

Fiducian Balanced Fund

Monthly Report - July 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 Growth Index

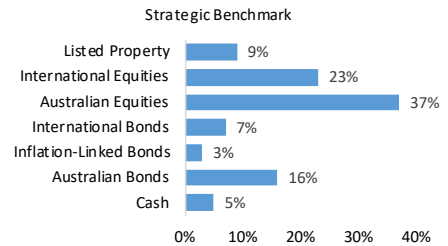
Current fund size: \$832 million (July 2024)

Management cost: 0.93%

Total management costs: 0.98%

Application/Exit fee: Nil

Inception Date: March 1997



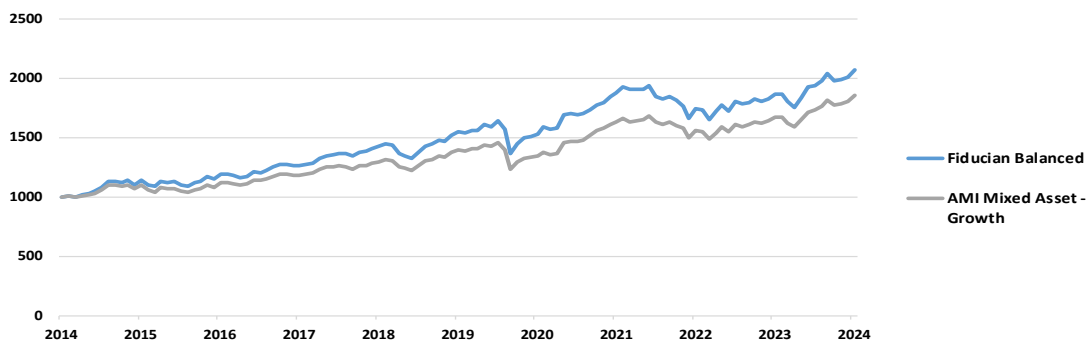
Performance and Risk

After fee returns as at 31 July 2024

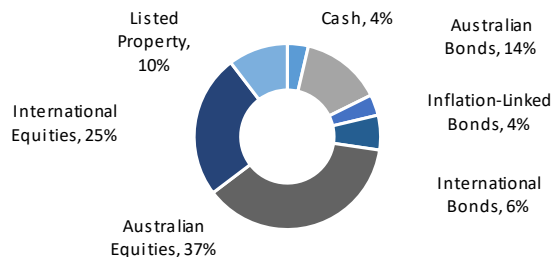
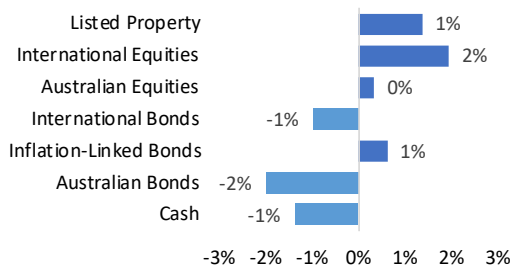
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	3.4%	4.6%	6.8%	11.3%	3.4%	6.0%	7.3%	7.6%
Index	2.6%	4.6%	6.8%	10.9%	4.3%	5.9%	6.6%	6.4%
Excess	0.7%	0.1%	0.0%	0.5%	-0.9%	0.1%	0.7%	1.2%
Ranking				86/166	127/159	48/147	25/143	10/134

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	9.4%	9.9%	11.4%	9.5%
Benchmark (Std Dev %)	7.6%	8.3%	9.6%	8.1%
Beta	1.12	1.15	1.15	1.15
Tracking Error (% pa)	2.0%	2.3%	2.6%	2.1%



Tactical tilts and current asset weights



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Market Commentary and Outlook

Measures taken by central banks over the last two years to reduce rates of inflation by implementing restrictive monetary policies have continued to take effect. Globally, unemployment rates remain low, but have risen from the historically low levels observed during 2023. Consumer spending growth has also moderated, but still remains positive. Inflation rates are now gradually moving back towards the target ranges of most central banks, and some (including Europe and Canada) have recently cut interest rates.

