

Fiducian India Fund

Indian Equities Large, Mid and Small-Caps



FIDUCIAN
INTEGRITY • TRUST • EXPERTISE

Monthly Report - November 2020

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-November 2020)

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	7.4%	17.4%	30.3%	-1.7%	-2.3%	6.0%	14.9%	9.1%
Index	7.2%	13.0%	24.9%	-3.3%	2.9%	7.1%	11.4%	5.0%
Excess	0.1%	4.4%	5.4%	1.6%	-5.2%	-1.1%	3.5%	4.0%

Calendar Year Return (net of fees)

	2012	2013	2014	2015	2016	2017	2018	2019
Fund	30.8%	15.4%	74.8%	6.1%	5.0%	36.8%	-11.0%	1.1%
Index	21.9%	7.6%	41.2%	1.0%	2.0%	28.4%	2.1%	6.6%
Excess	8.9%	8.3%	33.5%	5.0%	3.0%	8.3%	-13.1%	-5.5%

Note: Figures are annualised over 1 year.

Manager Commentary

The Fiducian India Fund rose 7.4% in November, out-performing the 7.2% rise by the benchmark (in A\$ terms). During the month, two of the Fund's three managers out-performed the benchmark. Tata was the best performer with a return of 7.8%, closely followed by Sundaram (+7.6%) while SBI returned +7.0%.

During the month, in local currency terms, the broader market (S&P BSE Sensex) added 11.5% and under-performed both the mid-cap sector (+13.54%) and the small-cap sector (+13.3%). Over the year to end-November, the small-cap sector (+24.4%) out-performed both the mid-cap sector (+12.1%) and the broader market (+7.0%). The Fund's small-cap manager, Sundaram, performed best over the year with a return of +12.9%, followed by Tata, which rose by 3.7% and SBI, which declined 2.6%. The Fund marginally out-performed the index by 1.6% with a return of -1.7% in \$A terms over the year to end-November.

During November, no securities changes were made to any of the portfolios. Stocks that contributed to portfolio performance in November included Bajaj Finserv Ltd (+56.9%), Bajaj Finance Ltd (+47.8%), Cholamandalam Investment (+42.1%) and Tata Steel Limited (+40.5%). Shares that detracted from portfolio performance were Reliance Industries Ltd (-6.0%), Vinati Organics Ltd (-2.7%) and ICICI Securities Ltd (-2.8%).

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: \$69.7 million as at 30 November 2020
Application/Exit Fee: Nil
Management Fee: 1.74%

Investment Growth

Investment Growth

Time Period: 1/12/2011 to 30/11/2020



—Fiducian India

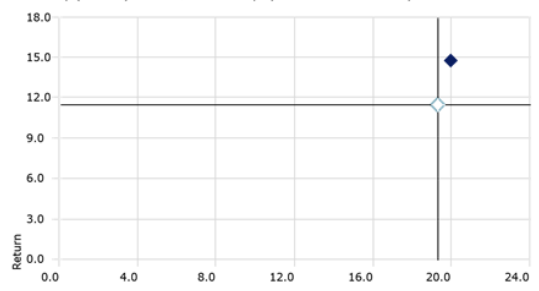
—S&P BSE 100 India INR

Risk-Reward Chart

Risk-Reward

Time Period: 1/12/2011 to 30/11/2020

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	20.4%
Sundaram	GARP	Mid & Small	25	51.2%
Tata	Growth	Multi Cap	43	28.0%
Cash				0.3%

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

Both the BSE-30 and Nifty-50 indices touched an all-time-high in the month of November, rising around 11%, driven by the development of a number of effective Covid-19 vaccine and the normalisation of economic activity supported by pent-up and festive season demand. Better-than-expected second quarter corporate earnings also supported market momentum. While the growth rate in new identified Covid-19 cases slowed somewhat from over 70,000 cases per day at the beginning of October down to around 30,000 cases per day in recent weeks, a continued rise in the number of new coronavirus cases and a warning by the Reserve Bank of India (RBI) about a potential surge in bad loans has kept market momentum somewhat in check.

Among sectors, the Financials, Consumer Discretionary and Industrials sectors performed the best, while the IT, Healthcare and Energy sectors underperformed during November.

Foreign Institutional Investors (FIIs) were net buyers in November to the tune of US\$8.5 billion, while domestic Institutions (DII) were net sellers to the tune of US\$6.5 billion, reducing their year-to-date inflows to US\$1.2 billion.

