

Fiducian Technology Fund

Monthly Report - June 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: \$228 million (June 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	●			●		

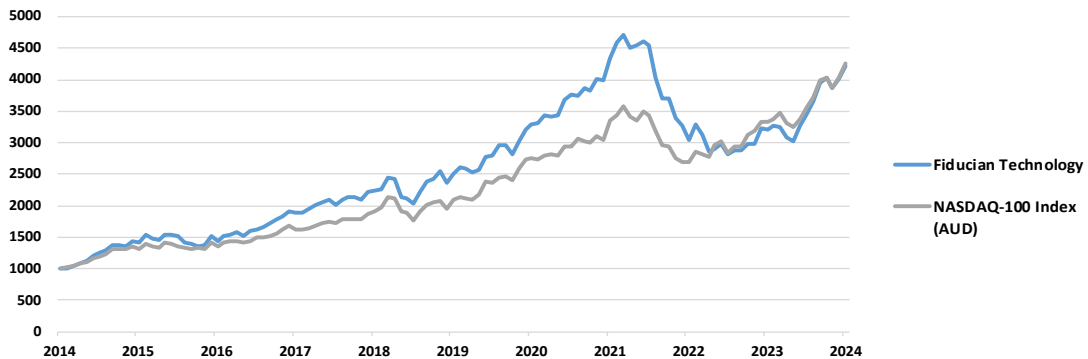
Performance and Risk

After fee returns as at 30 June 2024

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	5.0%	4.7%	21.8%	31.5%	-0.9%	10.8%	12.1%	15.4%
Index	5.8%	5.5%	19.9%	19.9%	6.2%	3.7%	2.6%	1.8%
Excess	-0.8%	-0.7%	1.9%	11.6%	-7.2%	7.1%	9.5%	13.6%

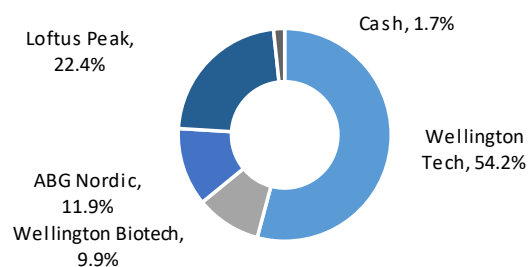
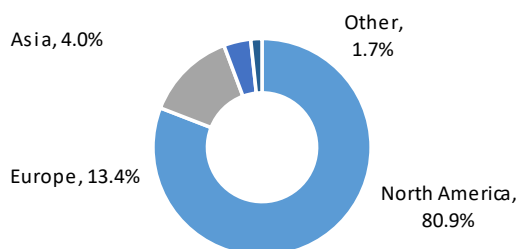
Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	15.2%	18.0%	16.3%	15.7%
Benchmark (Std Dev %)	12.9%	14.4%	13.7%	13.2%
Beta	1.00	1.05	1.00	1.02
Tracking Error (% pa)	5.8%	9.1%	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

The global economy has continued to expand at a moderate pace, although growth in some of the advanced economies remains weak. Inflation data continues to point to a moderation in pricing pressures, although at a slightly slower rate than had been expected. This has delayed the implementation of interest rate cuts by most central banks.

Overall, the combination of slower growth and moderating inflation has increased market expectations that major economies can achieve a ‘soft landing’ and avoid a recession. Over the months, the broad US market (S&P 500 index) gained 4.8%, and the Australian market (ASX 200 index) rose by 0.9%. Political uncertainty due to elections in France and the UK resulted in weakness in most European stock markets. Bond returns were slightly positive, while some key commodity prices declined.

Looking ahead, monetary policy could begin to become less restrictive towards the end of this year if inflation rates continue to decline, which could help to sustain markets. However, geopolitical risks represent potential headwinds. Despite this, the IMF is now forecasting global growth to be 3.2% in 2024 and in 2025, which is close to its long-term trend rate. In broad terms, share markets continue to appear more attractive than most other investment opportunities.

Fund Commentary

The Fiducian Technology Fund gained 5.0% in June, which was below the index return of 5.8%. For the 12 months to the end of June, the Fund returned 31.5% which has outperformed the index return of 27.8% for the same period.

Technology stocks were higher in June, with the NASDAQ index rising by 5.8% (in Australian dollars), outpacing the gains in the broader US stock market.

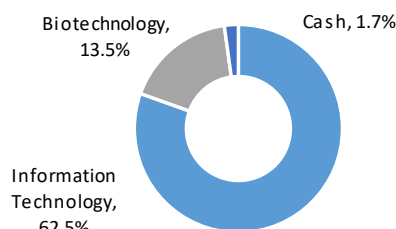
This strong performance was due to a continuation of positive returns from the ‘Magnificent 7’ technology stocks (including Google, Amazon and Microsoft) which continue to benefit from favourable sentiment surrounding the outlook for Artificial Intelligence (AI).

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.

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 80.9% of the fund, followed by Europe at 13.4%.

Top stock holdings and sector weights

Stock	Industry	Weight
Nvidia Corp	Semiconductors	7.4%
Microsoft Corp	Software	7.3%
Amazon.Com Inc	Internet	6.7%
Apple Inc	Computers	6.6%
Alphabet Inc	Internet	4.5%
Taiwan Semiconductor	Semiconductors	4.3%
Netflix Inc	Internet	3.1%
Integrum AB	Healthcare-Products	2.5%
Qualcomm Inc	Semiconductors	2.4%
Samsung Electronics	Semiconductors	2.3%



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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.