

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)

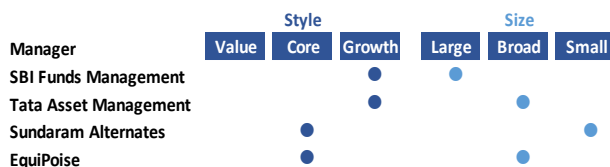
Current fund size: \$97 million (January 2023)

Management cost: 1.54%

Total management costs: 1.82%

Application/Exit fee: Nil

Inception Date: September 2007



Performance and Risk

After fee returns as at 31 January 2023

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	-6.3%	-12.4%	-3.9%	-12.7%	6.4%	4.1%	8.8%	13.4%
Index	-4.9%	-10.7%	-1.9%	-7.7%	7.1%	6.5%	9.6%	10.3%
Excess	-1.4%	-1.7%	-2.0%	-5.0%	-0.7%	-2.4%	-0.8%	3.2%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev)	18.6%	21.6%	20.8%	19.4%
Benchmark (Std Dev)	16.3%	22.5%	19.3%	16.8%
Beta	0.98	0.96	0.99	0.96

Investment Growth

Time Period: 2/1/2014 to 1/31/2023

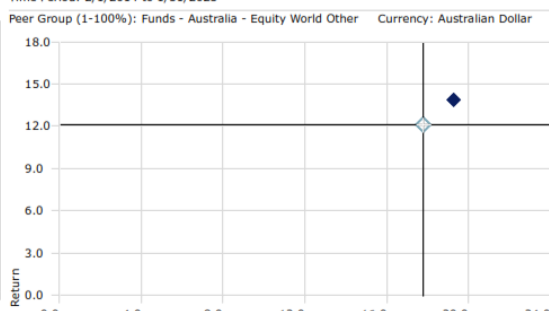


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Risk-Reward

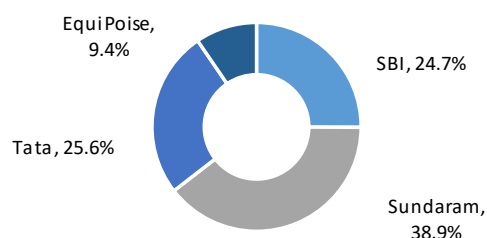
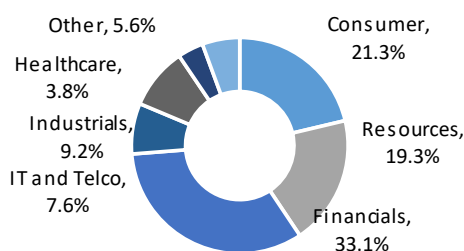
Time Period: 2/1/2014 to 1/31/2023



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Sector exposures and current manager weights



Market Commentary and Outlook

The Indian stock market finished lower in January. Large cap stocks declined by 3.6%, with mid-caps returning -2.7% and small caps returning -2.5%. The Auto sector (+5.3), Information Technology (+3.4%) and Metals (+1.4%) were the top performers. Power (-10.8%), Oil & Gas (-9.2%) and Telecom (-7.1%) were the main detractors.

Economic data released during the month continued to be positive, supporting forecast GDP growth of around 6-7% for the coming year. This would make India one of the fastest growing economies in the world.

The rate of growth in the manufacturing sector continues to improve, in contrast to the contractions being observed in many other economies. Other measures, including overall consumption, vehicle sales and credit growth, also paint a positive picture for growth over the coming year.

At the beginning of February, the 2023-24 Union Budget was announced. The theme is consistent with previous years: large increases in infrastructure capex, tax support for manufacturing and other strategic industries and a reduction of inefficient subsidies. The fiscal deficit, which increased during the COVID-19 pandemic, is beginning to contract as tax collection rises.

The economic backdrop for the Indian market remains broadly positive. Company earnings are growing, government policy reform is ongoing, monetary and fiscal policy remains supportive and an increase in capital spending is being seen across many industries. The forecasts for real GDP growth for the coming year remain among the strongest in the world. However, the market could continue to be affected for a time by large increases in energy prices and other effects of Russia's invasion of Ukraine, along with generally slower global economic growth.

Fund Commentary

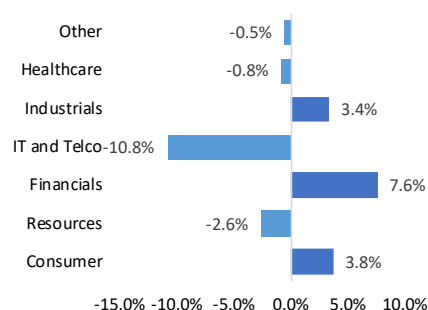
The Fiducian India Fund declined by 6.3% in January, which was above the 5.9% fall for the index (in Australian dollar terms). Over the last 12 months the Fund has declined by 12.7%, compared to the index return of -7.7%. Large cap managers Tata (-2.7%) and SBI (-3.8%) have been the top performers over the last year.

The top contributors for the month were technology services company Persistent Systems and Max Financial Services. The main detractors were agricultural chemicals company PI Industries and food ordering platform Zomato.

The most significant sector tilts in the Fund remain overweight positions in the Industrials and Financials sectors, which are set to benefit from the strong anticipated growth in the domestic 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, along with the more volatile resources sector. Companies with exposure to the capital spending cycle, as well as the manufacturing sector are also expected to perform strongly in the medium term.

Top stock holdings and sector tilts

Stock	Industry	Weight
Axis Bank Ltd	Diversified Banks	5.2%
ICICI Bank Ltd	Diversified Banks	4.6%
HDFC Bank Limited	Diversified Banks	4.1%
Titan Co Ltd	Apparel Accessories	3.8%
Infosys Ltd	IT Consulting	3.7%
Reliance Industries Ltd	Oil & Gas Refining	3.0%
Navin Fluorine	Specialty Chemicals	2.8%
Berger Paints India Ltd	Commodity Chemicals	2.7%
AU Small Finance Bank	Regional Banks	2.6%
Larsen & Toubro Ltd	Construction	2.5%



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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. Potential investors should also obtain and consider the relevant Target Market Determination (TMD) and Product Disclosure Statement (PDS) (available from your financial adviser and via fiducian.com.au) before making a decision about whether to acquire or continue to hold any financial product.