

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: \$786 million (May 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 31 May 2024

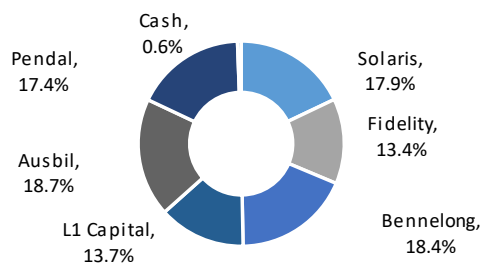
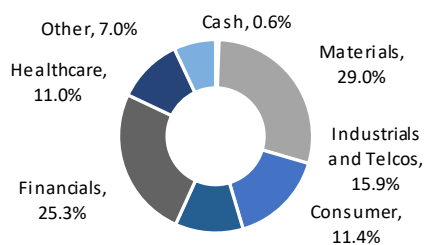
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	0.0%	0.6%	9.8%	10.6%	5.0%	7.7%	8.0%	8.1%
Index	0.9%	1.1%	10.7%	12.8%	6.5%	7.8%	8.5%	7.8%
Excess	-0.8%	-0.5%	-0.9%	-2.3%	-1.5%	-0.1%	-0.5%	0.3%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	11.2%	13.1%	16.6%	14.1%
Benchmark (Std Dev %)	11.0%	13.5%	16.5%	14.0%
Beta	0.92	0.93	0.98	0.98
Tracking Error (% pa)	1.6%	2.1%	2.4%	2.3%



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 Japan, remains weak. Inflation data from other global economies continue to point to a moderation in pricing pressures, although at a slightly slower rate than had been expected. This has left the outlook for future interest rate movements finely balanced.

Overall, expectations of possible interest rate reductions towards the end of this year were positive for global equity markets. In the US, the broad market (S&P 500 index) gained 4.8%, and the Australian market (ASX 200 index) rose by 0.9%. Commodities had a positive month, with gains in copper, gold, iron ore and coal prices.

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 its long-term trend rate. In broad terms, share markets continue to appear more attractive than most other investment opportunities.

Fund Commentary

The Fiducian Australian Shares Fund returned 0.0% in May, which was below the 0.9% return by the index. The best performing managers for the month were Pental (1.4%) and Solaris (1.2%). Over the last 12 months, Solaris (+15.1%) was the best performer followed by Bennelong (+13.1%).

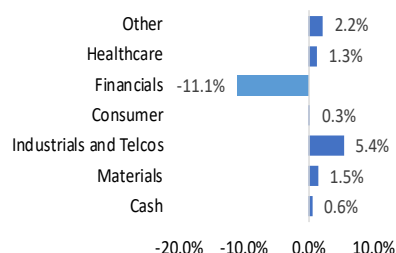
The broad Australian share market (ASX 200 index) gained 0.9% in May. The Federal Budget was released during the month, with a minor surplus recorded as high levels of employment and strong commodity prices boosted tax receipts. New spending measures were announced to provide additional 'cost of living support' to consumers, which combined with higher than expected inflation data released during the month, is expected to delay the timing of any interest rate cuts by the Reserve Bank.

The best performing sectors during May were Information Technology (+5.4%), Utilities (+3.4%), and Financials (+2.6%). Telecommunications (-2.6%), Consumer Staples (-1.0%) and Energy (-0.7%) 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	8.4%
CSL	Biotechnology	7.3%
Commonwealth Bank	Banks	5.3%
Goodman Group	REITS	4.4%
Santos	Oil & Gas	3.8%
National Australia Bank	Banks	3.6%
Macquarie Group	Banks	3.1%
Qantas Airways	Airlines	2.8%
Mineral Resources	Iron/Steel	2.6%
Rio Tinto	Mining	2.5%



Fiducian Investment Management Services Limited

Issued by Fiducian Investment Management Services Limited ABN 28 602 441 814 AFS Licence number 468211. This document provides general information only. It does not have regard to your objectives, financial situation or needs. We recommend that you seek financial planning advice, and consider whether this investment is appropriate to your objectives, financial situation and needs before making any investment decision.

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.