

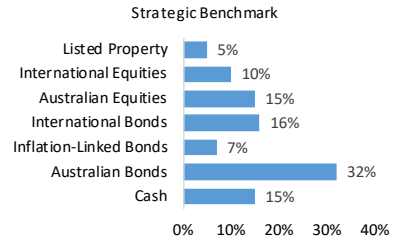
### Fund description

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:** \$469 million (February 2023)  
**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 28 February 2023

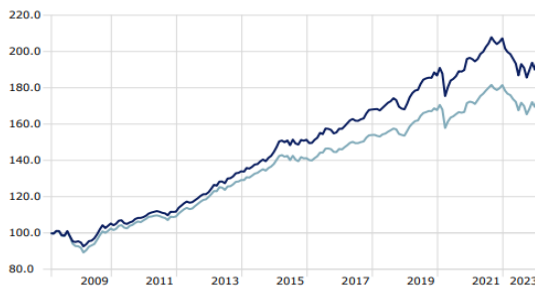
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	-0.7%	0.2%	1.7%	-2.7%	1.1%	2.9%	3.8%	4.4%
Index	-0.9%	0.0%	1.3%	-2.7%	0.8%	2.2%	3.1%	3.6%
Excess	0.2%	0.3%	0.4%	0.0%	0.3%	0.7%	0.7%	0.7%
Ranking				56/109	39/106	19/96	15/91	8/85

#### Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	7.9%	7.1%	6.0%	4.8%
Benchmark (Std Dev %)	6.7%	6.0%	5.1%	4.1%
Beta	1.04	1.04	1.04	1.02
Tracking Error (% pa)	1.5%	1.5%	1.3%	1.1%

#### Investment Growth

Time Period: 3/1/2008 to 2/28/2023

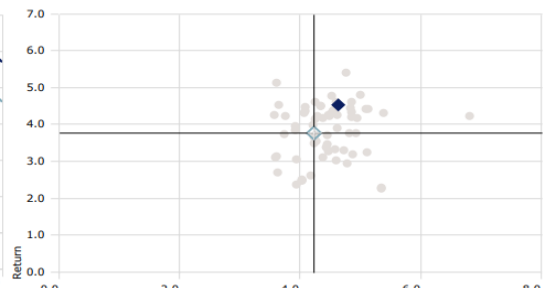


—Fiducian Capital Stable

—Australia Fund Multisector Moderate

#### Risk-Reward

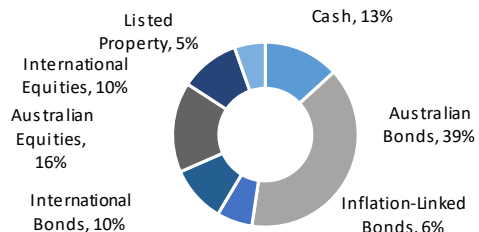
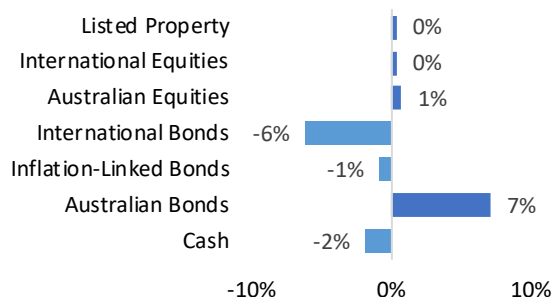
Time Period: 3/1/2008 to 2/28/2023



• Fiducian Capital Stable

• Australia Fund Multisector Moderate

### Tactical tilts and current asset weights



### Market Commentary and Outlook

The trend of slowing global growth has continued in recent months due to a tightening of monetary policy by key central banks in response to an acceleration last year in the rate of inflation. In some regions, inflation now appears to be moderating. However, the persistent strength in employment conditions and to a lesser extent retail sales has created uncertainty regarding the amount of monetary tightening that will be necessary to bring inflation back towards target ranges.

The prospect of further interest rate rises to come was negative for most asset classes in February. Equities were lower, with the broad US market (S&P 500) declining by 2.4% and the Australian market (ASX 200) also 2.4% lower. The Australian dollar reversed recent gains against the US dollar, declining by 4.7%, which assisted returns for international assets held by Australian investors. Property stocks and bonds also finished the month lower.

Looking ahead, elevated geopolitical risks, alongside the likelihood of higher interest rates and slower economic growth this year, represent potential headwinds for markets. The International Monetary Fund recently made a modest upgrade to global growth forecasts for 2023 due to an earlier than expected end to zero-COVID policies in China. However, expected global growth of 2.9% for this year still remains below trend levels. In broad terms, share markets continue to appear more attractive than most other investment opportunities.

