

Fiducian India Fund

Indian Equities Large, Mid and Small-Caps



FIDUCIAN
INTEGRITY • TRUST • EXPERTISE

Monthly Report - April 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- April 2021)

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	-1.9%	10.6%	21.1%	38.7%	2.3%	9.9%	13.9%	12.1%
Index	-3.1%	4.7%	16.4%	28.5%	5.1%	10.2%	11.1%	7.2%
Excess	1.2%	5.9%	4.7%	10.2%	-2.9%	-0.3%	2.8%	4.8%

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 fell by 1.9% in April, outperforming a 3.1% fall in the index (in A\$ terms). Sundaram was the best performer with a return of -0.7%, followed by Tata (-2.2%) and SBI (-3.3%)

Despite the large surge in COVID-19 cases and fatalities during the month, markets remained mostly stable. The large-cap segment of the market fell by 0.2%, mid-caps were up by 0.6% and small-caps were up by 4.9%. The 3% fall in the rupee versus the Australian dollar led to a negative benchmark return in Australian dollar terms.

The Fund's small-cap manager, Sundaram, performed best over the year with a return of +51.2%, followed by SBI with an increase of 34.8% and Tata with an increase of 29.6%. The currency was a major headwind during the year, with the Australian dollar appreciating by 19.6% versus the Rupee. The Fund outperformed the index by 10.2% with a return of 38.7% in \$A terms over the year to the end of April.

The top contributors to performance for the month included design and technology services provider Tata Elxsi (+29.3%), pharmaceutical company Astrazeneca India (+29.9%), electronics manufacturer Dixon Technology (+14.4%) and financial company Bajaj Finserv (+14.2%). The main detractors for the month were Au Small Finance Bank (-18.2%), consumer electronics retailer Orient Electric (-13.2%) and security systems provider Johnson Controls (-12.0%)

Within the sectors, Metals were the best performer, driven by strengthening commodity prices, followed by Healthcare and Telecommunications. Real estate was the weakest sector for the month, along with Capital Goods and Consumer Goods.

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: \$82.2 million as at 30 April 2021
Application/Exit Fee: Nil
Management Fee: 1.74%

Investment Growth

Investment Growth

Time Period: 1/05/2012 to 30/04/2021



—Fiducian India

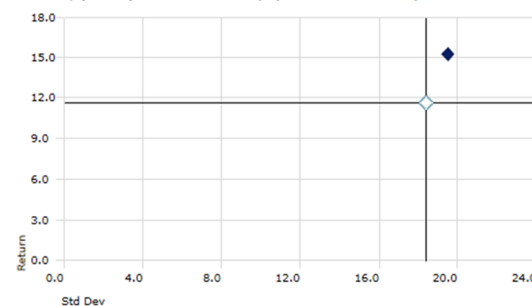
—S&P BSE 100 India INR

Risk-Reward Chart

Risk-Reward

Time Period: 1/05/2012 to 30/04/2021

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



♦ Fiducian India

♦ S&P BSE 100 India INR

Managers Diversification

Manager	Style	Sector	No. of Stocks	Weights
SBI	Growth	Large Cap	49	21.1%
Sundaram	GARP	Mid & Small	21	50.5%
Tata	Growth	Multi Cap	32	26.6%
Cash				1.8%

Fiducian Investment Management Services Limited

Issued by Fiducian Investment Management Services Limited ABN 28 602 441 814 AFS Licence number 231101. This document provides general information only. It does not have regard to your objectives, financial situation or needs. We recommend that you seek financial planning advice, and consider whether this investment is appropriate to your objectives, financial situation and needs before making any investment decision.

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

April saw a large second wave of COVID-19 sweep through India, just as the national vaccination programme was ramping up. Daily new cases topped 400,000 per day (four times the previous peak), and the number of deaths also increased significantly. As lockdowns were implemented to varying degrees across the country, economic activity was temporarily hit.

Economic forecasts for the rest of the year have been cut by approximately 0.5%-2.0% to reflect the impact of the latest lockdowns. Growth is still expected to be strong this year. Currently, the Reserve Bank of India is forecasting 2022 GDP growth of 10.5%, with the IMF sitting at a 12.5% growth forecast.

