

Fiducian Balanced Fund

Monthly Report - August 2023



Fund description

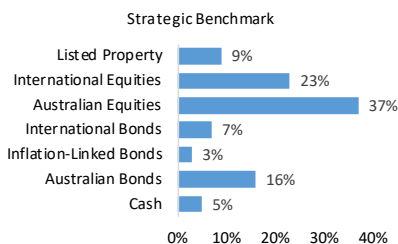
The Fiducian Balanced Fund includes holdings in shares, property, bonds and liquid assets diversified between managers and countries, utilising the Fiducian “Manage the Manager” system that aims to achieve superior returns with reduced risk.

Over the long term, the Fund is expected to generate higher returns than funds with a lower allocation to growth assets, but will also be exposed to capital losses when markets turn down.

The Fund is suitable for investors seeking good long term capital growth with possible short term volatility. The recommended holding period is at least 6 years.

Fund facts

Portfolio manager: Conrad Burge
ARSN: 093 541 612
APIR code: FPS0003AU
Benchmark: Morningstar Multisector Growth Median
Current fund size: \$723 million (August 2023)
Management cost: 0.93%
Total management costs: 1.01%
Application/Exit fee: Nil
Inception Date: March 1997



Performance and Risk

After fee returns as at 31 August 2023

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	0.3%	3.4%	4.4%	7.6%	5.6%	5.2%	6.6%	7.5%
Index	-0.3%	3.1%	4.9%	7.8%	6.2%	4.7%	5.8%	6.3%
Excess	0.6%	0.3%	-0.4%	-0.2%	-0.6%	0.5%	0.9%	1.3%
Ranking				95/178	114/172	45/160	17/154	6/143

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	9.1%	9.4%	11.3%	9.2%
Benchmark (Std Dev %)	6.8%	6.5%	7.5%	6.2%
Beta	1.21	1.38	1.44	1.45
Tracking Error (% pa)	2.9%	3.4%	4.1%	3.3%

Investment Growth

Time Period: 9/1/2008 to 8/31/2023

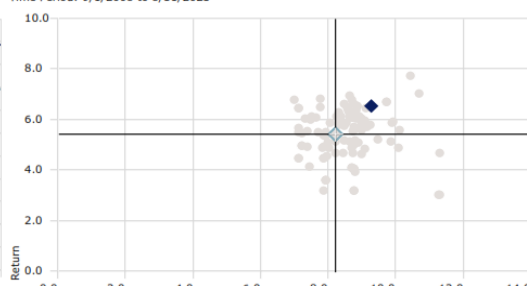


—Fiducian Balanced

—Australia Fund Multisector Growth

Risk-Reward

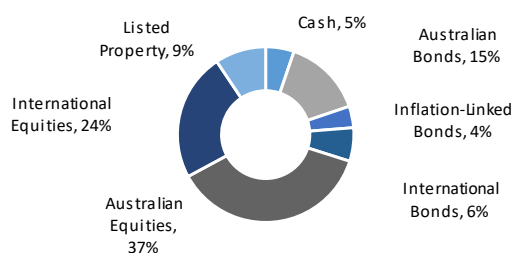
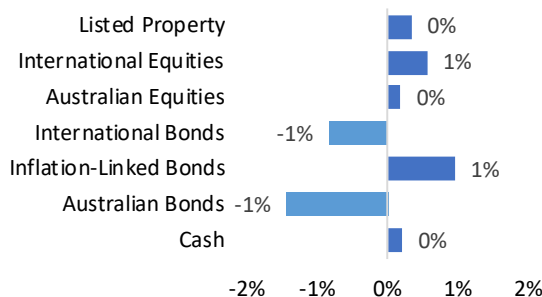
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Tactical tilts and current asset weights



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Market Commentary and Outlook

Economic data across most developed countries continues to highlight sluggish growth at best in response to tight monetary policy being implemented in most jurisdictions. However, higher interest rates have been steadily pushing inflation lower, while unemployment rates have begun to rise modestly.

Overall, this combination of news was modestly negative for most asset class returns in August. The broad US market (S&P 500 index) declined by 1.7%, and the Australian stock market (ASX 200 index) declined by 0.7%. Australian listed property sector recorded gains during the month (+2.3%), and bulk commodity prices, including coal and iron ore, were also higher. The Australian dollar was weaker during the month, declining by 3.6% against the US dollar.

