

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: \$97 million (May 2022)

Management cost: 1.54%

Total management costs: 1.82%

Application/Exit fee: Nil

Inception Date: September 2007

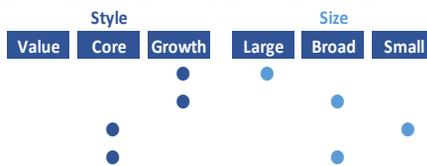
Manager

SBI Funds Management

Tata Asset Management

Sundaram Alternates

EquiPoise



Performance and Risk

After fee returns as at 31 May 2022

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	-7.6%	-4.9%	-11.5%	5.7%	7.6%	5.8%	7.9%	15.6%
Index	-7.0%	-2.8%	-7.0%	6.0%	6.6%	7.5%	7.7%	12.1%
Excess	-0.7%	-2.0%	-4.5%	-0.3%	1.0%	-1.7%	0.2%	3.5%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev)	17.6%	21.5%	20.5%	19.3%
Benchmark (Std Dev)	11.5%	21.6%	18.6%	16.6%
Beta	0.95	0.97	0.99	0.95

Investment Growth

Time Period: 1/06/2013 to 31/05/2022



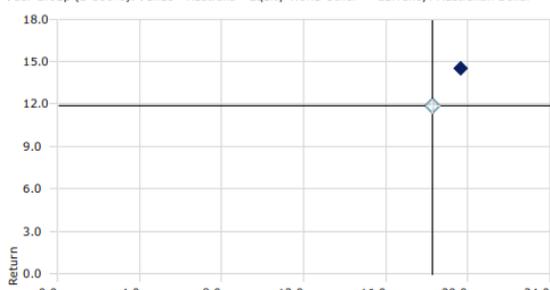
— Fiducian India

— S&P BSE 100 India INR

Risk-Reward

Time Period: 1/06/2013 to 31/05/2022

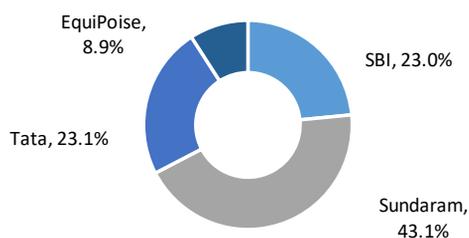
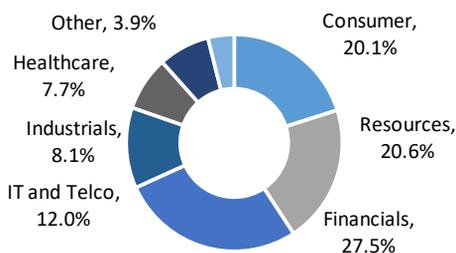
Peer Group (1-100%): Funds - Australia - Equity World Other Currency: Australian Dollar



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◆ S&P BSE 100 India INR

Sector exposures and current manager weights



Market Commentary and Outlook

Indian large cap stocks were 3.0% lower in May, trailing other emerging markets after a period of outperformance. Mid-caps were 5.2% lower and small caps declined by 8.6%. The automotive sector (+4.9%) was the best performer for the month followed by the consumer discretionary sector (+0.6%). The metals sector (-16.4%) led declines on the back of weaker base metal pricing, followed by the power sector (-11.5%) and consumer durables (-10.9%).

Economic data released during the quarter showed a slowing of growth, both due to a maturing recovery from the pandemic and higher rates of inflation. However, key indicators such as credit growth, employment levels and tax collections remain positive.

Corporate earnings results released during the last quarter have been generally positive. Across the large cap index, aggregate sales were 23% higher, and profit growth was 21%, with input cost increases constraining any margin expansion. These cost pressures are likely to continue into the near future.

The Reserve Bank of India (RBI) has followed the lead of many central banks around the world by beginning to tighten monetary policy. In early May, the RBI announced a 0.4% increase in the repo rate (equivalent to a cash rate) from a record low 4.0% and also increased the cash reserve requirement for banks. This was followed by another increase in the first week of June.

The economic backdrop for the Indian market remains broadly positive. A recovery in earnings has begun, 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 in the coming year remain around 7-8%, which is among the strongest in the world. 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

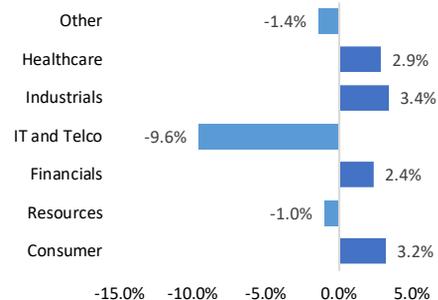
The Fiducian India Fund declined by 7.6% in May, compared to the 7.0% fall for the index (in Australian dollar terms). Over the last 12 months the Fund has gained 5.7%, compared to the index return of 6.0%. Tata Asset Management has been the best performer over this period, with a return of 11.3%.

The top stock contributors for the month were spread across multiple sectors, and included Home First Finance, Hindustan Unilever, and automotive manufacturer Ashok Leyland. The key detractors for the month included some of last months winners, Shree Cement and AU Small Finance Bank.

The most significant sector tilts in the Fund remain overweight positions in the Industrials and Consumer 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	4.7%
ICICI Bank Ltd	Diversified Banks	4.3%
Infosys Ltd	IT Consulting & Other Ser	3.8%
AU Small Finance Bank Ltd	Regional Banks	3.6%
Reliance Industries Ltd	Oil & Gas Refining	3.4%
HDFC Bank Limited	Diversified Banks	3.4%
Shree Cement Limited	Construction Materials	2.6%
City Union Bank Ltd	Diversified Banks	2.5%
PI Industries Ltd	Fertilizers & Agricultural	2.4%
Berger Paints India Ltd	Commodity Chemicals	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.