

Fiducian Diversified Social Aspirations Fund



Monthly Report - October 2023

Fund description

The Fund invests in a diversified group of Australian and global socially responsible shares listed on the ASX and other major global stock exchanges. The Fund utilises the Fiducian “Manage the Manager” process, carefully selecting managers to provide diversification with the aim of achieving superior returns with reduced risk.

Managers in the Fund may exclude companies from investment that are seen to have a negative social impact. This could lead to periods where returns could deviate from the indices the Fund uses to compare its returns.

Share investment can be volatile over the short term, and the recommended holding period for the fund is at least 8 years.

Fund facts

Portfolio manager: Conrad Burge

ARSN: 607 881 050

APIR code: AAA003AU

Benchmark: 60/40 ASX 300 Accumulation & MSCI World ex-Australia Index

Current fund size: \$11 million (October 2023)

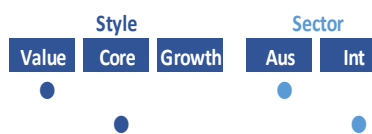
Management cost: 1.35%

Total management costs: 1.72%

Application/Exit fee: Nil

Inception Date: November 2015

Manager
Perpetual
Candriam



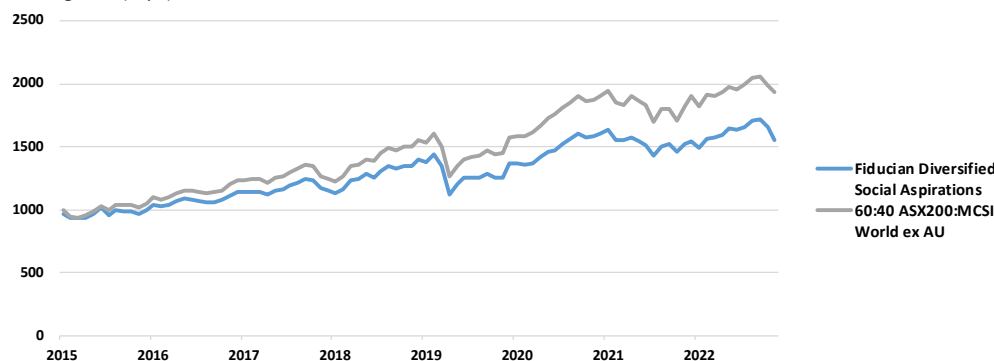
Performance and Risk

After fee returns as at 31 October 2023

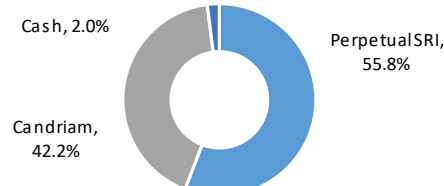
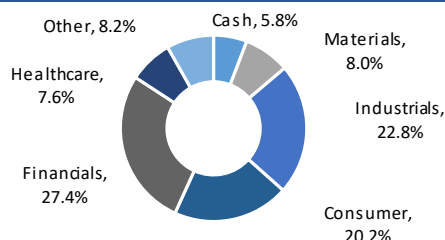
| | 1 Mth | 3 Mth | 6 Mth | 1 Yr | 3 Yrs | 5 Yrs | 7yrs |
|--------|-------|-------|-------|-------|-------|-------|-------|
| Fund | -4.0% | -6.9% | -3.5% | 4.4% | 8.2% | 6.3% | 7.4% |
| Index | -2.7% | -5.7% | -2.1% | 6.2% | 10.0% | 8.6% | 9.5% |
| Excess | -1.4% | -1.1% | -1.4% | -1.8% | -1.8% | -2.3% | -2.1% |

Risk Exposure

| | 1 Yr | 3 Yrs | 5 Yrs |
|-----------------------------|-------|-------|-------|
| Fund Volatility (Std Dev %) | 10.6% | 11.0% | 13.6% |
| Benchmark (Std Dev %) | 11.9% | 13.8% | 16.3% |
| Beta | 0.63 | 0.68 | 0.77 |
| Tracking Error (% pa) | 5.4% | 4.1% | 3.3% |



Sector exposures and current manager weights



Fiducian Diversified Social Aspirations Fund

Monthly Report - October 2023



Market Commentary and Outlook

The global economy remains sluggish due to severe measures taken by monetary authorities to reduce inflation. While inflation is slowing, manufacturing and service industry activity levels and retail sales point to a general slowdown in activity. However, employment levels remain high and need to come down further and this, along with an uptick in inflation rates could see interest rates stay high for an extended period. At the beginning of November, the Reserve Bank of Australia increased its cash rate by 0.25% to 4.35%, after being on pause since July.

In a repeat of last month, concerns that inflation rates remain too high saw an increase in bond yields. This had negative flow-on effects for most asset classes. The broad US market (S&P 500 index) declined by 2.2%, and the Australian stock market (ASX 200 index) declined by 3.8%. Interest rate sensitive sectors experienced falls, but some commodity prices, including iron ore and gold, rose during the month.

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% 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 Fiducian Diversified Social Aspirations Fund declined by 4.0% in October, which was below the -2.7% return of the composite index. Over the last 12 months the Fund has returned 4.4% compared to the index return of 6.2%.

The broad Australian share market (ASX200 index) declined by 3.8% in October. This decline was in line with world-wide stock market declines due to falling investor confidence and rising bond yields.

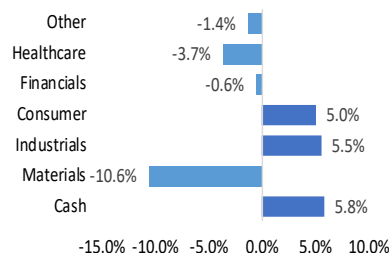
All of the major ASX sectors finished the month lower with the exception of Utilities (+1.7%). The Information Technology (-7.6%), Healthcare (-7.2%) and Industrial (-6.4%) sectors recorded the largest declines.

Within the Candriam portfolio, the top contributors included Nike and Microsoft, whilst overweight positions in Panasonic and Zillow detracted from performance during the month.

Top stock holdings and sector tilts

| Perpetual Top Holdings | Weight |
|-------------------------|--------|
| National Australia Bank | 6.3% |
| IAG | 6.1% |
| Deterra Royalties | 4.8% |
| Medibank | 4.5% |
| Ramsay Healthcare | 4.4% |
| Bapcor | 4.2% |
| ANZ | 4.0% |
| Healius | 4.0% |
| Reliance Worldwide | 3.8% |
| a2 Milk | 3.6% |

| Candriam Top Holdings | Weight |
|-----------------------|--------|
| Apple Inc | 5.5% |
| Microsoft Corp | 5.2% |
| Nvidia Corporation | 2.0% |
| Alphabet Inc | 3.7% |
| Visa Incorporated | 1.7% |
| Procter & Gamble | 1.6% |
| New Linde Plc | 1.5% |
| Mastercard Inc | 1.4% |
| Novartis Ag | 1.4% |
| United Health Group | 1.4% |



Fiducian Investment Management Services Limited

Issued by Fiducian Investment Management Services Limited ABN 28 602 441 814 AFS Licence number 468211. This document provides general information only. It does not have regard to your objectives, financial situation or needs. We recommend that you seek financial planning advice, and consider whether this investment is appropriate to your objectives, financial situation and needs before making any investment decision. 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.