

# Fiducian Balanced Fund

Monthly Report - September 2024



## Fund description

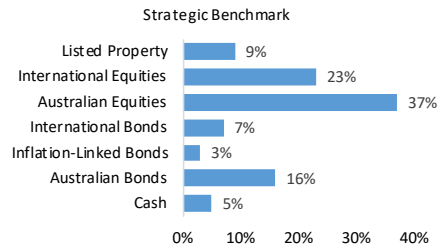
The Fiducian Balanced Fund includes holdings in shares, property, bonds and liquid assets diversified between managers and countries, utilising the Fiducian “Manage the Manager” system that aims to achieve superior returns with reduced risk.

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:** \$852 million (September 2024)  
**Management cost:** 0.93%  
**Total management costs:** 0.98%  
**Application/Exit fee:** Nil  
**Inception Date:** March 1997



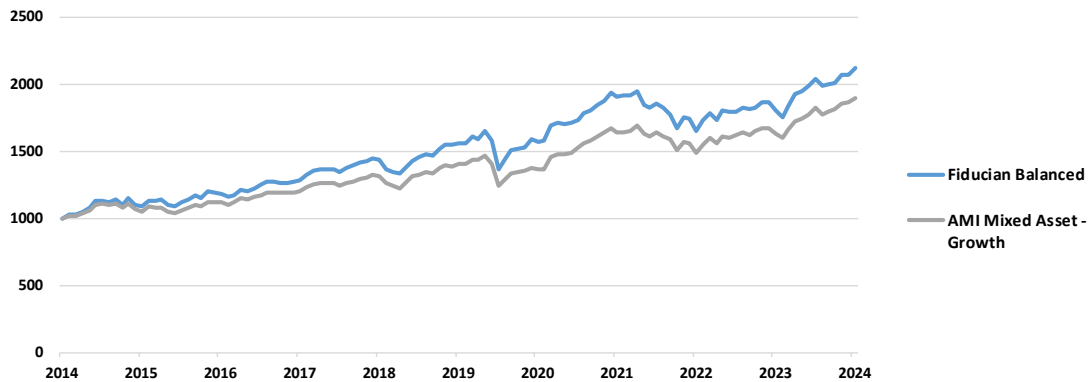
## Performance and Risk

After fee returns as at 30 September 2024

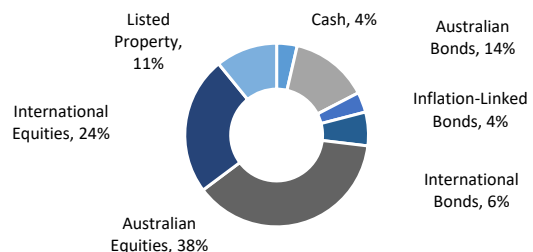
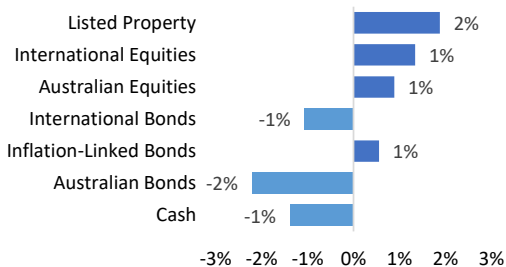
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	2.3%	5.6%	3.9%	17.5%	3.6%	6.4%	7.4%	7.8%
Index	1.6%	4.6%	3.9%	16.1%	4.9%	6.1%	6.7%	6.6%
Excess	0.7%	1.0%	-0.1%	1.4%	-1.3%	0.2%	0.7%	1.2%
Ranking				67/168	133/163	46/152	25/145	9/135

### Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	8.3%	9.8%	11.5%	9.5%
Benchmark (Std Dev %)	6.6%	8.2%	9.6%	8.1%
Beta	1.14	1.15	1.16	1.15
Tracking Error (% pa)	1.9%	2.2%	2.6%	2.1%



## Tactical tilts and current asset weights



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## Market Commentary and Outlook

In the year to date, the global economy has continued to expand despite monetary policy conditions remaining restrictive as central banks seek to lower inflation to target. However, as inflation has moved closer to target, several central banks, including in Europe and then the US, have begun rate cutting cycles. In China, the central bank has cut interest rates and policy makers have announced stimulus measures to revive the country's ailing economy.

