

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: \$614 million (June 2024)

Management cost: 1.24%

Total management costs: 1.28%

Application/Exit fee: Nil

Inception Date: February 1997

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

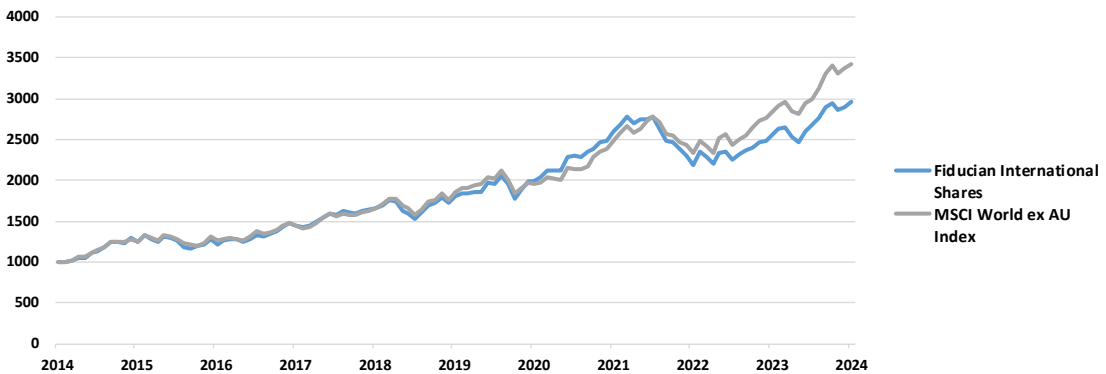
Performance and Risk

After fee returns as at 30 June 2024

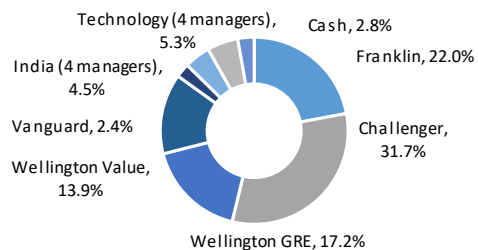
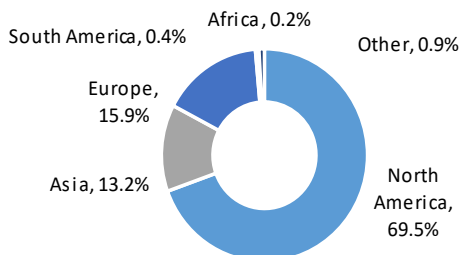
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7 Yrs	10 Yrs
Fund	1.6%	0.1%	9.8%	14.9%	4.3%	10.3%	10.7%	11.4%
Index	1.6%	0.3%	14.4%	19.9%	11.2%	13.0%	13.2%	13.1%
Excess	0.0%	-0.2%	-4.5%	-5.0%	-6.8%	-2.7%	-2.5%	-1.7%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	9.8%	11.9%	12.2%	11.5%
Benchmark (Std Dev %)	10.0%	11.9%	11.7%	11.2%
Beta	0.85	0.92	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

The global economy has continued to expand at a moderate pace, although growth in some of the advanced economies remains weak. Inflation data continues to point to a moderation in pricing pressures, although at a slightly slower rate than had been expected. This has delayed the implementation of interest rate cuts by most central banks.

Overall, the combination of slower growth and moderating inflation has increased market expectations that major economies can achieve a ‘soft landing’ and avoid a recession. Over the months, the broad US market (S&P 500 index) gained 4.8%, and the Australian market (ASX 200 index) rose by 0.9%. Political uncertainty due to elections in France and the UK resulted in weakness in most European stock markets. Bond returns were slightly positive, while some key commodity prices declined.

Looking ahead, monetary policy could begin to become less restrictive towards the end of this year if inflation rates continue to decline, which could help to sustain markets. However, geopolitical risks represent potential headwinds. Despite this, the IMF is now forecasting global growth to be 3.2% in 2024 and in 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

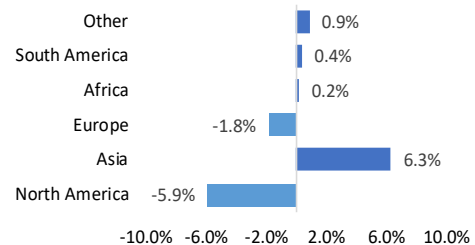
The Fund gained by 1.6% in June, which was in line with the index return of 1.6% for the MSCI World ex-Australia index (in AUD). Over the month, the Fiducian India Fund (+5.8%) was the top performer followed by the Fiducian Technology Fund (+5.0%).

For the 12 months to the end of June, the Fund rose by 14.9%, which was below the index return. The Fiducian Technology Fund (+31.5%) has been the best performer over the period followed by the Fiducian India Fund (+26.3%).

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	3.5%
Nvidia Corp	Semiconductors	3.1%
Amazon Com	Internet	2.6%
Apple	Computers	1.5%
Daiichi Sankyo Co	Pharmaceuticals	1.4%
HDFC Bank	Banks	1.4%
Intuitive Surgical Inc	Healthcare-Products	1.4%
Tyler Technologies Inc	Software	1.4%
Synopsys Inc	Software	1.4%
Shopify Inc	Internet	1.4%



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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.