

Fiducian Technology Fund

Monthly Report - July 2024



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: NASDAQ-100 index (AUD)

Current fund size: \$229 million (July 2024)

Management cost: 1.36%

Total management costs: 1.42%

Application/Exit fee: Nil

Inception Date: June 2000

Manager	Style			Sector		
	Value	Core	Growth	IT	Biotech	Blend
Wellington Tech		●		●		
Wellington Biotech		●			●	
ABG Nordic			●			●
Loftus Peak	●			●		

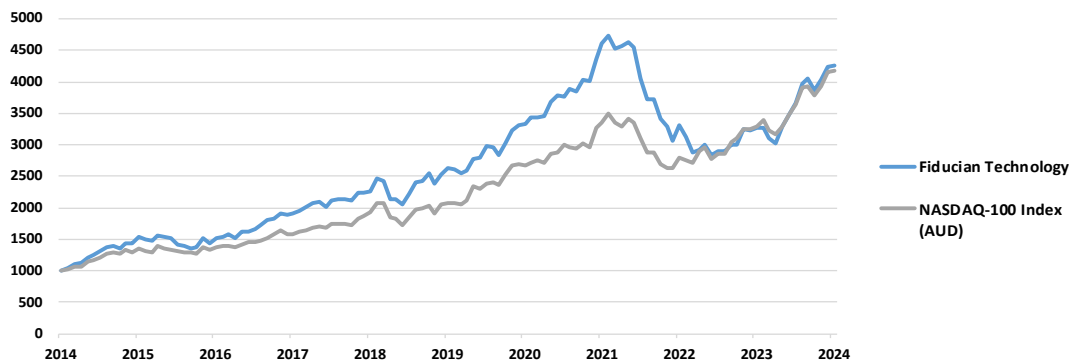
Performance and Risk

After fee returns as at 31 July 2024

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	0.6%	9.9%	16.1%	29.9%	-2.5%	10.1%	12.2%	15.6%
Index	0.6%	10.6%	14.7%	20.6%	6.5%	3.8%	2.7%	1.9%
Excess	0.0%	-0.7%	1.4%	9.3%	-9.0%	6.3%	9.5%	13.7%

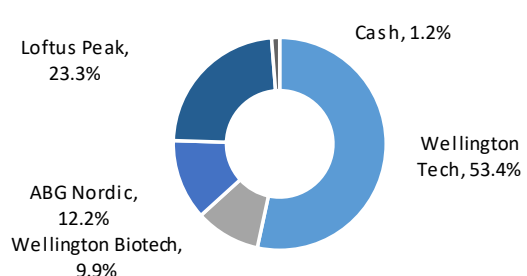
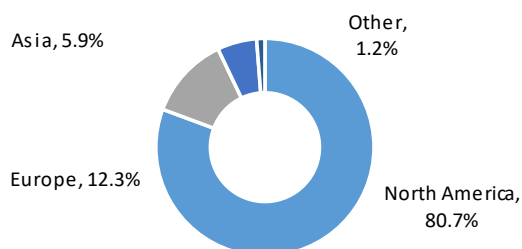
Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	15.3%	17.7%	16.2%	15.7%
Benchmark (Std Dev %)	12.9%	14.4%	13.7%	13.2%
Beta	1.01	1.04	1.00	1.02
Tracking Error (% pa)	5.8%	8.8%	8.4%	7.8%



*Prior to 31 Dec 23, the benchmark for the Fund was 50/50 MSCI World IT (AUD)/NASDAQ Biotechnology (AUD)

Geographic exposures and current manager weights



Market Commentary and Outlook

Measures taken by central banks over the last two years to reduce rates of inflation by implementing restrictive monetary policies have continued to take effect. Globally, unemployment rates remain low, but have risen from the historically low levels observed during 2023. Consumer spending growth has also moderated, but still remains positive. Inflation rates are now gradually moving back towards the target ranges of most central banks, and some (including Europe and Canada) have recently cut interest rates.

Over the month, the Australian market (ASX 200 index) gained 4.2% and the broad US stock market (S&P 500 index) increased by 1.1%. European markets also had a positive month as the European Central Bank recently moved to a less restrictive monetary policy setting. Australian and international bonds recorded positive returns during the month, and the Australian dollar fell by 2% against the US dollar.

Looking ahead, monetary policy could continue to become less restrictive over coming months if inflation rates continue to decline. While this could help to sustain markets, ongoing wars and other geopolitical issues could continue to act as potential headwinds. With the IMF forecasting global growth to be positive (3.2% in 2024 and 3.3% in 2025) and a likely 'soft landing' for the global economy, share markets continue to appear more attractive than most other investment opportunities.

Fund Commentary

The Fiducian Technology Fund gained 0.6% in July, which was in line with the index return of 0.6%. For the 12 months to the end of July, the Fund returned 29.9% which has outperformed the index return of 20.6% for the same period.

Technology stocks were higher in July, with the NASDAQ index rising by 0.7% (in Australian dollars), which was slightly below the gains of the broader US stock market.

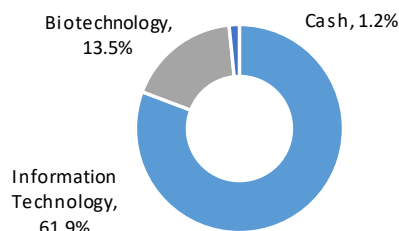
While the US technology sector has seen large gains in recent times, July saw a pullback by the technology sector with companies, such as Tesla and Alphabet, reporting earnings which were below market expectations. Despite this, the sector rose overall as other technology companies reported gains over the month.

The longer-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 provide ongoing support for technology companies. Moreover, the sector may continue to benefit from favourable sentiments surrounding the outlook for Artificial Intelligence (AI), despite recent short-term corrections.

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 80.7% of the fund, followed by Europe at 12.3%.

Top stock holdings and sector weights

Stock	Industry	Weight
Nvidia Corp	Semiconductors	7.7%
Apple Inc	Computers	7.7%
Microsoft Corp	Software	6.9%
Amazon.Com Inc	Internet	5.9%
Alphabet Inc	Internet	3.6%
Broadcom Inc	Semiconductors	3.5%
Taiwan Semiconductor	Semiconductors	3.3%
Netflix Inc	Internet	3.3%
Samsung Electronics	Semiconductors	2.5%
Adobe Inc	Software	2.4%



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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.