

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)

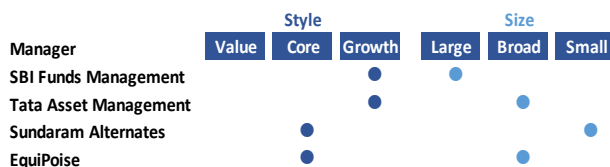
Current fund size: \$98 million (July 2022)

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 July 2022

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	7.8%	-3.4%	-9.1%	0.5%	12.0%	7.0%	7.6%	16.4%
Index	7.7%	-2.9%	-5.9%	5.9%	9.8%	8.9%	7.6%	12.7%
Excess	0.1%	-0.6%	-3.2%	-5.4%	2.2%	-1.8%	0.0%	3.7%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev)	18.3%	21.6%	20.8%	19.4%
Benchmark (Std Dev)	16.0%	22.0%	19.1%	16.8%
Beta	0.99	0.97	1.00	0.96

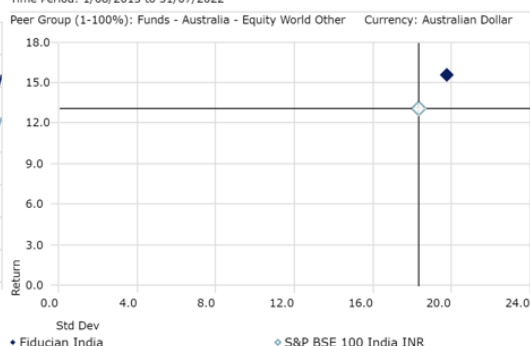
Investment Growth

Time Period: 1/08/2013 to 31/07/2022

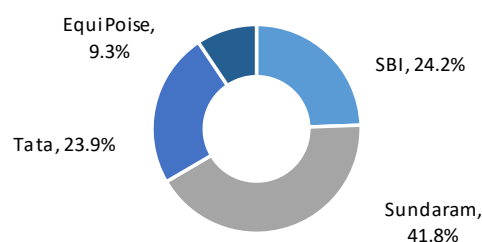
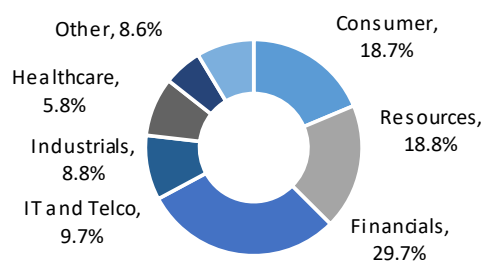


Risk-Reward

Time Period: 1/08/2013 to 31/07/2022



Sector exposures and current manager weights



Market Commentary and Outlook

The Indian stock market had a strong month in July, with large cap stocks rising by 9.5%, mid-caps rising by 10.8% and small caps rising by 9.2%. All industry sectors rose, with metals (+17.7%), financials (+12.2%) and consumer durables (+13.1%) the best performers. The energy sector (+3.2%), along with IT (+4.7%) and Pharmaceuticals (+5.1%), trailed on a relative basis.

The majority of listed companies have now released earnings results for the first quarter of the 2023 Financial Year. Overall, trends remain positive, with a majority of companies reporting results that remain in line, or above, market expectations. Consumer demand has been strong, with activity levels returning to levels seen prior to the pandemic. This has been offset to some degree by cost inflation in both commodity costs and wages, resulting in some compression of earnings margins. The market estimate for annual earnings growth remains at approximately 15% per annum for the next three years.

Economic indicators mostly remain positive, with the exception of the trade deficit, which has widened. However, a recovery is occurring in both private and public sector investment, and personal consumption growth remains positive. The Reserve Bank of India has stated that inflation levels in the country have now likely peaked, following a flat reading in July compared with June. There is now an expectation that future interest rate increases could moderate.

The economic backdrop for the Indian market remains broadly positive. A recovery in earnings has begun, 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.

Fund Commentary

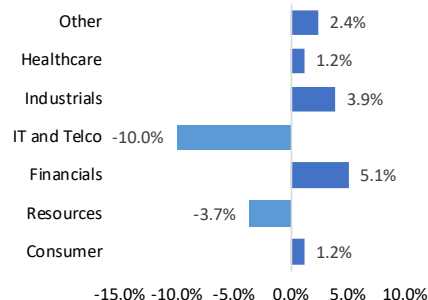
The Fiducian India Fund gained 7.8% in July, which was slightly above the 7.7% rise for the index (in Australian dollar terms). Over the last 12 months the Fund has gained 0.5%, compared to the index return of 5.9%, as mid cap stocks, where the Fund has an overweight positioned, underperformed following a very strong run in the previous year. Tata Asset Management has been the best performer over this period, with a return of 9.9%.

Financial stocks were the main contributors for the month, with Federal Bank, City Union Bank and Bajaj Finserv recording good gains. Tube Investments was also materially stronger over the month. The main detractors for were Gland Pharma and Vmart Retail.

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
Titan Co Ltd	Apparel Accessories	4.8%
ICICI Bank Ltd	Diversified Banks	4.6%
Infosys Ltd	IT Consulting	3.8%
HDFC Bank Limited	Diversified Banks	3.5%
AU Small Finance Bank Ltd	Regional Banks	3.3%
Reliance Industries Ltd	Oil & Gas Refining	3.2%
Axis Bank Ltd	Diversified Banks	2.9%
City Union Bank Ltd	Diversified Banks	2.8%
Navin Fluorine International	Specialty Chemicals	2.4%
Bajaj Finserv Ltd	Diversified Financials	2.3%



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.