

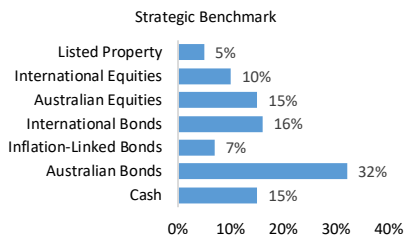
Fund description

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: \$467 million (December 2021)
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 December 2021

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	0.8%	0.9%	2.4%	5.4%	7.2%	5.6%	5.2%	6.4%
Index	0.9%	0.9%	1.7%	5.3%	5.1%	4.2%	3.9%	5.1%
Excess	-0.1%	0.0%	0.7%	0.2%	2.1%	1.4%	1.3%	1.2%
Ranking				47/112	9/107	6/104	8/97	5/92

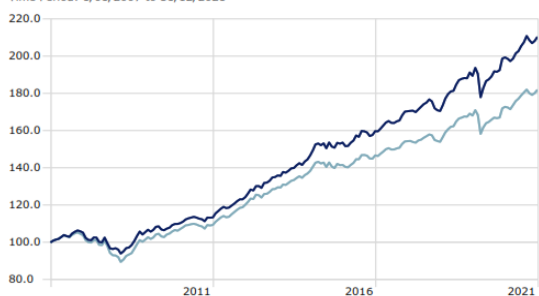
Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	3.2%	5.7%	4.8%	4.1%
Benchmark (Std Dev %)	2.8%	4.9%	4.1%	3.5%
Beta	1.00	1.03	1.02	1.01
Tracking Error (% pa)	1.1%	1.2%	1.1%	0.9%

Overall Morningstar Rating™
★★★★★
 As at 31 December 2021*

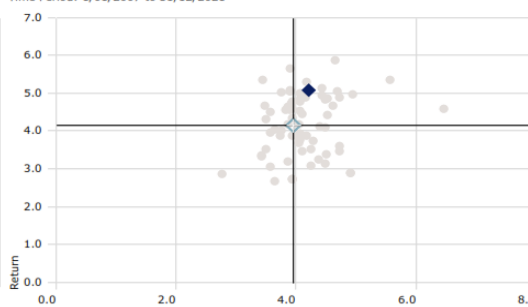
Investment Growth

Time Period: 1/01/2007 to 31/12/2021



Risk-Reward

Time Period: 1/01/2007 to 31/12/2021



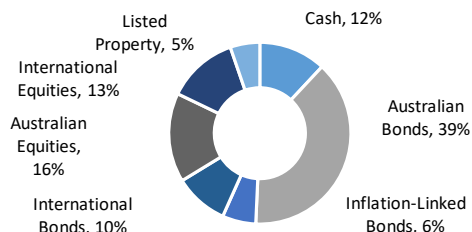
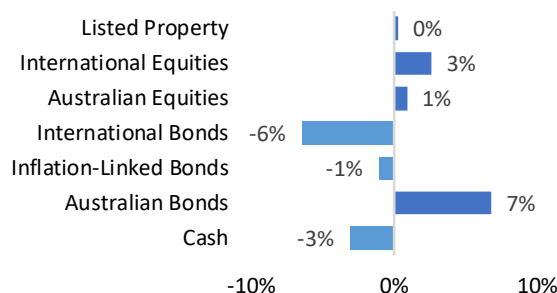
—Fiducian Capital Stable

—Australia Fund Multisector Moderate

• Fiducian Capital Stable

◆ Australia Fund Multisector Moderate

Tactical tilts and current asset weights



Market Commentary and Outlook

The rapid spread through the month and into 2022 of the latest variant of the COVID-19 coronavirus (Omicron) has the potential to slow global economic growth for a time. So far, however, indications are that despite being highly contagious, this strain is less virulent or deadly than previous versions of the virus. Combined with high vaccination rates in most developed nations, the need for restrictive lockdowns is largely being avoided. Against this backdrop, the positive economic momentum seen across most of the world in 2021 is likely to be sustained in 2022.

