

Fiducian Ultra Growth Fund

Monthly Report - May 2024



Fund description

The Fiducian Ultra Growth Fund has over 95% exposure to growth assets. It is diversified between multiple managers and geographies, utilising the Fiducian “Manage the Manager” system that aims to achieve superior returns with reduced risk. The main assets held are Australian and international small cap shares, emerging market shares and listed property securities. The fund should be capable of generating high returns over the longer term, but will also experience significant volatility and capital losses when markets turn down.

The Fund is suitable for investors seeking good long term capital growth with possible significant short term volatility. The recommended holding period is at least 8 years.

Fund facts

Portfolio manager: Conrad Burge

ARSN: 133 391 634

APIR code: FPS0014AU

Benchmark: Zenith AMI Mixed Asset Aggressive Index

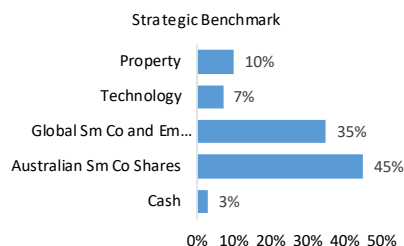
Current fund size: \$303 million (May 2024)

Management cost: 1.45%

Total management costs: 1.81%

Application/Exit fee: Nil

Inception Date: September 2008



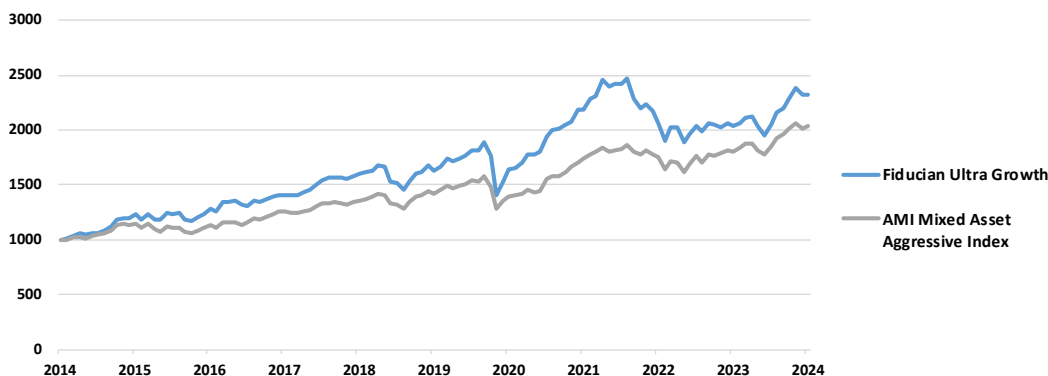
Performance and Risk

After fee returns as at 31 May 2024

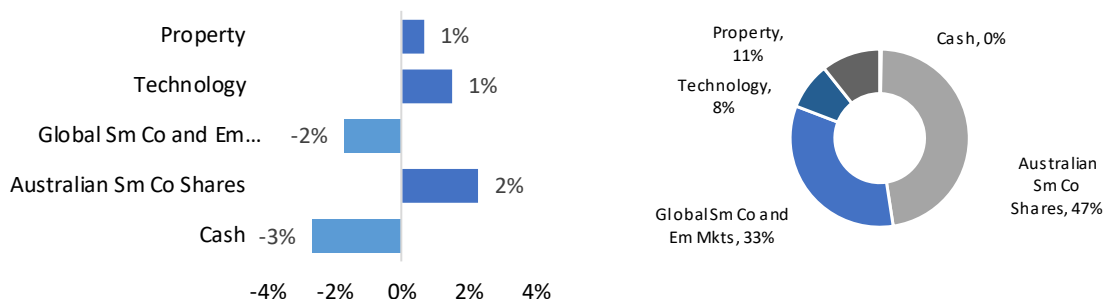
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5yrs	7 Yrs	10 Yrs
Fund	0.4%	1.7%	13.4%	14.3%	2.0%	7.3%	7.4%	8.8%
Index	1.1%	1.2%	9.5%	12.9%	5.4%	7.4%	7.2%	7.4%
Excess	-0.8%	0.4%	3.8%	1.4%	-3.4%	-0.1%	0.2%	1.4%
Ranking				41/88	80/81	46/74	27/69	4/63

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	11.5%	13.3%	15.9%	13.0%
Benchmark (Std Dev %)	8.2%	9.5%	11.4%	9.6%
Beta	1.25	1.29	1.31	1.26
Tracking Error (% pa)	4.0%	5.5%	6.3%	5.2%



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 (Small Cap) 47.2%	Ausbil Dexia	16.8%
	Pendal	8.6%
	Novaport	9.0%
	Phoenix	5.4%
	Perpetual	7.5%
International Equities (Small Cap, Emerging Markets) 31.2%	Royce	11.4%
	Fidelity	7.5%
	Vanguard Global Small Cap	6.3%
	State Bank of India	0.4%
	Sundaram	0.5%
	Tata	0.4%
	EquiPoise	0.3%
Technology 8.5%	Vanguard Emerging Market:	4.5%
	Wellington Technology	4.5%
	Wellington Biotechnology	0.9%
	Loftus Peak Technology	1.9%
Listed Property 10.6%	Nordic Technology	1.1%
	BlackRock	1.0%
	Phoenix	4.8%
Cash 2.5%	Principal	4.8%
	CMT	2.5%

Fund Commentary

The Fund underperformed with its benchmark in May, returning 0.4% compared to the 1.1% return by the median manager. Over the 12 months to the end of May, the Fund has returned 14.3%.

During the month, Technology gained 4.0% and Property Securities rose by 1.7%. Emerging market shares declined by 1.8%, and were the main detractor.

A small overweight exposure to Technology, Property and Australian Small Companies remains, as valuations appear attractive relative to other asset classes. There is currently an underweight position in cash and in Global Smaller Company Shares and Emerging Markets.

In the Zenith AMI Mixed Asset-Aggressive Category, the Fiducian Ultra Growth Fund returns were ranked 41 out of 88 funds over one year, 46 out of 74 funds over five years, and 4 out of 63 funds over the ten year period to 31 May 2024.

Top stock holdings

Top Australian Stocks	Industry	Weight
EQT Holdings	Diversified Financial Services	2.5%
Aussie Broadband	Telecommunications	2.2%
Codan	Telecommunications	2.2%
Light & Wonder	Entertainment	2.2%
Sandfire Resources	Mining	2.0%
Life360	Software	2.0%
Pinnacle Investment	Diversified Financial Services	1.9%
Tuas	Leisure Time	1.8%
Macquarie Technology Gr	Telecommunications	1.6%
Premier Investments	Retail	1.6%

Top Technology Stocks	Industry	Weight
Microsoft Corp	Software	7.1%
Nvidia Corp	Semiconductors	6.9%
Amazon.Com	Internet	6.5%
Alphabet	Internet	4.3%
Taiwan Semiconductor	Semiconductors	4.3%
Apple	Computers	4.2%
Netflix Inc Com	Internet	2.6%
Qualcomm	Semiconductors	2.5%
Flex	Electronics	2.5%
Integrum	Healthcare-Products	2.4%

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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. Unless indicated otherwise, all data is as at 31 May 2024.

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