### Fund Commentary

The Fund outperformed the benchmark in February, with a return of -0.7%, compared to the benchmark return of -0.9%. Over the year to the end of February, the Fund returned -2.7%.

Most major asset classes finished the month lower, amid some uncertainty regarding the future path for interest rates. International shares were higher due to a fall in the Australian dollar, and property and cash also outperformed. Australian shares and bonds were weaker.

The Fund currently has a neutral exposure to Australian and International equities, as relatively attractive valuations are offset by rising interest rates and geopolitical tensions. Additionally, an overweight position is held in some shorter duration domestic fixed income.

In the Morningstar Multisector Moderate Category, the Fiducian Capital Stable Fund returns were ranked 56th out of 109 funds over one year, 19th out of 96 funds over five years, and 8th out of 85 funds over the ten year period to 28 February 2023.

### Managers and weights

Asset Class	Fund Manager	Weight
<b>Australian Equities 15.7%</b>	Solaris	2.8%
	Fidelity	2.6%
	Bennelong	2.4%
	L1 Capital	3.1%
	Ausbil Dexia	3.1%
	Pendal	1.8%
<b>International Equities 10.2%</b>	Franklin Templeton	2.7%
	Challenger	2.7%
	Wellington GRE	1.0%
	Wellington Value	2.6%
	State Bank of India	0.1%
	Sundaram	0.2%
	Tata	0.1%
	EquiPoise	0.0%
	Vanguard	0.3%
	Wellington Technology	0.3%
	Wellington Biotechnology	0.1%
	Nordic Technology	0.1%
<b>Listed Property 5.4%</b>	BlackRock	0.5%
	Phoenix	2.6%
	Principal	2.2%
<b>Australian Bonds 37.9%</b>	Perpetual Fixed Interest	9.5%
	BlackRock	0.3%
	Challenger	28.1%
<b>Inflation Linked Bonds 6.2%</b>	Challenger	6.2%
<b>International Bonds 9.9%</b>	BlackRock	9.9%
	Cash	0.2%
<b>Cash 14.7%</b>	BlackRock	14.6%

### Top stock holdings

Top Australian Stocks	Industry	Weight
BHP Group	Diversified Metals & Mining	9.7%
CSL Limited	Biotechnology	8.6%
Commonwealth Bank	Diversified Banks	5.0%
National Australia Bank	Diversified Banks	4.3%
Telstra Group Limited	Telecommunication Services	3.2%
Macquarie Group Ltd	Diversified Capital Markets	3.2%
Santos Limited	Oil & Gas	3.0%
Qantas Airways Ltd	Airlines	2.7%
Qbe Insurance	Insurance	2.6%
James Hardie Industries	Construction Materials	2.4%

Top International Stocks	Industry	Weight
Seagen Inc	Biotechnology	1.6%
Mercadolibre Inc	Internet Marketing	1.6%
Rockwell Automation	Electrical Components	1.4%
Charles River	Life Sciences Tools	1.4%
Visa Incorporated	Data Processing Services	1.4%
Equinix Inc	Specialized REITs	1.4%
Ulta Beauty Inc	Specialty Stores	1.4%
Amadeus IT	Data Processing Services	1.3%
Intuitive Surgical Inc	Health Care Equipment	1.3%
Dsv A/S	Air Freight & Logistics	1.3%

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The Morningstar Category rankings have the Morningstar Australia Multisector Aggressive Category for Ultra Growth Fund, Multisector Moderate Category for Capital Stable Fund, and Multisector Growth Category for the Balanced and Growth Fund. Source: Morningstar Direct, Performance Report as of 8.3.2023 © 2023 Morningstar, Inc. All rights reserved. Neither Morningstar, its affiliates, nor the content providers guarantee the data or content contained herein to be accurate, complete or timely nor will they have any liability for its use or distribution. This report or data has been prepared for clients of Morningstar Australasia Pty Ltd (ABN: 95 090 665 544, AFSL: 240892) and/or New Zealand wholesale clients of Morningstar Research Ltd, subsidiaries of Morningstar, Inc. Any general advice has been provided without reference to your financial objectives, situation or needs. For more information refer to our Financial Services Guide at [www.morningstar.com.au/s/fsg.pdf](http://www.morningstar.com.au/s/fsg.pdf). You should consider the advice in light of these matters and if applicable, the relevant Product Disclosure Statement before making any decision to invest. Morningstar's publications, ratings and products should be viewed as an additional investment resource, not as your sole source of information. Morningstar's full research reports are the source of any Morningstar Ratings and are available from Morningstar or your adviser. Past performance does not necessarily indicate a financial product's future performance. To obtain advice tailored to your situation, contact a financial adviser. Some material is copyright and published under licence from ASX Operations Pty Ltd ACN 004 523 782.