

### 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)

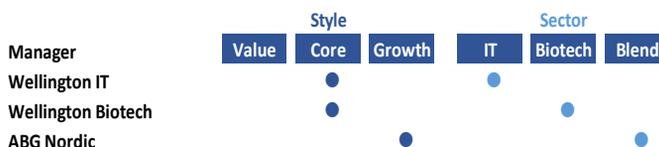
**Current fund size:** \$232 million (September 2021)

**Management cost:** 1.36%

**Total management costs:** 1.43%

**Application/Exit fee:** Nil

**Inception Date:** June 2000



### Performance and Risk

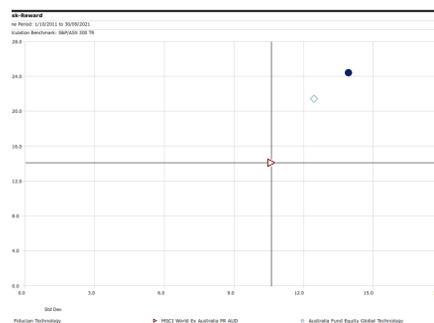
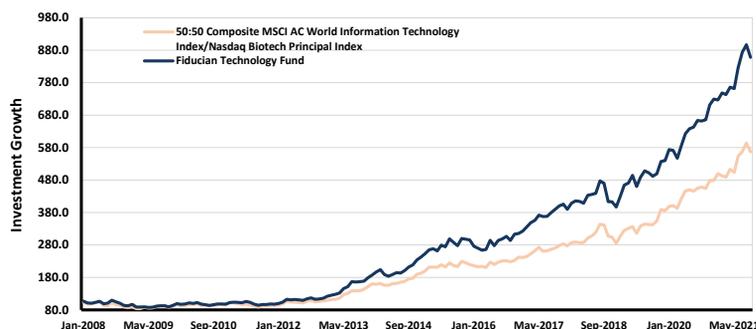
After fee returns as at 30 September 2021

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	-4.4%	3.8%	17.5%	31.7%	22.9%	23.3%	22.4%	24.5%
Index	-4.4%	2.4%	13.9%	21.8%	17.4%	19.1%	17.8%	19.6%
Excess	0.1%	1.4%	3.6%	9.9%	5.5%	4.2%	4.6%	4.9%

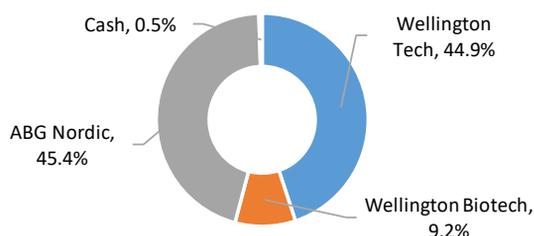
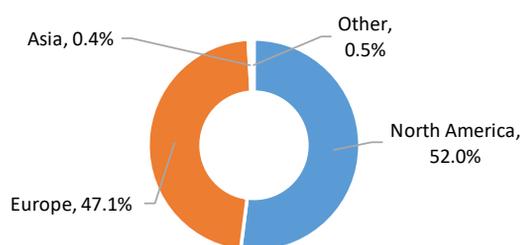
#### Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	12.8%	16.0%	14.1%	13.9%

Overall Morningstar Rating™  
★★★



### Geographic exposures and current manager weights



### Market Commentary and Outlook

Global economic indicators, including employment growth, industrial production and consumer spending, generally remained positive in September, albeit with a deceleration in growth rates as some stimulus measures began to be reduced.

Most asset classes experienced negative returns for the month. This was attributed to a number of factors, including expectations for higher interest rates, escalating energy prices and some political gridlock in the United States. Equity markets were weaker across the globe, with the MSCI World index falling by 4.3%, the US market (S&P 500) dropping by 4.8% and the Australian market (ASX 200) finishing 1.9% lower.

Bond prices also fell for the month. The US central bank (the Federal Reserve) gave further guidance about the likely conclusion of its bond purchasing programme next year as the US economy continues to recover, although any increase in interest rates is not expected until at least the latter half of 2022. In Australia, the Reserve Bank has maintained its forecast of no interest rate rises until 2024.

Looking ahead, leading indicators remain supportive of a continued economic recovery into next year, with the IMF forecasting global GDP growth of around 6.0% in 2021. The risk of further disruption caused by lockdowns to counter the pandemic remains, but is lessening as vaccine rollouts continue to progress across the globe.

### Fund Commentary

The Fiducian Technology Fund fell by 4.4% in September, in line with the 4.4% fall in the composite index. Over the 12 months to the end of September, the Fund gained 31.7%, outperforming the index by 9.9%. In this time, the Nordic Technology Fund has gained 59.5%, Wellington Technology gained 26.7% and Wellington Biotechnology fell by 2.5%, reflecting a relatively difficult period for biotech stocks.

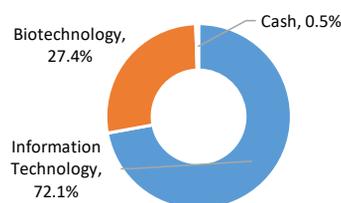
September was a negative month for the technology sector, as growth focussed stocks were generally out of favour. This was driven by the expectation that rising interest rates observed during the month could hurt valuations in the space. The key US technology index (NASDAQ) fell by 5.3%. Within the index, the Technology sub-component fell by 4.1% and the Biotechnology sub-component fell by 4.9%.

The top stock contributors to performance of the Fund for the month included the prosthetics manufacturer Integrum, security systems software company Irisity as well as Airbnb. Detractors for the month included software engineering firm Cbrain, smart lighting company Plejd and Alphabet (Google).

The Fund remains well diversified between geographies and sectors. 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 52% of the fund, followed by Europe at 48%. 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	Life Sciences Tools	4.3%
Bico	Life Sciences Tools	3.6%
Sdiptech	Environmental Services	3.6%
Fortnox Ab	Application Software	3.0%
Alphabet	Interactive Media & Services	3.0%
Integrum	Health Care Equipment	2.9%
Cbrain	Application Software	2.9%
Urb-It	Internet Retail	2.7%
Plejd	Electrical Equipment	2.7%
Salesforce.Com	Application Software	2.6%



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