

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: \$91 million (June 2021)

Management cost: 1.54%

Total management costs: 1.84%

Application/Exit fee: Nil

Inception Date: September 2007

Manager

SBI Funds Management
Tata Asset Management
Sundaram Alternates



Performance and Risk

After fee returns as at 30 June 2021

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	4.2%	10.1%	22.5%	57.5%	9.4%	10.6%	13.2%	13.2%
Index	1.7%	7.0%	14.4%	44.0%	9.7%	11.1%	10.6%	8.4%
Excess	2.5%	3.1%	8.2%	13.4%	-0.3%	-0.6%	2.6%	4.8%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev)	10.8%	23.2%	20.2%	20.0%
Benchmark (Std Dev)	10.9%	20.8%	17.8%	19.5%
Beta	0.60	0.80	0.80	0.70

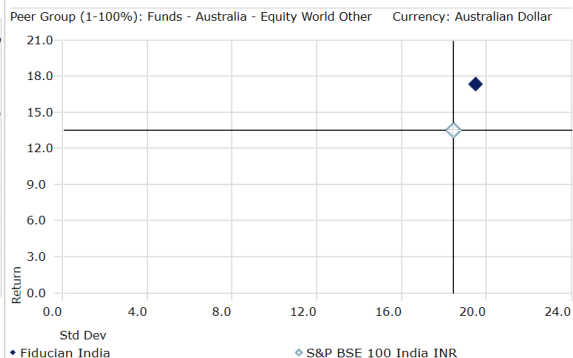
Investment Growth

Time Period: 1/07/2012 to 30/06/2021

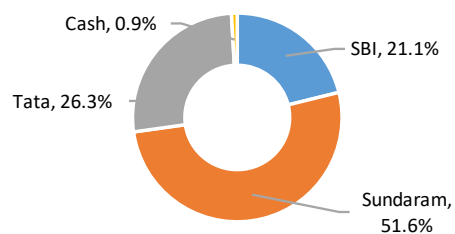
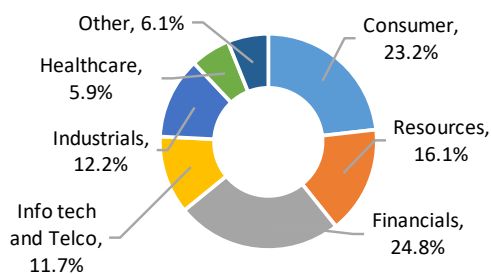


Risk-Reward

Time Period: 1/07/2012 to 30/06/2021



Sector exposures and current manager weights



Market Commentary and Outlook

The COVID-19 situation in India improved dramatically over the month, with the number of recorded new daily cases dropping below 50,000, from a peak of over 400,000 a day in early May. A huge vaccination drive also continued to gain momentum, with around 4 million doses being administered each day. Despite a significantly greater number of cases in this 'second wave' of the pandemic in India, the economic impact appears to have been less severe than the 'first wave'. Recent lockdowns have resulted in around a 20% fall in economic activity over a short period of time, compared with a 35%-40% fall observed during the first lockdowns in 2020.

The Indian stock market recorded another positive month in June. While large cap stocks gained 1.0%, they were outpaced by a strong performance by mid cap stocks (+3.6%) and small cap stocks (+6.9%). Among the sectors, the top performers were IT (+9.2%), Consumer Durables (+6.5%) and Healthcare (+4.3%). Weaker performance was seen in Banking (-2.5%) and Power (-2.2%) sectors.

The Indian stock market continues to perform well, driven by supportive monetary policy and government fiscal policies designed to help the economy recover from the latest round of lockdowns. There have also been broadly positive profit results from companies that have reported recently, with revenue and earnings increasing materially over the same period last year. Combined, these factors are supportive of a positive near-term outlook for the market.

Fund Commentary

The Fiducian India Fund gained 4.2% in June, outperforming the 1.7% rise in the index (in A\$ terms). Sundaram was the top performer (+6.1%) followed by SBI (+2.8%) and Tata (+2.1%).

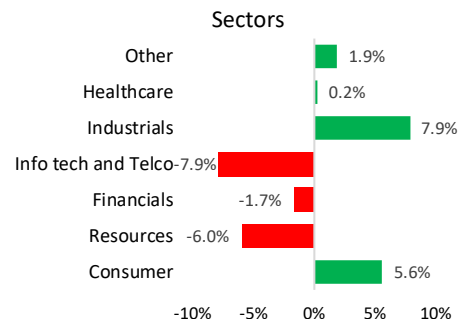
Over the last 12 months the Fund has gained 57.5%, well above the index return of 44.0%. Small cap manager Sundaram (+72.8%) has been the best performer.

The top stock contributors to performance for the month included software company Tata Elxsi (+18.1%), electronics manufacturer Dixon Technologies (+9.8%) and pathology company Dr Lal PathLabs (10.7%). There were few significant detractors, with carbon and graphite manufacturer Graphite India (-14.7%) the biggest negative contributor.

The most significant sector tilts in the Fund are overweight positions in the Industrials and Consumer sectors, which are set to benefit from the reopening of the 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. Additionally, managers are beginning to see opportunities in the agricultural sector, thanks to higher soft commodity prices, positive seasonal conditions and supportive government policies.

Top stock holdings and sector tilts

Stock	Industry	Weight
Titan Co Ltd	Apparel Accessories	4.5%
Dixon Technologies India Ltd	Consumer Electronics	4.4%
Icici Bank Ltd	Diversified Banks	3.8%
Bajaj Finserv Ltd	Multi-line Insurance	3.7%
Au Small Finance Bank Ltd	Regional Banks	3.7%
Infosys Ltd	IT Consulting	3.6%
Mindtree Ltd	IT Consulting	3.5%
Pi Industries Ltd	Agricultural Chemicals	3.0%
Reliance Industries Ltd	Oil & Gas Refining	2.8%
Tata Elxsi Ltd	Systems Software	2.6%



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