

Fiducian Technology Fund

Monthly Report - September 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: \$222 million (September 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	●			●		

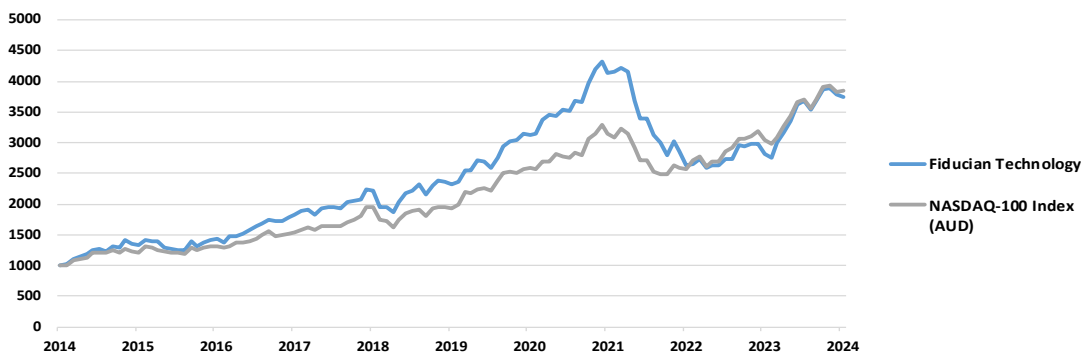
Performance and Risk

After fee returns as at 30 September 2024

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7 yrs	10 Yrs
Fund	-0.9%	-3.0%	1.6%	32.7%	-3.2%	10.0%	10.7%	14.1%
Index	0.3%	-1.8%	3.6%	26.3%	6.9%	14.8%	14.0%	14.4%
Excess	-1.2%	-1.3%	-2.1%	6.4%	-10.1%	-4.8%	-3.3%	-0.3%

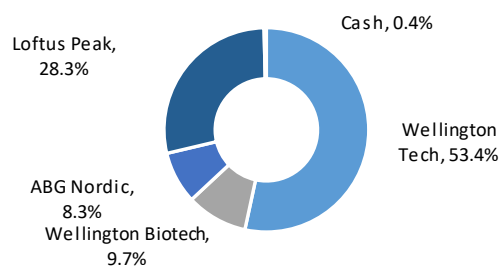
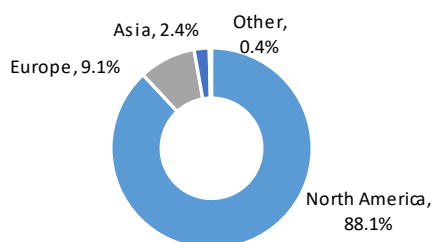
Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	14.3%	17.5%	16.2%	15.7%
Benchmark (Std Dev %)	12.2%	14.0%	13.8%	13.2%
Beta	1.02	1.06	0.99	1.02
Tracking Error (% pa)	4.9%	8.7%	8.4%	7.7%



*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

In the year to date, the global economy has continued to expand despite monetary policy conditions remaining restrictive as central banks seek to lower inflation to target. However, as inflation has moved closer to target, several central banks, including in Europe and then the US, have begun rate cutting cycles. In China, the central bank has cut interest rates and policy makers have announced stimulus measures to revive the country's ailing economy.

The broad US stock market (S&P 500 Index) gained 2.1% in September. The Australian market (ASX 200 Accumulation index) increased by 3.0%. Chinese stock market also experienced strong growth in September, gaining 17.4%. The Australian and global bonds recorded positive returns during the month. The Australian dollar rose by 1.5% relative to the US dollar.

For some time now, key global share markets have been 'pricing-in' a shift in monetary policy from tightening to loosening and have been trading upwards. However, geopolitical risks remain heightened and continue to represent potential headwinds. Despite this, the IMF is forecasting global growth to be 3.2% in 2024 and 3.3% 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 declined -0.9% in September, which underperformed the index return of 0.3%. For the 12 months to the end of September, the Fund returned 32.7% which has outperformed the index return of 26.3% for the same period.

Technology stocks were higher in September, with the NASDAQ index growing by 0.3%, which outperformed the broader US stock market return of -0.1% (both in Australian dollars).

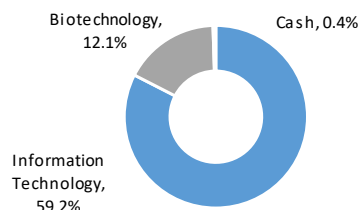
Large technology companies, led by the 'Magnificent Seven' provided strong gains for the month. This was on the back of the US Federal Reserve's decision to lower interest rates, which led investors to add exposure to the technology sector. However, a strong upward movement of the Australian dollar relative to the US dollar detracted from the overall performance of the indices for Australian-based investors.

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 should prove to be structural tailwinds for technology companies. Moreover, the sector may continue to benefit from favourable sentiment 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 88.1% of the fund, followed by Europe at 9.1%.

Top stock holdings and sector weights

Stock	Industry	Weight
Microsoft Corp	Software	8.0%
Nvidia Corp	Semiconductors	7.1%
Apple Inc	Computers	5.5%
Taiwan Semiconductor	Semiconductors	5.0%
Netflix Inc	Internet	3.8%
Broadcom Inc	Semiconductors	3.8%
Amazon.Com Inc	Internet	3.7%
Alphabet Inc	Internet	3.5%
Meta Platforms	Internet	3.2%
Qualcomm Inc	Semiconductors	2.7%



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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.