

Fiducian Balanced Fund

Monthly Report - April 2024



Fund description

The Fiducian Balanced Fund includes holdings in shares, property, bonds and liquid assets 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 6 years.

Fund facts

Portfolio manager: Conrad Burge

ARSN: 093 541 612

APIR code: FPS0003AU

Benchmark: Zenith AMI Mixed Asset Balanced Index

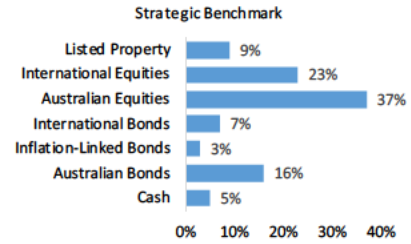
Current fund size: \$789 million (April 2024)

Management cost: 0.93%

Total management costs: 1.01%

Application/Exit fee: Nil

Inception Date: March 1997



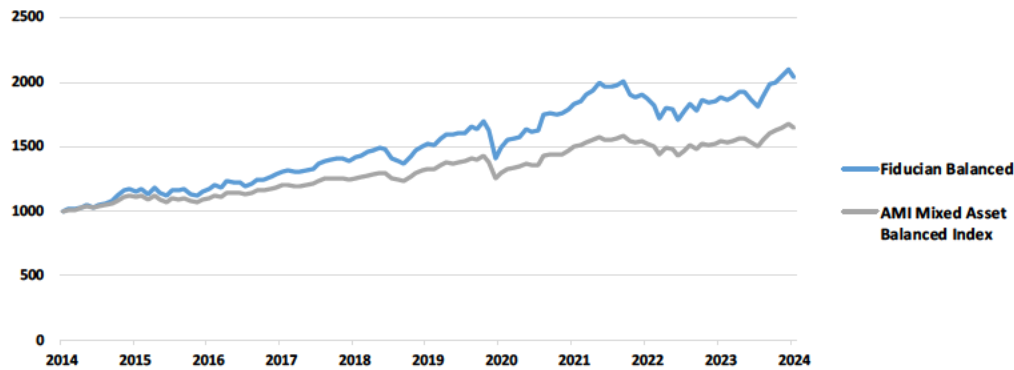
Performance and Risk

After fee returns as at 30 April 2024

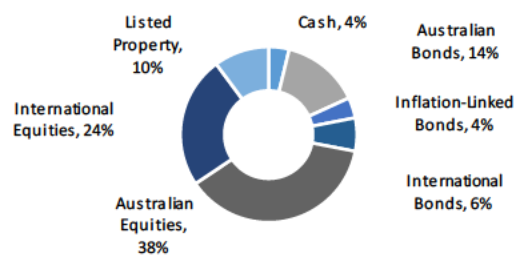
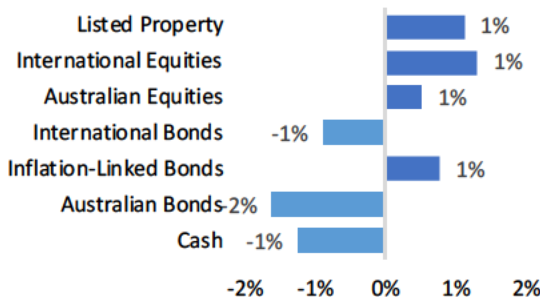
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	-2.9%	2.0%	13.1%	8.6%	3.7%	6.0%	6.5%	7.4%
Index	-2.0%	1.3%	9.2%	6.3%	3.1%	4.3%	4.6%	5.1%
Excess	-0.8%	0.7%	3.9%	2.3%	0.6%	1.7%	1.9%	2.3%
Ranking				14/118	32/112	4/102	5/96	2/83

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	9.3%	9.9%	11.5%	9.5%
Benchmark (Std Dev %)	6.4%	6.7%	7.7%	6.4%
Beta	1.34	1.41	1.44	1.46
Tracking Error (% pa)	3.0%	3.6%	4.1%	3.4%



Tactical tilts and current asset weights



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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 Europe and Japan, remains weak. Inflation data continues to point to a moderation in pricing pressures, although recent consumer price data in countries including Australia and the United States has been higher than expected. This means that interest rates are likely to stay 'higher for longer' than previously anticipated.

This news that inflation had not been falling as rapidly as expected was negative for global equity markets. In the US, the broad market (S&P 500 index) declined by 4.2%, and the Australian market (ASX 200 index) was 2.9% lower over the month. Commodities had a positive month, with gains in copper, iron ore and coal prices. Rising long-term interest rates resulted in negative returns for fixed income assets.

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 the long-term trend rate for growth. In broad terms, share markets continue to appear more attractive than most other investment opportunities.

Fund Commentary

The Fund underperformed the benchmark in April, with a return of -2.9%, compared to the benchmark return of -2.0%. Over the 12 months to the end of April, the Fund returned 8.6%.

Most asset classes had negative returns for the month. Australian Shares declined by 2.6%, International Shares fell by 3.0% and Property Securities declined by -7.2%.

The Fund currently has small overweight positions in Australian Equities, International Equities and Listed Property. The exposures to bonds and cash are relatively neutral compared to the benchmark.

In the Zenith AMI Mixed Asset-Balanced Category, the Fiducian Balanced Fund returns were ranked 14 out of 118 funds over one year, 4 out of 102 funds over five years, and 2 out of 83 funds over the ten year period to 30 April 2024.

Managers and weights

Asset Class	Fund Manager	Weight
Australian Equities 37.4%	Solaris	6.5%
	Fidelity	5.3%
	Bennelong	7.0%
	L1 Capital	5.1%
	Ausbil Dexia	7.0%
	Pendal	6.5%
International Equities 24.0%	Franklin Templeton	5.5%
	Challenger	7.7%
	Wellington	4.1%
	Wellington Value	3.5%
	State Bank of India	0.3%
	Sundaram	0.4%
	Tata	0.3%
	EquiPoise	0.2%
	Vanguard	0.4%
	Wellington Technology	0.9%
	Wellington Biotechnology	0.2%
	Loftus Peak Technology	0.4%
	Nordic Technology	0.2%
Listed Property 10.1%	BlackRock	0.9%
	Phoenix	4.6%
	Principal	4.6%
Australian Bonds 14.4%	Perpetual Fixed Interest	5.4%
	BlackRock	0.1%
	Challenger	8.9%
Inflation Linked Bonds 3.8%	Challenger	3.8%
International Bonds 6.1%	BlackRock	6.1%
	Cash	1.1%
Cash 4.2%	BlackRock	3.1%
	Cash	1.1%

Top stock holdings

Top Australian Stocks	Industry	Weight
BHP Group	Mining	8.1%
CSL	Biotechnology	7.3%
Commonwealth Bank	Banks	5.2%
Goodman Group	REITS	4.3%
Santos	Oil & Gas	3.8%
National Australia Bank	Banks	3.5%
Macquarie Group	Banks	3.0%
Qantas Airways	Airlines	2.8%
Mineral Resources	Iron/Steel	2.7%
Rio Tinto	Mining	2.5%

Top International Stocks	Industry	Weight
Microsoft Corp	Software	3.1%
Amazon.Com	Internet	2.7%
Nvidia Corp	Semiconductors	2.2%
Daiichi Sankyo	Pharmaceuticals	1.7%
Tyler Technologies	Software	1.3%
Sika Ag	Building Materials	1.3%
Broadridge Financial	Software	1.3%
Hdfc Bank	Banks	1.3%
Zebra Technologies	Business Equipment	1.3%
Synopsys Inc	Software	1.3%

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