

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 (March 2023)

Management cost: 1.36%

Total management costs: 1.43%

Application/Exit fee: Nil

Inception Date: June 2000

Manager
Wellington IT
Wellington Biotech
ABG Nordic



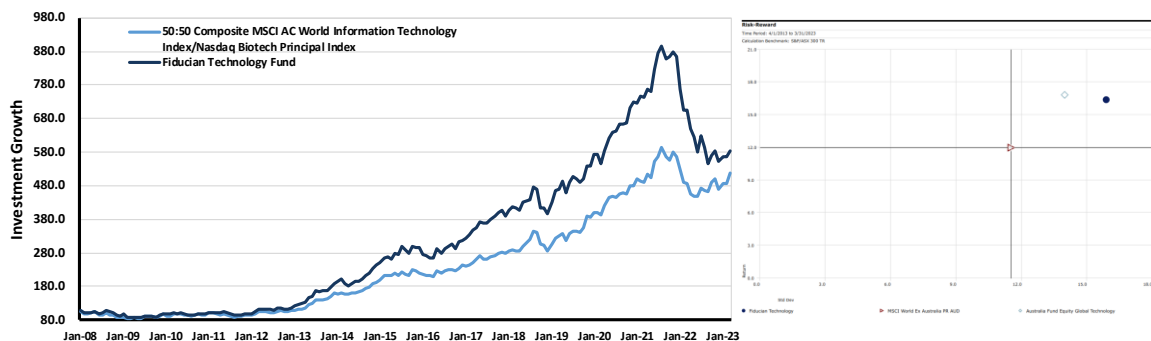
Performance and Risk

After fee returns as at 31 March 2023

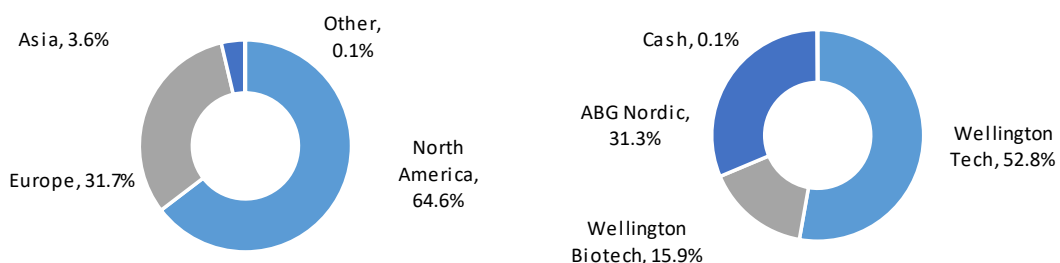
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	3.5%	5.7%	4.2%	-19.5%	1.8%	6.9%	11.9%	16.2%
Index	6.4%	10.2%	12.1%	6.0%	9.0%	11.9%	13.0%	16.1%
Excess	-2.9%	-4.5%	-7.8%	-25.5%	-7.1%	-5.0%	-1.2%	0.1%

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 trend of slowing global growth has continued in recent months due to a tightening of monetary policy by key central banks in response to an acceleration last year in the rate of inflation. In some regions, inflation now appears to be moderating. However, the persistent strength in employment conditions and to a lesser extent retail sales has created uncertainty regarding the amount of monetary tightening that will be necessary to bring inflation back towards target ranges.

Global financial markets experienced a turbulent month in March. The failure of some regional US banks, as well as the Swiss Government mandated takeover of Credit Suisse by larger rival UBS initially sent markets lower. However, over the rest of the month, due to a lack of further bank failures, most markets enjoyed a broad recovery. The US market (S&P 500 index) gained 3.5% for the month, while the Australian market (ASX 200 index) was down by 0.2%. A shift towards assets that are perceived as being safer resulted in gains for bonds, gold, and large cap equities.

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 3.5% in March, which was below the 6.9% rise in the composite index. Over the 12 months to the end of February, the Fund returned -19.5%, 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 positive month in March and outperformed the broader stock market. The NASDAQ composite index (in US dollars) rose by 6.7%, and the NASDAQ biotechnology index (in US dollars) gained 1.2%.

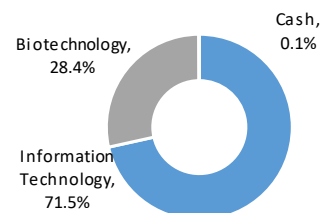
Recent commentary from a number of large tech companies, including Google, Apple and Amazon, has highlighted that earnings and revenue growth has moderated in recent times. However, efficiency gains are also being made, including through reduced employee numbers. Strong balance sheets have also allowed 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	6.9%
Amazon Dotcom Inc	Internet Retail	3.2%
Alphabet Inc	Interactive Media	3.2%
Meta Platforms Inc	Interactive Media	2.8%
Advanced Micro Device	Semiconductors	2.8%
Apple Inc	Technology Hardware-Stora	2.8%
Sdiptech Ab B	Environmental Services	2.8%
Fortnox Ab	Application Software	2.7%
Chemometec As	Life Sciences Tools	2.6%
On Semiconductor Corp	Semiconductors	2.2%



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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.