

Fiducian Diversified Social Aspirations Fund



Monthly Report - September 2021

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 5 to 7 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: \$12 million (September 2021)

Management cost: 1.35%

Total management costs: 1.72%

Application/Exit fee: Nil

Inception Date: February 1997

Manager

Solaris

Candriam



Performance and Risk

After fee returns as at 30 September 2021

	1 Mth	3 Mth	6 Mth	1 Yr	2 Yrs	3 Yrs	5 Yrs
Fund	-2.1%	3.6%	11.1%	25.5%	8.1%	8.3%	9.8%
Index	-2.4%	2.7%	11.7%	29.6%	11.3%	11.2%	12.4%
Excess	0.3%	0.9%	-0.7%	-4.1%	-3.2%	-3.0%	-2.6%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs
Fund Volatility (Std Dev %)	9.4%	15.5%	12.6%

Overall Morningstar Rating™

★★

Investment Growth

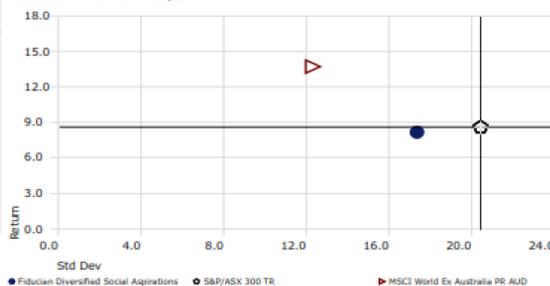
Time Period: 1/10/2019 to 30/09/2021



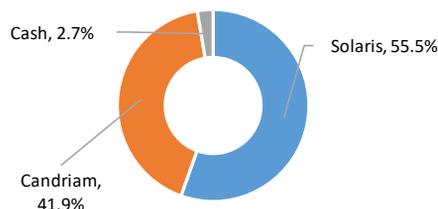
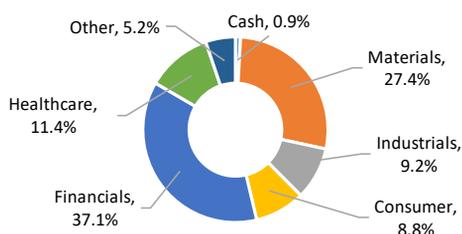
Risk-Reward

Time Period: 1/10/2019 to 30/09/2021

Calculation Benchmark: S&P/ASX 300 TR



Sector exposures and current manager weights



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Market Commentary and Outlook

The global economy continued to benefit during August from a reopening of activity in most jurisdictions, as most of the world (excluding Australia) avoided imposing harsh lockdown measures to contain the new Delta variant of the COVID-19 coronavirus. While the pandemic is still causing disruptions, high vaccination rates and acquired antibodies from previous infections have resulted in a far lower level of deaths and hospitalisations than experienced in earlier waves of the pandemic. Key economic indicators in most parts of the world, such as industrial production and employment growth, remain in positive territory. Nevertheless, expansionary monetary policy could continue to be needed to support economic recovery for some time to come.

This backdrop continues to be positive for asset prices. Global equity markets recorded another strong month, with the broad US market (S&P 500 index) rising 2.9% and the technology focused NASDAQ index finishing 4.0% higher. In Australia, the ASX 200 returned 2.5%. Bond markets were relatively flat for the month, and Australian listed property recorded particularly strong gains, with the index up by 6.3%.

Looking ahead, leading indicators still remain supportive of a continued economic recovery through the rest of the year, with the IMF forecasting global GDP growth of 6.0% in 2021 (as of July). The risk of further disruption caused by lockdowns to counter the pandemic remains, but is lessening as vaccine rollouts continue to progress across the globe.

Fund Commentary

The Fiducian Diversified Social Aspirations fell by 2.1% in September, outperforming the 2.4% fall in the composite index. Over the last 12 months to the end of August, the Fund rose by 25.5% compared to 29.6% for the index. For the month, Solaris (-0.8%) was ahead of benchmark and Candriam (-3.5%) was below.

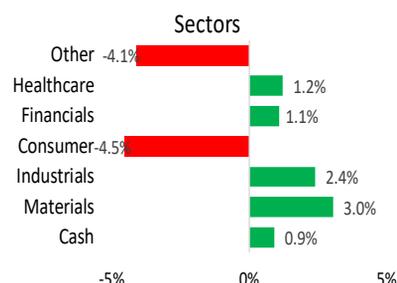
The ASX 200 fell by 1.9% in September, the first negative month following a run of 11 consecutive positive monthly returns. The materials sector was the worst performer, falling by 12.1% due to some concerns about the commodity demand outlook from China. The healthcare sector (-5.5%) and consumer staples (-4.4%) also recorded declines. This was offset by strong gains in the energy sector (+16.4%) as oil, natural gas and coal prices all moved strongly higher on the back of supply shortages across the globe.

Within the Solaris Australian equity portfolio the top contributors for the month were overweight positions in Woodside Petroleum and Altium, as well as an underweight in Fortescue. Overweight positions in BHP and Mineral Resources detracted from performance.

In the Candriam equity portfolio, the top contributors were overweight positions in Google, pharmaceutical packaging company West Pharmaceutical Services and IT consultant Accenture. The key detractors were IT equipment manufacturer Logitech, paints and coatings company AkzoNobel and an underweight position in the vaccine manufacturer Moderna.

Top stock holdings and sector tilts

Solaris Top Holdings	Weight	Candriam Top Holdings	Weight
CSL Limited	7.2%	Apple Inc	4.9%
Westpac	7.1%	Microsoft Corp	4.5%
Commonwealth Bank	6.6%	Alphabet Inc	4.7%
BHP	6.3%	Accenture	1.5%
National Australia Bank	5.6%	Procter & Gamble	1.5%
Macquarie Group	5.6%	Verizon Communications	1.3%
Woolworths	3.0%	McDonalds	1.3%
Atlas Arteria	2.9%	Adobe Inc	1.3%
James Hardie	2.8%	ASML Holding	1.2%
Woodside Petroleum	2.7%	American Tower Corp	1.2%



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