Looking ahead, geopolitical risks, alongside elevated interest rates and slower economic growth this year, represent potential headwinds for markets. The International Monetary Fund (IMF) is forecasting global growth to be 3.0% in both 2023 and 2024. The IMF expects growth rates to remain slightly below long-term trend levels for some time. However, in broad terms, share markets continue to appear more attractive than most other investment opportunities.

Fund Commentary

The Fund outperformed its benchmark in August, with a return of 0.3%, compared to the benchmark return of -0.3%. Over the 12 months to the end of August, the Fund returned 7.6%.

There was mixed performance among asset classes during the month, with equities lower, bonds generally flat, and Australian listed property finishing higher.

The Fund has a neutral exposure to equities and property, as relatively attractive valuations are offset by rising interest rates and a slowing economy. Additionally, the underweight position in bonds relative to cash has now been closed.

In the Morningstar Multisector Growth Category, the Fiducian Balanced Fund returns were ranked 95 out of 178 funds over one year, 45 out of 160 funds over five years, and 6 out of 143 funds over the ten year period to 31 August 2023.

Managers and weights

Asset Class	Fund Manager	Weight
Australian Equities 36.9%	Solaris	6.3%
	Fidelity	5.6%
	Benelong	6.0%
	L1 Capital	5.9%
	Ausbil Dexia	7.4%
	Pendal	5.6%
International Equities 23.4%	Franklin Templeton	6.0%
	Challenger	7.2%
	Wellington	2.9%
	Wellington Value	4.5%
	State Bank of India	0.2%
	Sundaram	0.4%
	Tata	0.3%
	EquiPoise	0.1%
	Vanguard	0.4%
	Wellington Technology	0.8%
	Wellington Biotechnology	0.2%
	Nordic Technology	0.3%
Listed Property 9.3%	BlackRock	0.9%
	Phoenix	4.3%
	Principal	4.1%
Australian Bonds 14.6%	Perpetual Fixed Interest	5.0%
	BlackRock	0.1%
	Challenger	9.4%
Inflation Linked Bonds 4.0%	Challenger	4.0%
International Bonds 6.2%	BlackRock	6.2%
	BlackRock	4.5%
Cash 5.7%	BlackRock	4.5%
	Cash	1.2%

Top stock holdings

Top Australian Stocks	Industry	Weight
BHP Group	Diversified Metals & Mining	8.6%
CSL Limited	Biotechnology	7.5%
Commonwealth Bank	Diversified Banks	5.1%
Santos Limited	Oil & Gas	4.2%
National Australia Bank	Diversified Banks	3.5%
Qbe Insurance Group	Insurance	3.1%
Goodman Group	Industrial REITs	3.1%
Macquarie Group Ltd	Diversified Capital Markets	3.0%
Qantas Airways Ltd	Passenger Airlines	2.7%
Bluescope Steel	Steel	2.6%

Top International Stocks	Industry	Weight
Alphabet Inc	Interactive Media	2.1%
Mercadolibre Inc	Internet & Direct Marketing F	1.7%
Danaher Corp	Life Sciences Tools	1.7%
Humana Incorporated	Managed Health Care	1.7%
Zscaler Inc	Systems Software	1.7%
Broadridge Finance	Data Processing	1.7%
Tyler Technologies Inc	Application Software	1.6%
Equinix Inc	Specialized REITs	1.6%
Synopsys Inc	Application Software	1.6%
Inari Medical Inc	Health Care Equipment	1.5%

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The Morningstar Category rankings have the Morningstar Australia Multisector Aggressive Category for Ultra Growth Fund, Multisector Moderate Category for Capital Stable Fund, and Multisector Growth Category for the Balanced and Growth Fund. Source: Morningstar Direct, Performance Report as of 8.9.2023 ©2023 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. This report or data has been prepared for clients of Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or New Zealand wholesale clients of Morningstar Research Ltd, subsidiaries of Morningstar, Inc. Any general advice has been provided without reference to your financial objectives, situation or needs. For more information refer to our Financial Services Guide at www.morningstar.com.au/s/fsg.pdf. You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Morningstar's publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a financial adviser.