

Fiducian Diversified Social Aspirations Fund



Monthly Report - December 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: \$13 million (December 2023)

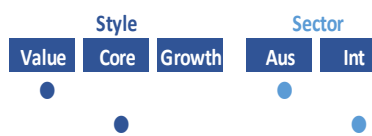
Management cost: 1.35%

Total management costs: 1.72%

Application/Exit fee: Nil

Inception Date: November 2015

Manager
Perpetual
Candriam



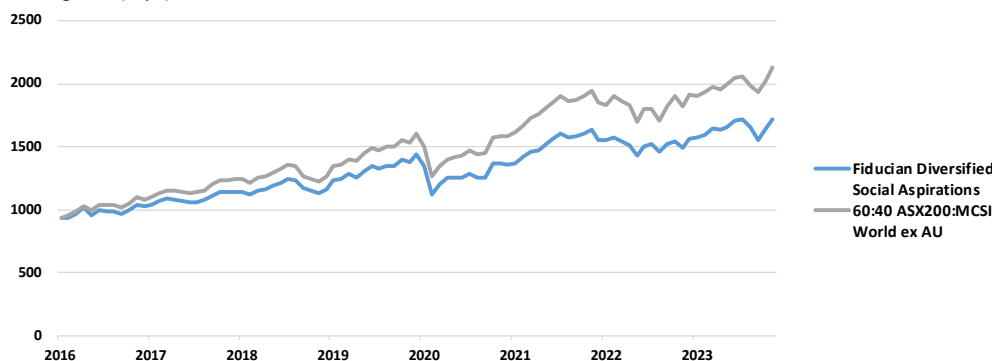
Performance and Risk

After fee returns as at 31 December 2023

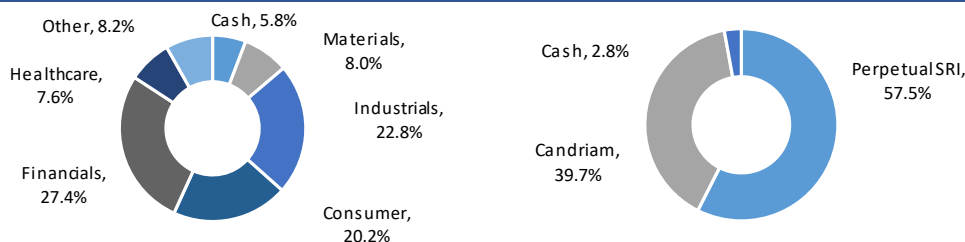
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs
Fund	4.1%	4.0%	3.7%	15.2%	8.2%	8.9%	7.5%
Index	5.1%	7.1%	6.4%	16.6%	10.1%	11.6%	9.8%
Excess	-0.9%	-3.1%	-2.7%	-1.4%	-1.9%	-2.7%	-2.3%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs
Fund Volatility (Std Dev %)	11.8%	10.7%	13.9%
Benchmark (Std Dev %)	12.5%	13.5%	16.6%
Beta	0.75	0.68	0.77
Tracking Error (% pa)	4.5%	4.1%	3.4%



Sector exposures and current manager weights



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Market Commentary and Outlook

Global monetary policy tightening, which commenced in early 2022, slowed the levels of economic growth across most of the world in 2023. In recent months too, it appears that this policy has been proving effective in achieving its aim of lowering inflation, with rates of inflation returning towards the target levels of most central banks. This has increased the likelihood that interest rates will remain on hold in the near term, and may be cut in the later part of 2024 if current trends persist.

Global markets enjoyed a strong finish for the year. The broad US market (S&P 500 index) gained 4.4% in December, and the Australian stock market (ASX 200 index) gained 7.3%. Listed property had another strong month, and falling yields produced positive returns for bonds. For calendar year 2023, all major global equity markets, with the exception of China, generated positive returns.

Looking ahead, less restrictive monetary policy could be positive for markets. However, geopolitical risks, alongside slower economic growth in the coming year represent potential headwinds. The International Monetary Fund (IMF) is forecasting global growth to be 2.9% in 2024, which is 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 Fiducian Diversified Social Aspirations Fund rose by 4.1% in December, which was below the 5.1% return of the composite index. Over the last 12 months the Fund has returned 15.2% compared to the index return of 16.6%.

The broad Australian share market (ASX200 index) gained 7.3% in December. Improving inflation data, combined with moderating economic activity, has raised expectations that the Australian economy may experience a 'soft landing' and avoid a severe recession. For calendar year 2023, the ASX 200 rose by 12.4%.

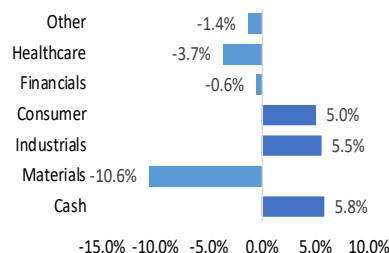
For the Perpetual portfolio, the top contributors were an overweight position in Beacon Lighting, and zero holdings in Woodside Energy. Overweight positions in Healius and IGO were the main detractors.

Within the Candriam portfolio, real estate marketplace Zillow and medical devices company Insulet were the top contributors, whilst overweight positions in Panasonic, Nokia and Paycom Software detracted from performance.

Top stock holdings and sector tilts

Perpetual Top Holdings	Weight
IAG	6.5%
Healius	4.9%
Bapcor	4.6%
GWA Group	4.4%
a2 Milk	4.2%
National Australia Bank	4.1%
EVT	4.1%
Telstra	4.0%
Deterra Royalties	3.8%
Medibank Private	3.4%

Candriam Top Holdings	Weight
Apple Inc	5.7%
Microsoft Corp	5.5%
Alphabet Inc	3.8%
Nvidia	2.3%
Visa Inc-Class A	1.8%
Mastercard Inc-Class A	1.5%
Linde	1.4%
Procter & Gamble	1.4%
Novartis Ag	1.3%
Eli Lilly & Co	1.3%



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