as at 30 June 2024 (cont)

Asset Name	Cash	Aus. Fixed Interest	Int. Fixed Interest	CPI Fixed Interest	Aus. Shares	Int. Shares	Listed Property	Mortgages or Others
Australian Smaller Company Shares								
IML Australian Small Companies Fund	3.74%				94.14%		2.13%	
Pendal Smaller Companies Fund	3.31%				96.69%			
Balanced								
First Sentier W'sale Diversified Fund	7.60%		23.87%		27.74%	31.85%		8.93%
Martin Currie Diversified Growth Fund	5.54%	13.60%	13.28%		30.93%	25.94%	8.74%	1.97%
Schroder Sustainable Growth Fund Wholesale Class	9.31%	9.56%	10.76%		33.73%	36.65%		
Pendal Balanced Returns Fund	5.50%	13.24%	15.28%		21.01%	26.42%	2.19%	16.37%
OnePath Tax Effective Income Trust	10.92%	20.09%			32.13%		32.19%	4.67%
Capital Safe								
Macquarie Managed Income Fund	65.55%	29.59%	4.87%					
UBS Cash Fund	91.84%	8.16%						
UBS Short-Term Fixed Income Fund	39.38%	60.62%						
Capital Stable								
Invesco Wholesale Senior Secured Income	0.50%		99.50%					
Onepath Wholesale Capital Stable Trust	19.93%	61.93%			7.79%	2.15%	2.24%	5.96%
Fixed Income								
Janus Henderson Tactical Income	11.34%	87.86%	0.79%					
Schroder Fixed Income Fund	13.20%	78.05%	8.75%					
Vanguard International Fixed Interest Index Fund (Hedged)	2.04%	1.46%	96.50%					
Geared Funds								
First Sentier Wholesale Geared Share Fund	1.51%				98.49%			
Growth								
abrdn Multi-Asset Real Return Fund	25.52%	22.55%	12.26%			45.88%		-6.21%
OnePath W/S Managed Growth Fund	3.22%	18.77%			23.91%	30.09%	2.02%	22.00%
International Shares								
abrdn Sustainable International Equities Fund	1.10%					98.90%		
AMP Wholesale Global Equity Value	0.59%					98.49%	0.92%	
Antipodes China Fund	0.62%					99.38%		
Barrow Hanley Concentrated Global Share No 3	2.03%					97.97%		
Candriam Sustainable Global Equity Fund*	1.16%				0.91%	97.93%		
CFS Janus Henderson W'sale Global Natural Resources Fund	2.59%					97.41%		
Pendal Asian Share Fund	1.37%					98.63%		
Platinum International Fund	8.57%				0.31%	91.12%		
PIMCO Global Bond Wholesale		8.90%	91.10%					
abrdn Emerging Opportunities Fund	0.32%					97.59%		2.09%
Magellan Global Fund	4.90%					95.10%		
Magellan Infrastructure Fund	3.61%				8.98%	87.41%		
Platinum Asia Fund	1.79%					98.21%		
PM Capital Global Companies Fund	11.43%				2.62%	85.95%		
Property Securities								
Ironbark Paladin Property Securities	-2.53%					0.02%	102.52%	
Martin Currie Property Securities Trust	-0.20%					5.65%	94.55%	
Pendal Property Investment Fund	3.75%						96.25%	
Vanguard Australian Property Securities Index	0.23%				0.45%		99.32%	
APN Property for Income Fund No. 2	8.46%						91.54%	

Long term return objectives

The following table indicates the choices currently available through the Trustee's investment strategy, the asset ranges within investment options, long term expected returns and the likelihood of negative returns over a 20 year period:

Categories	Maximum Asset Ranges		Long-term Return Objective over 7+ years	Estimated Number of Negative Returns over a 20-year period	Risk Label
	Growth	Defensive			
Diversified Funds					
Capital Stable	35%	80%	CPI + 3.5%	1 to 2	Low to medium
Balanced	75%	50%	CPI + 5.5%	2 to 3	Medium
Growth	85%	40%	CPI + 6.5%	3 to 4	Medium to high
High Growth / Ultra Growth	100%	30%	CPI + 8.5%	6 or greater	High
Asset Sector Funds					
Australian Shares	100%	10%	CPI + 7.5%	4 to 6	High
International Shares	100%	10%	CPI + 7.0%	4 to 6	High
Australian Smaller Company Shares	100%	10%	CPI + 8.5%	6 or greater	High
Emerging Markets	100%	10%	CPI + 10.0%	6 or greater	High
Listed Property Securities	100%	10%	CPI + 6.5%	3 to 4	Medium to high
Specialist Funds					
Cash or Capital Safe	-	100%	CPI + 0.0%	1	Very low
Geared Shares	100%	10%	CPI + 10.5%	6 or greater	Very high
Technology	100%	10%	CPI + 10.5%	6 or greater	Very high
Debt / Income / Mortgage Securities	-	100%	CPI + 2.0%	2 to 3	Medium
Resources	100%	10%	CPI + 8.0%	4 to 6	High
India / China	100%	25%	CPI + 10.5%	6 or greater	Very high
Infrastructure	100%	10%	CPI + 6.5%	3 to 4	Medium to high
Absolute Return	100%	10%	CPI + 4.0%	2 to 3	Medium

