

Fund description

The Fund invests in a diversified group of international equity managers. The Fund utilises the Fiducian “Manage the Manager” process, carefully selecting best of breed managers with different styles, sector and geographical exposures with the aim of achieving superior returns with reduced risk.

This Fund gives investors exposure to the growth of major global economies through investment in international companies. A currency overlay manages the exposure to international currencies.

International share investment can be volatile over the short term, and the recommended holding period is at least 8 years.

Fund facts

Portfolio manager: Conrad Burge

ARSN: 093 543 456

APIR code: FPS0005AU

Benchmark: MSCI World Ex-Aus Index (AUD)

Current fund size: \$652 million (October 2024)

Management cost: 1.24%

Total management costs: 1.28%

Application/Exit fee: Nil

Inception Date: February 1997

Manager	Style		Sector	
	Value	Growth	EM	DM
Franklin Templeton		●		●
Challenger		●		●
Wellington GRE		●		●
Wellington Value	●			●
Fiducian India		●	●	
Fiducian Technology		●		●
Vanguard Emerging Markets		●	●	

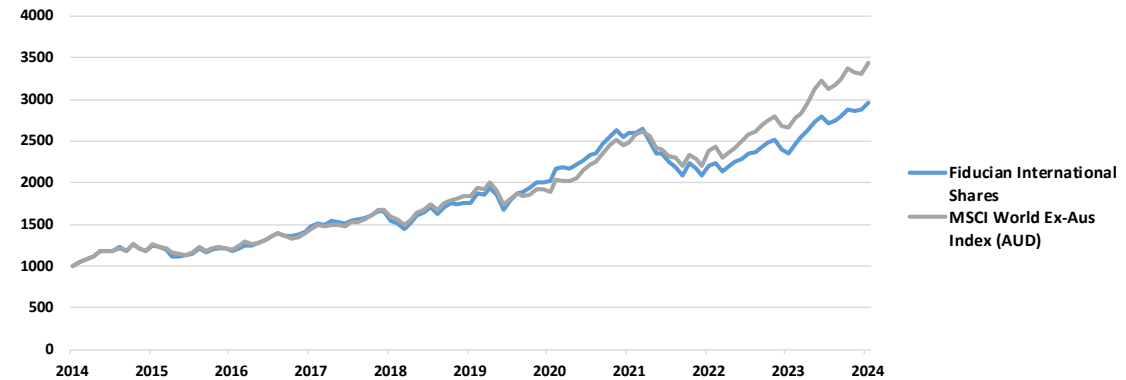
Performance and Risk

After fee returns as at 31 October 2024

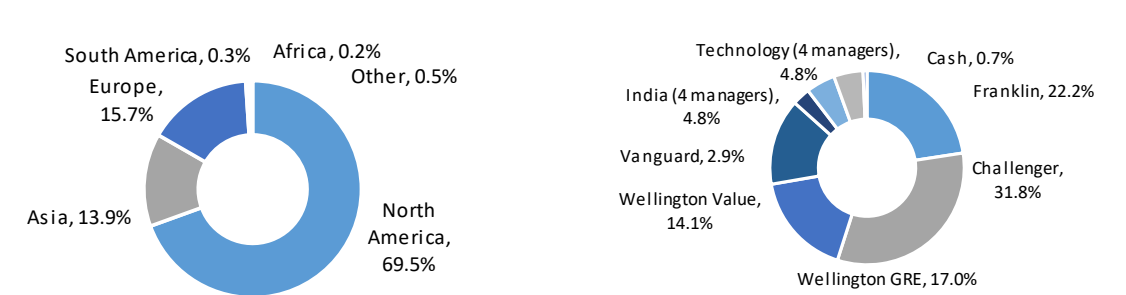
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	2.4%	1.8%	8.7%	24.7%	4.1%	10.7%	10.4%	11.3%
Index	3.9%	2.1%	10.2%	29.3%	11.4%	13.3%	13.1%	13.1%
Excess	-1.5%	-0.3%	-1.5%	-4.6%	-7.3%	-2.6%	-2.7%	-1.8%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	7.4%	11.6%	12.2%	11.5%
Benchmark (Std Dev %)	9.0%	11.8%	11.9%	11.3%
Beta	0.70	0.90	0.94	0.95
Tracking Error (% pa)	3.4%	4.1%	4.4%	3.9%



Geographic exposures and current manager weights



Market Commentary and Outlook

The global economy has continued to sustain solid growth despite the persistence of tight monetary policy being implemented by most of the world's major central banks in an effort to push inflation lower and back into target ranges. Tight monetary policy has largely been successful in reducing inflation, with the International Monetary Fund (IMF) indicating in its latest report that 'the global battle against inflation has largely been won'. As a result, central banks across the globe are in the process of loosening monetary policy with the European Central Bank beginning to cut rates in June and the US central bank starting on its own rate cut cycle in September.

The broad US stock market (S&P 500 Index) declined by 0.9% in October. The Australian market (ASX 200 Accumulation index) fell by 1.3%. The Chinese stock market also recorded a negative month in October, decreasing by 1.7%. Australian and global bonds recorded negative returns during the month as rates rose across yield curves. The Australian dollar decreased by 4.9% relative to the US dollar, which bolstered international equity returns for unhedged Australian investors.

For some time now, key global share markets have been 'pricing-in' a shift in monetary policy from tightening to loosening and have been grinding upwards. However, geopolitical risks remain heightened and continue to represent potential headwinds. Despite this, the IMF is forecasting global growth to be 3.3% in 2024 and 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

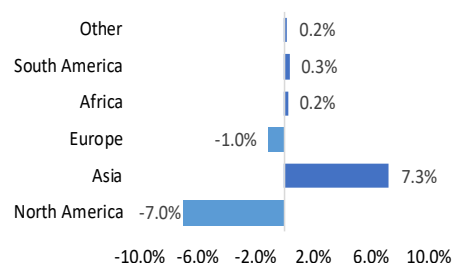
The Fund gained by 2.4% in October, which was below the index return of 3.9% for the MSCI World ex-Australia Index (in AUD). Over the month, the Fiducian Technology Fund (+5.0%) was the top performer, followed by Challenger (+3.9%) and Wellington Growth (+3.9%).

For the 12 months to the end of October, the Fund rose by 24.7%. The Fiducian Technology Fund (+42.5%) has been the best performer over the period followed by Challenger (+29.9%).

The Fund remains strongly diversified, with 14 underlying managers and exposure to over 50 different countries and a broad range of industries. The United States and Europe remain the largest regional exposures by virtue of their size in global markets. The largest regional tilt is towards Asian equities (predominantly India), which offer relatively high earnings growth rates, and overall the Fund has a marginal overweight exposure to emerging markets relative to developed markets.

Top stock holdings and geographic tilts

Stock	Industry	Weight
Nvidia Corp	Semiconductors	3.8%
Microsoft Corp	Software	3.1%
Amazon.Com Inc	Internet	2.1%
Synopsys Inc	Software	1.6%
Shopify Inc	Internet	1.6%
Mercadolibre Inc	Internet	1.5%
Tyler Technologies Inc	Software	1.5%
Zebra Technologies Corp	Office/Business Equipment	1.4%
Mastercard Inc	Diversified Financial Services	1.4%
Hdfc Bank Ltd	Banks	1.3%



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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.