



### Fund description

The Fund invests in a diversified group of international equity managers. The Fund utilises the Fiducian “Manage the Manager” process, carefully selecting best of breed managers with different styles, sector and geographical exposures with the aim of achieving superior returns with reduced risk.

This Fund gives investors exposure to the growth of major global economies through investment in international companies. A currency overlay manages the exposure to international currencies.

International 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:** 093 543 456

**APIR code:** FPS0005AU

**Benchmark:** MSCI Ex-Australia Index

**Current fund size:** \$541 million (July 2023)

**Management cost:** 1.24%

**Total management costs:** 1.30%

**Application/Exit fee:** Nil

**Inception Date:** February 1997

Manager	Style		Sector	
	Value	Core	EM	DM
Franklin Templeton		●		●
Challenger		●		●
Wellington GRE		●		●
Wellington Value	●			●
Fiducian India			●	
Fiducian Technology		●		●
Vanguard		●	●	

### Performance and Risk

After fee returns as at 31 July 2023

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	2.2%	6.1%	12.5%	11.4%	8.6%	9.1%	11.0%	11.3%
Index	2.1%	6.5%	16.5%	17.6%	14.0%	11.4%	12.4%	12.6%
Excess	0.1%	-0.4%	-4.0%	-6.2%	-5.4%	-2.3%	-1.5%	-1.3%

#### Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	11.3%	12.0%	13.2%	11.5%
Benchmark (Std Dev %)	12.4%	11.9%	12.5%	11.1%
Beta	0.97	1.04	1.07	1.08
Tracking Error (% pa)	3.1%	4.2%	4.2%	3.8%

#### Investment Growth

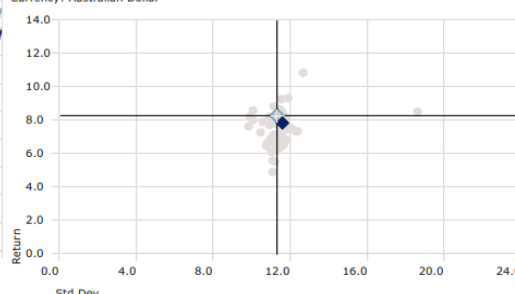
Time Period: 8/1/2003 to 7/31/2023



#### Risk-Reward

Time Period: 8/1/2003 to 7/31/2023

Currency: Australian Dollar



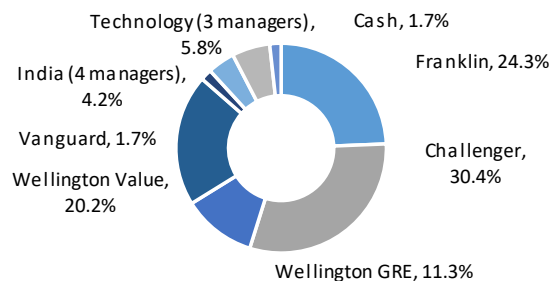
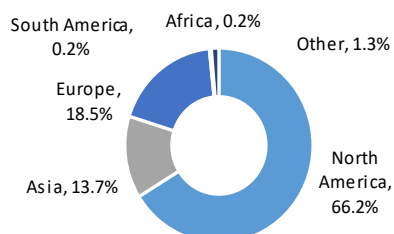
—Fiducian International Shares

—MSCI World Ex Australia NR AUD

•Fiducian International Shares

◆ MSCI World Ex Australia NR AUD

### Geographic exposures and current manager weights



## Market Commentary and Outlook

Economic data was largely positive in July, as inflation measures in both the US and Australia showed larger than expected declines, although current inflation rates remain above central bank targets. Additionally, US economic growth over the June quarter was better than market expectations, raising hopes of a so-called ‘soft landing’ for the US economy.

However, the global economy continues to face challenges. Manufacturing activity is still contracting in most advanced economies, consumer confidence remains low and employment data has been too strong (adding upwards pressure on inflation).

Overall, this backdrop was positive for markets. The broad US market (S&P 500 index) gained 3.1% and the Australian market (ASX 200 index) rose 2.9% for the month. The listed property sector gained 3.8%, and bonds also recorded a small positive return. Most commodity prices increased during the month, with the oil price rising by 16%.

Looking ahead, geopolitical risks, alongside elevated interest rates and slower economic growth this year, represent potential headwinds for markets. The International Monetary Fund (IMF) recently made a minor upgrade to its economic forecasts, with global growth now expected 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

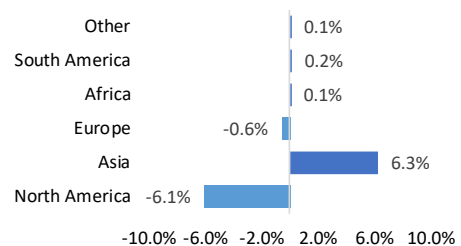
The Fund rose by 2.2% in July, which was slightly above the index return of 2.1% for the MSCI ex-Australia index (in AUD). Over the month, Vanguard Emerging Markets (+4.9%) was the best performer followed by Wellington Value (+4.1%)

For the 12 months to the end of July 2023, the Fund rose by 11.4%, compared to the 17.6% rise in the index. Challenger (+18.1%) has been the best performer over the period followed by the Wellington Global Research Equity Mandate (+17.6%) Fiducian Technology Fund and Franklin Growth have underperformed during the period.

The Fund remains strongly diversified, with 13 underlying managers and exposure to over 50 different countries and a broad range of industries. The United States and Europe remain the largest regional exposures by virtue of their size in global markets. The largest regional tilt is towards Asian equities (predominantly India), which offer relatively high earnings growth rates, and overall the Fund has a marginal overweight exposure to emerging markets relative to developed markets.

## Top stock holdings and geographic tilts

Stock	Industry	Weight
Alphabet Inc	Interactive Media	2.1%
Humana Incorporated	Managed Health Care	1.7%
Visa Incorporated	Data Processing Services	1.6%
Broadridge Finance	Data Processing Services	1.6%
Charles River	Life Sciences Tools	1.6%
Equinix Inc	Specialized REITs	1.5%
Danaher Corp	Life Sciences Tools	1.5%
Zscaler Inc	Systems Software	1.5%
Amadeus IT Group	Hotels Resorts	1.5%
Zebra Technologies	Electronic Equipment	1.5%



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