

Fund description

The Fund invests in a diversified group of fixed interest assets. 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 a range on fixed interest instruments, including Australian Bonds, International Bonds, Inflation Linked Bonds and Cash.

The Fund is intended to provide a secure return with a lower risk of capital loss relative to other investment categories. The return may be above cash when interest rates are falling, and below cash when interest rates are rising. The recommended holding period is at least 3 years.

Fund facts

Portfolio manager: Conrad Burge
ARSN: 106 681 707
APIR code: FDN5053AU
Benchmark: Fiducian Fixed Interest Composite
Current fund size: \$547 million (September 2024)
Management cost: 0.20%
Total management costs: 0.22%
Application/Exit fee: Nil
Inception Date: October 2003

Manager	Style		Sector	
	Active	Passive	Cash	FI
Challenger Inflation Linked	●			●
Challenger Aus Bond	●			●
iShares Aus Bond		●		●
iShares Global Bond		●		●
Perpetual Aus Bond	●			●
Cash		●	●	

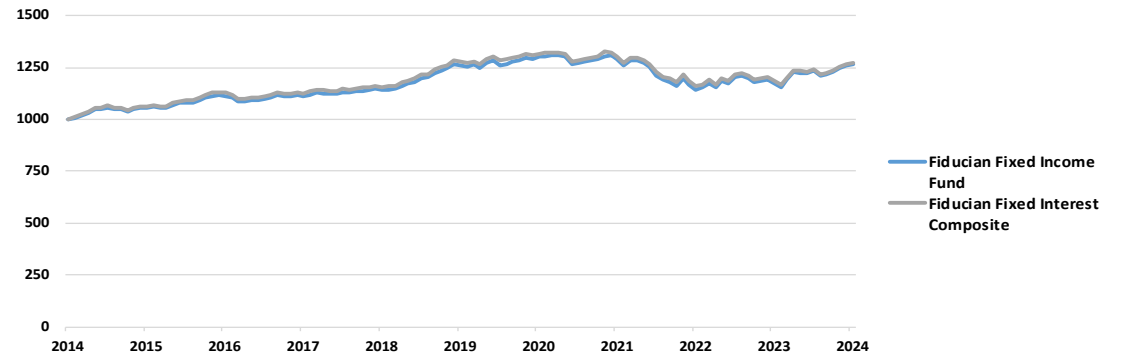
Performance and Risk

After fee returns as at 30 September 2024

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	0.5%	3.3%	2.7%	8.1%	-0.7%	0.1%	1.9%	2.4%
Index	0.6%	3.2%	2.5%	7.5%	-0.9%	-0.1%	1.8%	2.4%
Excess	0.0%	0.1%	0.2%	0.6%	0.2%	0.2%	0.1%	0.0%

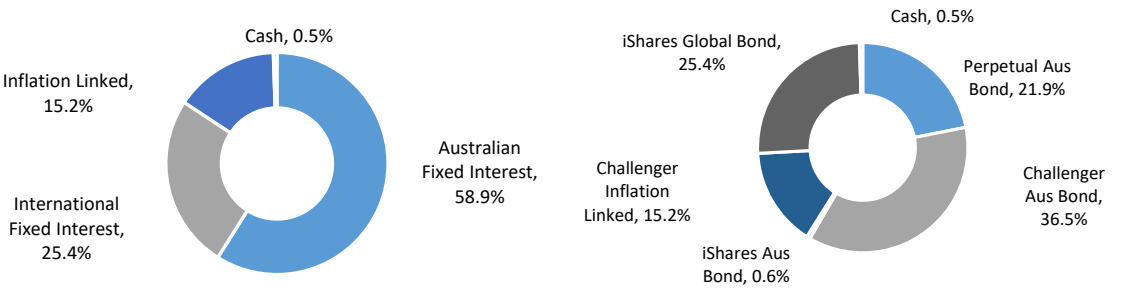
Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	4.9%	6.2%	5.4%	4.2%
Benchmark (Std Dev %)	4.8%	5.9%	5.1%	4.1%
Beta	0.94	1.02	1.03	1.01
Tracking Error (% pa)	0.3%	0.4%	0.6%	0.5%



Benchmark: Fiducian Fixed Interest Composite (60% Australian Fixed Interest, 28% International Fixed Interest, 12% Inflation-Linked Fixed Interest)

Sector exposures and current manager weights



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.

Fund Commentary

The Fund gained 0.5% in September, which was in line with the index return of 0.6% for the Fiducian Fixed Interest Composite Index. For the 12 months to the end of September, the Fund rose by 8.1%, compared to the 7.5% rise in the index.

Fiducian Investment Management Services Limited

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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.