

### 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

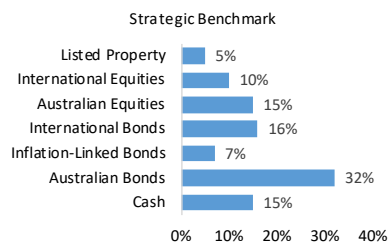
**Current fund size:** \$472 million (November 2023)

**Management cost:** 0.76%

**Total management costs:** 0.82%

**Application/Exit fee:** Nil

**Inception Date:** March 1997



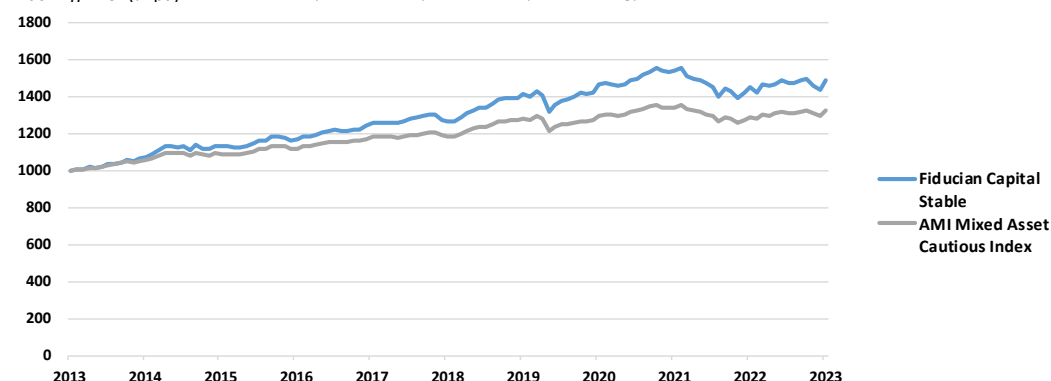
### Performance and Risk

After fee returns as at 30 November 2023

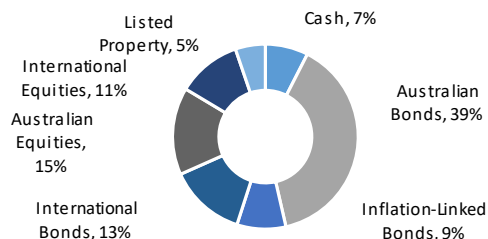
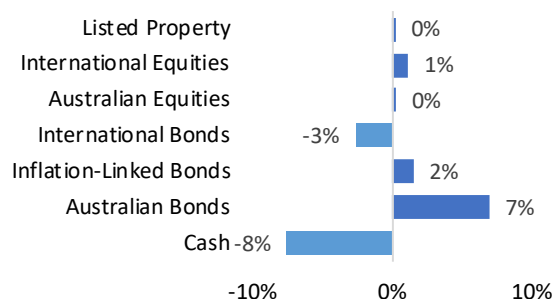
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	3.4%	-0.9%	0.5%	1.9%	0.3%	3.2%	3.5%	4.0%
Index	2.3%	0.1%	0.9%	2.6%	0.6%	2.3%	2.4%	2.9%
Excess	1.1%	-1.0%	-0.4%	-0.7%	-0.4%	1.0%	1.0%	1.1%
Ranking				17/42	19/37	8/34	6/34	3/29

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	5.9%	5.7%	6.1%	4.9%
Benchmark (Std Dev %)	3.9%	3.7%	4.2%	3.3%
Beta	1.36	1.47	1.43	1.45
Tracking Error (% pa)	2.2%	2.2%	2.2%	1.8%



### Tactical tilts and current asset weights



# Fiducian Capital Stable Fund

Monthly Report - November 2023



## Market Commentary and Outlook

There have been continued signs of economic activity moderating across most of the world, due to actions taken by global central banks to reduce inflation. In many regions, inflation rates are moving back towards target levels, and in some instances, have turned negative over the short term. This has caused the market to reassess the future path of interest rates, with expectations that rates may be on hold in the near term, and possibly reduced later in 2024.

The prospect of lower interest rates was positive for global markets, as the key US 10-year government bond yield fell from recent highs of 5.0% to finish the month at 4.4%. The broad US market (S&P 500 index) gained 8.9%, and the Australian stock market (ASX 200 index) gained 5.0%. Interest rate sensitive sectors were the best performers, and the Australian dollar rose by 4.4% against the US dollar.

Looking ahead, geopolitical risks, alongside elevated interest rates and slower economic growth this year, represent potential headwinds for markets. The International Monetary Fund (IMF) is forecasting global growth to be 3.0% in 2023 and 2.9% in 2024, which is below the long-term trend rate of growth. However, in broad terms, share markets continue to appear more attractive than most other investment opportunities.

## Fund Commentary

The Fund outperformed the benchmark in November, with a return of 3.4%, compared to the benchmark return of 2.3%. Over the 12 months to the end of November, the Fund returned 1.9%.

All major asset classes finished the month higher, with Listed Property (+10.4%) and International Equities (+5.0%) the best performers.

The Fund currently has a small overweight to Australian and International equities, as relatively attractive valuations are offset by higher interest rates and a slowing economy. The weighting towards bonds has increased in recent months, with a preference for shorter-term Australian bonds over international bonds.

In the Zenith AMI Mixed Asset-Cautious Category, the Fiducian Capital Stable Fund returns were ranked 17 out of 42 funds over one year, 8 out of 34 funds over five years, and 3 out of 29 funds over the ten year period to 30 November 2023.

## Managers and weights

Asset Class	Fund Manager	Weight
<b>Australian Equities 15.1%</b>	Solaris	2.7%
	Fidelity	2.4%
	Bennelong	2.4%
	L1 Capital	2.2%
	Ausbil Dexia	3.0%
	Pendal	2.5%
<b>International Equities 11.1%</b>	Franklin Templeton	2.8%
	Challenger	3.5%
	Wellington GRE	1.4%
	Wellington Value	2.1%
	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%
	Nordic Technology	0.1%
	<b>Listed Property 5.2%</b>	BlackRock
Phoenix		2.4%
Principal		2.3%
<b>Australian Bonds 39.0%</b>	Perpetual Fixed Interest	11.5%
	BlackRock	0.3%
	Challenger	27.2%
<b>Inflation Linked Bonds 8.5%</b>	Challenger	8.5%
<b>International Bonds 13.4%</b>	BlackRock	13.4%
	BlackRock	0.2%
<b>Cash 7.8%</b>	BlackRock	0.2%
	Cash	7.6%

## Top stock holdings

Top Australian Stocks	Industry	Weight
BHP Group	Mining	9.7%
CSL Limited	Biotechnology	7.6%
Commonwealth Bank	Banks	5.6%
Santos Limited	Oil & Gas	3.9%
Goodman Group	REITS	3.7%
National Australia Bank	Banks	3.4%
Qbe Insurance Group	Insurance	3.1%
Macquarie Group Ltd	Banks	2.9%
James Hardie Industries	Building Materials	2.5%
Aristocrat Leisure	Entertainment	2.5%

Top International Stocks	Industry	Weight
Synopsys	Software	2.0%
Humana Inc	Healthcare-Services	1.8%
Broadridge Financial	Software	1.8%
Mercadolibre	Internet	1.7%
Zscaler Inc	Computers	1.7%
Shopify Inc	Internet	1.7%
Equinix Inc	REITS	1.7%
Tyler Technologies	Software	1.6%
Alphabet	Internet	1.6%
Charles River Lab	Healthcare-Services	1.6%

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