

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

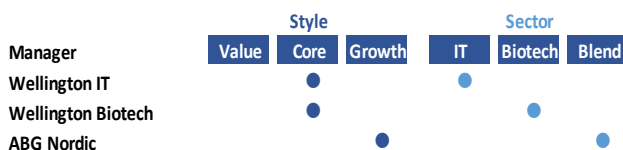
Current fund size: \$181 million (July 2023)

Management cost: 1.36%

Total management costs: 1.43%

Application/Exit fee: Nil

Inception Date: June 2000



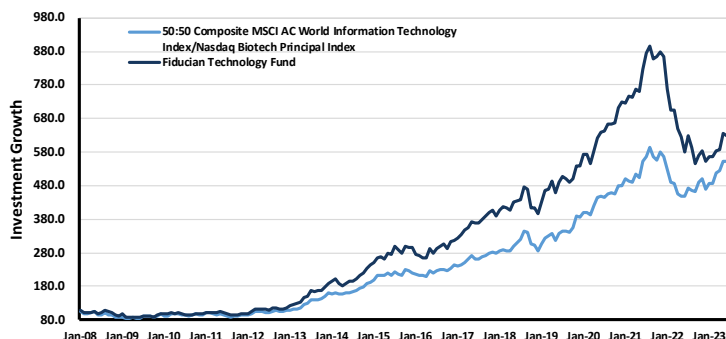
Performance and Risk

After fee returns as at 31 July 2023

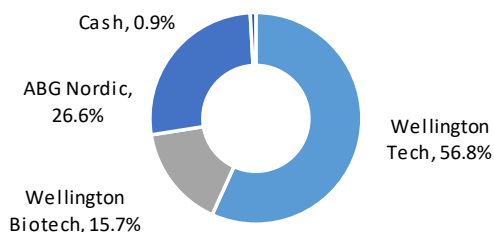
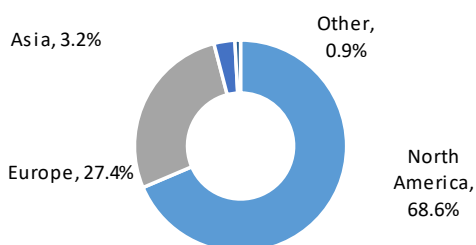
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	1.8%	9.3%	13.4%	-1.0%	-0.6%	7.6%	11.6%	14.3%
Index	1.4%	6.2%	15.0%	18.0%	7.3%	11.4%	13.3%	14.7%
Excess	0.4%	3.2%	-1.6%	-19.0%	-7.8%	-3.7%	-1.8%	-0.4%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	15.6%	17.0%	17.7%	15.5%



Geographic exposures and current manager weights



Market Commentary and Outlook

Economic data was largely positive in July, as inflation measures in both the US and Australia showed larger than expected declines, although current inflation rates remain above central bank targets. Additionally, US economic growth over the June quarter was better than market expectations, raising hopes of a so-called ‘soft landing’ for the US economy.

However, the global economy continues to face challenges. Manufacturing activity is still contracting in most advanced economies, consumer confidence remains low and employment data has been too strong (adding upwards pressure on inflation).

Overall, this backdrop was positive for markets. The broad US market (S&P 500 index) gained 3.1% and the Australian market (ASX 200 index) rose 2.9% for the month. The listed property sector gained 3.8%, and bonds also recorded a small positive return. Most commodity prices increased during the month, with the oil price rising by 16%.

Looking ahead, geopolitical risks, alongside elevated interest rates and slower economic growth this year, represent potential headwinds for markets. The International Monetary Fund (IMF) recently made a minor upgrade to its economic forecasts, with global growth now expected to be 3.0% in both 2023 and 2024. The IMF expects growth rates to remain slightly below long-term trend levels for some time. However, in broad terms, share markets continue to appear more attractive than most other investment opportunities.

Fund Commentary

The Fiducian Technology Fund rose by 1.8% in July, which was above the 1.4% rise in the composite index. Over the 12 months to the end of July, the Fund returned -1%. The sector has had a strong rebound in the first half of 2023, although small and mid cap stocks have not performed as strongly as large cap technology stocks.

The technology sector had a positive month in July. The NASDAQ composite index performed slightly better than the broader US stock market, while the NASDAQ biotechnology index was flat in Australian dollar terms.

Within the Fund, the top contributors for the month included Alphabet (Google), Meta Platforms (Facebook) as well as semiconductor stocks including Nvidia and ON Semiconductor.

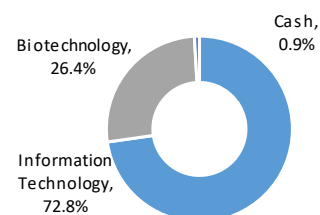
Recent commentary from a number of large tech companies, including Google, Apple and Amazon, has highlighted that earnings and revenue growth has moderated in recent times. However, efficiency gains are also being made, including through reduced employee numbers. Strong balance sheets have also allowed 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 68% of the fund, followed by Europe at 27%. 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	6.7%
Alphabet Inc	Interactive Media	5.5%
Meta Platforms Inc	Interactive Media	4.5%
Nvidia Corporation	Semiconductors	4.3%
Amazon Dotcom Inc	Internet Retail	3.4%
Apple Inc	Technology Hardware	3.2%
Chemometec As	Life Sciences Tools	2.7%
Sdiptech Ab B	Environmental Services	2.6%
TSMC	Semiconductors	2.2%
Cbrain As	Application Software	2.1%



Fiducian Investment Management Services Limited

Issued by Fiducian Investment Management Services Limited ABN 28 602 441 814 AFS Licence number 468211. This document provides general information only. It does not have regard to your objectives, financial situation or needs. We recommend that you seek financial planning advice, and consider whether this investment is appropriate to your objectives, financial situation and needs before making any investment decision. 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.