Investment managers

The investment managers appointed, as at 30 June 2024, for the Fiducian Collection, Fiducian Funds and the Fiducian Portfolios were:

- abrdn Asset Management Limited
- ABG Sundal Collier ASA
- AMP Capital Investors Limited
- Antipodes Partners Limited
- Ausbil Investment Management Ltd
- Bennelong Australian Equity Partners Pty Ltd
- BlackRock Asset Management Australia Ltd
- Challenger Ltd
- Equipose Asset Management Limited
- Fidelity International Ltd
- Fidante Partners Limited
- Fiducian Investment Management Services Limited
- First Sentier Investors (Australia)
- IM Ltd
- Franklin Templeton Investments
- Australia Limited
- Investors Mutual Limited
- Invesco Australia Limited
- L1 Capital Pty Ltd
- Loftus Peak Pty Limited
- Macquarie Investment Management Aus Ltd
- NovaPort Capital Pty Limited
- OnePath Funds Management Ltd
- Pareto Australia Pty Ltd
- Pendal Group Ltd
- Perpetual Investment Management Ltd
- Phoenix Portfolios Pty Ltd
- Platinum Asset Management Ltd
- Principal Global Investors (Australia) Ltd
- RREEF America L.L.C.
- Sandhurst Trustees Limited
- SBI Funds Management Private Limited
- Schroder Investment Management (Australia) Limited
- Solaris Investment Management Limited
- Sundaram Asset Management Company Ltd
- Tata Asset Management Ltd (Australia) Ltd Wellington Management Company, LLP
- Vanguard Investments Australia Ltd
- Yarra Capital Management Limited

Statement of fund policy on the use of derivative securities

The Fund does not currently use derivative securities. However some investment options may have exposure to derivative instruments. In future, if the Trustee determines that it will use derivative securities directly in the Fund, the Trustee will also be required to modify the Risk Management Statement (RMS). Any such approved RMS must specify procedures for approval of actions and include detailed responsibilities and authorities as well as reporting and review procedures.

Term Deposits

Code	Term Deposit Name
NAB-90	Term Deposit 3 months (90 days) National Australia Bank
NAB-180	Term Deposit 6 months (180 days) National Australia Bank
NAB-365	Term Deposit 1 year (365 days) National Australia Bank



Financial accounts

FIDUCIAN SUPERANNUATION SERVICE INCOME STATEMENT

For the year ended 30 June 2024

	2024	2023
	\$000	\$000
Superannuation Activities		
Interest income	5,125	3,004
Distribution income	100,078	43,613
Dividend income	1,121	898
Net change in fair value of financial instruments	154,084	131,016
Total income from superannuation activities	260,408	178,531
Administration and other service provider expenses	(19,106)	(16,402)
Financial advice fees	(14,024)	(11,352)
Total expenses	(33,130)	(27,754)
Profit from superannuation activities before Income tax	227,278	150,777
Income tax benefit/(expense)	1,010	(750)
Profit from superannuation activities after Income tax	228,288	150,027
Net (benefits) allocated to members	(228,288)	(150,027)
Operating result after Income tax	-	-

Notes:

- The financial information shown above has been extracted from the audited financial statements of the Fund.
- The audited financial statements of Fiducian Superannuation Service for the year ended 30 June 2024 are available on request.

