

Fiducian India Fund

Indian Equities Large, Mid and Small-Caps



FIDUCIAN
INTEGRITY • TRUST • EXPERTISE

Monthly Report - December 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-December 2020)

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	3.4%	15.8%	28.5%	5.2%	-1.8%	6.3%	14.1%	9.7%
Index	4.8%	16.3%	25.9%	3.8%	4.2%	8.2%	11.3%	5.5%
Excess	-1.5%	-0.4%	2.6%	1.4%	-6.0%	-1.8%	2.8%	4.2%

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 rose 3.4% in December, lagging the 4.8% rise by the benchmark (in A\$ terms). During the month, two of the Fund's three managers under-performed the benchmark. SBI was the best performer with a return of 4.8%, followed by Tata (+4.1%) while Sundaram returned +2.6%.

During the month, in local currency terms, the broader market (S&P BSE Sensex) added 8.2% and out-performed both the mid-cap sector (+6.1%) and the small-cap sector (+7.2%). Over the 2020 calendar year, the small-cap sector (+32.1%) out-performed both the mid-cap sector (+19.9%) and the broader market (+15.7%). The Fund's small-cap manager, Sundaram, performed best over the year with a return of +15.5%, followed by Tata, which rose by 2.8% and SBI, which declined 0.3%. The Fund out-performed the index by 1.4% with a return of +5.2% in \$A terms over the 2020 calendar year.

During December, securities changes were made only to the SBI portfolio. For the SBI portfolio, new positions in Bharat Forge and Endurance Technologies were established while a position in ICICI Securities was exited. In addition, a position in Kotak Mahindra Bank was increased while positions in Reliance Industries and Bharti Airtel were decreased. Stocks that contributed to portfolio performance in December included L&T Technologies Services Ltd (+35.8%), Persistent Systems Ltd (+26.8%) and DLF Limited (+24.9%). Shares that detracted from portfolio performance were JK Cement Ltd (-7.2%), Orient Electric Ltd (-5.7%) and City Union Bank Ltd (-3.1%).

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: \$72.4 million as at 31 December 2020
Application/Exit Fee: Nil
Management Fee: 1.74%

Investment Growth

Investment Growth

Time Period: 1/01/2012 to 31/12/2020



— Fiducian India

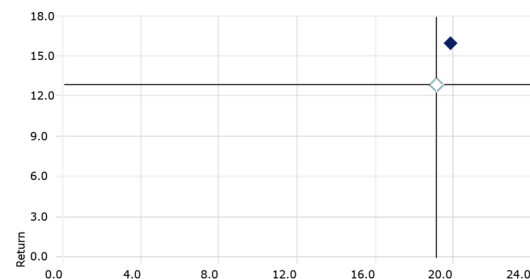
— S&P BSE 100 India INR

Risk-Reward Chart

Risk-Reward

Time Period: 1/01/2012 to 31/12/2020

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	20.6%
Sundaram	GARP	Mid & Small	25	50.5%
Tata	Growth	Multi Cap	43	28.1%
Cash				0.8%

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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 December, rising a solid 15.8% and 14.9% respectively. This was despite the continual surge in the number of new Covid-19 cases locally and globally but boosted by the beginning of mass vaccinations against the disease. The normalisation of economic activity supported by pent-up, festive season demand and better-than-expected second quarter corporate earnings also supported market momentum. While the number of Covid-19 cases in India has surged beyond 10 million, the growth rate in new cases has significantly slowed from over 70,000 cases per day at the beginning of October down to around 16,000 cases per day in recent weeks.

Among sectors, the Industrials and Materials sectors performed the best, while the Utilities and Energy sectors underperformed during December.

Foreign Institutional Investors (FIIs) were net buyers in December to the tune of US\$6.9 billion, while domestic Institutions (DII) were net sellers to the tune of US\$5.0 billion, making it a total outflow of US\$3.8 billion for the 2020 calendar year.

