

Fiducian Growth Fund

Monthly Report - January 2024



Fund description

The Fiducian Growth Fund has a large allocation to growth style assets and is 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 7 years.

Fund facts

Portfolio manager: Conrad Burge

ARSN: 093 543 241

APIR code: FPS0004AU

Benchmark: Zenith AMI Mixed Asset Growth Index

Current fund size: \$375 million (January 2024)

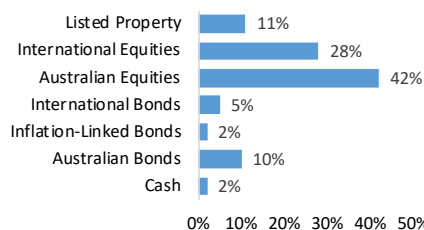
Management cost: 0.99%

Total management costs: 1.08%

Application/Exit fee: Nil

Inception Date: March 1997

Strategic Benchmark



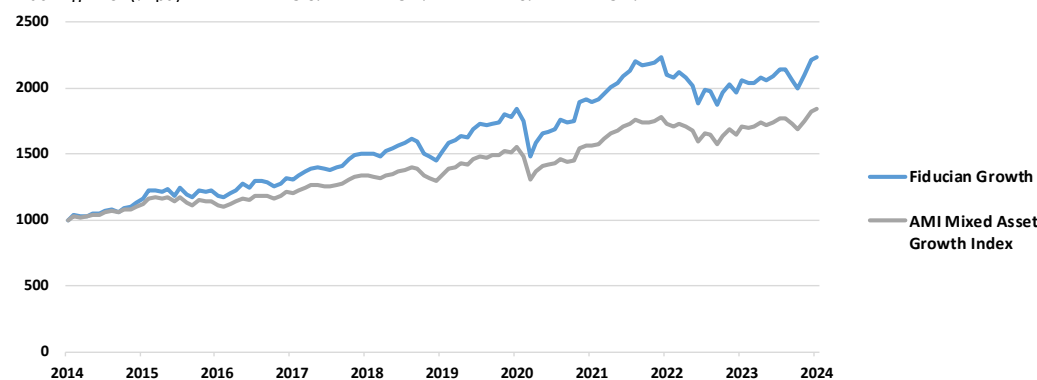
Performance and Risk

After fee returns as at 31 January 2024

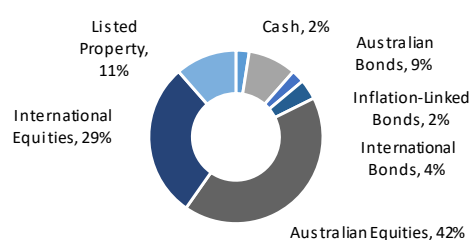
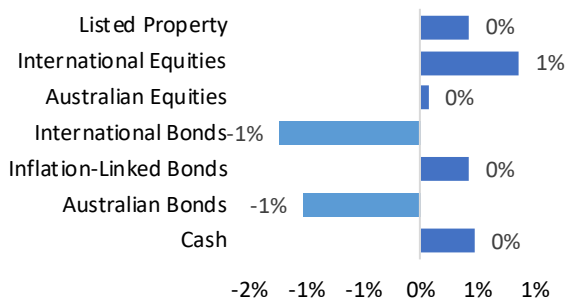
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	1.1%	11.8%	4.5%	8.6%	5.6%	8.1%	7.9%	8.3%
Index	1.2%	9.0%	3.8%	7.7%	5.7%	6.5%	6.2%	6.3%
Excess	0.0%	2.8%	0.7%	0.9%	-0.1%	1.6%	1.7%	2.1%
Ranking				59/163	77/152	6/145	6/140	3/130

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	9.3%	10.8%	13.0%	10.8%
Benchmark (Std Dev %)	6.9%	8.1%	9.6%	8.0%
Beta	1.22	1.27	1.31	1.31
Tracking Error (% pa)	3.0%	3.4%	4.0%	3.2%



Tactical tilts and current asset weights



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Market Commentary and Outlook

The elevated rates of inflation observed across most of the world in the past two years have shown continued signs of moderating, as restrictive monetary policy has been proving effective in returning inflation rates back towards the target levels of most central banks. However, better than expected economic growth data in many parts of the world has made the timing of potential interest rate cuts less certain.

Global equity market performance was mixed in January. In the US, the broad market (S&P 500 index) gained 1.6%, and the Australian stock market (ASX 200 index) gained 1.2%. Emerging markets were broadly lower, led by declines in China (-6.3%). Fixed income returns were flat, and the Australian dollar declined by 3.3% against the US dollar.

Looking ahead, monetary policy could become less restrictive this year, which could be positive for markets. However, geopolitical risks, alongside slower economic growth in the coming year represent potential headwinds. The International Monetary Fund (IMF) recently updated its economic outlook, and is now forecasting global growth to be 3.1% in 2024. This is above previous estimates, but still 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 Fund performed broadly in line with its benchmark in January, with a return of 1.1%, compared to the benchmark return of 1.2%. Over the 12 months to the end of January, the Fund returned 8.6%.

International equities and listed property were the best performing sectors for the month, and returns for cash and bonds were relatively flat.

The Fund currently has small overweight positions in Australian and International equities as well as listed property. Additionally, the underweight position in bonds relative to cash has now been closed.

In the Zenith AMI Mixed Asset-Growth Category, the Fiducian Growth Fund returns were ranked 59 out of 163 funds over one year, 6 out of 145 funds over five years, and 3 out of 130 funds over the ten year period to 31 January 2024.

Managers and weights

Asset Class	Fund Manager	Weight
Australian Equities 41.7%	Solaris	7.3%
	Fidelity	6.2%
	Bennelong	7.3%
	L1 Capital	5.7%
	Ausbil Dexia	8.0%
	Pendal	7.1%
International Equities 28.5%	Franklin Templeton	7.2%
	Challenger	8.9%
	Wellington	4.0%
	Wellington Value	5.0%
	State Bank of India	0.3%
	Sundaram	0.5%
	Tata	0.3%
	EquiPoise	0.2%
	Vanguard	0.4%
	Wellington Technology	1.1%
	Wellington Biotechnology	0.3%
	Loftus Peak Technology	0.1%
	Nordic Technology	0.3%
Listed Property 11.4%	BlackRock	1.2%
	Phoenix	5.2%
	Principal	5.0%
Australian Bonds 9.0%	Perpetual Fixed Interest	3.2%
	BlackRock	0.1%
	Challenger	5.6%
Inflation Linked Bonds 2.4%	Challenger	2.4%
International Bonds 3.8%	BlackRock	3.8%
Cash 3.3%	BlackRock	1.2%
	Cash	2.0%

Top stock holdings

Top Australian Stocks	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%

Top International Stocks	Industry	Weight
Zscaler Inc	Computers	1.8%
Charles River Labs	Healthcare-Services	1.8%
Broadridge Financial	Software	1.8%
Synopsys Inc	Software	1.7%
Equinix Inc	REITS	1.7%
Humana Inc	Healthcare-Services	1.6%
Alphabet Inc	Internet	1.6%
Intercontinental Exch	Diversified Financial Services	1.6%
Mercadolibre Inc	Internet	1.6%
Tyler Technologies Inc	Software	1.6%

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