

# Fiducian Growth Fund

Monthly Report - September 2023



## Fund description

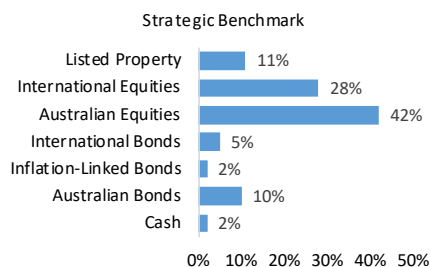
The Fiducian Growth Fund has a large allocation to growth style assets and is diversified between managers and countries, utilising the Fiducian “Manage the Manager” system that aims to achieve superior returns with reduced risk.

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:** Morningstar Multisector Growth Median  
**Current fund size:** \$328 million (September 2023)  
**Management cost:** 0.99%  
**Total management costs:** 1.08%  
**Application/Exit fee:** Nil  
**Inception Date:** March 1997



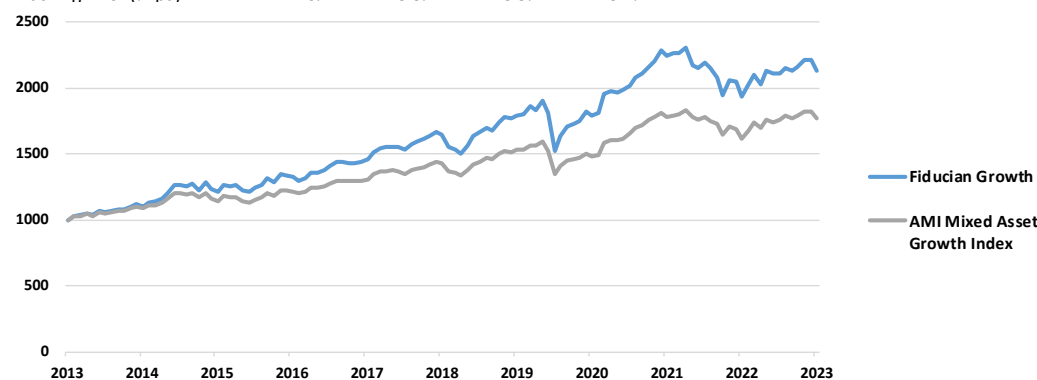
## Performance and Risk

After fee returns as at 30 September 2023

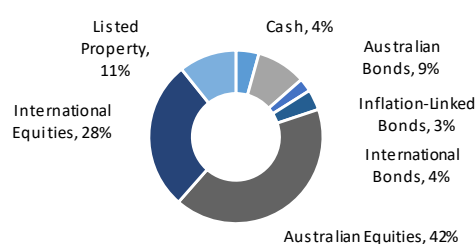
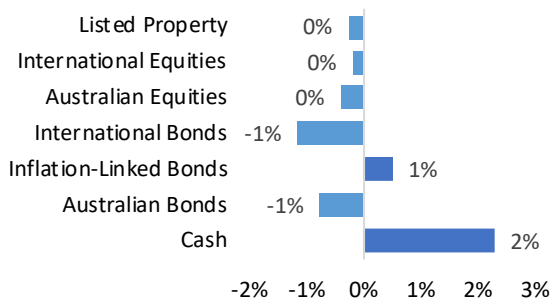
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	-3.9%	-1.2%	0.9%	10.3%	5.9%	5.3%	7.0%	7.8%
Index	-2.6%	-1.0%	0.8%	9.5%	6.1%	4.4%	5.5%	5.9%
Excess	-1.2%	-0.2%	0.1%	0.9%	-0.2%	0.8%	1.5%	2.0%
Ranking				71/161	72/152	22/146	8/139	3/129

### Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	9.3%	10.9%	13.0%	10.6%
Benchmark (Std Dev %)	7.4%	8.3%	9.7%	7.9%
Beta	1.13	1.25	1.31	1.31
Tracking Error (% pa)	2.6%	3.3%	3.9%	3.2%



## Tactical tilts and current asset weights



# Fiducian Growth Fund

Monthly Report - September 2023



## Market Commentary and Outlook

The global economy remains sluggish due to severe measures taken by monetary authorities to reduce inflation. While inflation is slowing, manufacturing and service industry activity levels and retail sales point to a general slowdown in activity. However, employment levels remain high and need to come down further and this, along with an uptick in inflation during September could see interest rates rise further and stay higher for longer.

This realisation that inflation has not yet been tamed saw bond yields jump up during the month, with both US and Australian 10-year government bond yields increasing by approximately 0.5%. This had negative flow-on effects on most asset classes. The broad US market (S&P 500 index) declined by 4.9%, and the Australian stock market (ASX 200 index) declined by 2.8%. Interest rate sensitive sectors had the largest falls. Commodity prices, including oil, coal and iron ore rose during the month.

