

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 5 to 7 years.

Fund facts

Portfolio manager: Conrad Burge

ARSN: 125 089 456

APIR code: FPS0013AU

Benchmark: BSE 100 Index (in AUD)

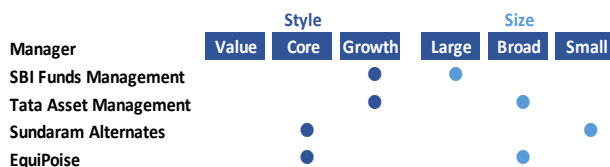
Current fund size: \$100 million (March 2023)

Management cost: 1.54%

Total management costs: 1.82%

Application/Exit fee: Nil

Inception Date: September 2007



Performance and Risk

After fee returns as at 31 March 2023

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	0.8%	-3.4%	-8.5%	-1.2%	18.7%	6.0%	10.1%	14.6%
Index	1.6%	-2.1%	-5.2%	2.1%	19.2%	8.4%	10.5%	11.6%
Excess	-0.8%	-1.3%	-3.3%	-3.3%	-0.5%	-2.4%	-0.4%	3.1%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev)	16.9%	21.5%	20.7%	19.3%
Benchmark (Std Dev)	16.1%	22.1%	19.2%	16.7%
Beta	0.95	0.97	0.99	0.97

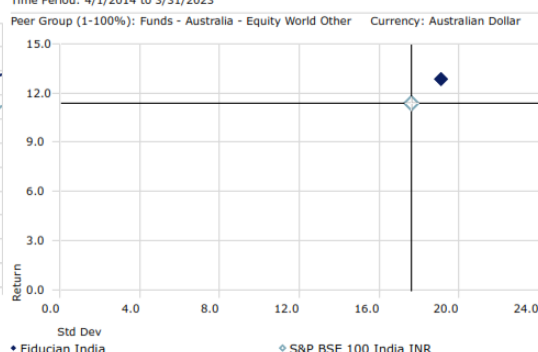
Investment Growth

Time Period: 4/1/2014 to 3/31/2023

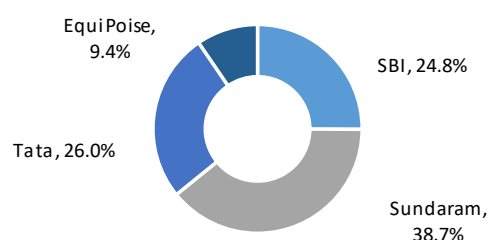
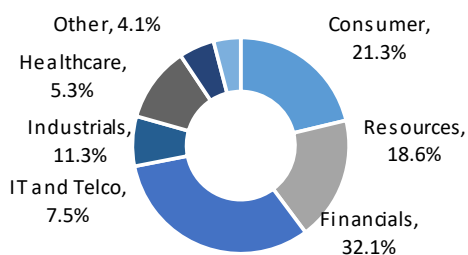


Risk-Reward

Time Period: 4/1/2014 to 3/31/2023



Sector exposures and current manager weights



Market Commentary and Outlook

The Indian stock market experienced a relatively subdued month in March. Large cap stocks gained 0.3%, with mid-caps returning -0.3% and small caps underperforming with a return of -1.8%. The top performing sectors for the month were Metals (+4.3%), Oil and Gas (+3.0%) and Pharmaceuticals (+2.3%). The Automotive sector (-3.8%) trailed the market along with Information Technology (-3.2%) and Real Estate (-1.5%).

Economic data released during the month continued to be positive, supporting forecast GDP growth of around 6%-7% for the coming year. This would make India one of the fastest growing economies in the world. Despite weaker global conditions dampening some economic growth measures, the manufacturing sector in India continues to expand, recording 21 consecutive months of growth. Export values have also recently hit an all time high. Capital spending by both the government and the private sector is also recording gains.

The annual inflation rate in India was 5.7% in March, close to the top end of the 2% to 6% target range, but has recently shown signs of moderating. At its most recent meeting in April, the Reserve Bank of India paused its current rate hike cycle and left interest rates on hold.

Corporate profit growth remains healthy, with the most recent earnings results for large cap stocks showing aggregate annual growth in revenue of 18% year, with profit growing at a more modest 11% due to higher input costs. The current market expectation is for 19% growth in earnings for Financial Year 2024.

The economic backdrop for the Indian market remains broadly positive. Company earnings are growing, 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 for the coming year remain among the strongest in the world. However, the market could continue to be affected for a time by elevated energy prices and other effects of Russia's invasion of Ukraine, along with generally slower global economic growth.

Fund Commentary

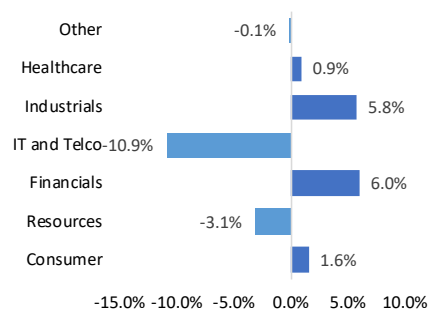
The Fiducian India Fund gained 0.8% in March, which was below the 1.6% return for the index (in Australian dollar terms). Over the last 12 months the Fund has declined by 1.2%, compared to the index return of 2.1%. Large cap managers Tata (+10.2%) and SBI (+7.5%) have been the top performers over the last year.

The top stock contributors for the month included accessories manufacturer Titan Co and chemical conglomerate SRF Limited. Detractors included PVC pipe manufacturer Astral and air conditioning company Johnson Controls.

The most significant sector tilts in the Fund remain overweight positions in the Industrials and Financials sectors, which are set to benefit from the strong anticipated growth in the domestic economy, and underweight positions in the IT and telecommunications sectors, where underlying fund managers are broadly expecting a less positive growth outlook relative to other parts of the market, along with the more volatile resources sector. 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
Axis Bank Ltd	Diversified Banks	5.2%
ICICI Bank Ltd	Diversified Banks	5.0%
HDFC Bank Limited	Diversified Banks	4.1%
Titan Co Ltd	Apparel Accessories	4.0%
Infosys Ltd	IT Consulting	3.5%
Navin Fluorine	Specialty Chemicals	3.1%
Reliance Industries Ltd	Oil & Gas Refining	2.9%
Berger Paints India Ltd	Commodity Chemicals	2.8%
Larsen & Toubro Ltd	Construction	2.7%
PI Industries Ltd	Agricultural Chemicals	2.5%



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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.