

# Fiducian Balanced Fund

Monthly Report - January 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

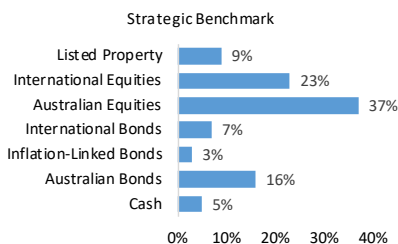
**Current fund size:** \$766 million (January 2024)

**Management cost:** 0.93%

**Total management costs:** 1.01%

**Application/Exit fee:** Nil

**Inception Date:** March 1997



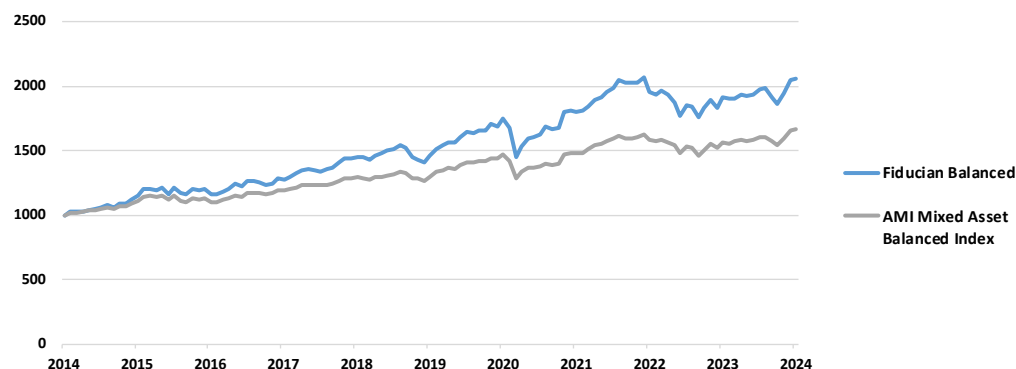
## Performance and Risk

After fee returns as at 31 January 2024

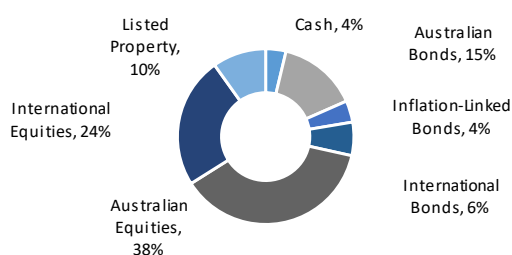
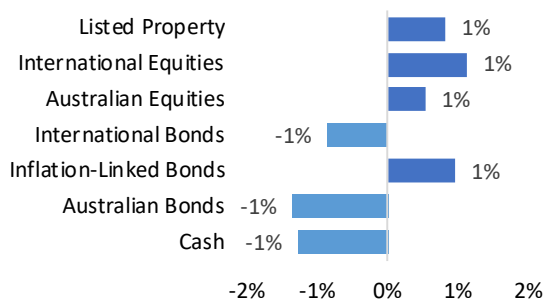
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	1.0%	10.9%	4.3%	7.7%	4.6%	7.2%	7.1%	7.5%
Index	0.9%	7.7%	3.5%	6.4%	4.0%	5.1%	4.9%	5.2%
Excess	0.1%	3.1%	0.8%	1.3%	0.6%	2.1%	2.1%	2.3%
Ranking				31/117	29/111	3/101	3/94	2/82

### Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	8.4%	9.7%	11.4%	9.5%
Benchmark (Std Dev %)	5.8%	6.6%	7.7%	6.3%
Beta	1.30	1.40	1.44	1.46
Tracking Error (% pa)	3.0%	3.5%	4.1%	3.4%



## Tactical tilts and current asset weights



# Fiducian Balanced Fund

Monthly Report - January 2024



## Market Commentary and Outlook

The elevated rates of inflation observed across most of the world in the past two years have shown continued signs of moderating, as restrictive monetary policy has been proving effective in returning inflation rates back towards the target levels of most central banks. However, better than expected economic growth data in many parts of the world has made the timing of potential interest rate cuts less certain.

Global equity market performance was mixed in January. In the US, the broad market (S&P 500 index) gained 1.6%, and the Australian stock market (ASX 200 index) gained 1.2%. Emerging markets were broadly lower, led by declines in China (-6.3%). Fixed income returns were flat, and the Australian dollar declined by 3.3% against the US dollar.

Looking ahead, monetary policy could become less restrictive this year, which could be positive for markets. However, geopolitical risks, alongside slower economic growth in the coming year represent potential headwinds. The International Monetary Fund (IMF) recently updated its economic outlook, and is now forecasting global growth to be 3.1% in 2024. This is above previous estimates, but still below the long-term trend rate of growth. In broad terms, share markets continue to appear more attractive than most other investment opportunities.

