

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)

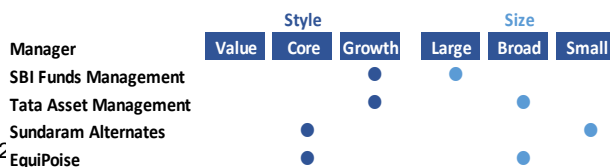
Current fund size: \$106 million (September 2022)

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 30 September 2022

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	1.5%	16.6%	7.9%	-1.6%	13.4%	8.9%	9.2%	15.5%
Index	0.6%	14.7%	7.7%	0.0%	11.5%	10.7%	9.3%	11.8%
Excess	0.9%	1.9%	0.2%	-1.6%	1.9%	-1.8%	-0.1%	3.7%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev)	17.5%	21.5%	20.9%	19.2%
Benchmark (Std Dev)	14.9%	22.2%	19.2%	16.7%
Beta	1.04	0.96	1.00	0.96

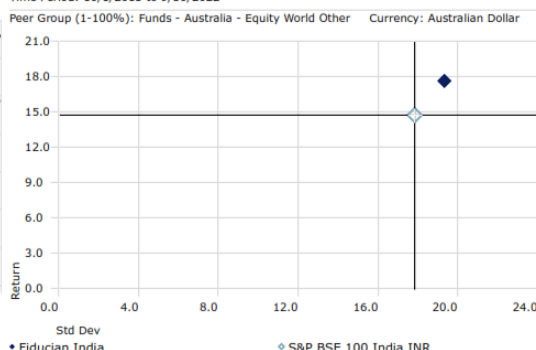
Investment Growth

Time Period: 10/1/2013 to 9/30/2022

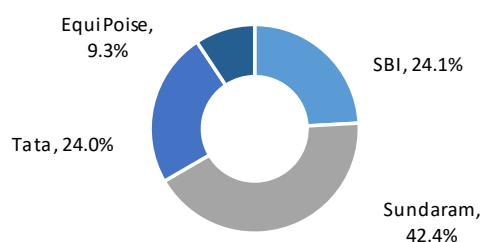
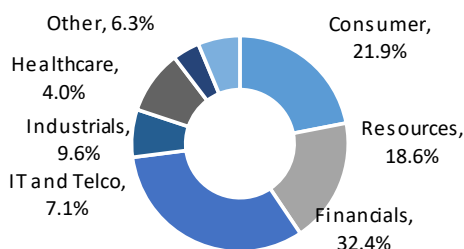


Risk-Reward

Time Period: 10/1/2013 to 9/30/2022



Sector exposures and current manager weights



Market Commentary and Outlook

The Indian stock market outperformed most global stock markets in September, recording only a small decline. Large cap stocks were 3.4% lower, with mid-caps returning -2.2% and small caps returning -0.7%. The Healthcare (+1.4%), Consumer Discretionary (+1.4%) and Telecom (+1.4%) sectors all finished higher for the month. Power (-9.2%), Oil (-8.5%) and Real Estate sectors were the main detractors.

Economic data released during the month continued to be positive, supporting forecast GDP growth of around 7% for the coming year. This would make India one of the fastest growing economies in the world. Employment growth is strong, business confidence is high, consumer confidence is recovering and capital spending is also seeing high growth year-on-year. Manufacturing sector activity also remains at elevated levels.

A number of policy initiatives from the Indian government are now getting traction. Manufacturing incentives are encouraging multinational companies to establish production facilities in the country. Notably, Apple has exported over \$1bn of the latest iPhones from India, which would have previously been manufactured in China, with other Apple accessories to begin production in the near future. There have also been milestones achieved with local defence equipment production, with the first locally built aircraft carrier and combat helicopter both being launched in the last month.

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

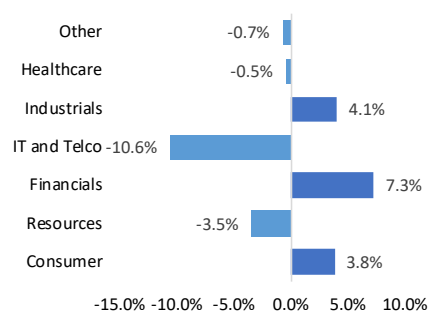
The Fiducian India Fund gained 1.5% in September, which was above the 0.6% rise for the index (in Australian dollar terms). Over the last 12 months the Fund has declined 1.6%, compared to the index return of 0.0%. Large cap manager SBI (+6.3%) has been the top performer over the last year.

The top contributors for the month were manufacturers Tube Investments and Astra, with accommodation providers Lemon Tree Hotels and Indian Hotels also reporting strong gains. Reliance Industries and PI Industries were the main detractors over 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	5.2%
ICICI Bank Ltd	Diversified Banks	4.8%
Infosys Ltd	IT Consulting	3.4%
AU Small Finance Bank Ltd	Regional Banks	3.4%
HDFC Bank Limited	Diversified Banks	3.3%
City Union Bank Ltd	Diversified Banks	3.0%
Reliance Industries Ltd	Oil & Gas Refining	3.0%
Berger Paints India Ltd	Commodity Chemicals	3.0%
Axis Bank Ltd	Diversified Banks	2.8%
Bajaj Finserv Ltd	Diversified Financials	2.6%



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