Fiducian India Fund

Monthly Report - November 2024

FIDUCIAN
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Fund description

The Fiducian India Fund provides investors with the opportunity to invest in a well-diversified range of companies listed on Indian stock exchanges. The Fund utilises the Fiducian “Manage the Manager” process, carefully selecting dedicated Indian fund managers that are based in India.

This Fund gives investors the opportunity to invest in an emerging economy that has been among the fastest growing in the world in recent years.

The Fund is suitable for investors seeking good long term capital growth but it will also experience periods of high volatility. The recommended holding period is at least 9 years.

Fund facts

Portfolio manager: Conrad Burge
ARSN: 125 089 456
APIR code: FPS0013AU
Benchmark: BSE 100 Index (in AUD)
Current fund size: $163 million (November 2024)
Management cost: 1.54%
Total management costs: 1.72%
Application/Exit fee: Nil
Inception Date: August 2007

	Style			Size		
Manager	Value	Core	Growth	Large	Broad	Small
SBI Funds Management			●	●		
Tata Asset Management			●		●	
Sundaram Alternates		●				●
EquiPoise		●			●	

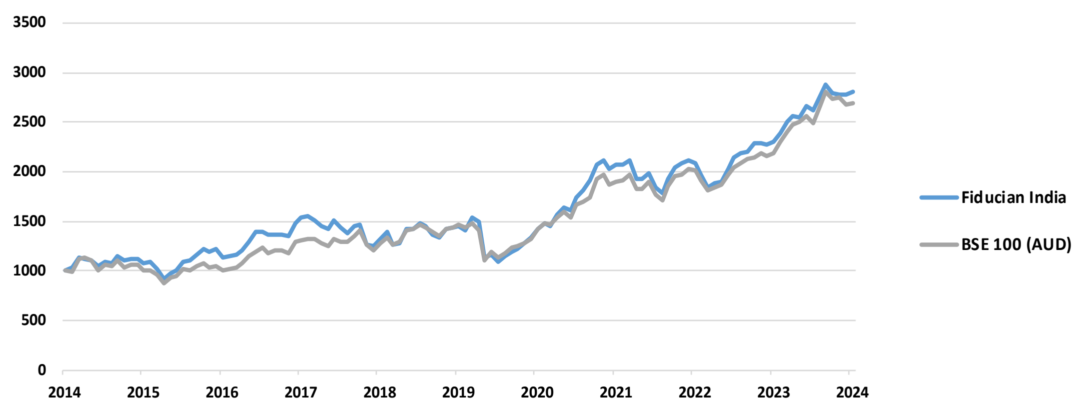
Performance and Risk

After fee returns as at 30 November 2024

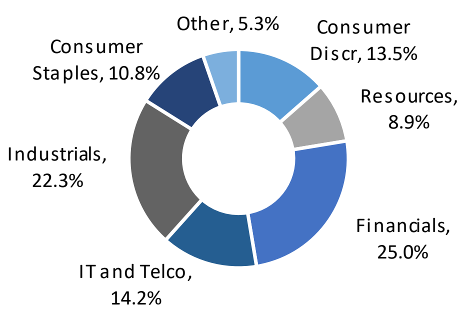
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	**1.0%**	**0.8%**	**7.6%**	**21.9%**	**10.6%**	**14.1%**	**9.0%**	**10.9%**
Index	0.6%	-1.4%	8.3%	23.1%	12.3%	13.0%	11.0%	10.4%
Excess	0.4%	2.2%	-0.7%	-1.2%	-1.7%	1.1%	-1.9%	0.5%

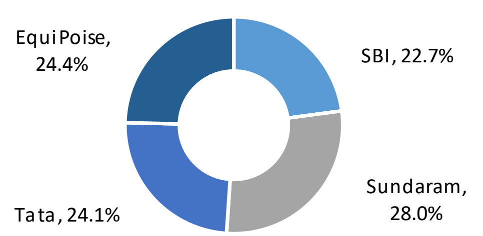
Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev)	9.7%	13.4%	18.0%	17.8%
Benchmark (Std Dev)	10.8%	12.6%	16.9%	16.7%
Beta	0.75	0.98	0.98	0.99
Tracking Error (% pa)	4.4%	4.1%	6.0%	6.3%



Sector exposures and current manager weights





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Market Commentary and Outlook

The Indian stock market had a relatively weak month in November. The large cap Nifty 50 Index fell by 0.3%, the mid cap index rose by 0.5% and the small cap index gained 0.3%. The top performing sectors were Information Technology (+6.8%), Consumer Durables (+2.4%) and Property (2.1%). Metals (-3.1%) and Pharmaceuticals (-2.2%) were the notable decliners over the period.

The relatively weak performance in the Indian stock market appears partly attributable to ongoing redemptions by foreign investors. These outflows are possibly being diverted into developed markets, particularly the US, after the Republican party won the presidential election increasing the attraction of US markets for international investors.

India reported weaker that forecast annual GDP growth of 5.4% over the year to 31 March 2024, which was lower than the Reserve Bank of India's (RBI) expectation of 6.7%. Despite this, the IMF and World Bank have maintained forecasts for India's GDP growth of 7.0% for 2025, continuing India's ranking as one of the fastest growing economies in the world. Other macroeconomic data such as the fiscal deficit and capital expenditure levels remain healthy. After nearly 3 years of strong growth, India's corporate earnings have slowed somewhat, but growth remains in positive territory.

Headline inflation remains relatively elevated with an annual inflation rate of 6% in November, which exceeding the RBI's upper limit. However, core inflation remained stable at 3.4%, causing the Reserve Bank of India to retain its official interest rate at 6.5% at its December meeting.

The economic backdrop for the Indian market remains broadly positive. Company earnings are growing at a solid pace, government policy reform is ongoing, monetary and fiscal policy remains supportive and an increase in capital spending is being seen across many industries. The forecasts for real GDP growth over the near-term remain among the strongest in the world.

Fund Commentary

The Fiducian India Fund gained 1.0% in November, which outperformed the index return of 0.6% (in Australian dollar terms). Over the last 12 months the Fund has gained 21.9%. Equipoise (+39.9%) was the top performer over this period followed by TATA (+23.8%).

The most significant sector tilts in the Fund are overweight positons in the Industrials and Consumer Staples sectors, which are set to benefit from the strong anticipated growth in the domestic economy, and an underweight position in the Resources sector, where the underlying fund managers are broadly expecting a more modest growth outlook relative to other parts of the market.

Companies with exposure to the capital spending cycle, as well as the manufacturing sector are also expected to perform strongly in the medium term.

Top stock holdings and sector tilts

Stock	Industry	Weight
HDFC Bank	Banks	4.7%
ICICI Bank	Banks	4.4%
Larsen & Toubro Limited	Engineering & Construction	3.3%
Reliance Industries Ltd	Oil & Gas	2.8%
Infosys Ltd	Computers	2.8%
Cholamandalam Investment	Diversified Financial Services	2.3%
State Bank Of India	Banks	2.0%
CIPLA Ltd	Pharmaceuticals	2.0%
Tata Consultancy Ltd	Computers	1.9%
Hindustan Unilever	Consumer Goods	1.7%