

Fiducian Capital Stable Fund



Monthly Report - September 2024

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 Moderate Index

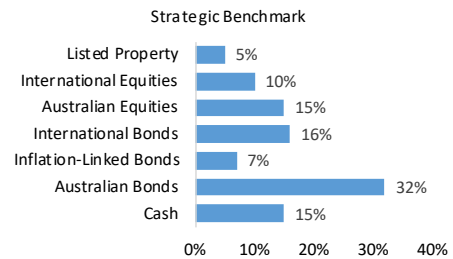
Current fund size: \$522 million (September 2024)

Management cost: 0.76%

Total management costs: 0.81%

Application/Exit fee: Nil

Inception Date: March 1997



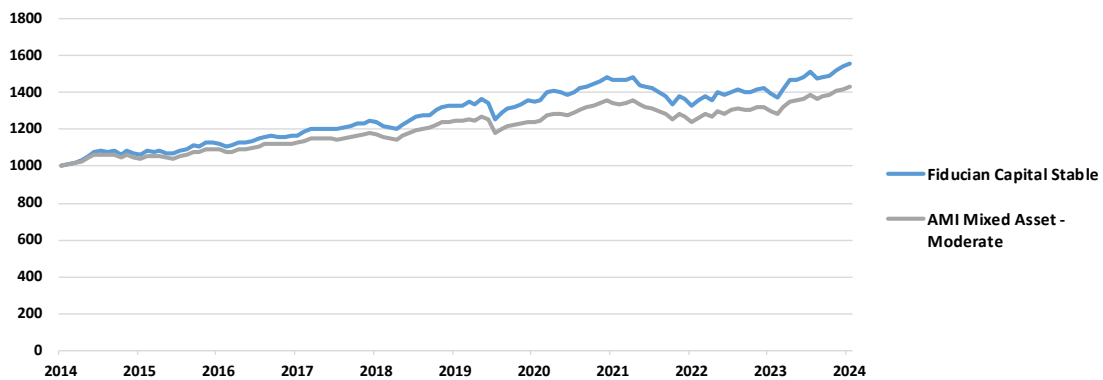
Performance and Risk

After fee returns as at 30 September 2024

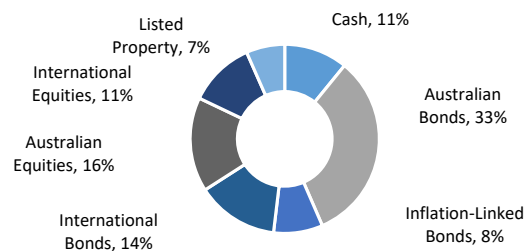
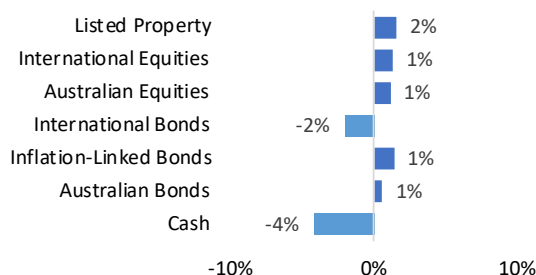
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	1.4%	4.2%	3.2%	12.0%	2.0%	3.3%	4.2%	4.5%
Index	0.9%	3.5%	3.3%	10.4%	2.2%	2.9%	3.5%	3.7%
Excess	0.4%	0.7%	-0.1%	1.6%	-0.2%	0.4%	0.7%	0.9%
Ranking				20/101	58/99	21/94	13/88	8/81

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	5.6%	6.1%	6.3%	5.1%
Benchmark (Std Dev %)	4.4%	5.1%	5.3%	4.3%
Beta	1.16	1.15	1.16	1.16
Tracking Error (% pa)	1.4%	1.4%	1.5%	1.2%



Tactical tilts and current asset weights



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Market Commentary and Outlook

In the year to date, the global economy has continued to expand despite monetary policy conditions remaining restrictive as central banks seek to lower inflation to target. However, as inflation has moved closer to target, several central banks, including in Europe and then the US, have begun rate cutting cycles. In China, the central bank has cut interest rates and policy makers have announced stimulus measures to revive the country's ailing economy.

The broad US stock market (S&P 500 Index) gained 2.1% in September. The Australian market (ASX 200 Accumulation index) increased by 3.0%. Chinese stock market also experienced strong growth in September, gaining 17.4%. The Australian and global bonds recorded positive returns during the month. The Australian dollar rose by 1.5% relative to the US dollar.

For some time now, key global share markets have been 'pricing-in' a shift in monetary policy from tightening to loosening and have been trading upwards. However, geopolitical risks remain heightened and continue to represent potential headwinds. Despite this, the IMF is forecasting global growth to be 3.2% in 2024 and 3.3% 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.

Managers and weights

Asset Class	Fund Manager	Weight
Australian Equities 16.1%	Solaris	3.0%
	Fidelity	2.2%
	Bennelong	2.9%
	L1 Capital	2.0%
	Ausbil Dexia	3.0%
International Equities 11.2%	Pendal	2.9%
	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	0.3%
	Wellington Technology	0.4%
	Wellington Biotechnology	0.1%
	Loftus Peak Technology	0.2%
Listed Property 6.6%	Nordic Technology	0.1%
	BlackRock	0.6%
	Phoenix	3.0%
Australian Bonds 39.4%	Principal	3.0%
	Perpetual Fixed Interest	12.1%
	BlackRock	0.3%
Inflation Linked Bonds 8.4%	Challenger	27.0%
	Challenger	8.4%
International Bonds 14.0%	BlackRock	14.0%
	BlackRock	0.1%
Cash 4.4%	Cash	4.3%

Fund Commentary

The Fund outperformed the benchmark in September, with a return of 1.4%, compared to the benchmark return of 0.9%. Over the 12 months to the end of September, the Fund returned 12.0% compared to the 10.4% benchmark return for the same period.

All asset classes gained during the month, with Listed Property (+6.6%) and Australian Equities (+3.8%) being the best performing sectors.

The Fund currently has small overweight positions in Australian and International Equities, Listed Property, and Australian and Inflation-Linked Bonds. The exposures to International Bonds and cash are underweight compared to the benchmark.

In the Zenith AMI Mixed Asset - Moderate Category, the Fiducian Capital Stable Fund returns were ranked 20 out of 101 funds over one year, 21 out of 94 funds over five years, and 8 out of 81 funds over the ten year period to 30 September 2024.

Top stock holdings

Top Australian Stocks	Industry	Weight
BHP Group	Mining	7.2%
CSL Ltd	Biotechnology	6.5%
Commonwealth Bank	Banks	5.8%
Goodman Group	REITS	4.4%
Macquarie Group	Banks	3.4%
National Australia Bank Ltd	Banks	3.4%
Santos Ltd	Oil & Gas	2.8%
Qantas Airways Limited	Airlines	2.7%
James Hardie Industries	Building Materials	2.7%
Aristocrat Leisure Ltd	Entertainment	2.6%

Top International Stocks	Industry	Weight
Microsoft Corp	Software	3.3%
Nvidia Corp	Semiconductors	3.3%
Amazon.Com Inc	Internet	2.2%
Shopify Inc	Internet	1.6%
Synopsys Inc	Software	1.5%
Mercadolibre Inc	Internet	1.5%
Tyler Technologies Inc	Software	1.4%
Sika AG-BR	Building Materials	1.4%
Apple Inc	Computers	1.4%
Adv Micro Devices Inc	Semiconductors	1.4%

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