

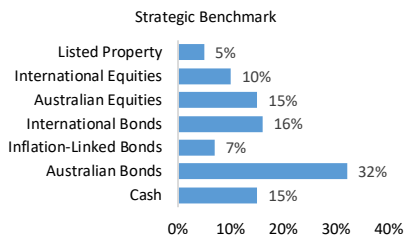
Fund description

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 “Manager 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 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: \$454 million (January 2022)
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 2022

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	-2.7%	-1.2%	-1.4%	3.1%	5.6%	5.1%	4.6%	5.9%
Index	-1.6%	-0.2%	-0.9%	3.5%	4.4%	4.0%	3.4%	4.8%
Excess	-1.1%	-1.0%	-0.5%	-0.3%	1.2%	1.1%	1.2%	1.0%
Ranking				47/112	10/110	8/106	7/100	7/95

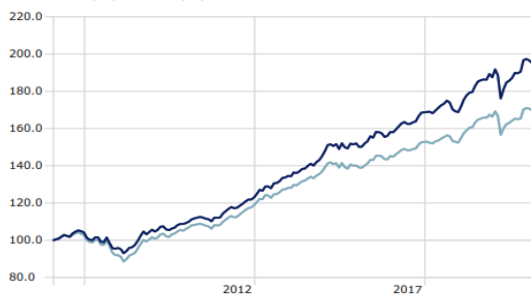
Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	4.4%	6.0%	5.0%	4.2%
Benchmark (Std Dev %)	3.5%	5.0%	4.1%	3.6%
Beta	1.04	1.04	1.03	1.01
Tracking Error (% pa)	1.5%	1.3%	1.2%	1.0%

Overall Morningstar Rating™
★★★★★
 As at 31 January 2022*

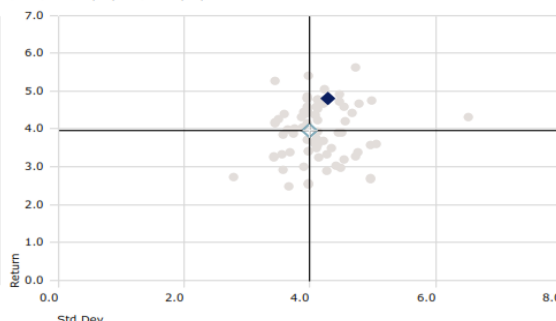
Investment Growth

Time Period: 1/02/2007 to 31/01/2022

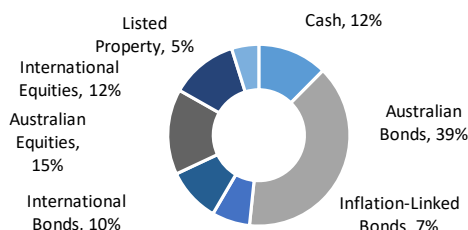
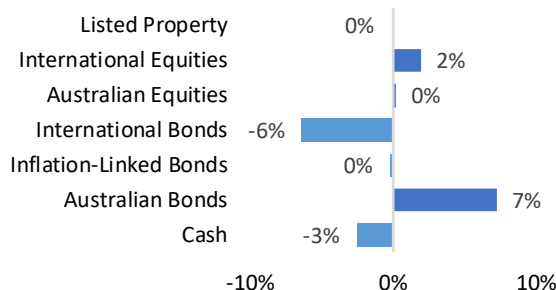


Risk-Reward

Time Period: 1/02/2007 to 31/01/2022



Tactical tilts and current asset weights



Market Commentary and Outlook

January was a mixed month for the global economy. The ongoing spread of the Omicron variant of the COVID-19 coronavirus caused some weakness in consumer confidence and retail spending, which is expected to be temporary. Other economic indicators were positive, including manufacturing activity. Most notably, unemployment rates across most of the world continued to decline and there are emerging signs of wages growth. Overall, the outlook remains broadly positive.

