

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 9 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)

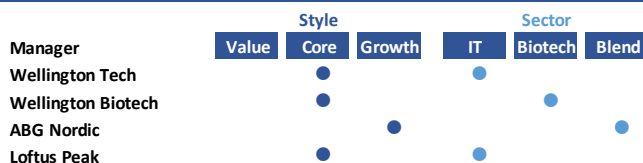
Current fund size: \$187 million (December 2023)

Management cost: 1.36%

Total management costs: 1.43%

Application/Exit fee: Nil

Inception Date: June 2000



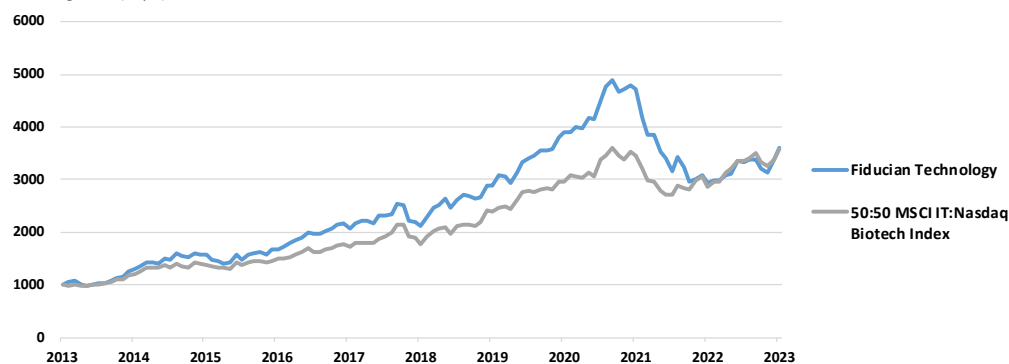
Performance and Risk

After fee returns as at 31 December 2023

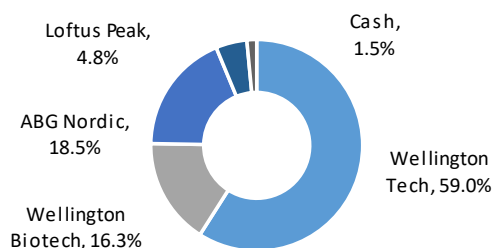
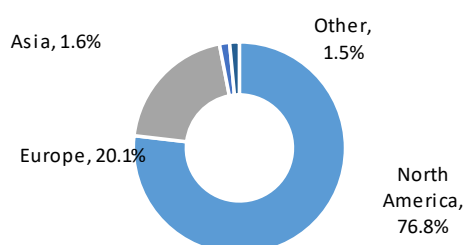
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	6.0%	12.4%	8.0%	22.7%	-2.8%	11.1%	11.4%	13.6%
Index	5.5%	7.2%	6.6%	25.4%	6.5%	15.0%	13.1%	13.6%
Excess	0.4%	5.1%	1.3%	-2.6%	-9.3%	-3.9%	-1.7%	0.0%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev %)	13.8%	17.5%	16.8%	15.7%
Benchmark (Std Dev %)	10.7%	14.4%	14.0%	13.0%
Beta	0.98	0.98	1.01	1.02
Tracking Error (% pa)	7.6%	9.8%	8.6%	8.2%



Geographic exposures and current manager weights



Market Commentary and Outlook

Global monetary policy tightening, which commenced in early 2022, slowed the levels of economic growth across most of the world in 2023. In recent months too, it appears that this policy has been proving effective in achieving its aim of lowering inflation, with rates of inflation returning towards the target levels of most central banks. This has increased the likelihood that interest rates will remain on hold in the near term, and may be cut in the later part of 2024 if current trends persist.

Global markets enjoyed a strong finish for the year. The broad US market (S&P 500 index) gained 4.4% in December, and the Australian stock market (ASX 200 index) gained 7.3%. Listed property had another strong month, and falling yields produced positive returns for bonds. For calendar year 2023, all major global equity markets, with the exception of China, generated positive returns.

Looking ahead, less restrictive monetary policy could be positive for markets. However, geopolitical risks, alongside slower economic growth in the coming year represent potential headwinds. The International Monetary Fund (IMF) is forecasting global growth to be 2.9% in 2024, which is below the long-term trend rate of growth. In broad terms, share markets continue to appear more attractive than most other investment opportunities.

Fund Commentary

The Fiducian Technology Fund rose by 6.0% in December, which was above the 5.5% return of the composite index. For the 12 months to the end of December, the Fund returned 22.7%.

Technology stocks rose strongly in December. The NASDAQ composite index rose in line with the broader US market, while the NASDAQ Biotechnology index (in AUD) gained 9.6%.

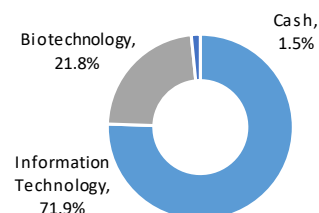
Recent reporting from large technology companies, including Google, Apple and Amazon, has highlighted that earnings have generally been better than forecast, as demand has remained robust, and cost-cutting programs from earlier in the year have helped to improve profit margins. Many of these stocks have also been benefitting from positive sentiment surrounding the potential positive impacts of Artificial Intelligence software.

A new manager was added to the Fund in December. Loftus Peak is a global technology manager that seeks out companies that are the drivers, or the beneficiaries, of technological advancements that are occurring over the short and medium term.

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 77% of the fund, followed by Europe at 20%.

Top stock holdings and sector weights

Stock	Industry	Weight
Microsoft Corp	Software	8.6%
Amazon.Com	Internet	5.9%
Uber Technologies	Internet	3.5%
Alphabet Inc	Internet	3.2%
Nvidia Corp	Semiconductors	3.0%
Adv Micro Devices	Semiconductors	2.9%
Integrum Ab	Healthcare-Products	2.8%
Flex Ltd	Electronics	2.3%
Taiwan Semiconductor	Semiconductors	2.2%
Intuit Inc	Software	1.9%



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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.