

Fund description

The Fiducian Capital Stable Fund has a large allocation to fixed income assets and cash, and also includes some exposure to equities for longer term performance. The fund is diversified between multiple asset classes and countries, utilising the Fiducian “Manage the Manager” system that aims to achieve superior returns with reduced risk.

The Fund is suitable for investors who are relatively conservative but are prepared to take some level of market risk to achieve modest capital growth in addition to a relatively high level of income. The recommended holding period is at least 4 years.

Fund facts

Portfolio manager: Conrad Burge

ARSN: 093 542 879

APIR code: FPS0002AU

Benchmark: Zenith AMI Mixed Asset Cautious Index

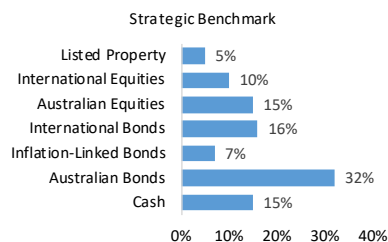
Current fund size: \$490 million (April 2024)

Management cost: 0.76%

Total management costs: 0.82%

Application/Exit fee: Nil

Inception Date: March 1997



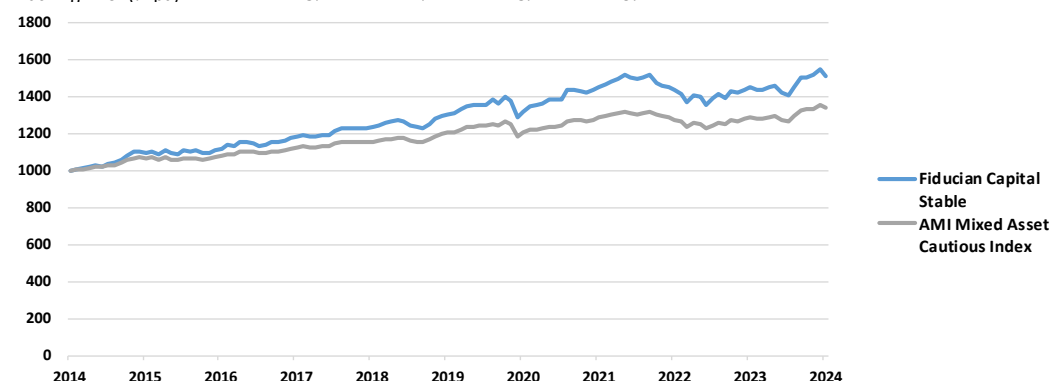
Performance and Risk

After fee returns as at 30 April 2024

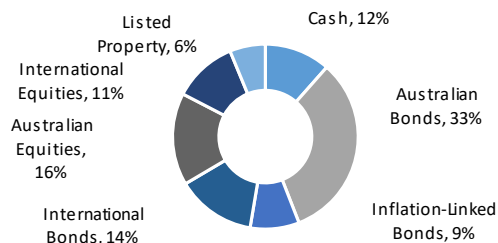
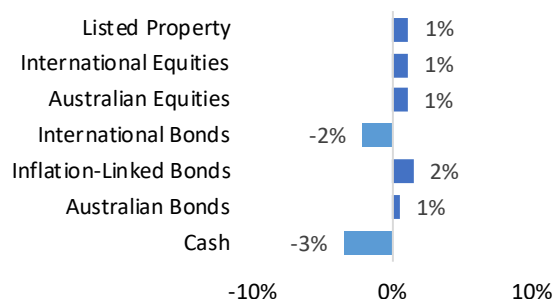
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	-2.1%	0.6%	8.2%	4.4%	1.4%	3.0%	3.5%	4.2%
Index	-1.1%	0.6%	5.8%	3.8%	1.3%	2.1%	2.5%	3.0%
Excess	-1.1%	0.0%	2.5%	0.6%	0.1%	0.9%	1.0%	1.3%
Ranking				16/42	18/39	9/35	8/35	4/30

