

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)

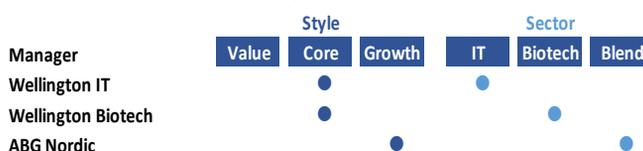
Current fund size: \$196 million (February 2022)

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 28 February 2022

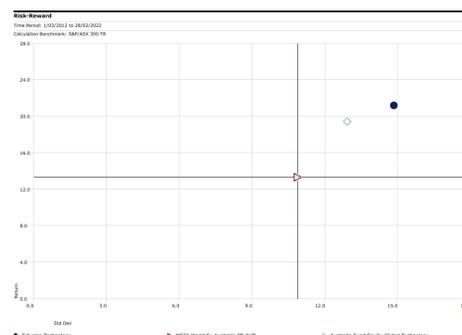
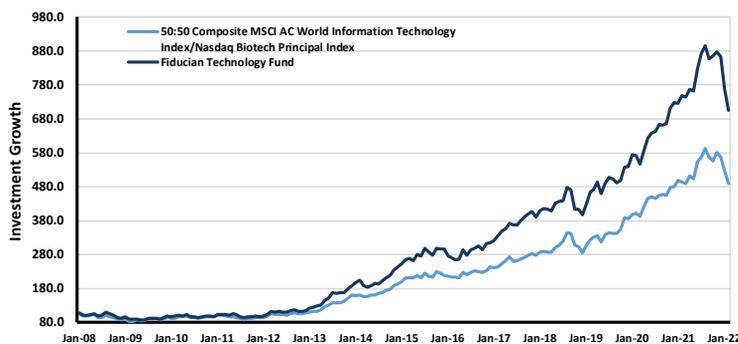
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	-8.0%	-19.6%	-21.3%	-4.1%	15.7%	16.5%	15.3%	21.2%
Index	-7.3%	-15.8%	-17.6%	-2.4%	13.7%	14.3%	12.3%	17.0%
Excess	-0.7%	-3.8%	-3.7%	-1.7%	2.0%	2.2%	3.0%	4.2%

Risk Exposure

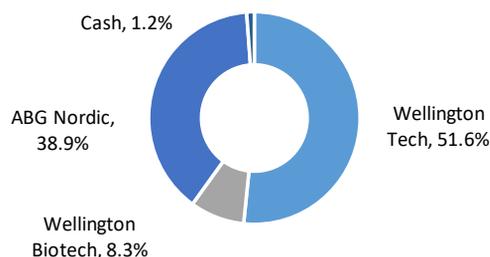
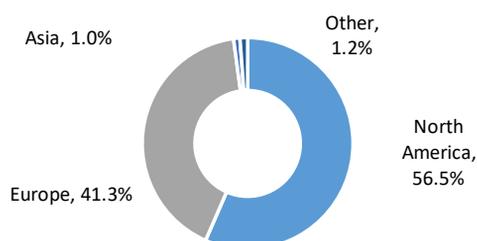
	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	19.6%	15.6%	15.5%	14.8%

Overall Morningstar Rating™

★★



Geographic exposures and current manager weights



Market Commentary and Outlook

Global economic indicators continued to improve in February, with employment levels, wages and industrial production recording growth across most of the world. Retail sales and consumer confidence measures also remained in positive territory. However, this good news was offset by the Russian invasion of Ukraine late in the month, which saw energy prices, including oil, gas and coal, shift dramatically upwards.

Broad-based selling in equity and other asset markets followed news of the Russian invasion. European stock markets were among the worst performers for the month, with most indices dropping by around 5%. The US market (S&P 500) was 3.1% lower, and the MSCI emerging markets index was down by 3.0%. The Australian market was an exception to this trend, with the ASX 200 index gaining 2.1%. This was due in a large part to the strong performance of energy and mining stocks, with most commodity prices heading higher on expectations of supply disruptions stemming from the Russia-Ukraine conflict.

Bond returns were negative in February, but prices rallied later in the month as investors sought 'safe-haven' assets.

Looking ahead, elevated geopolitical risks, alongside the likelihood of increasing interest rates during the year, represent a headwind to markets. However, leading indicators remain supportive of a continued economic recovery this year, with the IMF forecasting global GDP growth of around 4.5% in 2022.

Fund Commentary

The Fiducian Technology Fund declined by 8.0% in January, which was below the 7.3% fall in the composite index. Over the 12 months to the end of February, the Fund returned -4.1%, which was 1.7% below the index. In this time, Wellington Technology gained 7.4%, Nordic Technology fell by 7.4%, and Wellington Biotechnology fell by 24.8%, reflecting a relatively difficult period for biotech stocks.

Technology stocks were weaker in February, with the key US NASDAQ index declining by 3.4%. This was in line with the broader market (S&P 500 index), which declined by 3.1%. Recent earnings results demonstrated strong growth for a number of large cap technology stocks, including Apple, Google and Amazon. Others, including Meta (Facebook) and Netflix, missed expectations.

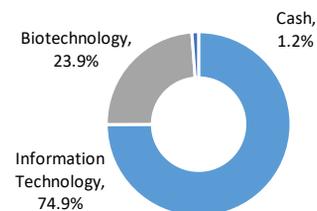
The European technology sector underperformed on a relative basis due to investor concerns about the Russian invasion of Ukraine, which also saw European currencies weaken following a flight to the 'safe haven' of the \$US. The NASDAQ Biotechnology index was 4.1% lower for the month, as some of the previous beneficiaries from vaccine rollouts (such as Moderna) underperformed.

The top stock contributors to performance of the Fund included medical technology company Chemometec, US based used car marketplace Cargurus and biotech Madrigal Pharmaceuticals. The detractors were concentrated in the Nordic portfolio, as European tech stocks, and currencies experienced a difficult month.

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 56% of the fund, followed by Europe at 41%. This represents a material difference to the MSCI World Information Technology Index, where North America has a weighting of around 88% and Europe has a weighting of around 6%.

Top stock holdings and sector weights

Stock	Industry	Weight
Alphabet Inc	Interactive Media	4.8%
Amazon	Internet Retail	4.8%
Chemometec	Life Sciences Tools & Services	4.1%
Sdiptech	Environmental Services	3.2%
Urb-It	Internet Retail	3.0%
Plejd	Electrical Components	2.3%
Fortnox	Application Software	2.3%
Cbrain	Application Software	2.2%
Arista Networks	Communications Equipment	2.0%
Synaptics Incorporated	Semiconductors	1.9%



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