

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)

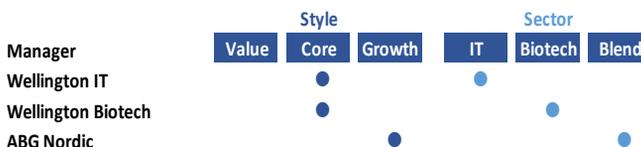
Current fund size: \$183 million (April 2022)

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 30 April 2022

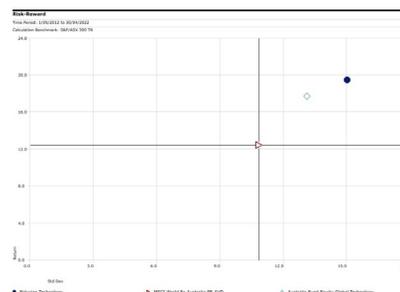
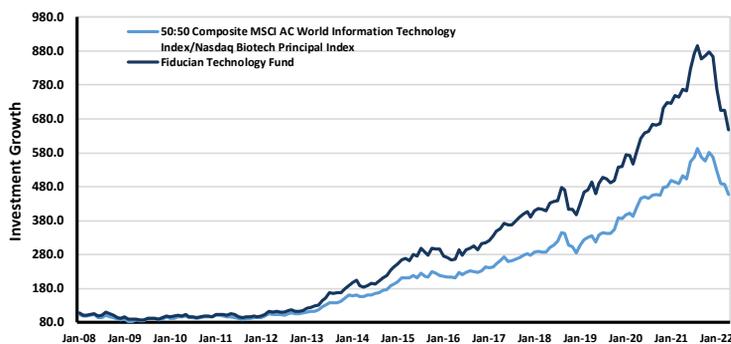
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	-8.2%	-15.6%	-25.1%	-15.4%	10.1%	13.1%	14.1%	19.4%
Index	-6.2%	-13.3%	-17.8%	-10.8%	9.9%	11.2%	11.3%	15.6%
Excess	-2.0%	-2.3%	-7.3%	-4.6%	0.2%	1.9%	2.9%	3.8%

Risk Exposure

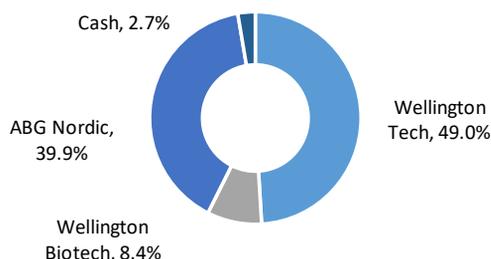
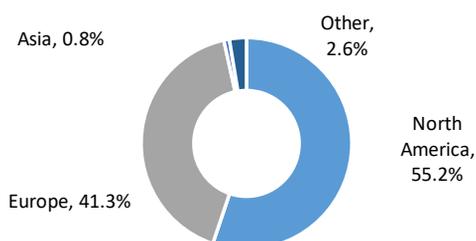
	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	20.2%	16.4%	16.0%	15.0%

Overall Morningstar Rating™

★★



Geographic exposures and current manager weights



Market Commentary and Outlook

The global economy has slowed but is still forecast to grow at a solid pace over the rest of the year. This is despite headwinds arising from the Russian invasion of Ukraine and lockdowns imposed in many Chinese cities to counter the spread of COVID-19. These factors have led to significant price rises for many commodities, which has fed into inflationary pressures more generally. While unemployment has been trending lower and wages growth has been trending higher, consumer and business confidence has been dented. During the month, the IMF lowered its global growth forecast for 2022 from 4.4% to 3.6%.

Most equity markets finished the month lower, reversing recent gains. The US market (S&P 500) declined by 8.8%, The Australian equity market (ASX 200) performed relatively well, finishing down only 0.8%, with elevated commodity and energy prices continuing to provide support for the domestic market.

Fixed income markets have responded to inflation measures rising almost everywhere, and central banks have indicated that they plan to increase interest rates through the rest of the year. Bond yields moved materially higher during the month, causing negative returns for fixed income assets.

Looking ahead, elevated geopolitical risks, alongside the likelihood of higher interest rates this year represent potential headwinds to markets. However, in broad terms, share markets continue to appear more attractive than most other investment opportunities, including bonds and cash.

Fund Commentary

The Fiducian Technology Fund declined by 8.2% in April, compared to the -6.2% return of the composite index. Over the 12 months to the end of April, the Fund returned -15.4%, which was 4.6% below the index. In this time, Wellington Technology has returned -7.6%, Nordic Technology has declined 20.3% and Wellington Biotechnology has declined by 25.5%, reflecting a difficult period for high growth stocks.

Technology stocks were weaker in April, with the key US NASDAQ technology finishing 13.3% lower and the NASDAQ Biotech Index 9.7% lower. Both indices declined further than the broader US market for the month, (S&P 500 index), which was down by 8.8%.

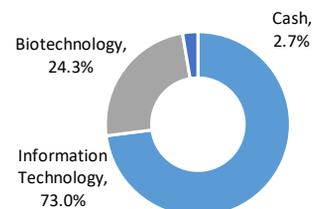
Index declines were largely caused by rising interest rates lowering earnings multiples that the market is willing to pay for higher growth stocks. For the most part, reported earnings results of large US technology shares continued to be strong, with Google, Apple, Microsoft and Amazon all releasing quarterly results in April that were generally in line with positive market expectations.

The top stock contributors to performance of the Fund were largely non-US based companies. European based Cbrain, Arcticzymes and Christian Hansen, along with Japanese Pharmaceuticals company Daiichi Sankyo all recorded good gains for the month. The main detractors included Amazon, which announced a modest miss to quarterly earnings expectations. Alphabet (Google) and Sedish biotech company Bico.

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 55% 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
Chemometec As	Life Sciences Tools	4.4%
Amazon	Internet Retail	4.3%
Sdipotech Ab	Environmental Services	3.2%
Alphabet	Interactive Media	2.9%
Fortnox Ab	Application Software	2.8%
Cbrain As	Application Software	2.7%
Urb-It Ab	Internet Retail	2.5%
Plejd Ab	Electrical Equipment	2.5%
Apple Inc	Technology Hardware	2.1%
Arista Networks Inc	Communications	2.1%



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