Global equity markets ended 2021 on a positive note, with most indices recording gains for the month. For the year, the US market (S&P 500) finished 28.7% higher. European markets (MSCI Europe ex UK) were 24.4% higher for the year and the Australian market (ASX 200) gained 17.2%. Emerging markets (-2.2%) trailed developed markets (+22.3%), and property stocks outperformed the broader market. Government bond yields also moved higher over the year, as the scaling down of emergency stimulus programmes and recent higher than expected inflation data has brought forward the timeline for interest rate increases.

Looking ahead, leading indicators remain supportive of a continued economic recovery through 2022, with the IMF forecasting global GDP growth of around 5% for the year. 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 December, gaining 0.7%, compared to the median manager return of 0.8%. Over the year to the end of December, the Fund outperformed the median manager by 0.2% with a return of 5.4%

It was a positive month for all asset classes within the fund, with domestic and international equities as well as listed property recording strong gains. For calendar year 2021, property securities provided the best returns followed by international equities. Bonds finished the year with a small negative return.

The Fund retains an overweight exposure to Australian and International equities, as global economies continue to recover from last years recession, and share markets appear attractive relative to other asset classes. Additionally, an overweight position is held in some lower risk domestic bonds.

The Fiducian Capital Stable Fund was ranked 47th out of 112 funds in the Multi-Sector Moderate category surveyed by Morningstar over one year, while in the same survey it ranked 6th out of 104 funds over five years, and 5th out of 92 funds over the ten year period to 31 December 2021.

Managers and weights

Asset Class	Fund Manager	Weight
Australian Equities 15.8%	Solaris	2.5%
	Fidelity	2.9%
	Bennelong	3.2%
	L1 Capital	2.6%
	Ausbil Dexia	3.0%
	Pendal	1.5%
International Equities 12.1%	Franklin Templeton	4.3%
	Challenger	2.3%
	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	0.5%
	Wellington Biotechnology	0.1%
	Nordic Technology	0.1%
Listed Property 5.2%	BlackRock	0.4%
	Phoenix	2.4%
	Principal	2.3%
Australian Bonds 38.4%	Perpetual Fixed Interest	12.2%
	BlackRock	0.1%
	Challenger	26.1%
Inflation Linked Bonds 6.0%	Challenger	6.0%
International Bonds 9.6%	BlackRock	9.6%
Cash 13.0%	BlackRock	0.3%
	Cash	12.7%

Top stock holdings

Top Australian Stocks	Industry	Weight
CSL	Biotechnology	8.8%
BHP Group	Diversified Metals & Mining	5.3%
Commonwealth Bank	Diversified Banks	5.1%
Macquarie Group	Diversified Capital Markets	3.6%
National Australia Bank	Diversified Banks	3.3%
Aristocrat Leisure	Casinos & Gaming	2.9%
James Hardie Industries	Construction Materials	2.8%
Goodman Group	Industrial REITs	2.8%
Telstra Corporation	Telecommunication Services	2.5%
Westpac	Diversified Banks	2.2%

Top International Stocks	Industry	Weight
Danaher Corp	Health Care Equipment	2.0%
Visa Incorporated	Data Processing	1.9%
Synopsis Inc	Application Software	1.8%
Microsoft Corp	Systems Software	1.8%
Svb Financial Group	Regional Banks	1.7%
Charles River Laboratories	Life Sciences Tools & Services	1.7%
Intuitive Surgical Inc	Health Care Equipment	1.7%
Amazon	Internet Retail	1.7%
Broadridge Finance	Data Processing	1.7%
Salesforce.Com	Application Software	1.7%

Fiducian Investment Management Services Limited

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The information has been compiled from sources considered reliable, but is not guaranteed. Past performance is not indicative of future performance and we do not guarantee the performance of the Fund or any specific rate of return. Potential investors should also obtain and consider the relevant Target Market Determination (TMD) and Product Disclosure Statement (PDS) (available from your financial adviser and via fiducian.com.au) before making a decision about whether to acquire or continue to hold any financial product.

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