



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: \$523 million (September 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		●	●	

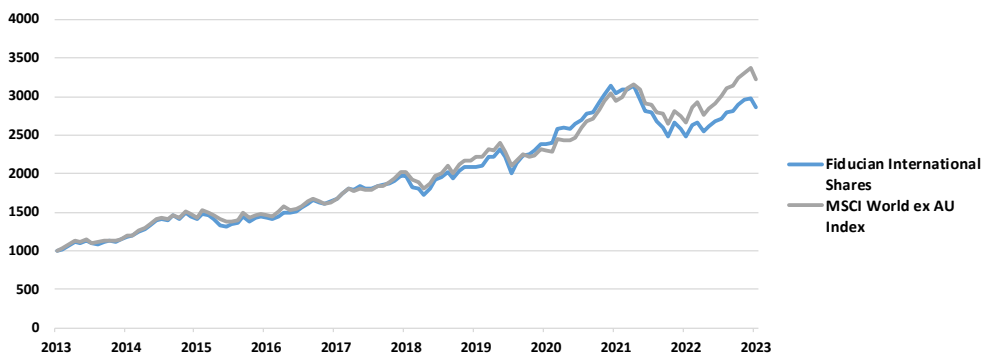
Performance and Risk

After fee returns as at 30 September 2023

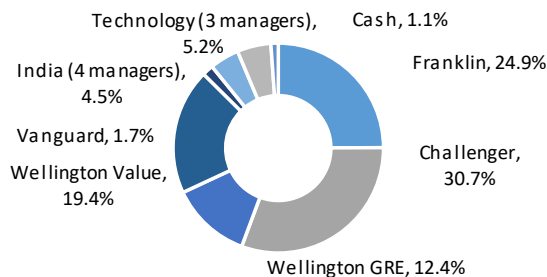
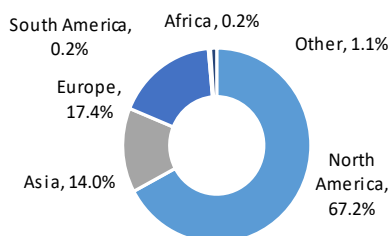
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	-4.1%	-1.2%	5.1%	15.5%	6.1%	7.7%	10.3%	11.0%
Index	-4.0%	-0.4%	7.2%	21.6%	11.9%	9.8%	12.1%	12.5%
Excess	-0.1%	-0.8%	-2.1%	-6.2%	-5.8%	-2.1%	-1.8%	-1.4%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	9.5%	11.9%	13.1%	11.5%
Benchmark (Std Dev %)	11.5%	12.0%	12.5%	11.2%
Beta	0.73	0.90	0.98	0.96
Tracking Error (% pa)	3.3%	4.3%	4.3%	3.9%



Geographic exposures and current manager weights





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

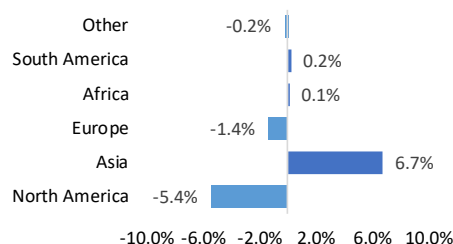
The Fund declined by 4.1%, which was in line with the index return of -4.0% for the MSCI ex-Australia index (in AUD). Over the month, the Fiducian India Fund was the top performer (+0.2%) with Vanguard Emerging Markets (-2.6%) and Wellington Value (-3.1%) also outperforming the index.

For the 12 months to the end of September 2023, the Fund rose by 15.5%, compared to the 21.6% rise in the index. Challenger (+22.1%) has been the best performer over the period followed by the Wellington Global Research Equity Mandate (+20.5%). Fiducian Technology Fund and Vanguard Emerging Markets have underperformed the broader index 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	2.0%
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%



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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.