

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: \$101 million (February 2022)

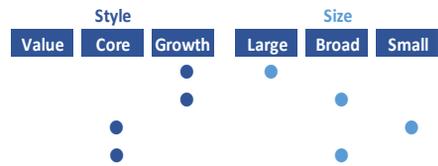
Management cost: 1.54%

Total management costs: 1.82%

Application/Exit fee: Nil

Intception Date: September 2007

Manager
SBI Funds Management
Tata Asset Management
Sundaram Alternates
EquiPoise



Performance and Risk

After fee returns as at 28 February 2022

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	-8.6%	-7.0%	-6.7%	23.5%	14.6%	9.9%	8.0%	15.3%
Index	-7.2%	-4.3%	-5.2%	18.7%	12.4%	11.1%	7.0%	11.0%
Excess	-1.3%	-2.7%	-1.4%	4.7%	2.2%	-1.3%	1.0%	4.3%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev)	17.0%	21.7%	20.6%	19.2%
Benchmark (Std Dev)	11.6%	21.6%	18.5%	16.6%
Beta	0.87	0.97	0.99	0.95

Investment Growth

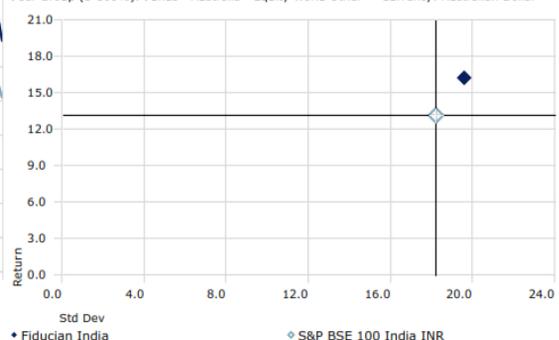
Time Period: 1/03/2013 to 28/02/2022



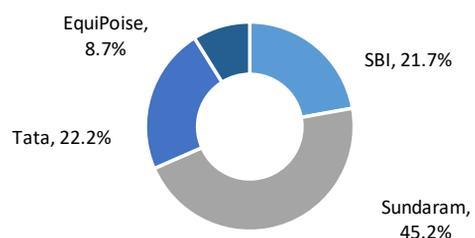
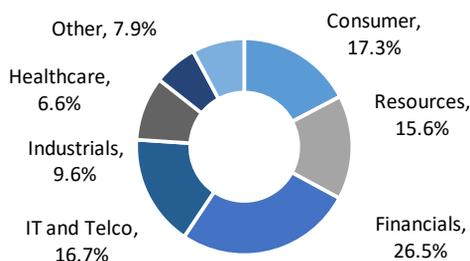
Risk-Reward

Time Period: 1/03/2013 to 28/02/2022

Peer Group (1-100%): Funds - Australia - Equity World Other Currency: Australian Dollar



Sector exposures and current manager weights



Market Commentary and Outlook

The Indian stock market was lower in February, as the market gave up some recent outperformance against other global stock markets. In local currency terms, large caps declined by 3.3%, mid caps by 5.1% and small caps by 8.8%. Public sector banks (-10.6%), media (-10.1%) and real estate (-9.1%) were the worst performing sectors. Metals (+7.7%) was the best performer on the back of high commodity prices.

The Russia-Ukraine conflict has created volatility in emerging markets such as India. A generally higher level of risk aversion has resulted in significant net foreign selling in the market. There is likely to be some impact on the real economy as India is a net importer of oil and a number of other industrial metals, which have seen material price increases in recent months.

Otherwise, the news for the domestic economy remains positive. The Union budget, released at the beginning of February, highlighted the ongoing commitment of the government to introduce positive structural reforms and increase spending on infrastructure and key domestic industries.

Corporate earnings results have been encouraging. The third quarter of Financial Year 2022 saw large cap stocks post 30% revenue growth compared to the previous year, which flowed through to a 25% increase in profits. For the first nine months of the current financial year, reported revenues are 36% higher, and profits are 45% higher. The earnings growth forecast for the market as a whole remains at approximately 20% per annum for the next three years.

The economic backdrop for the Indian market remains broadly positive. A recovery in earnings has commenced, government policy reform is ongoing, monetary and fiscal policy remains supportive, and an increase in capital spending is being seen across many industries. However, the market could continue to be affected for a time by large increases in energy prices and other effects of Russia's invasion of Ukraine.

Fund Commentary

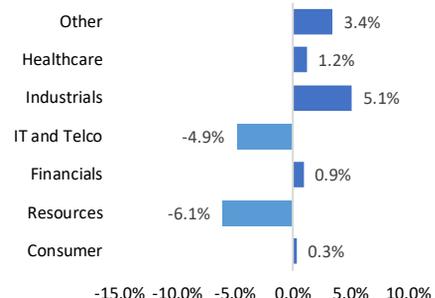
The Fiducian India Fund declined by 8.6% in February, compared to the -7.2% return for the index (in Australian dollar terms). Over the last 12 months the Fund has gained 23.5%, above the index return of 18.7%. Small and mid cap manager Sundaram (+30.7%) has been the best performer, in part, reflecting the strong performance of that segment of the market. All managers outperformed the index over the year.

The top stock contributors for the month were spread across a number of industries, with fashion accessory company Titan Co, metals producer Hindalco, and finance company Cholamandalam all making a positive contribution. The main detractors for the month were City Union Bank, Au Small Finance Bank and cement producer Birla Corp.

The most significant sector tilts in the Fund remain overweight positions in the Industrials and Healthcare 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 are also expected to perform strongly in the medium term.

Top stock holdings and sector tilts

Stock	Industry	Weight
Titan Co Ltd	Apparel Accessories	5.2%
Mindtree Ltd	IT Consulting	4.2%
Infosys Ltd	IT Consulting	4.0%
ICICI Bank Ltd	Diversified Banks	4.0%
Au Small Finance Bank Ltd	Regional Banks	3.4%
HDFC Bank Limited	Diversified Banks	3.3%
Bajaj Finserv Ltd	Diversified Financials	3.0%
Dalmia Bharat Ltd	Construction Materials	2.5%
City Union Bank Ltd	Diversified Banks	2.2%
Larsen & Toubro Ltd	Construction & Engineering	2.2%



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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.