FIDUCIAN SUPERANNUATION SERVICE STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	2024	2023
	\$000	\$000
Assets		
Cash and cash equivalents	126,853	110,127
Distributions receivable	74,107	28,636
Income tax receivable	-	8,063
Deferred tax asset	-	-
Outstanding settlements and other receivables	746	3,564
Financial Assets at fair value through profit and loss	2,413,992	2,108,543
Total assets	2,615,698	2,258,933
Liabilities		
Administration and other service provider fees payable	1,914	2,020
Financial advice fees payable	1,394	1,044
Other payables	85	110
Income tax payable	4,517	-
Deferred tax liability	4,303	940
Total liabilities excluding member benefits	12,213	4,114
Net assets available for member benefits	2,603,485	2,254,819
Member Benefits		
Allocated to members	2,593,254	2,245,522
Total member benefits	2,593,254	2,245,522
Equity	10,231	9,297
Reserves	10,231	9,297
Total Equity	10,231	9,297

Notes:

- The financial information shown above has been extracted from the audited financial statements of the Fund.
- The audited financial statements of Fiducian Superannuation Service for the year ended 30 June 2024 are available on request.

Financial accounts (cont)

FIDUCIAN SUPERANNUATION SERVICE STATEMENT OF CHANGES IN MEMBER BENEFITS

For the year ended 30 June 2024

	2024	2023
	\$000	\$000
Opening balance of member benefits	2,245,522	1,898,179
Contributions received: Employer		
Members	25,055	23,798
Transfers from other superannuation funds	183,534	172,384
	252,343	252,280
Government superannuation co-contributions	48	54
Income tax on contributions	(7,937)	(7,832)
Net after tax contributions	453,043	440,684
Benefits to members:		
Benefit payments	(250,073)	(185,859)
Transfers to other superannuation funds	(82,075)	(54,629)
Net Insurance Premiums adjusted in member accounts	(1,685)	(1,927)
Net Transfer from/(to) Reserves	234	(954)
Benefits allocated to member accounts:		
Net Investment Income	260,408	178,531
Net Advice, Administration and other service providers fees	(33,130)	(27,754)
Tax benefit/(expense)	1,010	(750)
	(105,311)	(93,341)
Closing balance of member benefits	2,593,254	2,245,522

Notes:

1. The financial information shown above has been extracted from the audited financial statements of the Fund.
2. The audited financial statements of Fiducian Superannuation Service for the year ended 30 June 2024 are available on request.

FIDUCIAN SUPERANNUATION SERVICE STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2024

	Expense Reserve	Operational Risk Reserve	Total Equity
	\$000	\$000	\$000
Balance as at 30 June 2022	1,010	6,804	7,814
Transfer from members	616	-	616
Structural tax benefits	4,047	-	4,047
Income and net change in fair value of financial instruments	33	652	685
Payment to service providers	(3,865)	-	(3,865)
Balance as at 30 June 2023	1,841	7,456	9,297
Transfer from members	607	-	607
Structural tax benefits	4,189	-	4,189
Income and net change in fair value of financial instruments	65	755	820
Payment to service providers	(4,682)	-	(4,682)
Balance as at 30 June 2024	2,020	8,211	10,231

Notes:

1. The financial information shown above has been extracted from the audited financial statements of the Fund.
2. The audited financial statements of Fiducian Superannuation Service for the year ended 30 June 2024 are available on request.

Financial accounts (cont)

FIDUCIAN SUPERANNUATION SERVICE STATEMENT OF CASH FLOWS

For the year ended 30 June 2024

	2024	2023
	\$000	\$000
Cash flows from operating activities		
Interest received	5,125	3,004
Distributions received	54,607	152,982
Dividends received	1,121	898
Other income received	403	114
Financial advice, administration and other service provider fees paid	(35,318)	(28,962)
Taxes received	19,513	4,059
Net cash flows from operating activities	45,451	132,095
Cash flows from investing activities		
Proceeds from sale of unit trusts	645,643	387,212
Proceeds from sale of shares in listed companies	12,081	14,494
Proceeds from sale of fixed interest securities	11,712	4,097
Units in unit trusts purchased	(777,232)	(676,061)
Term deposits invested	(15,883)	(6,760)
Shares in listed companies purchased	(24,865)	(26,775)
Net cash used in investing activities	(148,544)	(303,793)
Cash flows from financing activities		
Contributions received:		
Employer	25,055	23,798
Members	183,534	172,384
Transfers from other funds	252,343	252,280
Government co-contributions	48	54
Contributions tax paid	(7,937)	(7,832)
Net transfer from reserves	607	532
Premiums on term insurance policies paid	(2,241)	(2,190)
Benefits paid	(331,590)	(240,488)
Net cash flow from financing activities	119,819	198,538
Net increase in cash and cash equivalents	16,726	26,840
Cash and cash equivalents at the beginning of the year	110,127	83,287
Cash and cash equivalents at the end of the year	126,853	110,127

Notes:

- The financial information shown above has been extracted from the audited financial statements of the Fund.
- The audited financial statements of Fiducian Superannuation Service for the year ended 30 June 2024 are available on request.

