

# Fiducian Emerging Markets Strategy

Monthly Report - April 2025



## Fund description

The Fund provides investors with the opportunity to invest in companies that are listed on the stock exchanges of the less developed (emerging) markets. The Fund invests in developing countries and offers investors the opportunity to benefit from the significant growth potential inherent in many of these economies as they raise their standard of living.

The Fund utilises the Fiducian “Manage the Manager” process, selecting funds that provide diversification among different management styles, geographies and sectors.

It is recommended that investment in this Fund be undertaken for at least nine years. International share investment can be volatile over the short-term.

## Fund facts

**Portfolio manager:** Conrad Burge

**ARSN:** 093 543 849

**APIR code:** FDN6819AU

**Benchmark:** MSCI Emerging Markets Index (AUD)

**Current fund size:** \$67 million (April 2025)

**Management cost:** 1.14%

**Total management costs:** 1.20%

**Application/Exit fee:** Nil

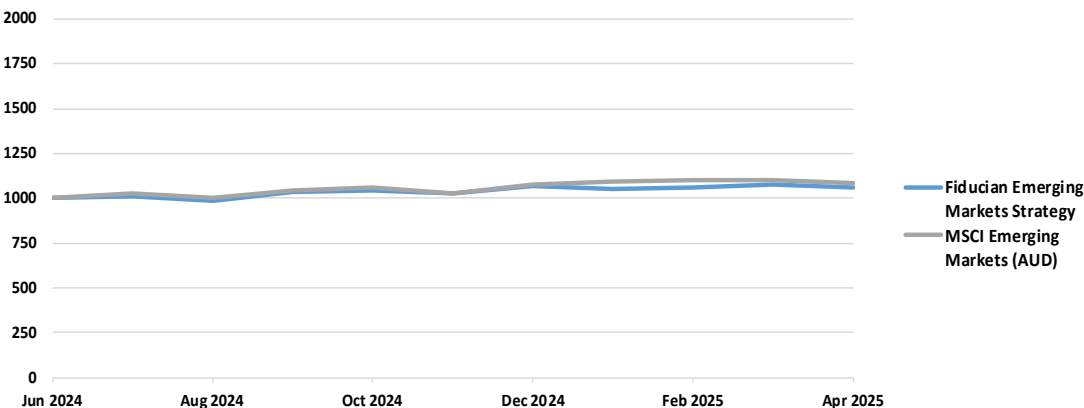
**Inception Date:** June 2024

| Manager           | Style |      |        | Approach |         |
|-------------------|-------|------|--------|----------|---------|
|                   | Value | Core | Growth | Active   | Passive |
| Fidelity          |       | ●    |        | ●        |         |
| Vanguard Emerging |       | ●    |        |          | ●       |
| Fiducian India    |       |      | ●      | ●        |         |

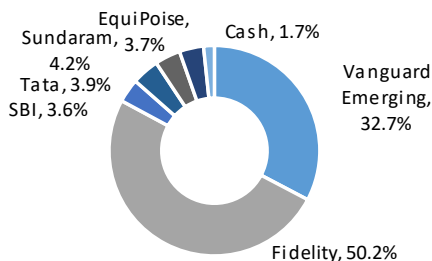
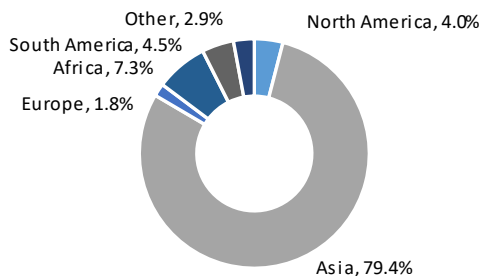
## Performance

After fee returns as at 30 April 2025

|        | 1 Mth | 3 Mth | 6 Mth | 1 Yr | 3 Yrs | 5 Yrs | 7yrs | 10 Yrs |
|--------|-------|-------|-------|------|-------|-------|------|--------|
| Fund   | -0.4% | 0.9%  | 1.7%  | -    | -     | -     | -    | -      |
| Index  | -1.3% | -0.1% | 2.8%  | -    | -     | -     | -    | -      |
| Excess | 0.9%  | 1.0%  | -1.1% | -    | -     | -     | -    | -      |



## Geographic exposures and current manager weights



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## Market Commentary and Outlook

The global economy is expected to slow marginally this year, according to the latest forecast provided by the International Monetary Fund (IMF). Global growth is forecast to be at 2.8% this year and 3.0% in 2026, which is below the IMF's previous forecast of 3.3% each year (around the long-term trend rate). In the IMF's words, this lowering of its growth forecasts is due to 'the swift escalation of trade tensions and extremely high levels of policy uncertainty', after 'a series of new tariff measures by the US and countermeasures by its trading partners'. The IMF adds that 'if countries de-escalate from their current tariff stance, the outlook could immediately brighten'. In other words, if positive trade deals are able to be completed over the near-term, investors could potentially quickly regain confidence and enable an economic rebound, at least for some economies.

Uncertainty surrounding US trade policies and growing fears of a recession have caused volatility across equity markets, with the broad US stock market (S&P 500 Accumulation Index) falling 0.7% over the month. The Australian market (ASX 200 Accumulation Index) rose 3.6% over the same period, leading up to the federal election. The Australian dollar gained relative to the US dollar. Most commodity prices declined, except for gold.

Until recently, key global share markets had been 'pricing-in' a shift by central banks towards less restrictive monetary policy, which led to strong returns for equity investors. However, equity markets experienced extreme volatility in April, falling heavily after the announcement early in the month that the US would be implementing hefty tariffs on most imports and then rebounding after the announcement of a 90-day pause.

## Fund Commentary

The Fund returned -0.4% in April, which was above the index return of -1.3%.

The MSCI Emerging Markets index declined by 1.3% in April, outperforming the developed markets index, which fell by 1.8% (both in Australian dollars, unhedged).

Brazil (+3.7%) and India (+3.5%) were the best performing emerging markets during the month. China (-3.3%) was the worst performing major emerging market in local currency terms.

Emerging markets have lagged developed markets for some time, partly due to the strong performance of the 'Magnificent Seven' US mega-cap technology stocks that comprise a significant part of the developed world index. Recent share market volatility has seen larger swings in the technology sector than in the broader market.

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