## Fund Commentary

The Fund performed broadly in line with its benchmark in January, with a return of 1.0%, compared to the benchmark return of 0.9%. Over the 12 months to the end of January, the Fund returned 7.7%.

International equities and listed property were the best performing sectors for the month, and returns for cash and bonds were relatively flat.

The Fund currently has small overweight positions in Australian and International equities as well as listed property. Additionally, the underweight position in bonds relative to cash has now been closed.

In the Zenith AMI Mixed Asset-Balanced Category, the Fiducian Balanced Fund returns were ranked 31 out of 117 funds over one year, 3 out of 101 funds over five years, and 2 out of 82 funds over the ten year period to 31 January 2024.

## Managers and weights

Asset Class	Fund Manager	Weight
Australian Equities 37.2%	Solaris	6.5%
	Fidelity	5.6%
	Bennelong	6.5%
	L1 Capital	5.0%
	Ausbil Dexia	7.1%
	Pendal	6.4%
International Equities 23.9%	Franklin Templeton	6.0%
	Challenger	7.4%
	Wellington	3.3%
	Wellington Value	4.2%
	State Bank of India	0.3%
	Sundaram	0.4%
	Tata	0.3%
	EquiPoise	0.1%
	Vanguard	0.4%
	Wellington Technology	0.9%
	Wellington Biotechnology	0.2%
	Loftus Peak Technology	0.1%
	Nordic Technology	0.3%
Listed Property 9.8%	BlackRock	1.0%
	Phoenix	4.4%
	Principal	4.3%
Australian Bonds 14.7%	Perpetual Fixed Interest	5.3%
	BlackRock	0.1%
	Challenger	9.2%
Inflation Linked Bonds 4.0%	Challenger	4.0%
International Bonds 6.1%	BlackRock	6.1%
Cash 4.4%	BlackRock	3.5%
	Cash	0.9%

## Top stock holdings

Top Australian Stocks	Industry	Weight
BHP Group	Mining	9.8%
CSL Limited	Biotechnology	7.7%
Commonwealth Bank	Banks	5.5%
Santos Limited	Oil & Gas	4.0%
Goodman Group	REITS	3.7%
National Australia Bank	Banks	3.5%
Macquarie Group	Banks	3.0%
James Hardie Industries	Building Materials	2.8%
Qbe Insurance Group	Insurance	2.7%
Aristocrat Leisure	Entertainment	2.5%

Top International Stocks	Industry	Weight
Zscaler Inc	Computers	1.8%
Charles River Labs	Healthcare-Services	1.8%
Broadridge Financial	Software	1.8%
Synopsys Inc	Software	1.7%
Equinix Inc	REITS	1.7%
Humana Inc	Healthcare-Services	1.6%
Alphabet Inc	Internet	1.6%
Intercontinental Exch	Diversified Financial Services	1.6%
Mercadolibre Inc	Internet	1.6%
Tyler Technologies Inc	Software	1.6%

## Fiducian Investment Management Services Limited

Issued by Fiducian Investment Management Services Limited ABN 28 602 441 814 AFS Licence number 468211. This document provides general information only. It does not have regard to your objectives, financial situation or needs. We recommend that you seek financial planning advice, and consider whether this investment is appropriate to your objectives, financial situation and needs before making any investment decision.

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](http://fiducian.com.au)) before making a decision about whether to acquire or continue to hold any financial product. Unless indicated otherwise, all data is at 31 January 2024

Ranking data © FE fundinfo (Australia) Pty Limited ABN 18 601 868 311 (FE fundinfo), Authorised Representative of Zenith Investment Partners Pty Ltd ABN 27 103 132 672, AFSL 226872 under AFS Representative Number 1297668. Data provided by FE fundinfo does not constitute financial product advice. However, to the extent that any information in this document constitutes advice, it is General Advice (s766B Corporations Act) for Wholesale clients only and FE fundinfo has not taken into account the objectives, financial situation or needs of any specific person who may read it, including target markets of financial products, where applicable. It is not a specific recommendation to purchase, sell or hold any product(s) and is subject to change at any time without prior notice. Individuals should seek their own independent financial advice before making any investment decision and should consider the appropriateness of any advice in light of their own objectives, financial situations or needs. Investors should obtain a copy of and consider any relevant PDS or offer document before making any decision. Data is provided in good faith and is believed to be accurate, however, no representation, warranty or undertaking in relation to the accuracy or completeness of the data is provided. Data provided is subject to copyright and may not be reproduced, modified or distributed without the consent of the copyright owner. Except for any liability which cannot be excluded, FE fundinfo does not accept any liability for any errors or omissions, whether direct or indirect, arising from use of data or information contained in this document. Past performance is not an indication of future performance. Full details regarding FE fundinfo's contact details are available at <https://www.fefundinfo.com/en-au/contact-us/>