Note from the Trustee

From 26 June 2024, Fiducian Investment Management Services (FIMS) now offers their Diversified Funds (Capital Stable Fund, Balanced Fund, Growth Fund and Ultra Growth Fund) through a new structure, commonly known as a Separately Managed Account (SMA). Having considered the changes proposed by FIMS, the Trustee has determined that it was appropriate and in the interest of members to: (a) accept and approve the restructure of the product offering to the SMA structure; and (b) approve the distribution of the updated SMA product on its platform, being the Fiducian Superannuation Service (FSS).

Statutory information

Trustee

Fiducian Portfolio Services Limited was appointed as the Trustee for the Fund under the provisions of the Trust Deed. Fiducian Portfolio Services Limited has been the Trustee since the commencement of the Fund on 16 January 1997 and has indemnity insurance for the protection of members.

Fiducian Portfolio Services Limited is a wholly owned subsidiary of Fiducian Group Limited. Fiducian was first listed on the Australian Securities Exchange on 12 September 2000.

Trustee Board and Committees

FIDUCIAN PORTFOLIO SERVICES LIMITED - FY 2023/24 RECORD OF ATTENDANCE AT TRUSTEE BOARD AND COMMITTEE MEETINGS

Trustee Director or Committee Member Name	Trustee Board		Audit, Risk and Compliance Committee		Investment Committee		Remuneration and Nominations Committee	
	No. of Meetings Attended	No. of Meetings Eligible to Attend	No. of Meetings Attended	No. of Meetings Attended	No. of Meetings Attended	No. of Meetings Eligible to Attend	No. of Meetings Attended	No. of Meetings Eligible to Attend
Drew Vaughan	10	10	5	5	3	4	1	1
S.G. Venkatramani	9	10	5	5	-	-	-	1
Catherine Lynch	9	10	5	5	-	-	-	-
Maria-Ann Camilleri	10	10	-	-	3	4	1	1
Sam Hallab	10	10	5	5	-	-	1	1
Jai Singh	9	10	-	-	2	4	-	-
Tony Breen	-	-	-	-	4	4	-	-
Peter Mouatt	-	-	-	-	4	4	-	-

Statutory information (cont)

Trust deed

A copy of the Trust Deed is available on the Fiducian website at:

www.fiducian.com.au/images/fiducian_superannuation_service_trust_deed.pdf

How your Member Account works

Your Member Account reflects accumulated contributions and net earnings, less taxes, pension payments and withdrawals, and any insurance premiums paid.

Net earnings are your share of the net earnings of the investments in which you invested. These net earnings are calculated as:

Income/Gains

- Investment income (after investment managers' fees and transaction costs)
- Realised capital gains
- Unrealised capital gains

Less Outgoings/Losses

- Management fees and charges
- Realised capital losses
- Unrealised capital losses
- Taxes and duties (where applicable)

Investment objectives

The investment objective of the Fund is to provide members with a diversified range of investments to enable members, in conjunction with their financial planners, to maximise their superannuation and retirement planning needs. The Fund has been established solely for the purpose of:

- (a) paying benefits to members on or after retirement from gainful employment and when a prescribed event has occurred;
- (b) paying benefits to members when they have reached the prescribed age; or
- (c) paying benefits on the member's death to the member's dependents or legal representative.

Investment strategy

In support of the investment objectives, the Trustee has implemented an investment strategy that has regard to, amongst other things:

- (a) the risk involved in making, holding and realising, and the likely return from the investments;
- (b) offering a range of investments from which Fund members may implement an investment strategy or strategies and minimise investment risk through a diversified investment choice;
- (c) the liquidity of investments offered as part of a diversified investment strategy;
- (d) the reliability of valuation information for investment options; and
- (e) associated liabilities, costs and taxation.

The investment strategy has been formulated by the Trustee on the basis that Fund members are offered a range of investments and are able to give directions to the Trustee on their choice of investment in a particular asset or class of assets offered through the Fund.

The Trustee has considered investment opportunities to allow diversification across investment funds, investment styles and investment managers. In approving each investment option as part of the Fund investment strategy, the Trustee has put in place procedures for the research, recommendation and approval of all investment options offered. While the Trustee will determine the types of investment opportunities and asset classes available through the Fund, it does not direct investment managers in the selection of underlying investments. Rather, the Trustee approves investments offered through the Fund on the basis of a selection process.

