

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)

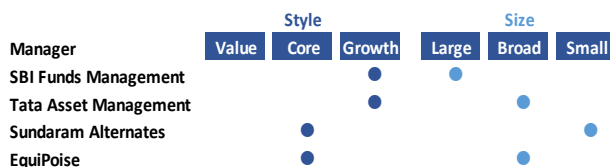
Current fund size: \$105 million (August 2022)

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 August 2022

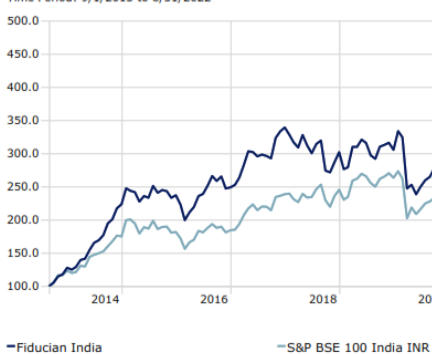
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	6.6%	11.5%	6.0%	-1.0%	15.1%	8.3%	9.2%	16.6%
Index	5.9%	10.5%	7.4%	1.8%	13.1%	10.1%	9.6%	13.1%
Excess	0.7%	0.9%	-1.4%	-2.9%	2.0%	-1.8%	-0.3%	3.6%

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

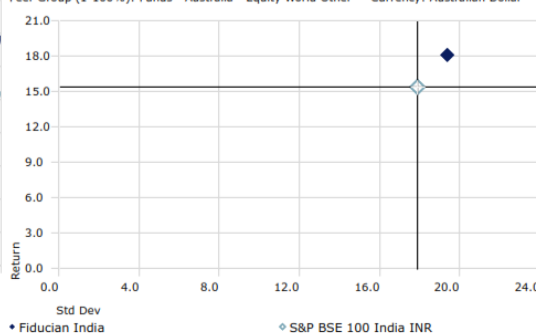
Time Period: 9/1/2013 to 8/31/2022



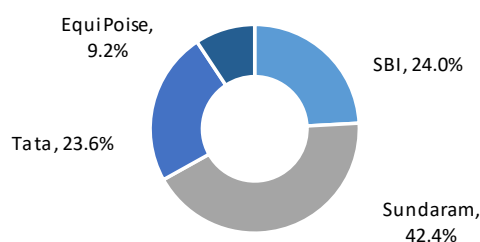
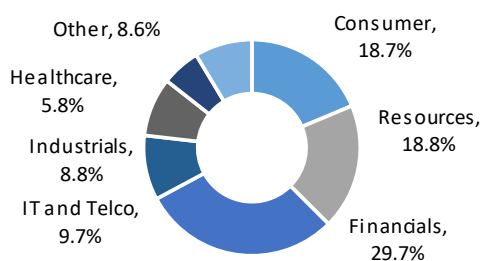
Risk-Reward

Time Period: 9/1/2013 to 8/31/2022

Peer Group (1-100%): Funds - Australia - Equity World Other Currency: Australian Dollar



Sector exposures and current manager weights



Market Commentary and Outlook

The Indian stock market continued its positive run through August, with large cap stocks rising by 3.9%, mid-caps rising by 5.6% and small caps rising by 5.9%. The Power sector (+14.7%) was the best performer for the month, followed by Capital Goods (+8.4%) and Consumer Durables (+7.9%). IT was the only major sector to record a decline, finishing the month 1.9% lower.

All companies within the Nifty 50 index have reported results for the first quarter of the 2023 Financial Year. In aggregate, revenue growth was in line with expectations, rising by 35%, but higher input costs have reduced margins, with profit after tax growing by a more modest 23% over the year. Retailers reported strong conditions as consumer demand rebounded from pandemic-related lockdowns in the previous period and construction companies have been seeing some early benefits from an increase in government infrastructure spending.

The outlook for earnings growth has moderated slightly but remains approximately 15% per annum. Economic indicators generally remain positive. June quarter GDP growth was a strong 13.5% (year-on-year), one of the fastest economic growth rates in the world. Measures of activity in the manufacturing sector continue to accelerate, capital expenditure growth rates are robust, and whilst consumer confidence has declined in the face of higher interest rates, business confidence is still firmly in positive territory.

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

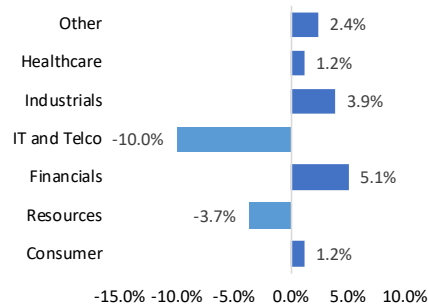
The Fiducian India Fund gained 6.6% in August, which was above the 5.9% rise for the index (in Australian dollar terms). Over the last 12 months the Fund has declined 1.0%, compared to the index return of 1.8%. Small cap and mid cap stocks outperformed during the month, helping Sundaram (+8.1%) to be the best performing manager for the period.

Financial stocks once again led the way in August, with ICICI Bank, City Union Bank and Bajaj Finserv amongst the top contributors. Tube Investments was also materially stronger over the month. There were few material detractors, with chemical companies Chemplast Sanmar and Meghmani Finechem generating negative returns for the month.

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%
AU Small Finance Bank Ltd	Regional Banks	3.4%
HDFC Bank Limited	Diversified Banks	3.4%
Reliance Industries Ltd	Oil & Gas Refining	3.2%
Berger Paints India Ltd	Commodity Chemicals	3.1%
City Union Bank Ltd	Diversified Banks	3.0%
Axis Bank Ltd	Diversified Banks	2.8%
Bajaj Finserv Ltd	Diversified Financials	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.