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 2023 and 2.9% 2024, which is below the long-term trend rate of growth. However, in broad terms, share markets continue to appear more attractive than most other investment opportunities.

## Fund Commentary

The Fund underperformed its benchmark in September, returning -3.9% compared to the median manager return of -2.6%. Over the 12 months to the end of September, the Fund generated a return of 10.3%.

Cash was the only asset class to finish the month higher, with falls seen in equities, property, and also in bonds.

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 Zenith AMI Mixed Asset-Growth Category, the Fiducian Growth Fund returns were ranked 71 out of 161 funds over one year, 22 out of 146 funds over five years, and 3 out of 129 funds over the ten year period to 30 September 2023.

## Managers and weights

Asset Class	Fund Manager	Weight
<b>Australian Equities 41.3%</b>	Solaris	7.2%
	Fidelity	6.6%
	Bennelong	6.6%
	L1 Capital	6.0%
	Ausbil Dexia	8.3%
	Pendal	6.6%
<b>International Equities 27.5%</b>	Franklin Templeton	6.9%
	Challenger	8.5%
	Wellington	3.4%
	Wellington Value	5.4%
	State Bank of India	0.3%
	Sundaram	0.5%
	Tata	0.3%
	EquiPoise	0.1%
	Vanguard	0.5%
	Wellington Technology	0.9%
	Wellington Biotechnology	0.3%
Nordic Technology	0.3%	
<b>Listed Property 10.7%</b>	BlackRock	1.0%
	Phoenix	5.0%
	Principal	4.7%
<b>Australian Bonds 9.2%</b>	Perpetual Fixed Interest	3.3%
	BlackRock	0.1%
	Challenger	5.9%
<b>Inflation Linked Bonds 2.5%</b>	Challenger	2.5%
<b>International Bonds 3.8%</b>	BlackRock	3.8%
	BlackRock	2.0%
<b>Cash 5.0%</b>	Cash	3.0%

## Top stock holdings

Top Australian Stocks	Industry	Weight
BHP Group	Diversified Metals & Mining	9.0%
CSL Limited	Biotechnology	7.2%
Commonwealth Bank	Diversified Banks	5.2%
Santos Limited	Oil & Gas	4.4%
National Australia Bank	Diversified Banks	3.7%
Qbe Insurance Group	Insurance	3.2%
Goodman Group	Industrial REITs	3.0%
Macquarie Group Ltd	Diversified Capital Markets	2.9%
Qantas Airways Ltd	Passenger Airlines	2.4%
Aristocrat Leisure Ltd	Casinos & Gaming	2.3%

Top International Stocks	Industry	Weight
Alphabet Inc	Interactive Media	2.0%
Humana Incorporated	Managed Health Care	1.9%
Zscaler Inc	Systems Software	1.8%
Danaher Corp	Life Sciences Tools	1.7%
Mercadolibre Inc	Internet & Direct Marketing	1.7%
Broadridge Finance	Data Processing	1.7%
Synopsys Inc	Application Software	1.7%
Charles River	Life Sciences Tools	1.6%
Tyler Technologies Inc	Application Software	1.6%
Inari Medical Inc	Health Care Equipment	1.6%

## 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](http://fiducian.com.au)) before making a decision about whether to acquire or continue to hold any financial product. Ranking data © FE fundinfo (Australia) Pty Limited ABN 18 601 868 311 (FE fundinfo), Authorised Representative of Zenith Investment Partners Pty Ltd ABN 27 103 132 672, AFSL 226872 under AFS Representative Number 1297668. Data provided by FE fundinfo does not constitute financial product advice. However, to the extent that any information in this document constitutes advice, it is General Advice (s766B Corporations Act) for Wholesale clients only and FE fundinfo has not taken into account the objectives, financial situation or needs of any specific person who may read it, including target markets of financial products, where applicable. It is not a specific recommendation to purchase, sell or hold any product(s) and is subject to change at any time without prior notice. Individuals should seek their own independent financial advice before making any investment decision and should consider the appropriateness of any advice in light of their own objectives, financial situations or needs. Investors should obtain a copy of and consider any relevant PDS or offer document before making any decision. Data is provided in good faith and is believed to be accurate, however, no representation, warranty or undertaking in relation to the accuracy or completeness of the data is provided. Data provided is subject to copyright and may not be reproduced, modified or distributed without the consent of the copyright owner. Except for any liability which cannot be excluded, FE fundinfo does not accept any liability for any errors or omissions, whether direct or indirect, arising from use of data or information contained in this document. Past performance is not an indication of future performance. Full details regarding FE fundinfo's contact details are available at <https://www.fefundinfo.com/en-au/contact-us/>