

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: \$753 million (December 2023)

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	●			●	

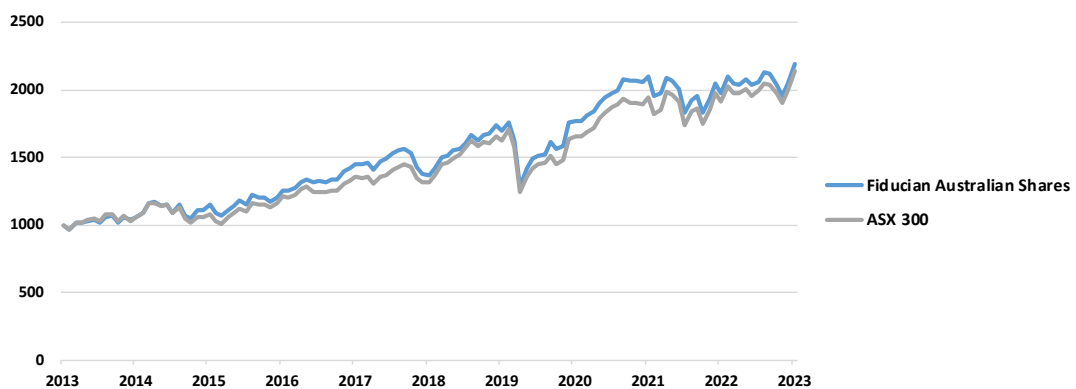
Performance and Risk

After fee returns as at 31 December 2023

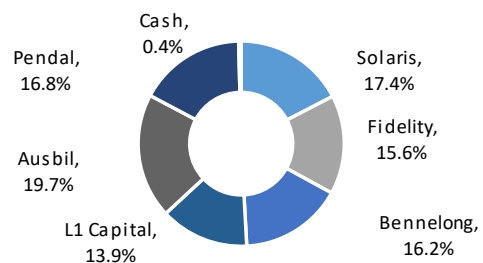
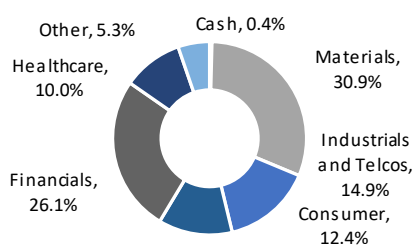
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	6.7%	7.3%	6.3%	11.3%	7.3%	10.0%	8.4%	8.2%
Index	7.2%	8.4%	7.5%	12.1%	9.0%	10.3%	8.5%	7.9%
Excess	-0.5%	-1.1%	-1.2%	-0.8%	-1.7%	-0.3%	-0.1%	0.2%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	12.5%	13.0%	16.7%	14.2%
Benchmark (Std Dev %)	12.5%	13.5%	16.6%	14.1%
Beta	0.91	0.93	0.98	0.98
Tracking Error (% pa)	1.4%	2.1%	2.4%	2.2%



Sector exposures and current manager weights



Market Commentary and Outlook

Global monetary policy tightening, which commenced in early 2022, slowed the levels of economic growth across most of the world in 2023. In recent months too, it appears that this policy has been proving effective in achieving its aim of lowering inflation, with rates of inflation returning towards the target levels of most central banks. This has increased the likelihood that interest rates will remain on hold in the near term, and may be cut in the later part of 2024 if current trends persist.

Global markets enjoyed a strong finish for the year. The broad US market (S&P 500 index) gained 4.4% in December, and the Australian stock market (ASX 200 index) gained 7.3%. Listed property had another strong month, and falling yields produced positive returns for bonds. For calendar year 2023, all major global equity markets, with the exception of China, generated positive returns.

Looking ahead, less restrictive monetary policy could be positive for markets. However, geopolitical risks, alongside slower economic growth in the coming year represent potential headwinds. The International Monetary Fund (IMF) is forecasting global growth to be 2.9% in 2024, which is below the long-term trend rate of growth. In broad terms, share markets continue to appear more attractive than most other investment opportunities.

Fund Commentary

The Fiducian Australian Shares Fund rose by 6.7% in December, which was below the 7.2% return by the index. Bennelong (+8.5%) was the best performer for the month. Over the last 12 months, Bennelong (+22.8%) was also the best performer followed by Pental (+12.9%).

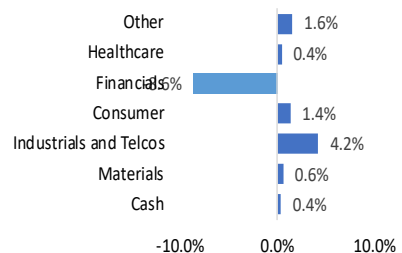
The broad Australian share market (ASX200 index) gained 7.3% in December. Improving inflation data, combined with moderating economic activity, has raised expectations that the Australian economy may experience a 'soft landing' and avoid a severe recession. For calendar year 2023, the ASX 200 rose by 12.4%.

All of the major sectors of the market were up for the month, with the best performing sectors being Property (+11.5%), Healthcare (+9.1%) and Materials (+8.9%). All of the major ASX sectors were also positive for the full year, with Information Technology (+31.3%), Consumer Discretionary (+22.3%) and Property (+17.6%) positing the strongest returns.

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

Top stock holdings and sector tilts

Stock	Industry	Weight
BHP Group	Mining	9.8%
CSL Limited	Biotechnology	7.7%
Commonwealth Bank	Banks	5.5%
Santos Limited	Oil & Gas	4.0%
Goodman Group	REITS	3.7%
National Australia Bank	Banks	3.5%
Macquarie Group	Banks	3.0%
James Hardie Industries	Building Materials	2.8%
Qbe Insurance Group	Insurance	2.7%
Aristocrat Leisure	Entertainment	2.5%



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The information has been compiled from sources considered reliable, but is not guaranteed. Past performance is not indicative of future performance and we do not guarantee the performance of the Fund or any specific rate of return. Potential investors should also obtain and consider the relevant Target Market Determination (TMD) and Product Disclosure Statement (PDS) (available from your financial adviser and via fiducian.com.au) before making a decision about whether to acquire or continue to hold any financial product.