

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)

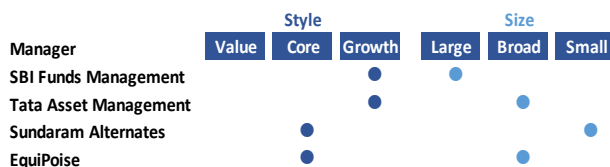
Current fund size: \$99 million (February 2023)

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 28 February 2023

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	2.3%	-9.2%	-7.8%	-2.3%	8.2%	5.3%	10.9%	14.2%
Index	1.4%	-9.0%	-6.1%	0.9%	9.4%	7.6%	11.3%	11.1%
Excess	0.9%	-0.2%	-1.7%	-3.1%	-1.2%	-2.3%	-0.4%	3.1%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev)	16.9%	21.5%	20.7%	19.3%
Benchmark (Std Dev)	16.1%	22.1%	19.2%	16.7%
Beta	0.95	0.97	0.99	0.97

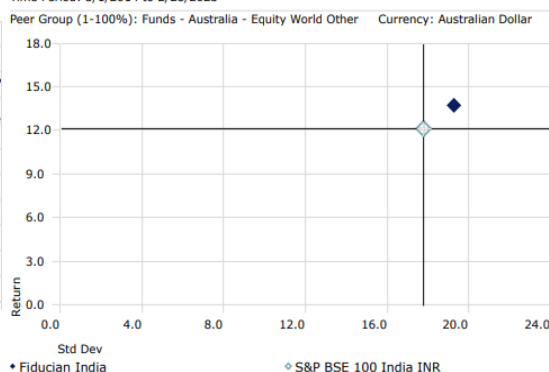
Investment Growth

Time Period: 3/1/2014 to 2/28/2023

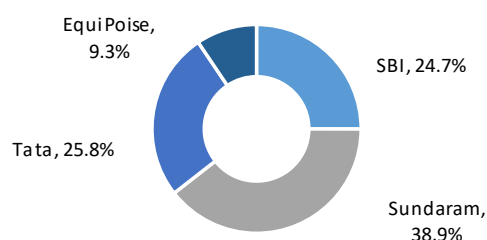
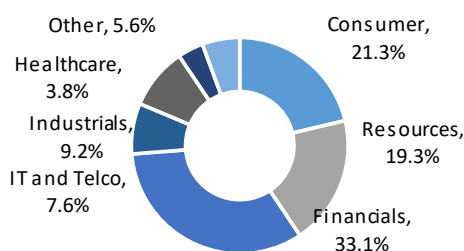


Risk-Reward

Time Period: 3/1/2014 to 2/28/2023



Sector exposures and current manager weights



Market Commentary and Outlook

The Indian stock market finished lower in February, in line with returns seen in global stock markets. Large cap stocks declined by 3.0%, with mid-caps returning -1.6% and small caps returning -3.6%. The Consumer Goods sector (+0.3%) and Capital Goods sector (+0.2%) were the top performers. Power (-15.6%), Metals (-10.2%) and Oil & Gas (-8.7%) 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. Despite weaker global conditions dampening some economic growth measures, the manufacturing sector in India continues to expand, in contrast to contractions in activity being observed in many other economies. Other measures, including consumer confidence, bank credit growth and capital goods sales also remain positive.

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.

Corporate profit growth remains healthy, with the most recent earnings results for large cap stocks showing aggregate growth in revenue of 18% compared to last year, with profit growing at a more modest 11% due to higher input costs.

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

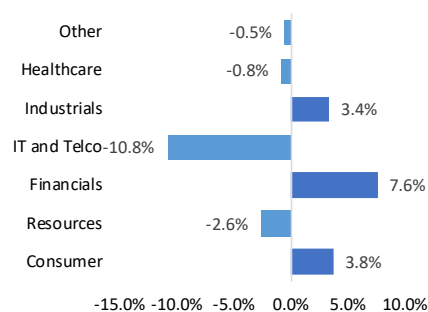
The Fiducian India Fund gained 2.3% in February, which was above the 1.4% return for the index (in Australian dollar terms). Over the last 12 months the Fund has declined by 2.3%, compared to the index return of 0.9%. Large cap managers Tata (+8.7%) and SBI (+6.1%) have been the top performers over the last year.

The top stock contributors for the month were Berger Paints, Navin Fluorine and Zomato. The main detractors for the month were City Union Bank, Vmart Retail and Chemplast Sanmar.

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	5.1%
ICICI Bank Ltd	Diversified Banks	4.8%
HDFC Bank Limited	Diversified Banks	4.1%
Titan Co Ltd	Apparel Accessories	3.8%
Infosys Ltd	IT Consulting	3.6%
Navin Fluorine	Specialty Chemicals	3.0%
Reliance Industries Ltd	Oil & Gas Refining	2.9%
Berger Paints India Ltd	Commodity Chemicals	2.8%
Larsen & Toubro Ltd	Construction	2.6%
PI Industries Ltd	Agricultural Chemicals	2.6%



Fiducian Investment Management Services Limited

Issued by Fiducian Investment Management Services Limited ABN 28 602 441 814 AFS Licence number 468211. 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. 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.