Over the month, the Australian market (ASX 200 index) gained 4.2% and the broad US stock market (S&P 500 index) increased by 1.1%. European markets also had a positive month as the European Central Bank recently moved to a less restrictive monetary policy setting. Australian and international bonds recorded positive returns during the month, and the Australian dollar fell by 2% against the US dollar.

Looking ahead, monetary policy could continue to become less restrictive over coming months if inflation rates continue to decline. While this could help to sustain markets, ongoing wars and other geopolitical issues could continue to act as potential headwinds. With the IMF forecasting global growth to be positive (3.2% in 2024 and 3.3% in 2025) and a likely 'soft landing' for the global economy, share markets continue to appear more attractive than most other investment opportunities.

Fund Commentary

The Fund outperformed the benchmark in July, with a return of 3.4%, compared to the benchmark return of 2.6%. Over the 12 months to the end of July, the Fund returned 11.3% compared to the 10.9% benchmark return for the same period.

All asset classes had positive returns for the month. Property Securities increased by 6.0%, Australian Shares rose 4.0% and International Shares gained 3.4%.

The Fund currently has small overweight positions in International Equities, Listed Property and Inflation-Linked Bonds. The exposures to International and Australian Bonds, and cash are relatively underweight compared to the benchmark. Australian Equities is relatively neutral to benchmark.

In the Zenith AMI Mixed Asset-Growth Category, the Fiducian Balanced Fund returns were ranked 86 out of 166 funds over one year, 48 out of 147 funds over five years, and 10 out of 134 funds over the ten year period to 31 July 2024.

Managers and weights

Asset Class	Fund Manager	Weight
Australian Equities 37.2%	Solaris	6.7%
	Fidelity	5.0%
	Bennelong	6.9%
	L1 Capital	4.8%
	Ausbil Dexia	7.1%
	Pendal	6.7%
International Equities 24.8%	Franklin Templeton	5.5%
	Challenger	7.8%
	Wellington GRE	4.3%
	Wellington Value	3.5%
	State Bank of India	0.3%
	Sundaram	0.4%
	Tata	0.3%
	EquiPoise	0.3%
	Vanguard	0.7%
	Wellington Technology	0.9%
	Wellington Biotechnology	0.2%
	Loftus Peak Technology	0.4%
Listed Property 10.3%	Nordic Technology	0.2%
	BlackRock	0.9%
	Phoenix	4.7%
Australian Bonds 14.0%	Principal	4.7%
	Perpetual Fixed Interest	5.2%
	BlackRock	0.1%
Inflation Linked Bonds 3.6%	Challenger	8.7%
	Challenger	3.6%
International Bonds 6.0%	BlackRock	6.0%
	Cash	3.0%
Cash 4.0%	BlackRock	3.0%
	Cash	1.0%

Top stock holdings

Top Australian Stocks	Industry	Weight
BHP Group Ltd	Mining	7.6%
CSL Ltd	Biotechnology	7.5%
Commonwealth Bank	Banks	6.0%
Goodman Group	REITS	4.3%
Santos Ltd	Oil & Gas	3.7%
National Australia Bank Ltd	Banks	3.6%
Macquarie Group Ltd	Banks	3.2%
Qantas Airways Limited	Airlines	2.8%
Aristocrat Leisure Ltd	Entertainment	2.4%
James Hardie Industries	Building Materials	2.2%

Top International Stocks	Industry	Weight
Microsoft Corp	Software	3.1%
Nvidia Corp	Semiconductors	2.8%
Amazon.Com Inc	Internet	2.4%
Apple Inc	Computers	1.5%
Daiichi Sankyo	Pharmaceuticals	1.4%
Tyler Technologies	Software	1.4%
Manhattan Associates	Software	1.4%
Broadridge Financial	Software	1.3%
Zebra Technologies	Office/Business Equipment	1.3%
DSV Group	Transportation	1.3%

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