These strong underlying conditions, combined with a continuation of higher inflation, resulted in the market bringing forward the expected timing for tighter monetary conditions, including higher interest rates. This led to negative returns for most asset classes. US, European and Australian stock markets all finished January around 4-6% lower. Sectors that are exposed to high growth rates (such as Technology) or are sensitive to interest rates were most affected. Bond prices also finished the month lower. Commodities were the exception, performing strongly during the month as energy and metal prices moved higher due to sustained demand growth.

Looking ahead, leading indicators remain supportive of a continued economic recovery this year, with the IMF forecasting global GDP growth of around 5% in 2022. The risk of further disruption caused by lockdowns to counter the pandemic remains, but is lessening as vaccine rollouts continue and restrictions become more targeted.

Fund Commentary

The Fund underperformed in January, falling by 2.7%, compared to the median manager return of -2.3%. Over the year to the end of January, the Fund underperformed the median manager by 0.3% with a return of 3.1%

Most asset classes experienced negative returns for the month, with property and equities the worst performers, and fixed income assets also finishing lower. The prospect of interest rates increasing earlier than expect caused a broad-based sell off across most markets, particularly growth assets.

The Fund retains an overweight exposure to Australian and International equities, as global economies continue to recover from COVID-19 disruptions, and share markets appear attractive relative to other asset classes. Additionally, an overweight position is held in some lower risk domestic fixed income.

The Fiducian Capital Stable Fund was ranked 78th out of 114 funds in the Multi-Sector Moderate category surveyed by Morningstar over one year, while in the same survey it ranked 8th out of 106 funds over five years, and 7th out of 95 funds over the ten year period to 31 January 2022.

Managers and weights

Asset Class	Fund Manager	Weight
Australian Equities 15.1%	Solaris	2.5%
	Fidelity	2.8%
	Bennelong	2.8%
	L1 Capital	2.6%
	Ausbil Dexia	2.9%
	Pendal	1.5%
International Equities 11.4%	Franklin Templeton	3.7%
	Challenger	2.4%
	Wellington	4.0%
	SSGA	0.0%
	State Bank of India	0.1%
	Sundaram	0.2%
	Tata	0.1%
	EquiPoise	0.0%
	Vanguard	0.4%
	Wellington Technology	0.4%
	Wellington Biotechnology	0.1%
	Nordic Technology	0.1%
Listed Property 4.8%	BlackRock	0.4%
	Phoenix	2.3%
	Principal	2.1%
Australian Bonds 39.0%	Perpetual Fixed Interest	12.3%
	BlackRock	0.1%
	Challenger	26.6%
Inflation Linked Bonds 6.8%	Challenger	6.8%
International Bonds 9.6%	BlackRock	9.6%
Cash 13.3%	BlackRock	0.3%
	Cash	13.0%

Top stock holdings

Top Australian Stocks	Industry	Weight
CSL	Biotechnology	8.3%
BHP Group	Diversified Metals & Mining	7.8%
Commonwealth Bank	Diversified Banks	5.0%
Macquarie Group	Diversified Capital Markets	3.4%
National Australia Bank	Diversified Banks	3.3%
Aristocrat Leisure	Casinos & Gaming	2.8%
Telstra Corporation	Telecommunication Services	2.7%
Goodman Group	Industrial REITs	2.6%
Santos Limited	Oil & Gas	2.6%
James Hardie Industries	Construction Materials	2.6%

Top International Stocks	Industry	Weight
Visa	Data Processing	2.0%
Danaher Corp	Life Sciences Tools & Services	2.0%
Microsoft Corp	Systems Software	1.9%
Humana	Managed Health Care	1.8%
Amazon	Internet Retail	1.8%
Alphabet	Interactive Media & Services	1.7%
Charles River Laboratories	Life Sciences Tools & Services	1.6%
Synopsys Inc	Application Software	1.6%
Svb Financial Group	Regional Banks	1.6%
Salesforce.Com	Application Software	1.6%

Fiducian Investment Management Services Limited

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