

Fiducian Geared Australian Shares Fund



Monthly Report - January 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 (January 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	●			●		

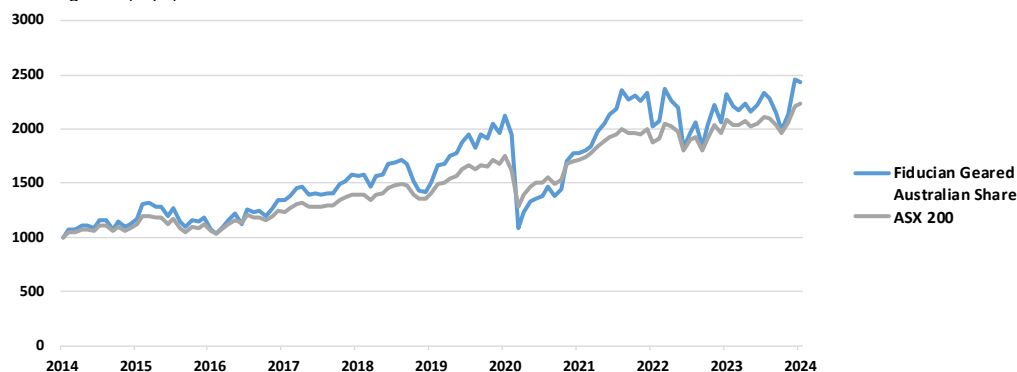
Performance and Risk

After fee returns as at 31 January 2024

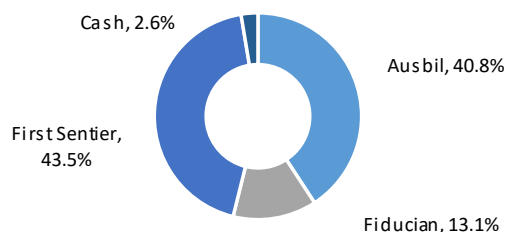
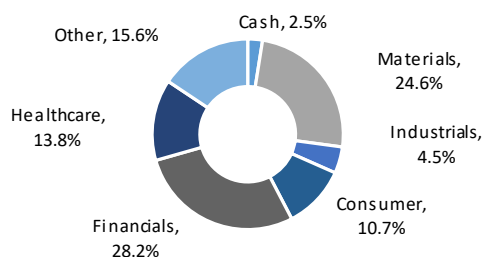
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	1.1%	25.3%	6.1%	6.7%	12.2%	10.5%	9.2%	9.5%
Index	1.2%	14.0%	5.8%	7.1%	9.6%	9.7%	8.8%	8.4%
Excess	-0.1%	11.3%	0.3%	-0.3%	2.6%	0.8%	0.4%	1.1%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	21.4%	25.1%	31.5%	25.5%
Benchmark (Std Dev %)	11.2%	13.5%	16.6%	14.0%
Beta	1.72	1.77	1.83	1.76
Tracking Error (% pa)	10.6%	12.3%	15.6%	12.1%



Sector exposures and current manager weights



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Market Commentary and Outlook

The elevated rates of inflation observed across most of the world in the past two years have shown continued signs of moderating, as restrictive monetary policy has been proving effective in returning inflation rates back towards the target levels of most central banks. However, better than expected economic growth data in many parts of the world has made the timing of potential interest rate cuts less certain.

Global equity market performance was mixed in January. In the US, the broad market (S&P 500 index) gained 1.6%, and the Australian stock market (ASX 200 index) gained 1.2%. Emerging markets were broadly lower, led by declines in China (-6.3%). Fixed income returns were flat, and the Australian dollar declined by 3.3% against the US dollar.

Looking ahead, monetary policy could become less restrictive this year, which could 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 1.1% in January, which was broadly in line with the index return of 1.2%. Over the last 12 months, the fund has returned 6.7% compared to the index return of 7.1%.

The broad Australian share market (ASX200 index) gained 1.2% in January. Improving inflation data, combined with positive economic data, has raised expectations that the Australian economy may experience a 'soft landing' and avoid a severe recession.

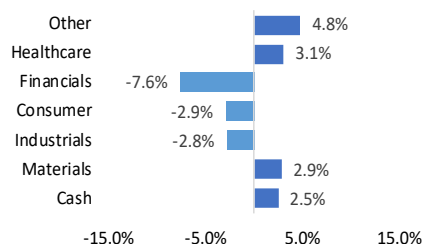
The best performing sectors for the month were Energy (+5.2%), Financials (+5.0%) and Healthcare (+4.3%). Materials (-4.8%) was the worst performing sector for the month, due to declines in some commodity prices.

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 January, the average gearing level in the Fund was 44.1%.

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%

Ausbil 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%



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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.