On the macroeconomic front, India's November Consumer Price Index moderated somewhat to 6.9% from 7.6% in October. India's wholesale price index rose marginally to 1.6% compared with 1.5% in October, mainly driven by a strong rise in the manufacturing sector (+3.0%). Pleasingly, the Index of Industrial Production rose a strong 3.6% as against a rise of 0.5% in the previous month.

India's real GDP growth for September quarter appeared to surprise on the upside at -7.5% (vs -23.9% in 1Q) as the economy begins to open up following the removal of many movement restrictions. This economic recovery appeared to be driven by the manufacturing sector, particularly in the food and beverages, metals and machinery sectors. Within the services sector, the financials, real estate and other professional services appeared to be performing well. Growth in agriculture appeared to be relatively stagnant.

Having endured over eight months of lockdown and movement restrictions, the Covid-19 pandemic continues to surge and spread in India. India has recently granted emergency approval of two coronavirus vaccines developed by Bharat Biotech (a local manufacturer) and AstraZeneca/Oxford University, which will be used to inoculate some 300 million people by the year end. The AstraZeneca/Oxford University vaccine is being manufactured locally by the Serum Institute of India, the world's largest vaccine manufacturer. Serum Institute of India is currently producing more than 50 million doses of the vaccine a month.

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	5.0%
ICICI BANK LTD	4.0%
BERGER PAINTS INDIA LTD	3.7%
AU SMALL FINANCE BANK LTD	3.6%
INFOSYS LTD	3.5%
BAJAJ FINSERV LTD	3.4%
DIXON TECHNOLOGIES INDIA LTD	3.3%
MINDTREE LTD	2.8%
RELIANCE INDUSTRIES LTD	2.5%
SHREE CEMENT LIMITED	2.4%
TATA GLOBAL BEVERAGES LTD	2.4%
BHARTI AIRTEL LIMITED	2.4%
PI INDUSTRIES LTD	2.2%
DR LAL PATHLABS LTD	2.2%
HDFC BANK LIMITED	2.2%
TRENT LTD	2.2%
ORIENT ELECTRIC LTD	2.1%
KANSAI NEROLAC PAINTS LTD	2.1%
KSB LIMITED	2.0%
ASTRAZENECA PHARMA INDIA LTD	2.0%
LARSEN & TOUBRO LTD	2.0%
KOTAK MAHINDRA BANK LTD	1.9%
CITY UNION BANK LTD	1.8%
NATCO PHARMA LTD	1.8%
JOHNSON CONTROLS HITACHI AIR	1.7%
Total	65.2%

Sector Diversification

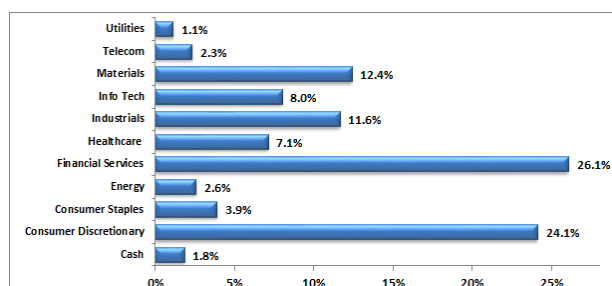


Chart of the Month

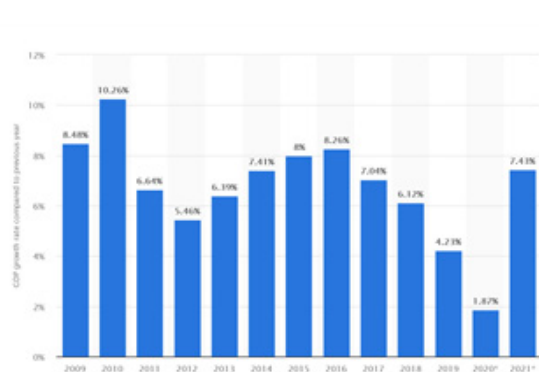


Chart: India's Real gross domestic product (GDP) growth rate from 2009 to 2021 (compared to the previous year) (source: IMF and Statista)