



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 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: \$532 million (June 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 30 June 2023

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	3.2%	6.4%	13.7%	17.4%	8.6%	9.0%	11.1%	11.7%
Index	3.1%	7.6%	17.5%	22.6%	13.5%	11.5%	12.4%	13.1%
Excess	0.1%	-1.3%	-3.8%	-5.2%	-4.9%	-2.4%	-1.4%	-1.4%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	12.9%	12.0%	13.2%	11.6%
Benchmark (Std Dev %)	13.4%	11.9%	12.5%	11.3%
Beta	1.00	1.05	1.07	1.08
Tracking Error (% pa)	3.3%	4.3%	4.2%	3.9%

Investment Growth

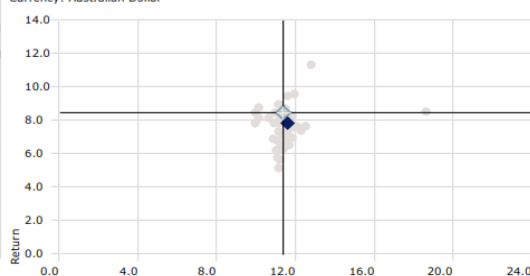
Time Period: 7/1/2003 to 6/30/2023



Risk-Reward

Time Period: 7/1/2003 to 6/30/2023

Currency: Australian Dollar



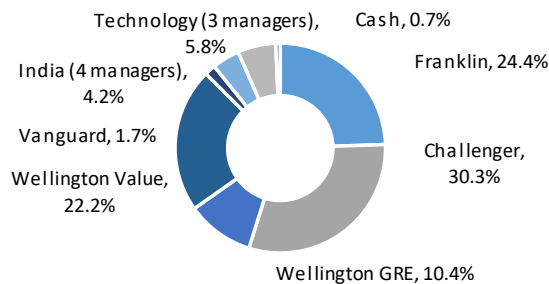
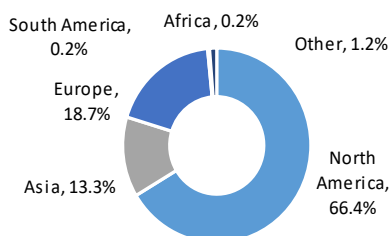
—Fiducian International Shares

-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

Global economic growth slowed during the first half of 2023, as monetary tightening policies enacted by central banks to reduce high rates of inflation began to take effect. Manufacturing output has been contracting in most advanced economies, while retail sales have been weak, as have consumer and business confidence levels. On the other hand, employment data has been too strong.

The Reserve Bank of Australia increased interest rates by a further 0.25% in June, bringing the 'cash rate' to 4.1% and the cumulative increase this year to 1.0%, in line with actions taken by the US Federal Reserve. In Australia, the rate of inflation has moderated from a peak of 8.4% in December 2022 to the most recent measure of 5.6% in May.

Global equity markets had a strong month in June. The broad US market (S&P 500 index) gained 6.5% amid optimism that interest rates may be approaching a peak. Economic data, whilst indicating a slowing economy, has also been slightly better than forecast. The Australian market (ASX 200 index) rose 1.8% for the month. Year to date, developed market equities have performed well, with a 15.9% gain for the US market, a 4.5% rise for the Australian market and strong gains across most of Europe as well as Japan. Property stocks rose by 3.9% for the first half of the year, and bonds have been relatively flat.

Looking ahead, elevated geopolitical risks, alongside higher interest rates and slower economic growth this year, represent potential headwinds for markets. The International Monetary Fund (IMF) recently made a small downgrade to its economic forecasts, with global growth now expected to be 2.8% in 2023. 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

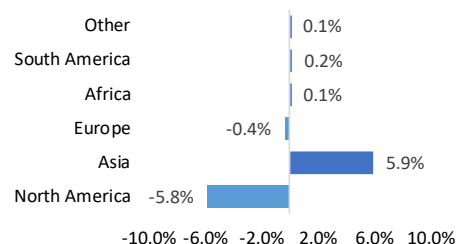
The Fund rose by 3.2% in June, which was slightly above the index return of 3.1% for the MSCI ex-Australia index (in AUD). Over the month, Franklin Growth (+4.4%) was the best performer followed by Challenger (+3.2%)

For the 12 months to the end of June 2023, the Fund rose by 17.4%, compared to the 22.6% rise in the index. Challenger (+23.1%) has been the best performer over the period followed by the Fiducian India Fund (+22.8%) Fiducian Technology Fund and Vanguard Emerging Markets 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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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) before making a decision about whether to acquire or continue to hold any financial product.