

# Fiducian Capital Stable Fund

## Monthly Report- May 2021



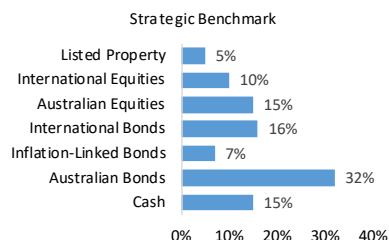
### Fund description

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, managers and geographies, utilising the Fiducian “Manager the Manager” system that aims to achieve superior returns with lower 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 2 to 3 years.

### Fund facts

**Portfolio manager:** Conrad Burge  
**ARSN:** 093 542 879  
**APIR code:** FPS0002AU  
**Benchmark:** Morningstar Multisector Moderate Median  
**Current fund size:** \$381 million (May 2021)  
**Management cost:** 0.76%  
**Total management costs:** 0.85%  
**Application/Exit fee:** Nil  
**Inception Date:** March 1997



### Performance and Risk

#### After fee returns as at 31 May 2021

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	0.6%	3.0%	2.0%	8.5%	5.4%	5.2%	5.5%	5.9%
Index	0.7%	3.1%	2.8%	7.3%	4.3%	4.0%	4.1%	4.9%
Excess	-0.1%	-0.2%	-0.9%	1.2%	1.2%	1.2%	1.4%	1.1%
Ranking				33/127	19/122	11/116	6/112	9/101

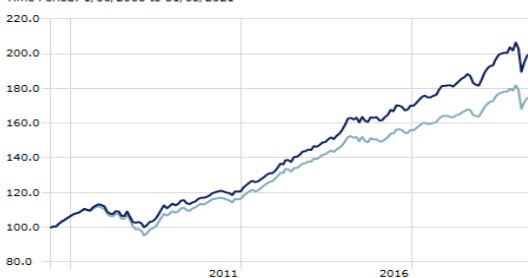
#### Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	4.2%	5.8%	4.8%	4.1%
Benchmark (Std Dev %)	3.5%	4.9%	4.1%	3.6%
Beta	1.05	1.03	1.02	1.01
Tracking Error (% pa)	1.4%	1.2%	1.1%	0.9%

Overall Morningstar rating  
**★★★★**

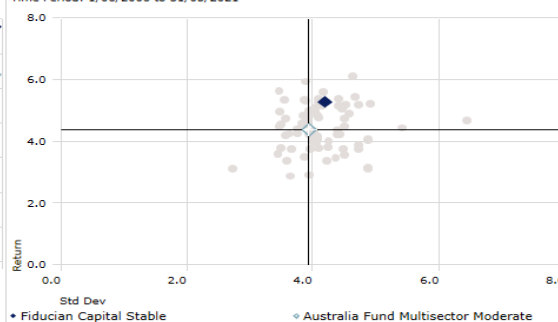
#### Investment Growth

Time Period: 1/06/2006 to 31/05/2021

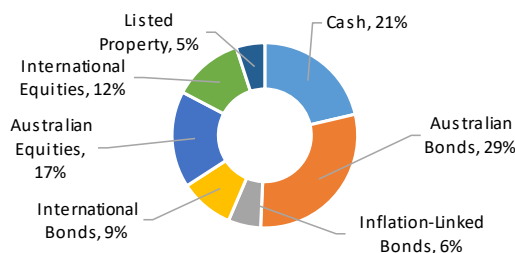
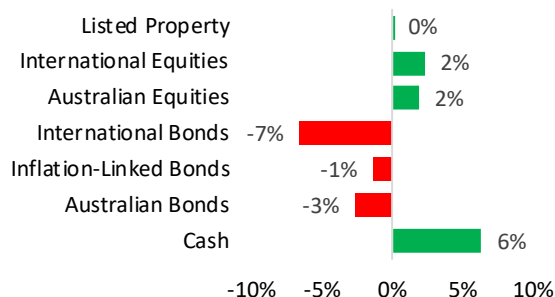


#### Risk-Reward

Time Period: 1/06/2006 to 31/05/2021



### Tactical tilts and current asset weights



### Market Commentary and Outlook

Global indicators of economic activity remained strong in May, as expansionary monetary policy and fiscal stimulus continued to drive the recovery from the recent worldwide COVID-19 induced recession. Manufacturing and service industry activity levels continued to rise across most countries during the month. An increase in inflation is being experienced in some economies due to supply chain disruptions, input price increases and stimulus payments, but this is expected to be temporary. Economic indicators in Australia remained positive. Job ads increased to be well above pre-pandemic levels and house prices and construction activity were both higher. Consumer confidence remained above the long term average.

