

Fiducian Balanced Fund

Monthly Report - May 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

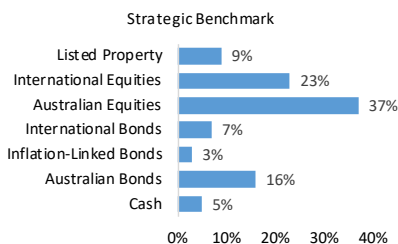
Current fund size: \$794 million (May 2024)

Management cost: 0.93%

Total management costs: 1.01%

Application/Exit fee: Nil

Inception Date: March 1997



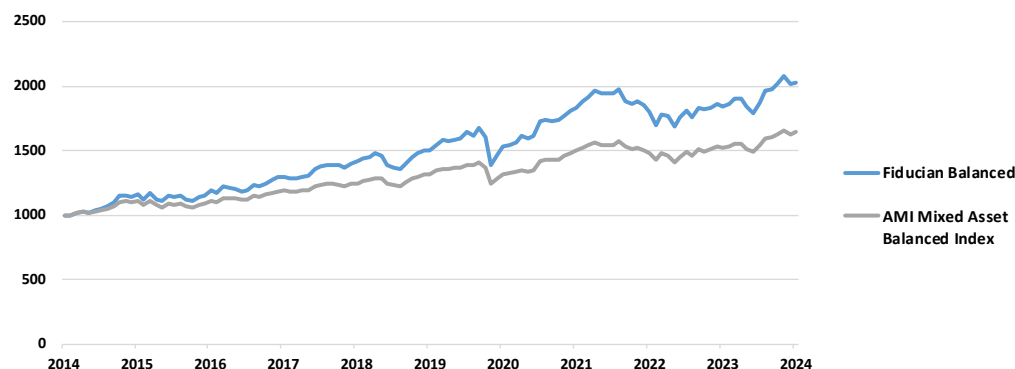
Performance and Risk

After fee returns as at 31 May 2024

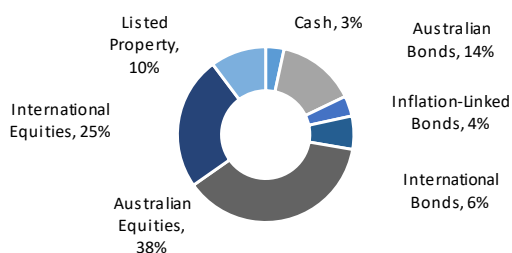
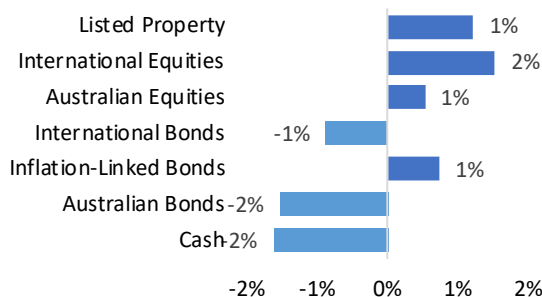
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	0.7%	0.6%	8.8%	10.3%	3.5%	6.3%	6.6%	7.3%
Index	0.8%	0.7%	6.5%	8.0%	3.0%	4.6%	4.7%	5.1%
Excess	-0.2%	-0.2%	2.3%	2.3%	0.5%	1.7%	1.9%	2.3%
Ranking				21/121	35/113	5/103	6/98	2/85

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	9.2%	9.9%	11.5%	9.5%
Benchmark (Std Dev %)	6.2%	6.7%	7.7%	6.4%
Beta	1.34	1.41	1.44	1.46
Tracking Error (% pa)	3.1%	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 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.

Fund Commentary

The Fund performed in line with the benchmark in May, with a return of 0.7%, compared to the benchmark return of 0.8%. Over the 12 months to the end of May, the Fund returned 10.3%.

Most asset classes had positive returns for the month. Property Securities gained 1.7%, International Shares rose by 1.6% and Australian shares were flat.

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

In the Zenith AMI Mixed Asset-Balanced Category, the Fiducian Balanced Fund returns were ranked 21 out of 121 funds over one year, 5 out of 103 funds over five years, and 2 out of 85 funds over the ten year period to 31 May 2024.

Managers and weights

Asset Class	Fund Manager	Weight
Australian Equities 37.3%	Solaris	6.7%
	Fidelity	5.0%
	Bennelong	6.9%
	L1 Capital	5.1%
	Ausbil Dexia	7.0%
	Pendal	6.5%
International Equities 24.1%	Franklin Templeton	5.4%
	Challenger	7.8%
	Wellington	4.3%
	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 14.5%	Perpetual Fixed Interest	5.4%
	BlackRock	0.1%
	Challenger	9.0%
Inflation Linked Bonds 3.7%	Challenger	3.7%
International Bonds 6.1%	BlackRock	6.1%
	BlackRock	3.1%
Cash 4.1%	Cash	1.0%

Top stock holdings

Top Australian Stocks	Industry	Weight
Bhp Group	Mining	8.4%
CSL	Biotechnology	7.3%
Commonwealth Bank	Banks	5.3%
Goodman Group	REITS	4.4%
Santos	Oil & Gas	3.8%
National Australia Bank	Banks	3.6%
Macquarie Group	Banks	3.1%
Qantas Airways	Airlines	2.8%
Mineral Resources	Iron/Steel	2.6%
Rio Tinto	Mining	2.5%

Top International Stocks	Industry	Weight
Microsoft Corp	Software	3.2%
Nvidia Corp	Semiconductors	2.8%
Amazon.Com	Internet	2.6%
Daiichi Sankyo	Pharmaceuticals	1.5%
Mercadolibre	Internet	1.4%
Sika Ag	Building Materials	1.3%
Tyler Technologies	Software	1.3%
Broadridge Financial	Software	1.3%
Synopsys	Software	1.3%
Amadeus IT Group	Commercial Services	1.3%

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