

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:

Management cost: \$214 million (February 2024)

Total management costs: 1.43%

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	●			●		

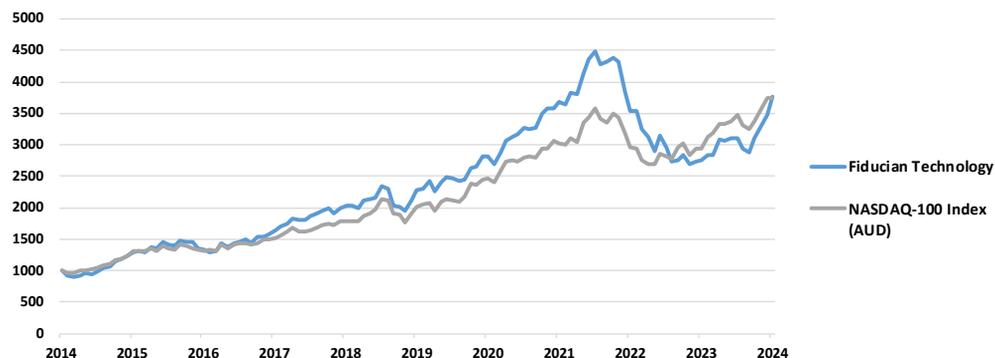
Performance and Risk

After fee returns as at 29 February 2024

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	8.1%	20.8%	21.3%	37.1%	0.7%	10.5%	12.5%	14.2%
Index	7.0%	18.7%	15.1%	36.2%	9.7%	14.7%	14.9%	14.9%
Excess	1.1%	2.1%	6.2%	0.9%	-9.0%	-4.2%	-2.3%	-0.7%

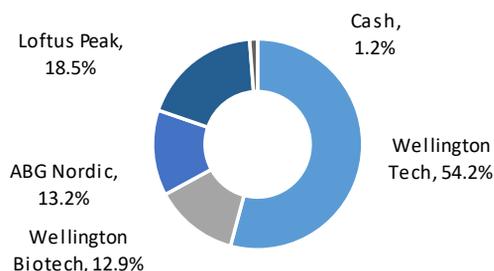
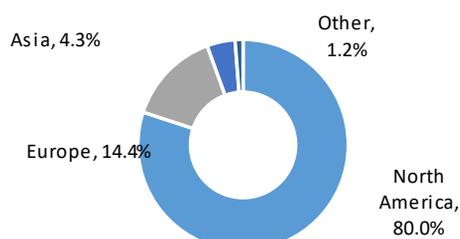
Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	15.1%	18.3%	16.6%	15.9%
Benchmark (Std Dev %)	11.0%	14.5%	13.7%	13.0%
Beta	0.88	1.01	0.98	1.03
Tracking Error (% pa)	10.8%	10.4%	9.3%	8.4%



*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 of global economic growth have generally been better than expected in recent months. There have been some signs of improvement in manufacturing activity, and consumer spending has remained robust. The downside to this is that inflation has also been slightly higher, and interest rates are likely to stay 'higher for longer' than previously anticipated.

Global equity market performance was strong in February. In the US, the broad market (S&P 500 index) gained 5.2%, bolstered by a number of positive earnings announcements, and the Australian stock market (ASX 200 index) gained 0.8%. Emerging markets rebounded, led by gains in China (+8.1%) following the announcement of government measures to support the stock market. Fixed income returns were negative as longer term bond yields increased.

Looking ahead, monetary policy could become less restrictive this year, which may be positive for markets. However, geopolitical risks, alongside slower economic growth in the coming year represent potential headwinds. The International Monetary Fund (IMF) recently updated its economic outlook, and is now forecasting global growth to be 3.1% in 2024. This is above previous estimates, but still below the long-term trend rate of growth. In broad terms, share markets continue to appear more attractive than most other investment opportunities.

Fund Commentary

The Fiducian Technology Fund rose by 8.1% in February, which was above the 7.0% return of the index. For the 12 months to the end of February, the Fund returned 37.1%.

Technology stocks had another positive month in February. The NASDAQ composite index (in AUD) rose by 7.0%, with the biotechnology index rising by 2.5%.

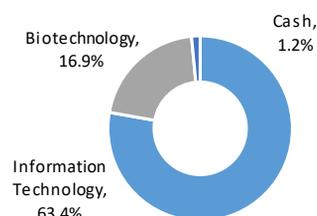
A number of the 'Magnificent 7' technology stocks, which have driven the gains in both the technology index and the broader market, reported earnings results during the month. The announcements were generally positive, as demand for semiconductors and data centres have continued to grow strongly. Combined with cost reductions for many technology companies during 2023, this has produced significant growth in earnings.

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 80% of the fund, followed by Europe at 14%.

Top stock holdings and sector weights

Stock	Industry	Weight
Microsoft Corp	Software	8.9%
Amazon.Com	Internet	7.3%
Nvidia Corp	Semiconductors	5.8%
Taiwan Semi	Semiconductors	4.0%
Alphabet Inc	Internet	3.2%
Uber Technologies Inc	Internet	2.7%
Netflix Inc	Internet	2.6%
Integrum Ab	Healthcare-Products	2.5%
Adv Micro Devices	Semiconductors	2.2%
Flex Ltd	Electronics	2.0%



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