

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

Current fund size: \$639 million (July 2024)

Management cost: 1.24%

Total management costs: 1.28%

Application/Exit fee: Nil

Inception Date: February 1997

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

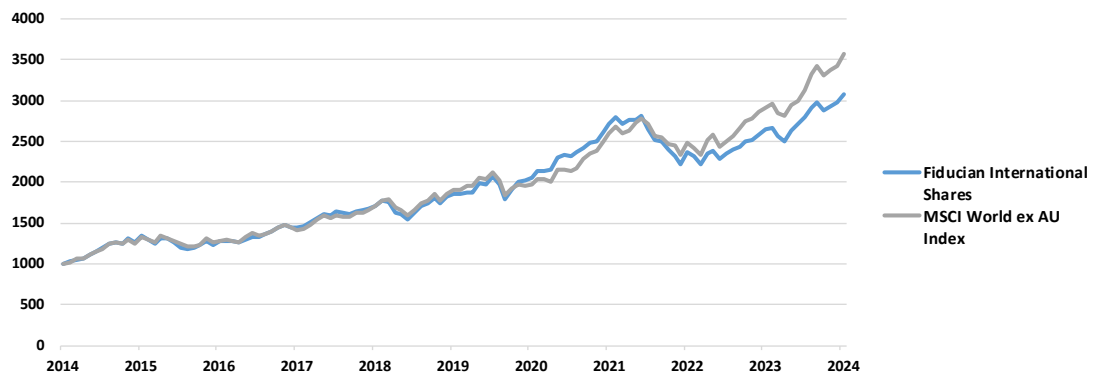
Performance and Risk

After fee returns as at 31 July 2024

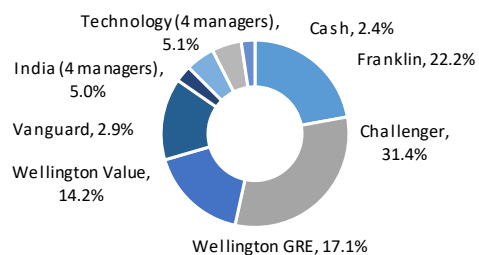
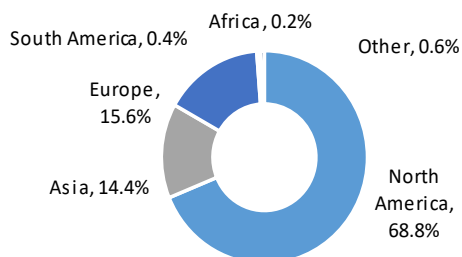
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	3.4%	6.7%	10.7%	16.2%	4.3%	10.5%	11.3%	11.8%
Index	4.1%	7.9%	13.9%	22.2%	11.2%	13.4%	14.1%	13.6%
Excess	-0.7%	-1.2%	-3.2%	-6.0%	-6.9%	-2.9%	-2.8%	-1.7%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	9.9%	11.8%	12.2%	11.5%
Benchmark (Std Dev %)	10.3%	11.9%	11.8%	11.2%
Beta	0.84	0.91	0.95	0.95
Tracking Error (% pa)	3.3%	4.1%	4.4%	4.0%



Geographic exposures and current manager weights



Market Commentary and Outlook

Measures taken by central banks over the last two years to reduce rates of inflation by implementing restrictive monetary policies have continued to take effect. Globally, unemployment rates remain low, but have risen from the historically low levels observed during 2023. Consumer spending growth has also moderated, but still remains positive. Inflation rates are now gradually moving back towards the target ranges of most central banks, and some (including Europe and Canada) have recently cut interest rates.

Over the month, the Australian market (ASX 200 index) gained 4.2% and the broad US stock market (S&P 500 index) increased by 1.1%. European markets also had a positive month as the European Central Bank recently moved to a less restrictive monetary policy setting. Australian and international bonds recorded positive returns during the month, and the Australian dollar fell by 2% against the US dollar.

Looking ahead, monetary policy could continue to become less restrictive over coming months if inflation rates continue to decline. While this could help to sustain markets, ongoing wars and other geopolitical issues could continue to act as potential headwinds. With the IMF forecasting global growth to be positive (3.2% in 2024 and 3.3% in 2025) and a likely ‘soft landing’ for the global economy, share markets continue to appear more attractive than most other investment opportunities.

Fund Commentary

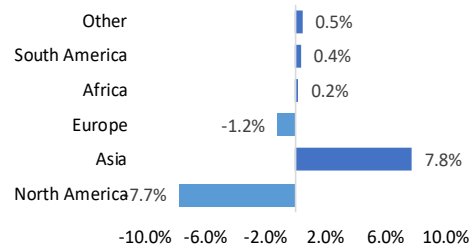
The Fund gained by 3.4% in July, which was below the index return of 4.1% for the MSCI World ex-Australia index (in AUD). Over the month, Wellington Value (+6.3%) was the top performer followed by Franklin Growth (+4.8%).

For the 12 months to the end of July, the Fund rose by 16.2%, which was below the index return. The Fiducian India Fund (+30.9%) has been the best performer over the period followed by the Fiducian Technology Fund (+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
Microsoft Corp	Software	3.1%
Nvidia Corp	Semiconductors	2.8%
Amazon.Com Inc	Internet	2.4%
Apple Inc	Computers	1.5%
Daiichi Sankyo	Pharmaceuticals	1.4%
Tyler Technologies	Software	1.4%
Manhattan Associates	Software	1.4%
Broadridge Financial	Software	1.3%
Zebra Technologies	Office/Business Equipment	1.3%
DSV Group	Transportation	1.3%



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