

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: \$241 million (November 2021)

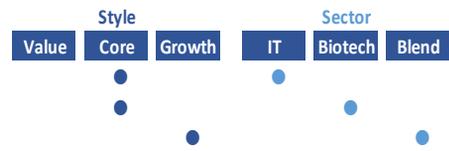
Management cost: 1.36%

Total management costs: 1.43%

Application/Exit fee: Nil

Inception Date: June 2000

Manager
Wellington IT
Wellington Biotech
ABG Nordic



Performance and Risk

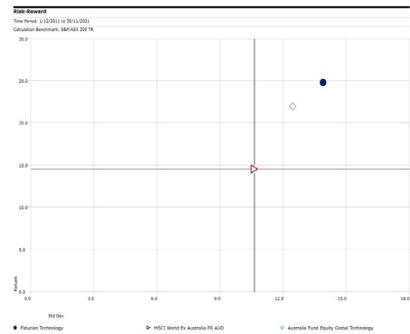
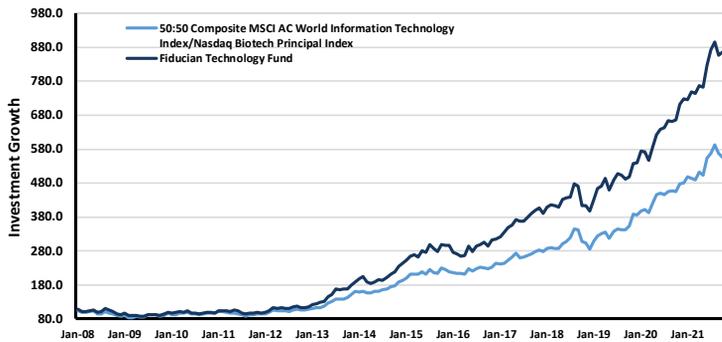
After fee returns as at 30 November 2021

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	1.4%	-2.1%	15.2%	25.4%	29.4%	23.3%	21.1%	24.6%
Index	4.3%	-2.2%	15.3%	19.4%	23.1%	19.5%	16.9%	19.7%
Excess	-2.9%	0.1%	-0.1%	6.0%	6.3%	3.8%	4.2%	4.9%

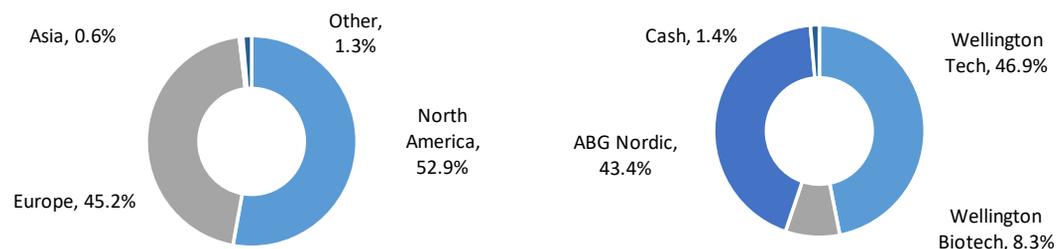
Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	11.8%	13.7%	13.7%	13.9%

Overall Morningstar Rating™
★★★



Geographic exposures and current manager weights



Market Commentary and Outlook

Economic momentum remained positive across most of the world during November, with continued growth reported in manufacturing, employment and retail spending measures. A large rise in COVID-19 infections in Europe, along with the emergence of the new “Omicron” variant put a dampener on sentiment as some lockdown measures were reinstated.

Global equity markets generally had a negative month. The broad US market index (S&P 500) was 0.7% lower, the UK market (FTSE) fell by 2.5% and the Australian market (ASX 200) was down by 0.5%. The Australian dollar dropped by 5% against the US dollar, reversing the 4% rise in October. Government bond yields mostly moved lower during the month, including the Australian 10-year Treasury Bond Yield, which fell from 2.1% back to 1.7%. Inflation rates remain elevated through much of the world due to supply chain disruptions, with the US recording a 6.8% increase in the Consumer Price Index (CPI), the highest in 39 years. The US central bank (Federal Reserve) still expects the factors that are driving this to be temporary, but also believes they may persist for longer than previously anticipated.

Looking ahead, leading indicators remain supportive of a continued economic recovery into next year, with the IMF forecasting global GDP growth of around 6% this year and around 5% in 2022. The risk of further disruption caused by lockdowns to counter the pandemic remains, but is lessening as vaccine rollouts continue and restrictions become more targeted.

Fund Commentary

The Fiducian Technology Fund rose by 1.4% in November, which was below the 4.3% rise in the composite index. Over the 12 months to the end of November, the Fund gained 25.4%, outperforming the index by 6.0%. In this time, the Nordic Technology Fund has gained 56.1%, Wellington Technology gained 25.5% and Wellington Biotechnology fell by 11.4%, reflecting a relatively difficult period for biotech stocks.

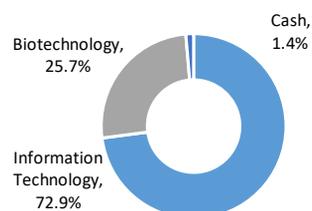
Technology stocks continued to outperform in November, with the key US NASDAQ index gaining 0.3% as most equity markets around the world posted negative returns. European technology stocks finished the month slightly down (-0.8%) but the sector outperformed on a relative basis. Biotech stocks had a weak month, with the NASDAQ Biotechnology index falling by 4.0%.

The top stock contributors to performance of the Fund for the month were concentrated among US hardware manufactures. Interface hardware manufacturer Synaptics, wireless technology company Qualcomm as well as the chipmakers AMD and Nvidia all performed strongly. The main detractors for the month were medical science equipment manufacturer Bico, smart lighting company Plejd and online payroll company Paycom.

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 51% of the fund, followed by Europe at 47%. 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 & Services	4.1%
Sdiptech	Environmental Services	3.7%
Integrum	Health Care Equipment	2.9%
Urb-It	Internet Retail	2.8%
Cbrain	Application Software	2.8%
Fortnox	Application Software	2.7%
Plejd	Electrical Equipment	2.7%
Marvell Technology	Semiconductors	2.5%
Amazon	Internet Retail	2.5%
Microsoft Corp	Systems Software	2.4%



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