The impact of the latest wave of infections on financial markets has not been severe so far, with large-caps only falling 0.2%, mid-caps rising 0.6% and small-caps recording gains of 4.9%. The currency weakened over the month, with the rupee falling by 3% against the Australian dollar. At this stage, the market has looked through the impact of the second wave, expecting the duration of lockdowns to be relatively short and the economic recovery to be sharp, as seen in most other economies across the globe.

A number of companies reported financial results for the March quarter, with results to date showing a strong recovery in revenues (+13%) and profits (+32%) among companies that have reported. Results have largely been in line with or above expectations. Growth was reported across most sectors, with the exception of consumer discretionary, which remains sluggish.

Markets 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 oil price rises beginning to provide a headwind. The duration of the current lockdown also adds a source of uncertainty. Average 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. Cost pressures are emerging, but to date, they have been successfully passed on. Earnings growth forecasts for the 2022 fiscal year are very strong, and earnings revisions are still positive. With a backdrop of a forecast strong economic recovery and a supportive policy environment, the outlook for the market remains positive, assuming the latest wave of COVID infections can be brought under control in a reasonable timeframe.

Portfolio Top Holdings

DIXON TECHNOLOGIES INDIA LTD	4.5%
TITAN CO LTD	4.2%
ICICI BANK LTD	3.9%
AU SMALL FINANCE BANK LTD	3.8%
BAJAJ FINSERV LTD	3.7%
INFOSYS LTD	3.4%
MINDTREE LTD	3.1%
RELIANCE INDUSTRIES LTD	2.9%
PI INDUSTRIES LTD	2.9%
SHREE CEMENT LIMITED	2.5%
TATA ELXSI LTD	2.5%
DR LAL PATHLABS LTD	2.5%
KSB LIMITED	2.5%
TATA GLOBAL BEVERAGES LTD	2.4%
BHARTI AIRTEL LIMITED	2.3%
ORIENT ELECTRIC LTD	2.2%
HDFC BANK LIMITED	2.1%
BIRLA CORP LTD	1.8%
BERGER PAINTS INDIA LTD	1.8%
LARSEN & TOUBRO LTD	1.7%
STATE BANK OF INDIA	1.6%
KOTAK MAHINDRA BANK LTD	1.6%
ASTRAZENECA PHARMA INDIA LTD	1.5%
CITY UNION BANK LTD	1.5%
NATCO PHARMA LTD	1.5%

Total 64.3%

Sector Diversification

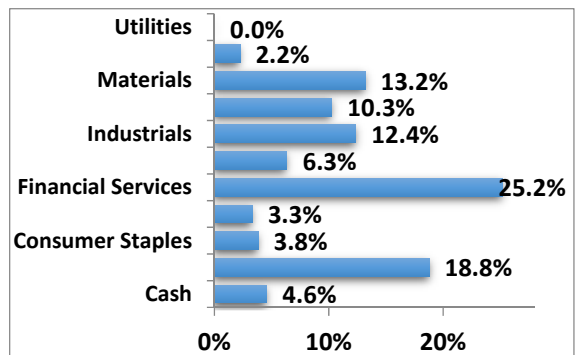


Chart of the Month

Earnings recovery likely to be healthy in FY22

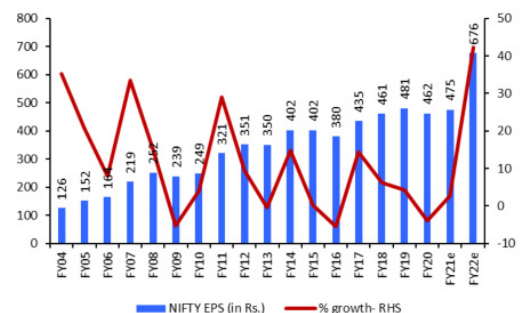


Chart: Forecast earnings growth for the NIFTY remains very high heading into FY22. (Source: Bloomberg, SBIMF Research)

Fiducian Investment Management Services Limited

Issued by Fiducian Investment Management Services Limited ABN 28 602 441 814 AFS Licence number 231101. This document provides general information only. It does not have regard to your objectives, financial situation or needs. We recommend that you seek financial planning advice, and consider whether this investment is appropriate to your objectives, financial situation and needs before making any investment decision.

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.