Expense reserve and expense recovery fee

The Trustee is entitled to be reimbursed for expenses properly incurred in the operation of the Fund. For this reason, the Trustee has established an Expense Reserve within the Fund for payment of the operational expenses of the Fund.

The Expense Reserve is built up from Fund income (if and when allocated) and taxation benefits, which are generated from the design of the Fund and that have been allocated by the Trustee to the Expense Reserve. The funding of the Expense Reserve is not an additional charge to your account.

The difference between the amounts withheld from your account for payment of tax, provision for tax and the actual tax payable are credited to the Expense Reserve.

The actual amount of tax paid in the Fund is generally less than the 15% that is withheld for tax because of the benefit of tax deductions as well as capital gains discounts and franking credits that reduce the Trustee's effective rate of tax.

Under the administration agreement between the Trustee and the Administrator, the Administrator is entitled to charge an Expense Recovery Fee from the Fund for expenses incurred in the operation of the Fund. The Expense Recovery Fee is calculated as a percentage of the average monthly value of the assets of the Fund and paid out of the Expense Reserve. As the Expense Recovery Fee is paid from the Expense Reserve, it is not an additional charge to your account. This arrangement could change pursuant to any amendment to the administration agreement. The Expense Reserve is managed by the Trustee and invested in cash or similar type assets.

Operational Risk Financial Requirement (ORFR)

As required by APRA, the Trustee is required to establish and maintain a financial reserve to address the risk of loss resulting from inadequate or failed internal process, people and systems, or from external events. APRA Prudential Standards require the Trustee to set a Target Amount that reflects the scale of possible losses having regard to its risk management framework, risk appetite, risk mitigation and controls.

Statutory information (cont)

The Operational Risk Reserve (ORR) is a reserve held within the Fund for your benefit and the Target Amount has been built up gradually from ORFR contributions. The ORFR contribution may change from time to time (depending on the size of the Fund, the Operational Risk Reserve and other factors). If applicable, the ORFR contribution will be up to 0.05% levied every 6 months, capped at \$300. You will be informed if there are any changes in the ORFR contribution. The ORR is managed by the Trustee and invested in a Balanced portfolio or similar type assets.

The Reserve levels for the 2024 financial year and preceding years are shown below:

		Expense Reserve	ORR	Total
30 June '14	Bal.	\$3,017,708	\$778,488	\$3,796,196
	Mov.	-\$616,708	\$1,104,512	\$487,804
30 June '15	Bal.	\$2,401,000	\$1,883,000	\$4,284,000
	Mov.	-\$1,072,638	\$1,837,918	\$765,280
30 June '16	Bal.	\$1,328,362	\$3,720,918	\$5,049,280
	Mov.	\$52,499	\$651,064	\$703,563
30 June '17	Bal.	\$1,380,861	\$4,371,982	\$5,752,843
	Mov.	\$2,887	\$1,151,547	\$1,154,434
30 June '18	Bal.	\$1,383,748	\$5,523,529	\$6,907,277
	Mov.	-\$892,305	\$690,198	-\$202,107
30 June '19	Bal.	\$491,443	\$6,213,727	\$6,705,170
	Mov.	-\$486,497	-\$25,198	-\$511,695
30 June '20	Bal.	\$4,946	\$6,188,529	\$6,193,475
	Mov.	\$256,998	\$1,346,043	\$1,603,041
30 June '21	Bal.	\$261,944	\$7,534,572	\$7,796,516
	Mov.	\$748,301	-\$730,388	\$17,913
30 June '22	Bal.	\$1,010,245	\$6,804,184	\$7,814,429
	Mov.	\$831,094	\$652,251	\$1,483,345
30 June '23	Bal.	\$1,841,339	\$7,456,435	\$9,297,774
	Mov.	\$177,919	\$754,927	\$932,846
30 June '24	Bal.	\$2,019,258	\$8,211,362	\$10,230,620

Fund website details

The Fund is required to make available online product disclosure documents for the Fund together with specified information regarding Trustee Director details and Fund governance. This information is available at:

www.fiducian.com.au/superannuation/governance-information/

Indemnity insurance

The Trustee is indemnified by a policy of insurance which protects the Fund in the event of claim.

Transfer of account

By law, FSS must transfer lost member super accounts that have a balance below \$6,000, or have been inactive for 12 months, to the Australian Taxation Office (ATO). New legislation also means that we may have to transfer accounts that have received no payments for 16 months in a row and have a balance below \$6,000 even if that member is not 'lost'. We will write to you explaining your options before that happens.

There are other circumstances where an account may be transferred. To find out more, visit www.ato.gov.au.

