

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

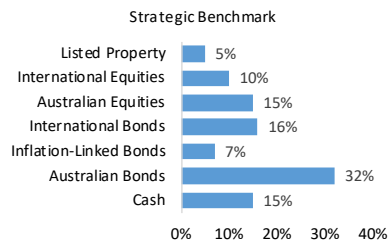
Current fund size: \$490 million (February 2024)

Management cost: 0.76%

Total management costs: 0.82%

Application/Exit fee: Nil

Inception Date: March 1997



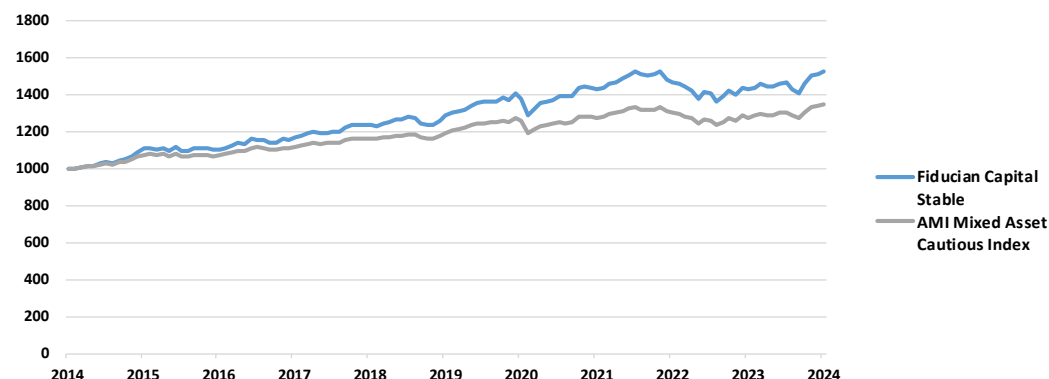
Performance and Risk

After fee returns as at 29 February 2024

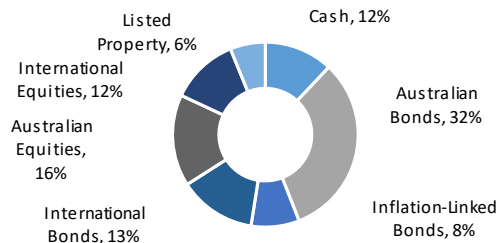
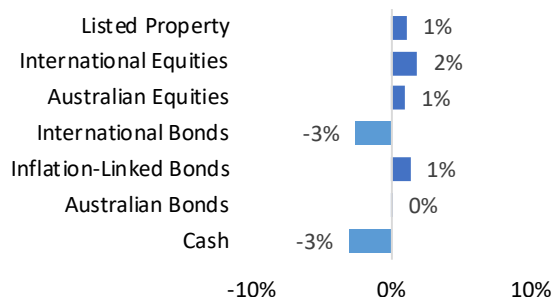
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	0.9%	5.0%	4.1%	6.8%	2.2%	3.5%	3.9%	4.3%
Index	0.4%	3.2%	3.3%	5.4%	1.8%	2.4%	2.7%	3.0%
Excess	0.5%	1.8%	0.7%	1.4%	0.5%	1.1%	1.2%	1.3%
Ranking				8/41	13/37	8/34	6/33	3/28

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	5.6%	6.0%	6.2%	5.0%
Benchmark (Std Dev %)	3.7%	3.9%	4.2%	3.4%
Beta	1.35	1.46	1.42	1.44
Tracking Error (% pa)	2.1%	2.3%	2.2%	1.8%



Tactical tilts and current asset weights



Market Commentary and Outlook

Measures of global economic growth have generally been better than expected in recent months. There have been some signs of improvement in manufacturing activity, and consumer spending has remained robust. The downside to this is that inflation has also been slightly higher, and interest rates are likely to stay 'higher for longer' than previously anticipated.

Global equity market performance was strong in February. In the US, the broad market (S&P 500 index) gained 5.2%, bolstered by a number of positive earnings announcements, and the Australian stock market (ASX 200 index) gained 0.8%. Emerging markets rebounded, led by gains in China (+8.1%) following the announcement of government measures to support the stock market. Fixed income returns were negative as longer term bond yields increased.

Looking ahead, monetary policy could become less restrictive this year, which may be positive for markets. However, geopolitical risks, alongside slower economic growth in the coming year represent potential headwinds. The International Monetary Fund (IMF) recently updated its economic outlook, and is now forecasting global growth to be 3.1% in 2024. This is above previous estimates, but still below the long-term trend rate of growth. In broad terms, share markets continue to appear more attractive than most other investment opportunities.

Fund Commentary

The Fund outperformed the benchmark in February, with a return of 0.9%, compared to the benchmark return of 0.4%. Over the 12 months to the end of February, the Fund returned 6.8%.

International equities and listed property were the best performing sectors for the month, whilst returns for fixed income were marginally negative.

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 8 out of 41 funds over one year, 8 out of 34 funds over five years, and 3 out of 28 funds over the ten year period to 29 February 2024.

Managers and weights

Asset Class	Fund Manager	Weight
Australian Equities 16.0%	Solaris	2.8%
	Fidelity	2.3%
	Benelong	3.1%
	L1 Capital	2.1%
	Ausbil Dexia	3.0%
	Pendal	2.7%
International Equities 11.9%	Franklin Templeton	2.9%
	Challenger	3.7%
	Wellington GRE	1.9%
	Wellington Value	1.8%
	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	0.1%
	Nordic Technology	0.1%
Listed Property 6.1%	BlackRock	0.6%
	Phoenix	2.8%
	Principal	2.7%
Australian Bonds 39.1%	Perpetual Fixed Interest	12.0%
	BlackRock	0.3%
	Challenger	26.8%
Inflation Linked Bonds 8.4%	Challenger	8.4%
International Bonds 13.5%	BlackRock	13.5%
	Cash	5.0%

Top stock holdings

Top Australian Stocks	Industry	Weight
BHP Group	Mining	8.2%
CSL Limited	Biotechnology	7.6%
Commonwealth Bank	Banks	5.3%
Goodman Group	REITS	4.5%
National Australia Bank	Banks	3.6%
Santos Ltd	Oil & Gas	3.5%
Macquarie Group	Banks	3.1%
James Hardie Industries	Building Materials	2.9%
Qbe Insurance Group	Insurance	2.8%
Aristocrat Leisure	Entertainment	2.3%

Top International Stocks	Industry	Weight
Daiichi Sankyo	Pharmaceuticals	1.9%
Charles River	Healthcare-Services	1.7%
Equinix Inc	REITS	1.7%
Intuitive Surgical	Healthcare-Products	1.7%
Broadridge Financial	Software	1.7%
Synopsys Inc	Software	1.6%
Amazon.Com	Internet	1.6%
Zscaler Inc	Computers	1.6%
Tyler Technologies	Software	1.6%
Danaher Corp	Healthcare-Products	1.6%

Fiducian Investment Management Services Limited

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