

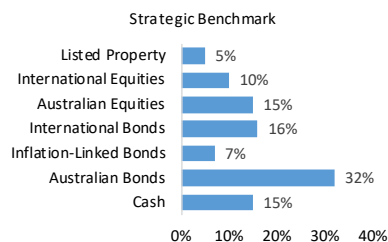
### Fund description

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:** \$488 million (January 2024)  
**Management cost:** 0.76%  
**Total management costs:** 0.82%  
**Application/Exit fee:** Nil  
**Inception Date:** March 1997



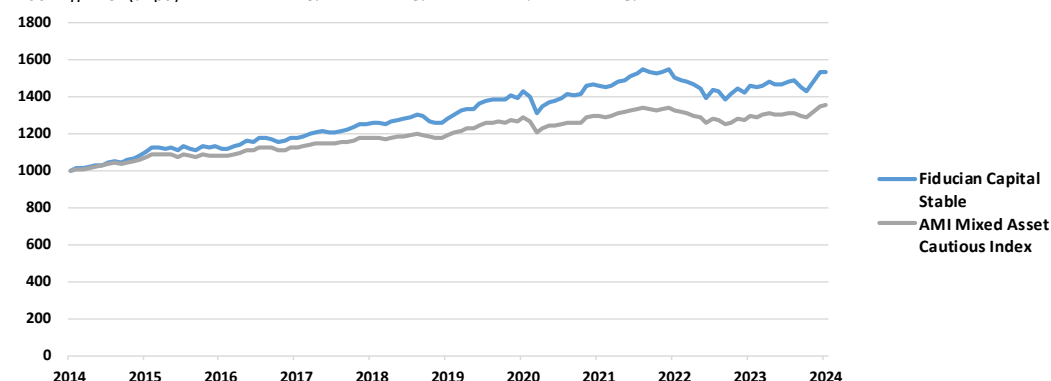
### Performance and Risk

After fee returns as at 31 January 2024

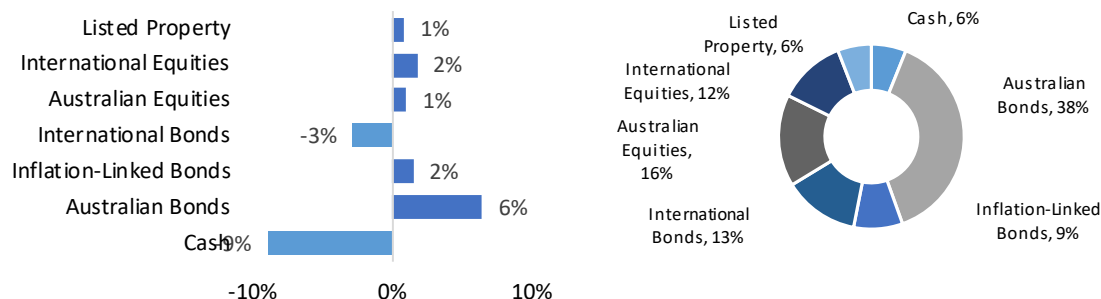
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	0.4%	7.6%	3.6%	5.1%	1.7%	3.7%	3.9%	4.4%
Index	0.4%	5.2%	3.1%	4.3%	1.5%	2.6%	2.7%	3.1%
Excess	0.1%	2.5%	0.5%	0.8%	0.2%	1.1%	1.2%	1.3%
Ranking				14/41	16/36	8/34	6/33	3/28

#### Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	5.7%	6.0%	6.2%	5.0%
Benchmark (Std Dev %)	3.9%	3.9%	4.2%	3.4%
Beta	1.32	1.46	1.42	1.44
Tracking Error (% pa)	2.0%	2.3%	2.2%	1.8%



### Tactical tilts and current asset weights



### Market Commentary and Outlook

The elevated rates of inflation observed across most of the world in the past two years have shown continued signs of moderating, as restrictive monetary policy has been proving effective in returning inflation rates back towards the target levels of most central banks. However, better than expected economic growth data in many parts of the world has made the timing of potential interest rate cuts less certain.

Global equity market performance was mixed in January. In the US, the broad market (S&P 500 index) gained 1.6%, and the Australian stock market (ASX 200 index) gained 1.2%. Emerging markets were broadly lower, led by declines in China (-6.3%). Fixed income returns were flat, and the Australian dollar declined by 3.3% against the US dollar.

Looking ahead, monetary policy could become less restrictive this year, which could be positive for markets. However, geopolitical risks, alongside slower economic growth in the coming year represent potential headwinds. The International Monetary Fund (IMF) recently updated its economic outlook, and is now forecasting global growth to be 3.1% in 2024. This is above previous estimates, but still 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 Fund performed in line with the benchmark in January, with a return of 0.4%, compared to the benchmark return of 0.4%. Over the 12 months to the end of January, the Fund returned 5.1%.

International equities and listed property were the best performing sectors for the month, and returns for cash and bonds were relatively flat.

The Fund currently has small overweight positions in Australian and International equities as well as listed property. The weighting towards bonds has increased in recent months.

In the Zenith AMI Mixed Asset-Cautious Category, the Fiducian Capital Stable Fund returns were ranked 14 out of 41 funds over one year, 8 out of 34 funds over five years, and 3 out of 28 funds over the ten year period to 31 January 2024.

### Managers and weights

Asset Class	Fund Manager	Weight
Australian Equities 15.9%	Solaris	2.8%
	Fidelity	2.4%
	Benelong	2.8%
	L1 Capital	2.2%
	Ausbil Dexia	3.0%
	Pendal	2.7%
International Equities 11.6%	Franklin Templeton	2.9%
	Challenger	3.6%
	Wellington GRE	1.6%
	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%
	Loftus Peak Technology	0.0%
Nordic Technology	0.1%	
Listed Property 5.8%	BlackRock	0.6%
	Phoenix	2.7%
	Principal	2.6%
Australian Bonds 38.5%	Perpetual Fixed Interest	11.4%
	BlackRock	0.3%
	Challenger	26.8%
Inflation Linked Bonds 8.5%	Challenger	8.5%
International Bonds 13.2%	BlackRock	13.2%
	Cash	0.2%
Cash 6.4%	BlackRock	0.2%
	Cash	6.2%

### Top stock holdings

Top Australian Stocks	Industry	Weight
BHP Group	Mining	9.8%
CSL Limited	Biotechnology	7.7%
Commonwealth Bank	Banks	5.5%
Santos Limited	Oil & Gas	4.0%
Goodman Group	REITS	3.7%
National Australia Bank	Banks	3.5%
Macquarie Group	Banks	3.0%
James Hardie Industries	Building Materials	2.8%
Qbe Insurance Group	Insurance	2.7%
Aristocrat Leisure	Entertainment	2.5%

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

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