

# Fiducian India Fund

## Indian Equities Large, Mid and Small-Caps



**FIDUCIAN**  
INTEGRITY • TRUST • EXPERTISE

Monthly Report - March 2021

### Fund Objective

The Fiducian India Fund aims to provide investors with the opportunity to invest in a well-diversified range of companies listed on Indian stock exchanges. It is managed by carefully selected Indian fund managers who are based in India and have satisfied Fiducian's selection criteria. This Fund gives investors the opportunity to invest in an economy that has been one of the fastest growing in the world in recent years.

The objective of the fund is to outperform its benchmark, the Bombay Stock Exchange 100 Index (BSE 100), after fees, over rolling five-year periods.

Fund Classification      Core/Diversified      Sector      **Specialist/Satellite**

### Fund Performance Summary

#### Fiducian India Fund

Current Period Return (net of fees as at end-March 2021)

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	5.1%	11.3%	28.9%	44.6%	5.0%	11.2%	14.4%	11.8%
Index	3.5%	6.9%	24.3%	44.0%	8.4%	11.4%	11.5%	7.0%
Excess	1.6%	4.4%	4.6%	0.6%	-3.4%	-0.2%	2.9%	4.9%

#### Calendar Year Return (net of fees)

	2013	2014	2015	2016	2017	2018	2019	2020
Fund	15.4%	74.8%	6.1%	5.0%	36.8%	-11.0%	1.1%	5.2%
Index	7.6%	41.2%	1.0%	2.0%	28.4%	2.1%	6.6%	3.8%
Excess	8.3%	33.5%	5.0%	3.0%	8.3%	-13.1%	-5.5%	1.4%

Note: Figures are annualised over 1 year.

### Manager Commentary

The Fiducian India Fund was up 5.1% in March, outperforming a 3.5% rise in the index (in A\$ terms). Sundaram was the best performer with a return of 7.6%, followed by Tata (+3.5%) and SBI (2.8%)

During the month, small caps were the best segment of the market, rising 2.5%, versus a 1.0% gain for mid-caps, and a 0.9% gain for large-caps (all in local currency). Over the year to the end of March, the small-cap sector (+114.9%) out-performed both the mid-cap sector (+90.9%) and the large-cap sector (+71.5%), reflecting the rebound from lows during the pandemic. The Fund's small-cap manager, Sundaram, performed best over the year with a return of +54.4%, followed by SBI with an increase of 48.2% and Tata with an increase of 38.8%. The currency was a major headwind during the year, with the Australian dollar appreciating by 20.1% versus the Rupee. The Fund underperformed the index by 0.6% with a return of 44.6% in \$A terms over the year to the end of March.

The top contributors to performance for the month included IT outsourcing company Mindtree (+30.2%), industrial valve manufacturer KSB Limited (+23.6%), accessory and jewelry manufacturer Titan Company (10.7%) and AU Small Finance Bank (+9.0%). The main detractors for the month were retailer Trent Ltd (-7.2%), telco Bharti Airtel (-7.0%) and pharmaceutical company Astrazeneca India (-12.4%)

Within the sectors, IT, Metals and Consumer Durables were the top performers whilst Banking, Real Estate and Auto lagged the index.

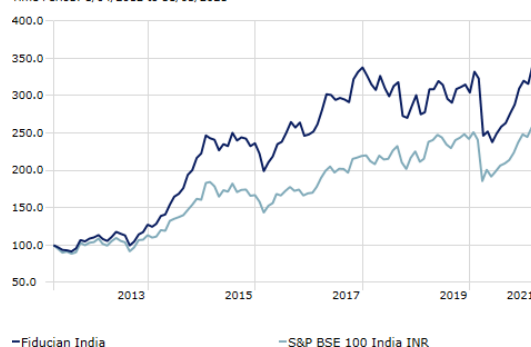
### Fund Facts

**Portfolio Manager:** Conrad Burge  
**Asset Sector:** International Equity (Indian Equities)  
**Asset Code:** IE23  
**ARSN:** 125 089 456  
**APIR Code:** FPS0013AU  
**Benchmark:** BSE 100 Index (in \$A terms)  
**Inception Date:** September 2007  
**Fund Size:** \$82.3 million as at 31 March 2021  
**Application/Exit Fee:** Nil  
**Management Fee:** 1.74%

### Investment Growth

#### Investment Growth

Time Period: 1/04/2012 to 31/03/2021

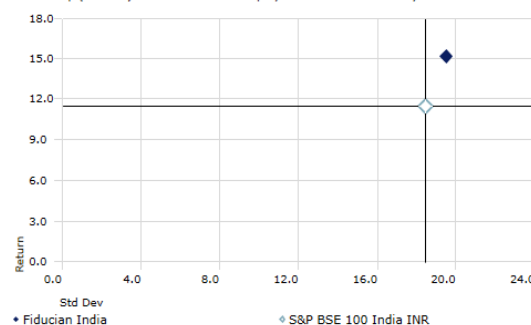


### Risk-Reward Chart

#### Risk-Reward

Time Period: 1/04/2012 to 31/03/2021

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



### Managers Diversification

Manager	Style	Sector	No. of Stocks	Weights
SBI	Growth	Large Cap	49	21.6%
Sundaram	GARP	Mid & Small	21	50.4%
Tata	Growth	Multi Cap	32	27.0%
Cash				1.0%

### Fiducian Investment Management Services Limited

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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.



