

Fiducian Growth Fund

Monthly Report - May 2024



Fund description

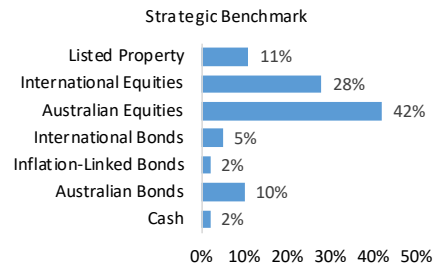
The Fiducian Growth Fund has a large allocation to growth style assets and is diversified between managers and countries, utilising the Fiducian “Manage the Manager” system that aims to achieve superior returns with reduced risk.

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: \$405 million (May 2024)
Management cost: 0.99%
Total management costs: 1.08%
Application/Exit fee: Nil
Inception Date: March 1997



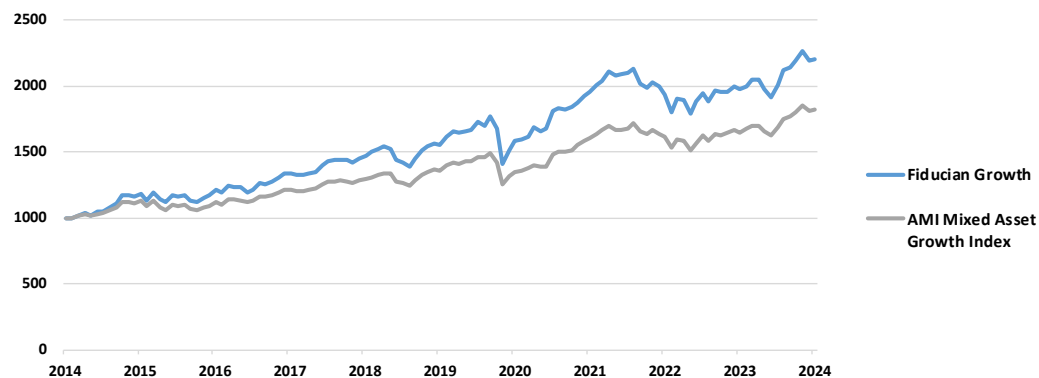
Performance and Risk

After fee returns as at 31 May 2024

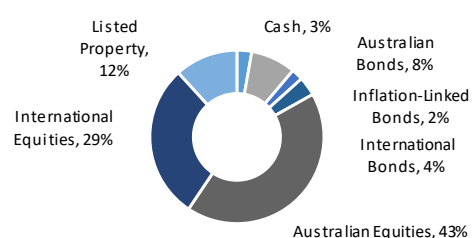
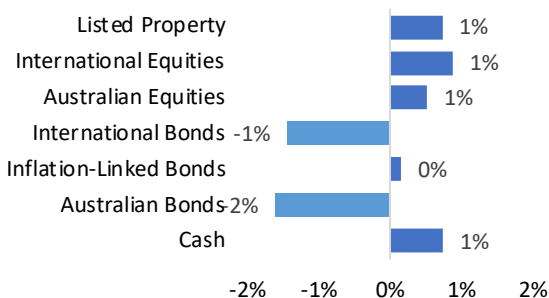
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	0.7%	0.7%	10.0%	11.9%	4.2%	7.2%	7.4%	8.2%
Index	1.0%	1.2%	8.3%	10.5%	4.3%	6.1%	6.0%	6.2%
Excess	-0.3%	-0.5%	1.7%	1.4%	0.0%	1.2%	1.4%	2.0%
Ranking				53/164	80/154	14/145	7/140	5/129

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	10.1%	11.1%	13.1%	10.9%
Benchmark (Std Dev %)	7.4%	8.2%	9.6%	8.1%
Beta	1.24	1.29	1.31	1.31
Tracking Error (% pa)	2.9%	3.4%	4.0%	3.3%



Tactical tilts and current asset 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.

Managers and weights

Asset Class	Fund Manager	Weight
Australian Equities 42.3%	Solaris	7.6%
	Fidelity	5.7%
	Bennelong	7.8%
	L1 Capital	5.8%
	Ausbil Dexia	7.9%
	Pendal	7.4%
International Equities 28.4%	Franklin Templeton	6.3%
	Challenger	9.1%
	Wellington	5.0%
	Wellington Value	4.1%
	State Bank of India	0.3%
	Sundaram	0.4%
	Tata	0.3%
	EquiPoise	0.3%
	Vanguard	0.5%
	Wellington Technology	1.0%
	Wellington Biotechnology	0.2%
	Loftus Peak Technology	0.4%
	Nordic Technology	0.3%
Listed Property 11.7%	BlackRock	1.1%
	Phoenix	5.3%
	Principal	5.3%
Australian Bonds 8.4%	Perpetual Fixed Interest	3.1%
	BlackRock	0.1%
	Challenger	5.2%
Inflation Linked Bonds 2.2%	Challenger	2.2%
International Bonds 3.5%	BlackRock	3.5%
	BlackRock	2.0%
Cash 3.6%	BlackRock	2.0%
	Cash	1.6%

Fund Commentary

The Fund underperformed its benchmark in May, with a return of 0.7%, compared to the benchmark return of 1.0%. Over the 12 months to the end of May, the Fund returned 11.9%.

Most asset classes had positive returns for the month. Property Securities gained 1.7%, International Shares rose by 1.6% and Australian shares were flat.

The Fund currently has small overweight positions in Australian Equities, International Equities and Listed Property. The exposures to bonds and cash are relatively neutral compared to the benchmark.

In the Zenith AMI Mixed Asset-Growth Category, the Fiducian Growth Fund returns were ranked 53 out of 164 funds over one year, 14 out of 145 funds over five years, and 5 out of 129 funds over the ten year period to 31 May 2024.

Top stock holdings

Top Australian Stocks	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%

Top International Stocks	Industry	Weight
Microsoft Corp	Software	3.2%
Nvidia Corp	Semiconductors	2.8%
Amazon.Com	Internet	2.6%
Daiichi Sankyo	Pharmaceuticals	1.5%
Mercadolibre	Internet	1.4%
Sika Ag	Building Materials	1.3%
Tyler Technologies	Software	1.3%
Broadridge Financial	Software	1.3%
Synopsis	Software	1.3%
Amadeus IT Group	Commercial Services	1.3%

Fiducian Investment Management Services Limited

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