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	6.3%	6.2%	6.3%	5.1%
Benchmark (Std Dev %)	4.0%	4.0%	4.3%	3.4%
Beta	1.43	1.48	1.43	1.45
Tracking Error (% pa)	2.5%	2.4%	2.3%	1.9%



Tactical tilts and current asset weights



Market Commentary and Outlook

The global economy has continued to expand at a moderate pace, although growth in some of the advanced economies, particularly in Europe and Japan, remains weak. Inflation data continues to point to a moderation in pricing pressures, although recent consumer price data in countries including Australia and the United States has been higher than expected. This means that interest rates are likely to stay 'higher for longer' than previously anticipated.

This news that inflation had not been falling as rapidly as expected was negative for global equity markets. In the US, the broad market (S&P 500 index) declined by 4.2%, and the Australian market (ASX 200 index) was 2.9% lower over the month. Commodities had a positive month, with gains in copper, iron ore and coal prices. Rising long-term interest rates resulted in negative returns for fixed income assets.

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, 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 Fund underperformed the benchmark in April, with a return of -2.2%, compared to the benchmark return of -1.1%. Over the 12 months to the end of April, the Fund returned 4.4%.

Most asset classes had negative returns for the month. Australian Shares declined by 2.6%, International Shares fell by 3.0% and Property Securities declined by -7.2%.

The Fund currently has small overweight positions in Australian and International Equities as well as Listed Property. The weighting towards bonds has increased in recent months.

In the Zenith AMI Mixed Asset-Cautious Category, the Fiducian Capital Stable Fund returns were ranked 16 out of 42 funds over one year, 9 out of 35 funds over five years, and 4 out of 30 funds over the ten year period to 30 April 2024.

Managers and weights

Asset Class	Fund Manager	Weight
Australian Equities 16.1%	Solaris	2.8%
	Fidelity	2.3%
	Benelong	3.0%
	L1 Capital	2.2%
	Ausbil Dexia	3.0%
	Pendal	2.8%
International Equities 11.0%	Franklin Templeton	2.5%
	Challenger	3.5%
	Wellington GRE	1.9%
	Wellington Value	1.6%
	State Bank of India	0.1%
	Sundaram	0.2%
	Tata	0.1%
	EquiPoise	0.1%
	Vanguard	0.2%
	Wellington Technology	0.4%
	Wellington Biotechnology	0.1%
	Loftus Peak Technology	0.2%
Nordic Technology	0.1%	
Listed Property 6.2%	BlackRock	0.6%
	Phoenix	2.8%
	Principal	2.8%
Australian Bonds 39.6%	Perpetual Fixed Interest	12.2%
	BlackRock	0.3%
	Challenger	27.2%
Inflation Linked Bonds 8.5%	Challenger	8.5%
International Bonds 13.9%	BlackRock	13.9%
	Cash	0.1%
Cash 4.7%	BlackRock	0.1%
	Cash	4.6%

Top stock holdings

Top Australian Stocks	Industry	Weight
BHP Group	Mining	8.1%
CSL	Biotechnology	7.3%
Commonwealth Bank	Banks	5.2%
Goodman Group	REITS	4.3%
Santos	Oil & Gas	3.8%
National Australia Bank	Banks	3.5%
Macquarie Group	Banks	3.0%
Qantas Airways	Airlines	2.8%
Mineral Resources	Iron/Steel	2.7%
Rio Tinto	Mining	2.5%

Top International Stocks	Industry	Weight
Microsoft Corp	Software	3.1%
Amazon.Com	Internet	2.7%
Nvidia Corp	Semiconductors	2.2%
Daiichi Sankyo	Pharmaceuticals	1.7%
Tyler Technologies	Software	1.3%
Sika Ag	Building Materials	1.3%
Broadridge Financial	Software	1.3%
Hdfc Bank	Banks	1.3%
Zebra Technologies	Business Equipment	1.3%
Synopsys Inc	Software	1.3%

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