

### 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)

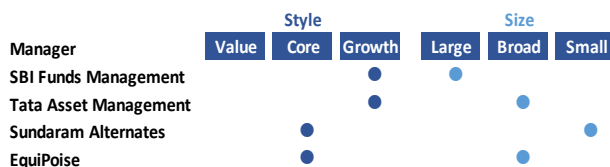
**Current fund size:** \$109 million (October 2022)

**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 October 2022

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	1.4%	9.7%	5.9%	3.7%	13.6%	7.2%	9.5%	15.9%
Index	3.1%	9.8%	6.7%	8.4%	12.3%	9.5%	9.8%	12.4%
Excess	-1.7%	-0.1%	-0.7%	-4.7%	1.3%	-2.3%	-0.3%	3.4%

#### Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev)	17.1%	21.5%	20.5%	19.1%
Benchmark (Std Dev)	15.6%	22.2%	19.1%	16.7%
Beta	1.02	0.96	0.99	0.96

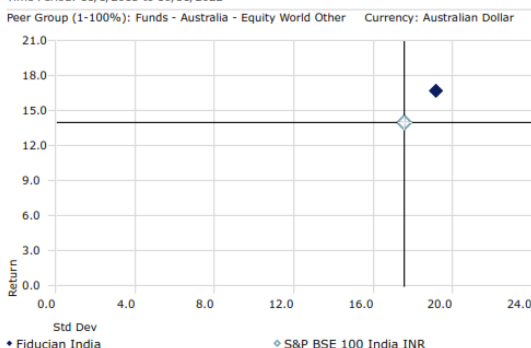
#### Investment Growth

Time Period: 11/1/2013 to 10/31/2022

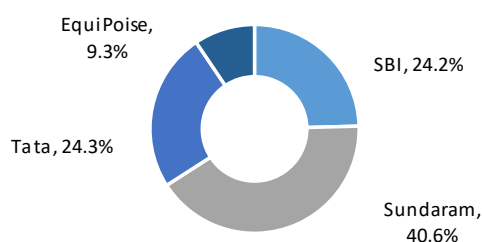
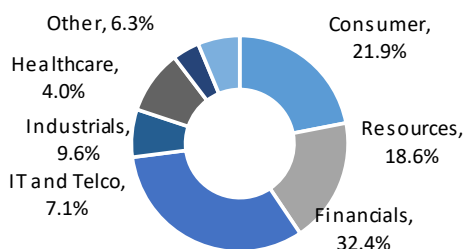


#### Risk-Reward

Time Period: 11/1/2013 to 10/31/2022



### Sector exposures and current manager weights



### Market Commentary and Outlook

The Indian stock market finished higher in October. Large cap stocks gained 4.7%, with mid-caps returning 2.0% and small caps returning 1.3%. The Banking (+6.9%), Information Technology (+6.5%) and Capital Goods (+6.6%) sectors all finished higher for the month. Consumer Discretionary (-0.3%) was the only major sector to finish lower.

A number of companies released quarterly earnings during the month, with the trends so far indicating that revenue growth remains robust at 28%, compared to last year. Input cost pressure continues to weight on profits, which are growing less strongly than revenues. Earnings growth expectations for Financial Year 2023 are lower than at the beginning of the year, but remain healthy at approximately 12%.

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. Export growth has moderated in line with trends seen in the rest of the world.

A number of policy initiatives from the Indian government are now gaining traction. Manufacturing incentives are encouraging multinational companies to establish production facilities in the country. In recent months, 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.

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, along with generally slower global economic growth.

### Fund Commentary

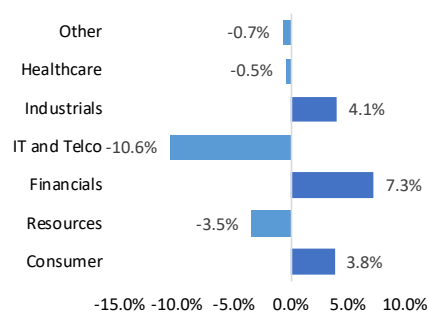
The Fiducian India Fund gained 1.4% in October, which was below the 3.1% rise for the index (in Australian dollar terms). Over the last 12 months the Fund has gained 3.7%, compared to the index return of 8.4%. Large cap manager Tata (+15.0%) has been the top performer over the last year.

The top contributor for the month was Axis Bank, with Larsen and Toubro and manufacturer Bharat Forge also recording gains. The key detractors were Home First Finance Co and Johnson Controls.

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	5.3%
ICICI Bank Ltd	Diversified Banks	4.9%
Titan Co Ltd	Apparel Accessories	4.2%
Infosys Ltd	IT Consulting	3.6%
HDFC Bank Limited	Diversified Banks	3.4%
Navin Fluorine International	Specialty Chemicals	3.2%
Reliance Industries Ltd	Oil & Gas Refining	3.1%
Berger Paints India Ltd	Commodity Chemicals	2.7%
Bajaj Finserv Ltd	Diversified Financials	2.5%
Au Small Finance Bank Ltd	Regional Banks	2.3%



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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.