Recent data indicate that the number of cases of the Covid-19 coronavirus in India has soared to around 10.0 million. The damage to the economy after more than five months of nation-wide lockdown has been significant, as demonstrated by a 23.9% fall in GDP over the first quarter (April to June) of the 2021 financial year. The most severely affected segments of the economy were the construction industry, where activities declined by over 50%, followed by the hospitality industry, which fell by 47%. Recent weekly employment data, while better than the trough over the March to April period, is beginning to show signs of weakening again, although other monthly economic indicators are suggesting a quick return to normalcy with greater than 90% retracement of pre-Covid economic activity even as the number of new Covid-19 cases continues to rise.

Having endured over eight months of lockdown and movement restrictions, the Covid-19 pandemic continues to surge and spread in India. The development of a number of effective Covid-19 vaccines appears to be the only way to stop the spread of the disease. One positive is that India is well placed to contribute to the manufacture of vaccines that have recently been approved. An Indian state-of-the-art manufacturer, Serum Institute of India, can produce up to 1.5 billion doses a year of any vaccine. The company already has a deal to produce a billion doses of ChAdOx1 nCoV-19, the vaccine being developed by the University of Oxford and AstraZeneca Plc, which could win approval from U.S. and European regulators very soon.

While pent up demand could be expected to lead to a rebound in economic activity in time, for now it is uncertain if recovery can be sustained while the coronavirus continues to surge. For one thing, labour availability could be a significant challenge due to significant physical and psychological damage wreaked on the workforce. This could keep overall growth prospects weak for some months at least. On the positive side, significant monetary policy support, as well as government fiscal stimulus measures, remain in place and continue to support economic activity across the country.

Portfolio Top Holdings

TITAN CO LTD	4.5%
AU SMALL FINANCE BANK LTD	4.0%
ICICI BANK LTD	3.7%
BERGER PAINTS INDIA LTD	3.7%
INFOSYS LTD	3.3%
RELIANCE INDUSTRIES LTD	3.2%
DIXON TECHNOLOGIES INDIA LTD	2.7%
PI INDUSTRIES LTD	2.7%
MINDTREE LTD	2.7%
DR LAL PATHLABS LTD	2.7%
SHREE CEMENT LIMITED	2.6%
BHARTI AIRTEL LIMITED	2.6%
BAJAJ FINSERV LTD	2.5%
TRENT LTD	2.5%
TATA GLOBAL BEVERAGES LTD	2.4%
ORIENT ELECTRIC LTD	2.3%
ASTRAZENECA PHARMA INDIA LTD	2.3%
HDFC BANK LIMITED	2.2%
KANSAI NEROLAC PAINTS LTD	2.1%
NATCO PHARMA LTD	2.1%
CITY UNION BANK LTD	1.8%
BIRLA CORP LTD	1.7%
KSB LIMITED	1.7%
LARSEN & TOUBRO LTD	1.7%
JOHNSON CONTROLS HITACHI AIR	1.7%
Total	65.5%

Sector Diversification

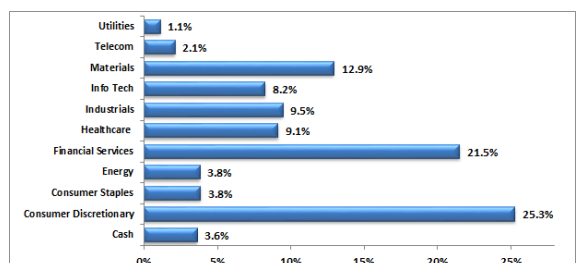


Chart of the Month

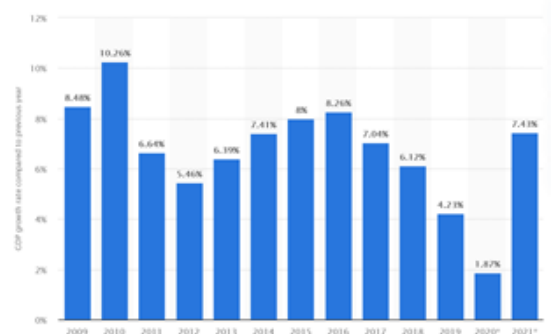


Chart: India's Real gross domestic product (GDP) growth rate from 2009 to 2021 (compared to the previous year) (source: IMF and Statista)