

Fiducian Australian Smaller Company Shares Fund



Monthly Report - March 2024

Fund description

The Fiducian Australian Smaller Company Shares Fund invests in a diversified group of specialist Australian smaller company share managers. The Fund utilises the Fiducian “Manage the Manager” process, selecting best of breed managers with different styles with the aim of achieving superior returns with reduced risk.

Smaller companies typically offer better growth opportunities and perform differently at different stages of the business cycle compared to larger companies.

Smaller company shares tend to be more volatile over the short term, and the recommended holding period is at least 9 years.

Fund facts

Portfolio manager: Conrad Burge

ARSN: 093 542 020

APIR code: FPS0008AU

Benchmark: ASX Small Ordinaries Acc Index

Current fund size: \$303 million (March 2024)

Management cost: 1.19%

Total management costs: 1.83%

Application/Exit fee: Nil

Inception Date: March 1997

Manager	Style			Size	
	Value	Core	Growth	Small	Micro
Ausbil		●			●
Pendal	●			●	
Novaport	●			●	●
Phoenix		●			●
Perpetual	●			●	

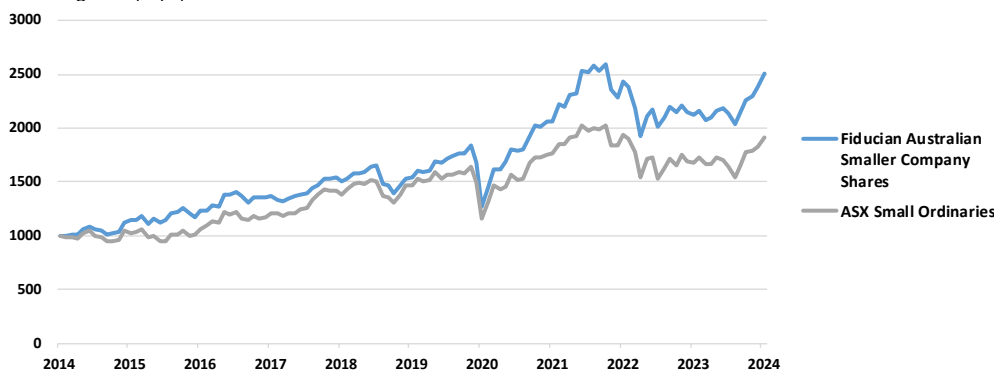
Performance and Risk

After fee returns as at 31 March 2024

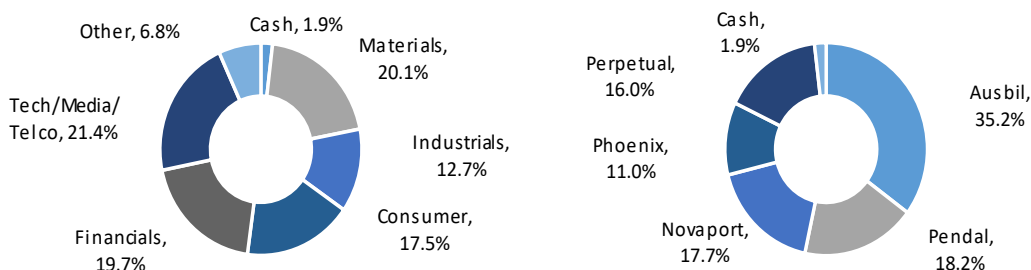
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	4.8%	10.9%	16.8%	17.9%	6.6%	10.1%	9.0%	9.6%
Index	4.8%	7.5%	16.7%	13.8%	2.7%	5.4%	6.8%	6.7%
Excess	0.0%	3.3%	0.1%	4.1%	3.9%	4.6%	2.2%	2.9%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	11.3%	17.3%	20.5%	16.6%
Benchmark (Std Dev %)	13.8%	18.2%	20.6%	17.1%
Beta	0.70	0.86	0.94	0.91
Tracking Error (% pa)	5.1%	6.5%	5.9%	5.5%



Sector exposures and current manager weights



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Market Commentary and Outlook

The global economy has held steady in recent months, although growth in some of the advanced economies, particularly in Europe and Japan, remains weak. However, inflation has continued to decline, and in the words of the International Monetary Fund (IMF April report) most indicators point to a 'soft landing', although interest rates are likely to stay 'higher for longer' than previously anticipated.

Global equity markets had another positive month in March. In the US, the broad market (S&P 500 index) rose by 3.1%, and the Australian stock market (ASX 200 index) gained 3.3%. Other global markets, including Japan, the UK and Germany also recorded gains of between 3% and 4%. Bond returns were positive for the month, whilst commodity price performance was mixed.

Looking ahead, monetary policy could begin to become less restrictive before the end of this year, 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, which is close to the long-term trend rate for growth. In broad terms, share markets continue to appear more attractive than most other investment opportunities.

Fund Commentary

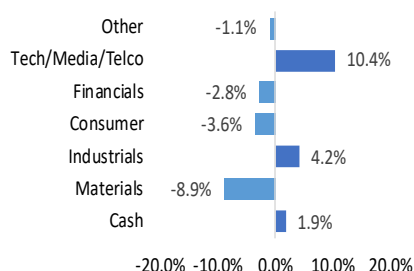
The Fiducian Australian Smaller Company Shares Fund rose by 4.8% in March, which was in line with the 4.8% return of the benchmark. Ausbil (+6.7%) was the top performer for the month. Over the last 12 months, Ausbil was the top manager (+28.8%) followed by Pental (+23.5%). For the 12 months to the end of March, the Fund has returned 17.9%, compared to the index return of 13.8%.

The Small Ordinaries index gained 4.8% during the month, assisted by a strong performance from the Small Resources component of the index (+8.5%), while the Small Industrials index rose 3.5%. The microcap segment of the market continued to perform well, rising by 6.3%.

At an aggregate level, the largest sectoral tilts in the Fund are overweight positions in the Information Technology and Telco sector and the Industrials sector. The main underweight positions are in the Consumer sector and the Materials sector.

Top stock holdings and sector tilts

Stock	Industry	Weight
Mma Offshore Ltd	Commercial Services	3.0%
Premier Investments	Retail	2.3%
Eqt Holdings	Diversified Financial Services	2.2%
Life360 Inc	Software	2.2%
Light & Wonder Inc	Entertainment	2.1%
Macquarie Technology Group	Telecommunications	2.1%
Codan Ltd	Telecommunications	2.0%
Tuas Ltd	Leisure Time	1.8%
Aussie Broadband	Telecommunications	1.8%
Kelsian Group	Transportation	1.7%



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