

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)

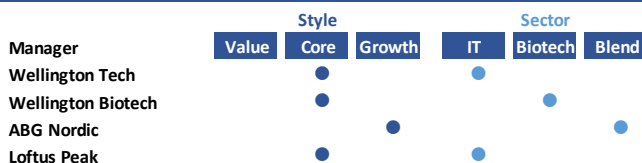
Current fund size:

Management cost: \$197 million (January 2024)

Total management costs: 1.43%

Application/Exit fee: Nil

Inception Date: June 2000



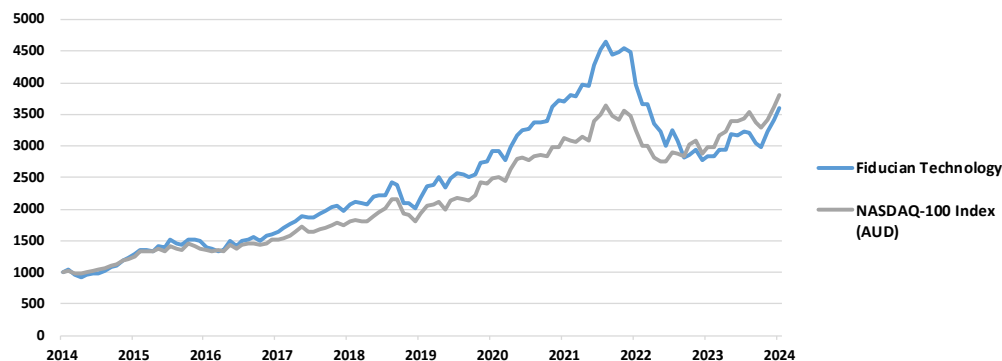
Performance and Risk

After fee returns as at 31 January 2024

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	5.5%	21.2%	11.9%	27.0%	-0.9%	10.5%	11.9%	13.7%
Index	5.2%	15.2%	10.6%	27.2%	6.8%	14.5%	14.0%	14.3%
Excess	0.4%	6.1%	1.3%	-0.3%	-7.7%	-4.0%	-2.1%	-0.6%

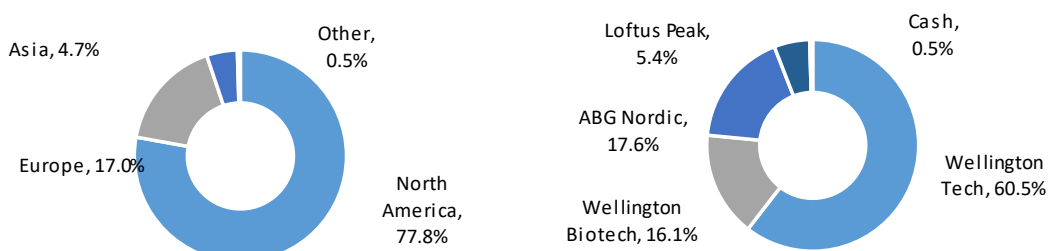
Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	14.2%	17.8%	16.6%	15.7%
Benchmark (Std Dev %)	11.0%	14.5%	13.9%	13.0%
Beta	1.01	1.01	1.01	1.03
Tracking Error (% pa)	7.5%	9.6%	8.6%	8.0%



*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 elevated rates of inflation observed across most of the world in the past two years have shown continued signs of moderating, as restrictive monetary policy has been proving effective in returning inflation rates back towards the target levels of most central banks. However, better than expected economic growth data in many parts of the world has made the timing of potential interest rate cuts less certain.

Global equity market performance was mixed in January. In the US, the broad market (S&P 500 index) gained 1.6%, and the Australian stock market (ASX 200 index) gained 1.2%. Emerging markets were broadly lower, led by declines in China (-6.3%). Fixed income returns were flat, and the Australian dollar declined by 3.3% against the US dollar.

Looking ahead, monetary policy could become less restrictive this year, which could 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 5.5% in January, which was above the 5.2% return of the index. For the 12 months to the end of January, the Fund returned 27.0%.

Technology stocks had another positive month in January. The NASDAQ composite index (in AUD) rose by 5.2%, with the biotechnology index rising by 3.6%.

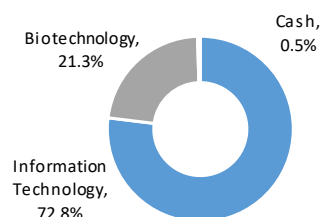
Recent reporting from a number of large technology companies, including Microsoft, Meta and Amazon, has highlighted that earnings have generally been better than forecast, as demand has remained robust, and cost-cutting programs from earlier in the year have helped to improve profit margins. Many of these stocks have also been benefitting from positive sentiment surrounding the potential positive impacts of Artificial Intelligence software.

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 77% of the fund, followed by Europe at 20%.

Top stock holdings and sector weights

Stock	Industry	Weight
Microsoft Corp	Software	8.6%
Amazon.Com	Internet	5.9%
Uber Technologies	Internet	3.5%
Alphabet Inc	Internet	3.2%
Nvidia Corp	Semiconductors	3.0%
Adv Micro Devices	Semiconductors	2.9%
Integrum Ab	Healthcare-Products	2.8%
Flex Ltd	Electronics	2.3%
Taiwan Semiconductor	Semiconductors	2.2%
Intuit Inc	Software	1.9%



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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.