The broad US stock market (S&P 500 Index) gained 2.1% in September. The Australian market (ASX 200 Accumulation index) increased by 3.0%. Chinese stock market also experienced strong growth in September, gaining 17.4%. The Australian and global bonds recorded positive returns during the month. The Australian dollar rose by 1.5% relative to the US dollar.

For some time now, key global share markets have been 'pricing-in' a shift in monetary policy from tightening to loosening and have been trading upwards. However, geopolitical risks remain heightened and continue to represent potential headwinds. Despite this, the IMF is forecasting global growth to be 3.2% in 2024 and 3.3% in 2025, 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 outperformed the benchmark in September, with a return of 2.3%, compared to the benchmark return of 1.6%. Over the 12 months to the end of September, the Fund returned 17.5% compared to the 16.1% benchmark return for the same period.

All asset classes gained during the month, with Listed Property (+6.6%) and Australian Equities (+3.8%) being the best performing sectors.

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

In the Zenith AMI Mixed Asset - Growth Category, the Fiducian Balanced Fund returns were ranked 67 out of 168 funds over one year, 46 out of 152 funds over five years, and 9 out of 135 funds over the ten year period to 30 September 2024.

## Managers and weights

Asset Class	Fund Manager	Weight
Australian Equities 37.7%	Solaris	7.0%
	Fidelity	5.1%
	Bennelong	6.9%
	L1 Capital	4.7%
	Ausbil Dexia	7.1%
International Equities 24.0%	Pendal	6.9%
	Franklin Templeton	5.4%
	Challenger	7.6%
	Wellington GRE	4.1%
	Wellington Value	3.4%
	State Bank of India	0.3%
	Sundaram	0.3%
	Tata	0.3%
	EquiPoise	0.3%
	Vanguard	0.7%
	Wellington Technology	0.9%
Listed Property 10.8%	Wellington Biotechnology	0.2%
	Loftus Peak Technology	0.5%
	Nordic Technology	0.1%
Australian Bonds 13.8%	BlackRock	1.0%
	Phoenix	5.0%
	Principal	4.9%
Inflation Linked Bonds 3.6%	Perpetual Fixed Interest	5.1%
	BlackRock	0.1%
	Challenger	8.5%
International Bonds 5.9%	Challenger	3.6%
	BlackRock	5.9%
Cash 4.2%	BlackRock	2.9%
	Cash	1.3%

## Top stock holdings

Top Australian Stocks	Industry	Weight
BHP Group	Mining	7.2%
CSL Ltd	Biotechnology	6.5%
Commonwealth Bank	Banks	5.8%
Goodman Group	REITS	4.4%
Macquarie Group	Banks	3.4%
National Australia Bank Ltd	Banks	3.4%
Santos Ltd	Oil & Gas	2.8%
Qantas Airways Limited	Airlines	2.7%
James Hardie Industries	Building Materials	2.7%
Aristocrat Leisure Ltd	Entertainment	2.6%

Top International Stocks	Industry	Weight
Microsoft Corp	Software	3.3%
Nvidia Corp	Semiconductors	3.3%
Amazon.Com Inc	Internet	2.2%
Shopify Inc	Internet	1.6%
Synopsys Inc	Software	1.5%
Mercadolibre Inc	Internet	1.5%
Tyler Technologies Inc	Software	1.4%
Sika AG-BR	Building Materials	1.4%
Apple Inc	Computers	1.4%
Adv Micro Devices Inc	Semiconductors	1.4%

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