### Market & Economic Outlook

Following on from strong gains in February, key indices continued to move higher, albeit at a slower pace, with large and mid caps adding about 1% and small caps up 2.5%.

Ratings agency Fitch upgraded its GDP growth projection for FY2 from 11.0% to 12.8%, and the OECD also upgraded its forecast growth rate to 12.6% - the highest among G20 countries on the strength of the pandemic recovery and additional fiscal support announced by the government. The CPI measure of inflation rose from 4.1% to 5.0%, in line with expectations predominantly on higher fuel and transport costs.

After previously avoiding a second wave of COVID-19 infections, case numbers increased sharply in a number of states on the back of a rise in mass gatherings and limited social distancing requirements. A number of states have imposed tough new lockdown measures in a bid to bring new case numbers under control.

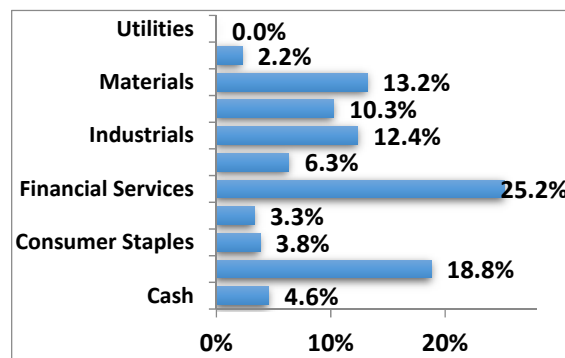
Markets currently remain balanced between a positive bottom up picture for stocks, which are experiencing earnings growth and supportive government policies against a less certain macro backdrop, with rising interest rates and crude pricings beginning to provide a headwind. Large cap valuations at 21x forward earnings are certainly at the upper end of long term ranges, but this is supported by interest rates that remain near historic lows.

Looking ahead, there seem to be multiple drivers of corporate profit growth emerging. What started off as cost cut driven growth in large companies is now increasingly supported by revenue growth and that could now spread to the broader market. Earnings growth forecasts for the 2022 fiscal year are very strong. With a backdrop of a forecast strong economic recovery and a supportive policy environment (and assuming no major impact from the latest COVID-19 outbreak in the country), the outlook for the market remains positive.

### Portfolio Top Holdings

AU SMALL FINANCE BANK LTD	5.0%
TITAN CO LTD	4.4%
DIXON TECHNOLOGIES INDIA LTD	4.0%
ICICI BANK LTD	3.7%
INFOSYS LTD	3.5%
BAJAJ FINSERV LTD	3.2%
MINDTREE LTD	3.1%
RELIANCE INDUSTRIES LTD	3.1%
SHREE CEMENT LIMITED	2.7%
PI INDUSTRIES LTD	2.6%
ORIENT ELECTRIC LTD	2.6%
KSB LIMITED	2.5%
BHARTI AIRTEL LIMITED	2.3%
TATA GLOBAL BEVERAGES LTD	2.3%
DR LAL PATHLABS LTD	2.2%
TRENT LTD	2.1%
HDFC BANK LIMITED	2.1%
TATA ELXSI LTD	1.9%
BERGER PAINTS INDIA LTD	1.9%
BIRLA CORP LTD	1.8%
LARSEN & TOUBRO LTD	1.8%
KOTAK MAHINDRA BANK LTD	1.6%
ITC LIMITED	1.6%
JOHNSON CONTROLS HITACHI AIR	1.5%
STATE BANK OF INDIA	1.5%
<b>Total</b>	<b>65.0%</b>

### Sector Diversification



### Chart of the Month

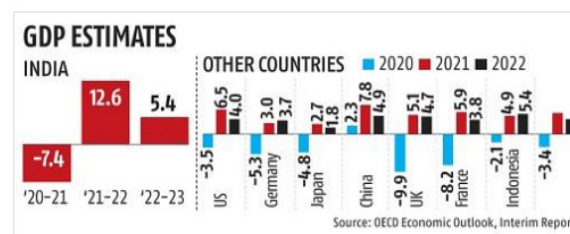


Chart: The OECD has revised GDP estimates upwards for India, and is now expecting 12.6% growth in FY22. This is the highest of all G20 countries.