Fiducian Global Smaller Companies Strategy

Monthly Report - September 2025

Fund description

The Fund provides investors with the opportunity to invest in companies that are of smaller market capitalisation in more developed markets. Smaller companies in developed markets have shown superior long-term growth when compared with their larger peers.

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: FDN0487AU
Benchmark: MSCI World ex-Aus Small Cap (AUD)
Current fund size: $94 million (September 2025)
Management cost: 1.14%
Total management costs: 1.24%
Application/Exit fee: Nil
Inception Date: June 2024

	Style			Approach	
Manager	Value	Core	Growth	Active	Passive
Royce Global Small Cap			●	●	
Vanguard Global Small Cap		●			●
Phoenix	●			●	

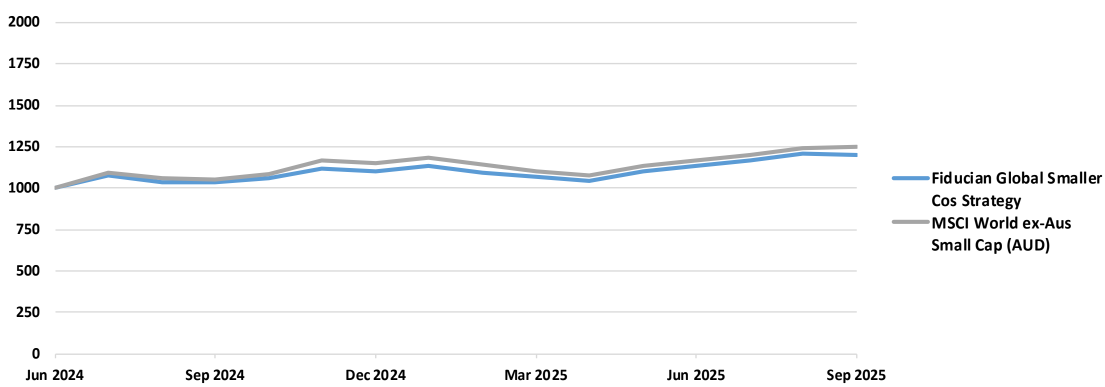
Performance

After fee returns as at 30 September 2025

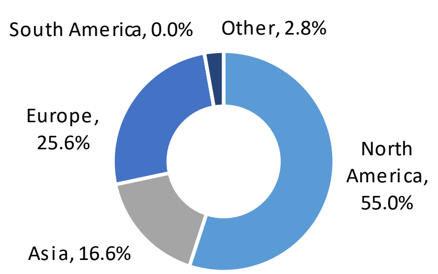
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	**-0.6%**	**5.8%**	**12.4%**	**15.6%**	**-**	**-**	**-**	**-**
Index	0.7%	7.1%	13.5%	18.8%	-	-	-	-
Excess	-1.3%	-1.2%	-1.0%	-3.2%	-	-	-	-

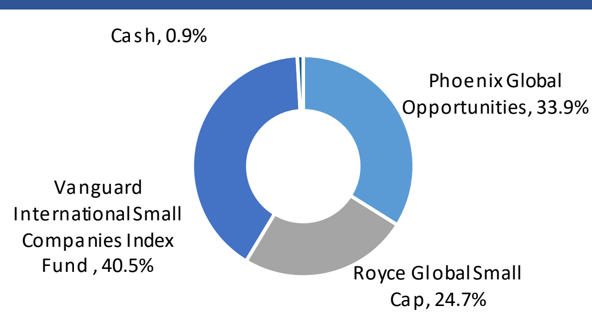
Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	10.7%	-	-	-
Benchmark (Std Dev %)	11.3%	-	-	-
Beta	0.84	-	-	-
Tracking Error (% pa)	2.9%	-	-	-



Geographic exposures and current manager weights





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Market Commentary and Outlook

The global economy is forecast to slow marginally this year, according to the latest estimates provided by the International Monetary Fund (IMF). Global growth is forecast to be 3.0% this year and 3.1% in 2026 (both marginally below the long-term trend rate, but slightly above the IMF's previous forecast). In the IMF's words, 'the global economy has continued to hold steady', with recent 'macroeconomic data turning out better than expected'. While this year's lower growth has been due to what the IMF has termed 'the swift escalation of trade tensions and extremely high levels of policy uncertainty', it now notes that 'a new wave of credible trade agreements could usher in a broader reform momentum to lift medium-term growth'. Growth in developed economies is forecast to be 1.5% this year, with 'risks to the outlook remaining tilted to the downside'.

The broad US stock market (S&P 500 Accumulation Index) has been on an uptrend since early April, gaining 3.7% in September alone. The Australian market (ASX 200 Accumulation Index) fell 0.8% over the month, with the Reserve Bank of Australia (RBA) reporting that 'inflation in the September quarter may be higher than expected', prompting the RBA to hold its 'cash rate' at 3.60% at its September meeting. The Australian dollar gained 1.2% relative to the US dollar. Commodity prices were mixed, with gold and iron ore posting gains, while lithium, coal, and oil declined over the month.

Key global share markets have been 'pricing-in' a shift by central banks towards less restrictive monetary policy, despite some signs of inflation rising again in some economies. However, share markets are likely to remain volatile until a resolution of trade tensions is achieved.

Fund Commentary

The Fund declined by 0.6% in September, which underperformed the index return of 0.7%. For the 12 months to the end of September, the Fund has returned 15.6%.

The MSCI World ex-Australia Small Cap index gained 0.7% in September, underperforming the global large cap index, which gained 2.0% (both in Australian dollars, unhedged).

Smaller companies have lagged larger companies 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 large cap index.

Despite a rebound in recent months, global small cap indices have seen broad market valuations remain at levels that are below historical averages and appear attractive relative to other investment opportunities.