

Fiducian Geared Australian Shares Fund



Monthly Report - February 2024

Fund description

The Fund invests in a diversified group of specialist Australian Share managers. The Fund utilises the Fiducian “Manage the Manager” process, carefully selecting best of breed managers with different styles with the aim of achieving superior returns with reduced risk.

In this Fund, the underlying managers can borrow against the investor’s assets in the fund to purchase additional shares and provide a leveraged exposure. This can amplify returns in rising markets, and magnify losses when markets decline.

Share investment can be volatile over the short term, especially when geared, and the recommended holding period is at least 9 years.

Fund facts

Portfolio manager: Conrad Burge

ARSN: 105 996 192

APIR code: FPS0011AU

Benchmark: ASX 200 Accumulation Index

Current fund size: \$16 million (February 2024)

Management cost: 1.12%

Total management costs: 1.45%

Application/Exit fee: Nil

Inception Date: September 2003

Manager	Style			Size		
	Value	Core	Growth	Large	Broad	Small
First Sentier			●	●		
Ausbil	●			●		
Fiducian	●			●		

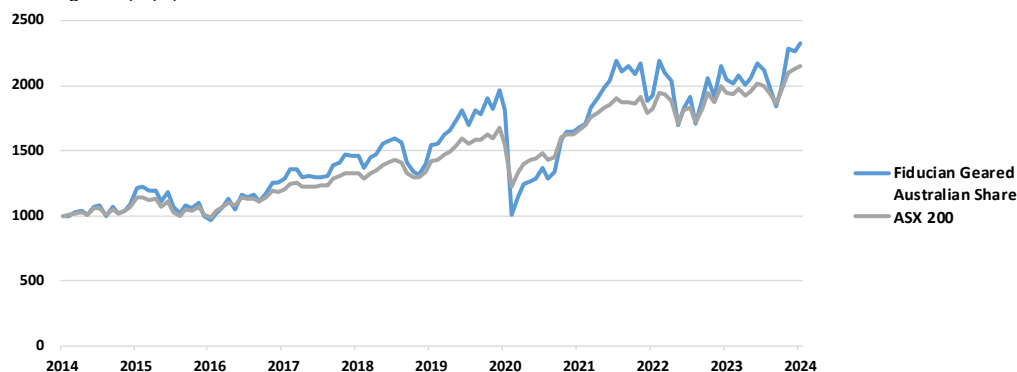
Performance and Risk

After fee returns as at 29 February 2024

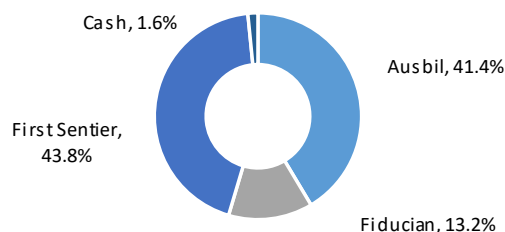
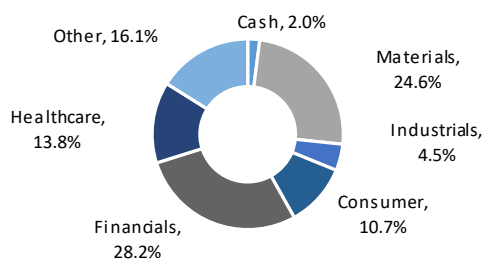
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	2.1%	16.8%	10.2%	14.2%	11.9%	8.7%	9.1%	8.9%
Index	0.8%	9.4%	7.4%	10.6%	9.3%	8.6%	8.6%	8.0%
Excess	1.3%	7.4%	2.8%	3.6%	2.5%	0.1%	0.5%	0.9%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	20.7%	25.1%	31.2%	25.4%
Benchmark (Std Dev %)	10.7%	13.5%	16.4%	14.0%
Beta	1.73	1.77	1.84	1.76
Tracking Error (% pa)	10.4%	12.3%	15.5%	12.1%



Sector exposures and current manager weights



Fiducian Geared Australian Shares Fund

Monthly Report - February 2024



Market Commentary and Outlook

Measures of global economic growth have generally been better than expected in recent months. There have been some signs of improvement in manufacturing activity, and consumer spending has remained robust. The downside to this is that inflation has also been slightly higher than anticipated, and interest rates are likely to stay 'higher for longer' than previously anticipated.

Global equity market performance was strong in February. In the US, the broad market (S&P 500 index) gained 5.2%, bolstered by a number of positive earnings announcements, and the Australian stock market (ASX 200 index) gained 0.8%. Emerging markets rebounded, led by gains in China (+8.1%) following the announcement of government measures to support the stock market. Fixed income returns were negative as longer term bond yields increased.

Looking ahead, monetary policy could become less restrictive this year, which may 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 Fiducian Geared Australian Shares Fund rose by 2.1% in February, which was above the index return of 0.8%. Over the last 12 months, the fund has returned 14.2% compared to the index return of 10.6%.

Most companies on the ASX reported financial results for the half year ended 31 December 2023. For many companies, expenses have been growing faster than revenue. Over calendar 2023, average expenses increased by 6%, compared with average revenue growth of only 3%. These challenging conditions had generally been anticipated, with approximately two-thirds of companies reporting results that were either in-line with, or above, market expectations.

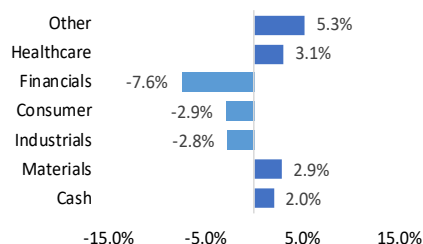
The best performing sectors for the month were Information Technology (+19.5%) and Consumer Discretionary (+4.3%). Energy (-5.9%) and Materials (-5.0%) were the worst performing sectors.

At an aggregate level, the largest sectoral tilts in the Fund are an underweight to financials, primarily property trusts, with this funding overweight positions in the materials and healthcare sectors. As at the end of February, the average gearing level in the Fund was 44.3%.

Top stock holdings and sector tilts

First Sentier Top Holdings	Weight
BHP Group	13.5%
Commonwealth Bank	9.2%
CSL	8.1%
National Australia Bank	5.9%
QBE Insurance	4.1%
Woolworths	4.0%
Santos	3.9%
Aristocrat Leisure	3.7%
Goodman Group	3.6%
Westpac Bank	3.2%

Ausbill Top Holdings	Weight
BHP	12.0%
CSL	8.0%
Commonwealth Bank	7.7%
National Australia Bank	5.6%
Goodman Group	4.2%
Macquarie Group	4.0%
ANZ Bank	3.3%
Rio Tinto	2.9%
Santos	2.9%
Telstra	2.9%



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) before making a decision about whether to acquire or continue to hold any financial product.