

Fund description

The Fiducian Technology Fund allows investors to participate directly in a blend of some of the leading technology funds available worldwide. Utilising the Fiducian “Manage the Manager” process, fund managers have been chosen to balance exposure in terms of region and sector.

Managers are able to invest in technology companies anywhere in the world that can benefit from leading-edge technology and can demonstrate significant earnings growth prospects.

Investors must bear in mind that investing in a fund of this nature can involve periods of very high volatility, although superior long-run returns can likely be achieved if investors are prepared to hold investments for periods of at least 9 years.

Fund facts

Portfolio manager: Conrad Burge

ARSN: 093 544 337

APIR code: FPS0010AU

Benchmark: 50/50 MSCI World IT/
Nasdaq Biotech Index (in AUD)

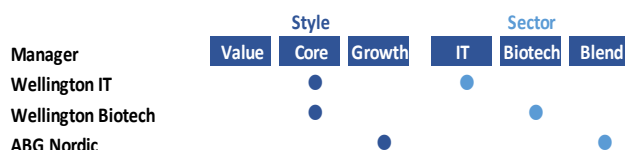
Current fund size: \$181 million (August 2023)

Management cost: 1.36%

Total management costs: 1.43%

Application/Exit fee: Nil

Inception Date: June 2000



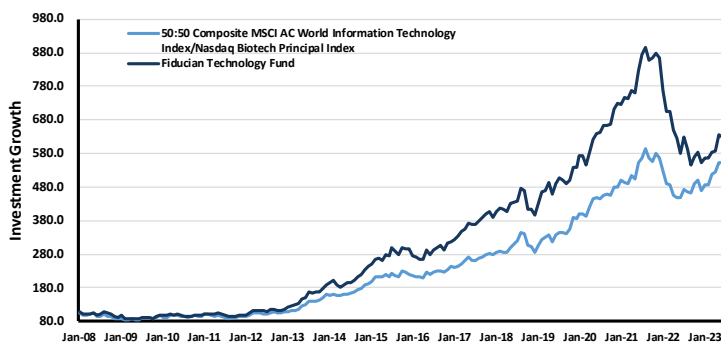
Performance and Risk

After fee returns as at 31 August 2023

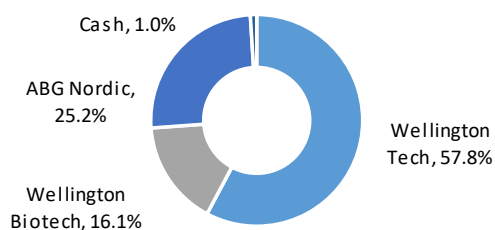
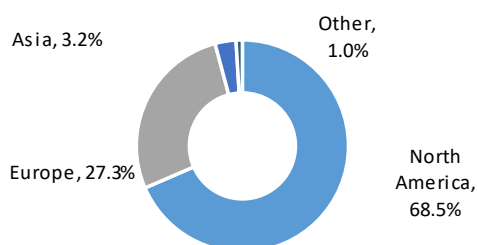
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	-0.3%	0.7%	13.0%	4.4%	-1.7%	5.8%	11.3%	14.3%
Index	2.8%	4.2%	18.3%	23.0%	7.6%	10.3%	13.5%	15.0%
Excess	-3.1%	-3.4%	-5.3%	-18.6%	-9.3%	-4.5%	-2.2%	-0.7%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	13.9%	16.7%	17.2%	15.4%
Benchmark (Std Dev %)	11.8%	13.9%	14.8%	12.9%
Beta	0.80	0.95	0.99	1.01
Tracking Error (% pa)	9.5%	9.6%	8.5%	8.2%



Geographic exposures and current manager weights



Market Commentary and Outlook

Economic data across most developed countries continues to highlight sluggish growth at best in response to tight monetary policy being implemented in most jurisdictions. However, higher interest rates have been steadily pushing inflation lower, while unemployment rates have begun to rise modestly.

Overall, this combination of news was modestly negative for most asset class returns in August. The broad US market (S&P 500 index) declined by 1.7%, and the Australian stock market (ASX 200 index) declined by 0.7%. Australian listed property sector recorded gains during the month (+2.3%), and bulk commodity prices, including coal and iron ore, were also higher. The Australian dollar was weaker during the month, declining by 3.6% against the US dollar.

Looking ahead, geopolitical risks, alongside elevated interest rates and slower economic growth this year, represent potential headwinds for markets. The International Monetary Fund (IMF) is forecasting global growth to be 3.0% in both 2023 and 2024. The IMF expects growth rates to remain slightly below long-term trend levels for some time. However, in broad terms, share markets continue to appear more attractive than most other investment opportunities.

Fund Commentary

The Fiducian Technology Fund declined by 0.3% in August, which was below the 2.8% rise in the composite index. Over the 12 months to the end of August, the Fund returned +4.4%. The sector has had a strong rebound for the year to date in 2023, although small and mid cap stocks have not performed as strongly as large cap technology stocks.

Technology stocks were lower in August. The NASDAQ composite index fell in line with the broader US stock market, while the NASDAQ biotechnology index was relatively flat.

Within the Fund, mega-cap stocks continued to perform well, with gains seen from Nvidia, Amazon and Google. Meta Platforms (Facebook) along with Sdiptech and Harmonic Inc were among the detractors.

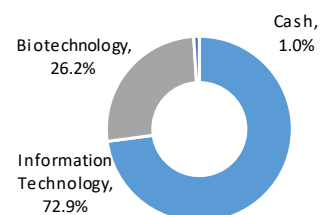
Recent commentary from a number of large tech companies, including Google, Apple and Amazon, has highlighted that earnings and revenue growth have moderated in recent months. However, efficiency gains are also being made, including through reduced employee numbers. Strong balance sheets have also allowed continued investment in growth opportunities, and in some cases, share buybacks.

The long term outlook for the technology sector remains positive, as the need to invest in innovation to drive productivity and improvements in the quality of life provides ongoing support for technology companies.

The Fund remains well diversified between geographies and sectors, and companies held are a blend of established sector leaders plus emerging technology businesses. An overweight position in the Information Technology sector relative to Biotechnology reflects the better growth opportunities currently available in that part of the market. The largest geographical exposure is to North America which makes up 68% of the fund, followed by Europe at 27%.

Top stock holdings and sector weights

Stock	Industry	Weight
Microsoft Corp	Systems Software	7.6%
Alphabet Inc	Interactive Media	6.7%
Amazon	Internet & Direct Marketing	5.7%
Nvidia Corporation	Semiconductors	4.4%
Meta Platforms Inc	Interactive Media	3.0%
Broadcom Inc	Semiconductors	2.4%
Sdiptech Ab B	Environmental & Facilities S	2.2%
On Semiconductor	Semiconductors	2.0%
Chemometec As	Life Sciences Tools	2.0%
Uber Technologies	Trucking	2.0%



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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.