Global equity markets continued to move higher, with the US broad market (S&P 500 index) up 0.6% and the Australian market (ASX 200 index) rising 2.3%. Gains were seen across most developed and emerging market indices. Australian and US Treasury bond yields drifted lower following a spike at the start of the year.

Looking ahead, leading indicators remain supportive of a continued economic recovery through the rest of the year, with the IMF expecting global GDP growth of 6.0% in 2021. 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 Fund performed in line with the median manager during May, rising 0.6% against a 0.7% return by the median manager. Over the year to the end of May, the Fund outperformed by 1.2% with a return of 8.5%

Australian and International equities finished the month higher, and the underlying managers performed broadly in line with benchmark. The Fiducian India Fund was the highlight, rising by 7.7%. Technology shares had a relatively weak month, while bond returns were slightly positive.

The fund retains an overweight exposure to Australian and International equities, as global economies continue to recover from last years recession, earnings forecasts are revised upwards and these sectors appear attractive relative to other asset classes. Additionally, an overweight position is held in cash relative to bonds.

This fund was ranked 21<sup>st</sup> out of 129 funds in the multi-sector diversified moderate funds category surveyed by Morningstar over one year, and 9<sup>th</sup> over five and ten year periods to the end of May.

### Managers and weights

Asset Class	Fund Manager	Weight
Australian Equities 16.8%	Solaris	2.9%
	Fidelity	3.2%
	Bennelong	3.3%
	L1 Capital	2.9%
	Ausbil Dexia	2.7%
International Equities 11.8%	Pendal	1.7%
	Franklin Templeton	4.0%
	BlackRock	2.6%
	Wellington	3.7%
	SSGA	0.0%
	State Bank of India	0.1%
	Sundaram	0.2%
	Tata	0.1%
	Vanguard	0.4%
	Wellington Technology	0.4%
Listed Property 5.0%	Wellington Biotechnology	0.1%
	Nordic Technology	0.1%
	BlackRock	0.4%
	Phoenix	2.3%
Australian Bonds 23.0%	Principal	2.3%
	Perpetual Fixed Interest	14.6%
	BlackRock	0.1%
Inflation Linked Bonds 5.7%	Challenger	8.3%
	Challenger	5.7%
International Bonds 9.4%	Challenger	5.7%
	BlackRock	9.4%
Cash 28.3%	BlackRock	0.3%
	Cash	28.0%

### Top stock holdings

Top Australian Stocks	Industry	Weight
CSL Limited	Biotechnology	8.6%
BHP Group	Diversified Metals & Mining	6.9%
Commonwealth Bank	Diversified Banks	5.8%
Westpac Banking Corpora	Diversified Banks	4.2%
ANZ Banking Group	Diversified Banks	3.4%
National Australia Bank	Diversified Banks	3.2%
Aristocrat Leisure	Casinos & Gaming	2.8%
Macquarie Group	Diversified Capital Markets	2.7%
Telstra Corporation	Telecommunication Services	2.6%
Rio Tinto	Diversified Metals & Mining	2.3%

Top International Stocks	Industry	Weight
Svb Financial Group	Regional Banks	2.0%
Salesforce.Com Inc	Application Software	1.9%
Aptiv Plc	Auto Parts & Equipment	1.9%
Danaher Corp	Health Care Equipment	1.8%
Partners Group Holding	Asset Management	1.8%
Dsv Panalpina	Air Freight & Logistics	1.8%
Charles River Lab	Life Sciences	1.7%
Hdfc Bank Ltd	Diversified Banks	1.7%
Humana Incorporated	Managed Health Care	1.7%
Visa Incorporated	Data Processing	1.6%

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