

Fund description

The Fund invests in a diversified group of specialist Australian Share managers, utilising the Fiducian “Manage the Manager” process, to carefully select best of breed managers with different styles to provide diversification with the aim of achieving superior returns with reduced risk.

The Fund gives investors an opportunity to participate in Australia’s economic growth and enables Australian resident investors to benefit from favourable tax treatment of franked dividends.

Share investment can be volatile over the short term, and the recommended holding period is at least 8 years.

Fund facts

Portfolio manager: Conrad Burge

ARSN: 093 542 271

APIR code: FPS0006AU

Benchmark: ASX 300 Accumulation Index

Current fund size: \$782 million (April 2024)

Management cost: 0.96%

Total management costs: 1.03%

Application/Exit fee: Nil

Inception Date: March 1997

Manager	Style			Size	
	Value	Core	Growth	Large	Small
Ausbil		●		●	
Bennelong			●	●	
Pendal Group		●		●	
Fidelity		●		●	
L1 Capital		●		●	
Solaris	●			●	

Performance and Risk

After fee returns as at 30 April 2024

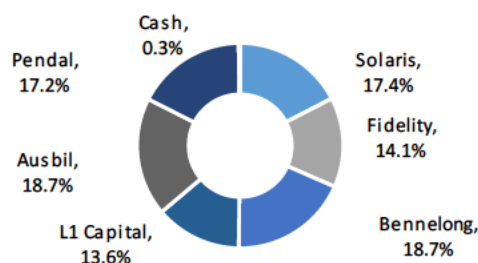
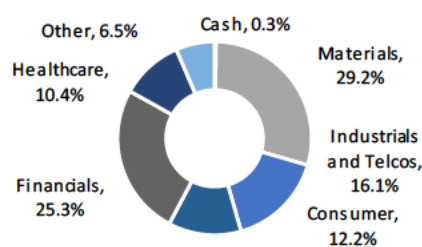
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	-2.6%	2.2%	15.1%	8.3%	5.7%	7.8%	7.8%	8.1%
Index	-2.9%	1.2%	15.3%	9.0%	7.1%	8.0%	8.0%	7.8%
Excess	0.3%	0.9%	-0.1%	-0.7%	-1.3%	-0.2%	-0.2%	0.4%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	11.5%	13.1%	16.6%	14.1%
Benchmark (Std Dev %)	11.5%	13.6%	16.5%	14.0%
Beta	0.90	0.93	0.98	0.98
Tracking Error (% pa)	1.6%	2.0%	2.4%	2.2%



Sector exposures and current manager weights



Market Commentary and Outlook

The global economy has continued to expand at a moderate pace, although growth in some of the advanced economies, particularly in Europe and Japan, remains weak. Inflation data continues to point to a moderation in pricing pressures, although recent consumer price data in countries including Australia and the United States has been higher than expected. This means that interest rates are likely to stay 'higher for longer' than previously anticipated.

This news that inflation had not been falling as rapidly as expected was negative for global equity markets. In the US, the broad market (S&P 500 index) declined by 4.2%, and the Australian market (ASX 200 index) was 2.9% lower over the month. Commodities had a positive month, with gains in copper, iron ore and coal prices. Rising long-term interest rates resulted in negative returns for fixed income assets.

Looking ahead, monetary policy could begin to become less restrictive towards the end of this year if inflation rates continue to decline, which could help to sustain markets. However, geopolitical risks represent potential headwinds. Despite this, the IMF is now forecasting global growth to be 3.2% in 2024, which is close to the long-term trend rate for growth. In broad terms, share markets continue to appear more attractive than most other investment opportunities.

Fund Commentary

The Fiducian Australian Shares Fund declined by 2.6% in April, which outperformed the -2.9% return by the index. On a relative basis, the best performing managers for the month were L1 Capital (0.0%) and Solaris (-2.3%). Over the last 12 months, Solaris (+11.2%) was the best performer followed by Bennelong (+10.9%).

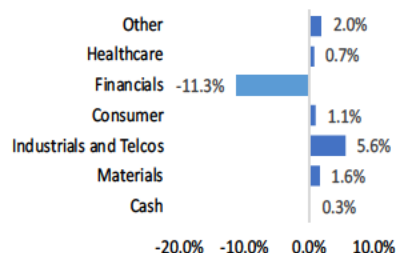
The broad Australian share market (ASX200 index) declined by 2.9% in April. Higher than expected inflation data released during the month pushed out expectations for when the Reserve Bank of Australia may begin to cut interest rates to at least late 2024.

The best performing sectors during April were Utilities (+4.8%) and Materials (+0.6%), with higher energy and commodity prices during the month driving performance for these sectors. Real Estate (-7.8%), Consumer Discretionary (-5.1%) and Telecommunications (-4.9%) were the worst performing sectors.

At an aggregate level, the largest sectoral tilts in the Fund are an underweight to Financials, primarily in Listed Property Trusts, and an overweight position in the Industrials sector.

Top stock holdings and sector tilts

Stock	Industry	Weight
BHP Group	Mining	8.1%
CSL	Biotechnology	7.3%
Commonwealth Bank	Banks	5.2%
Goodman Group	REITS	4.3%
Santos	Oil & Gas	3.8%
National Australia Bank	Banks	3.5%
Macquarie Group	Banks	3.0%
Qantas Airways	Airlines	2.8%
Mineral Resources	Iron/Steel	2.7%
Rio Tinto	Mining	2.5%



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