

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)

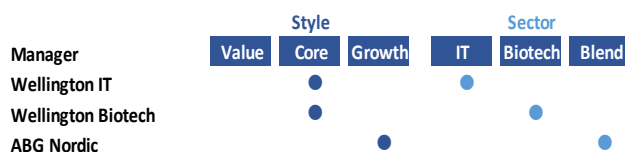
Current fund size: \$160 million (October 2023)

Management cost: 1.36%

Total management costs: 1.43%

Application/Exit fee: Nil

Inception Date: June 2000



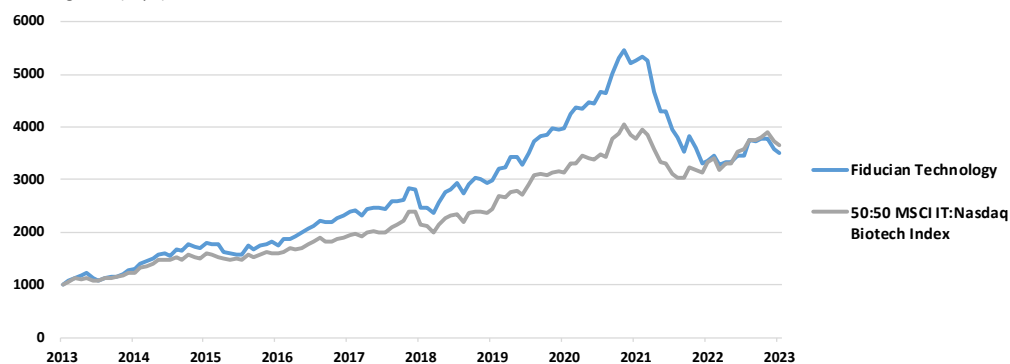
Performance and Risk

After fee returns as at 31 October 2023

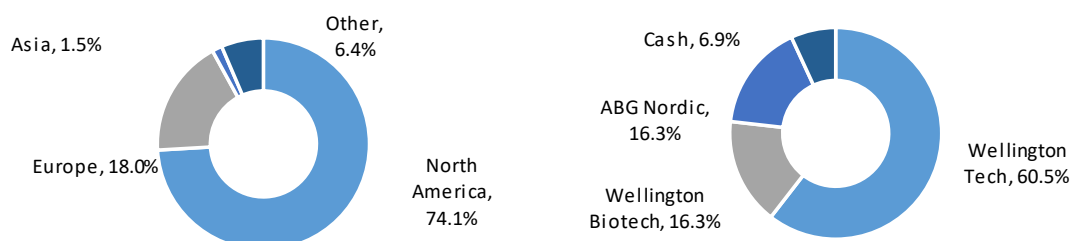
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	-2.2%	-7.7%	0.9%	4.1%	-4.3%	7.2%	10.3%	13.3%
Index	-2.1%	-3.9%	2.0%	9.4%	5.2%	11.3%	12.6%	13.8%
Excess	-0.1%	-3.7%	-1.0%	-5.4%	-9.5%	-4.1%	-2.3%	-0.6%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	12.5%	17.0%	16.4%	15.6%
Benchmark (Std Dev %)	12.3%	14.3%	14.3%	13.0%
Beta	0.82	0.96	0.97	1.02
Tracking Error (% pa)	6.0%	9.6%	8.4%	8.1%



Geographic exposures and current manager weights



Market Commentary and Outlook

The global economy remains sluggish due to severe measures taken by monetary authorities to reduce inflation. While inflation is slowing, manufacturing and service industry activity levels and retail sales point to a general slowdown in activity. However, employment levels remain high and need to come down further and this, along with an uptick in inflation rates could see interest rates stay high for an extended period. At the beginning of November, the Reserve Bank of Australia increased its cash rate by 0.25% to 4.35%, after being on pause since July.

In a repeat of last month, concerns that inflation rates remain too high saw an increase in bond yields. This had negative flow-on effects for most asset classes. The broad US market (S&P 500 index) declined by 2.2%, and the Australian stock market (ASX 200 index) declined by 3.8%. Interest rate sensitive sectors experienced falls, but some commodity prices, including iron ore and gold, rose during the month.

Looking ahead, geopolitical risks, alongside elevated interest rates and slower economic growth this year, represent potential headwinds for markets. The International Monetary Fund (IMF) is forecasting global growth to be 3.0% in 2023 and 2.9% 2024, which is below the long-term trend rate of growth. However, in broad terms, share markets continue to appear more attractive than most other investment opportunities.

Fund Commentary

The Fiducian Technology Fund declined by 2.2% in October, which was in line with the 2.1% decline in the composite index. Over the 12 months to the end of October, the Fund returned +4.1%.

Technology stocks were lower in October. The NASDAQ composite index (-3.8%) underperformed the broader US market (S&P 500) by approximately 1.5%, while the NASDAQ Biotechnology index (in AUD) declined by 4.8%.

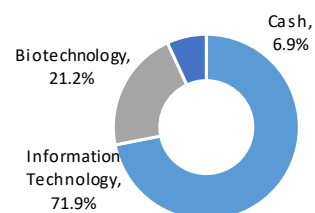
Recent commentary from a number of large technology companies, including Google, Apple and Amazon, has highlighted that earnings have generally been better than forecast, as demand has remained robust, and cost-cutting programs from earlier in the year helped to improve profit margins.

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 74% of the fund, followed by Europe at 18%.

Top stock holdings and sector weights

Stock	Industry	Weight
Microsoft Corp	Software	11.3%
Amazon.Com	Internet	6.6%
Micron Technology	Semiconductors	3.4%
Nvidia Corp	Semiconductors	3.3%
Alphabet Inc	Internet	3.2%
Uber Technologies	Internet	2.6%
Flex Ltd	Electronics	2.5%
Adv Micro Devices	Semiconductors	2.3%
Broadcom Inc	Semiconductors	2.1%
Integrum Ab	Healthcare-Products	2.0%



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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.