

### 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 5-7 years.

### Fund facts

**Portfolio manager:** Conrad Burge

**ARSN:** 093 544 337

**APIR code:** FPS0010AU

**Benchmark:** 50/50 MSCI World IT/  
Nasdaq Biotech Index (in AUD)

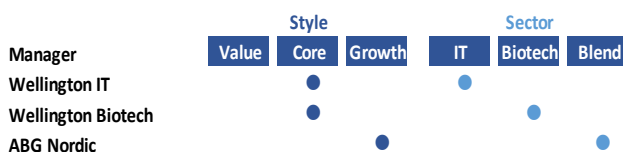
**Current fund size:** \$165 million (April 2023)

**Management cost:** 1.36%

**Total management costs:** 1.43%

**Application/Exit fee:** Nil

**Inception Date:** June 2000



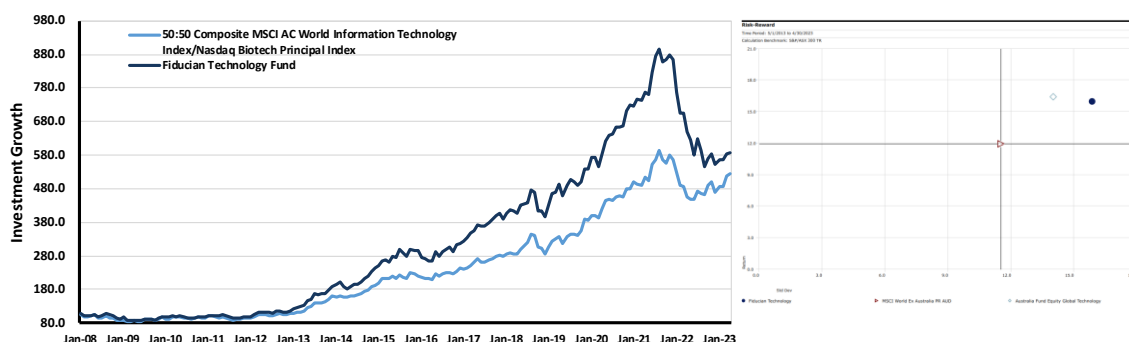
### Performance and Risk

After fee returns as at 30 April 2023

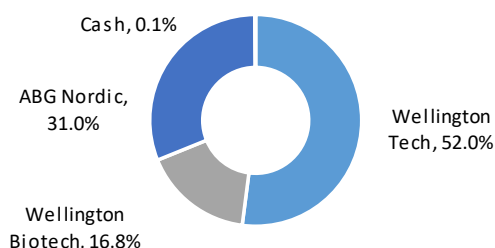
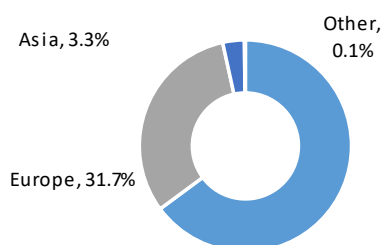
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	0.1%	3.7%	3.1%	-12.2%	-0.4%	7.2%	11.8%	15.9%
Index	1.9%	8.3%	7.3%	15.1%	7.1%	12.4%	13.6%	16.0%
Excess	-1.8%	-4.6%	-4.2%	-27.3%	-7.5%	-5.1%	-1.8%	-0.1%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	17.9%	17.3%	17.5%	15.9%



### Geographic exposures and current manager weights



### Market Commentary and Outlook

The global economy has continued to slow, with manufacturing output contracting in most major economies in recent months. However, measures of activity in April for service industries continue to expand. Headline inflation numbers were lower during the month due to a decline in energy prices, but core measures of inflation generally remain well above central bank target ranges.

The Reserve Bank of Australia (RBA) elected to hold interest rates steady in April following ten consecutive increases. However, this pause was short-lived, with the RBA, along with the US Federal Reserve and European Central Bank increasing rates in early May.

Global equity markets recorded gains for the month. In the absence of any material surprises in economic data, the focus was on quarterly profit results from large US companies, which were generally above expectations. The US market (S&P 500 index) gained 1.5% for the month, and the Australian market (ASX 200 index) was 1.8% higher. Listed property stocks rebounded (+5.3%), but some key commodity prices declined over the month.

Looking ahead, elevated geopolitical risks, alongside higher interest rates and slower economic growth this year, represent potential headwinds for markets. The International Monetary Fund (IMF) recently made a small downgrade to its economic forecasts, with global growth now expected to be 2.8% in 2023. The IMF expects growth rates to remain slightly below long-term trend levels for some time. In broad terms, share markets continue to appear more attractive than most other investment opportunities.

### Fund Commentary

The Fiducian Technology Fund rose by 0.1% in April, which was below the 1.9% rise in the composite index. Over the 12 months to the end of April, the Fund returned -12.2%, in what has been a very difficult period for technology stocks, particularly small and mid cap stocks, although performance has been positive over the last six months.

Technology stocks had a pause in April following recent strong performance. The NASDAQ composite index (in US dollars) was flat, and the NASDAQ biotechnology index (in US dollars) gained 1.5%. Large cap technology stocks have outperformed mid and small cap stocks in recent months,

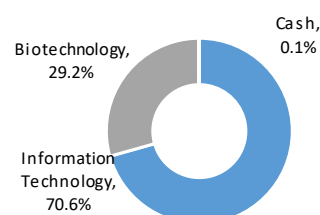
Recent commentary from a number of large tech companies, including Google, Apple and Amazon, has highlighted that earnings and revenue growth has moderated in recent times. However, efficiency gains are also being made, including through reduced employee numbers. Strong balance sheets have also allowed continued investment in growth opportunities, and in some cases, share buybacks.

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 65% of the fund, followed by Europe at 32%. This represents a material difference to the MSCI World Information Technology Index, where North America has a weighting of around 90% and Europe has a weighting of around 5%.

### Top stock holdings and sector weights

Stock	Industry	Weight
Microsoft Corp	Systems Software	6.4%
Amazon Dotcom Inc	Internet Retail	4.5%
Alphabet Inc	Interactive Media	4.2%
Meta Platforms Inc	Interactive Media	3.5%
Apple Inc	Technology Hardware	3.0%
Sdipotech Ab	Environmental Services	2.8%
Chemometec As	Life Sciences Tools	2.7%
Fortnox Ab	Application Software	2.5%
AMD	Semiconductors	2.1%
TSMC	Semiconductors	2.0%



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