

### 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)

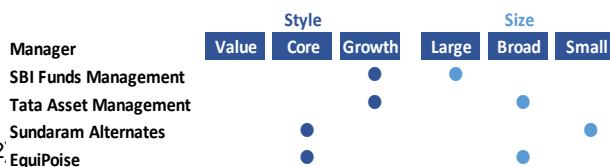
**Current fund size:** \$103 million (December 2022)

**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 December 2022

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	-5.3%	-5.2%	10.5%	-5.0%	11.9%	4.8%	8.9%	14.5%
Index	-5.5%	-3.2%	11.1%	-0.5%	10.1%	7.7%	9.6%	11.3%
Excess	0.3%	-2.1%	-0.6%	-4.6%	1.9%	-3.0%	-0.7%	3.2%

#### 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: 1/1/2014 to 12/31/2022

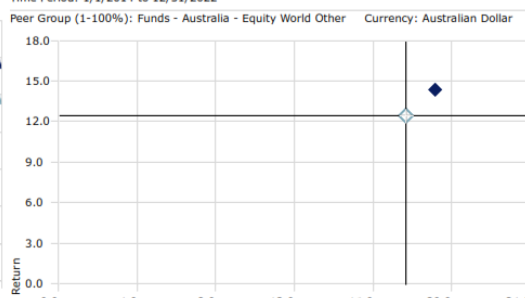


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#### Risk-Reward

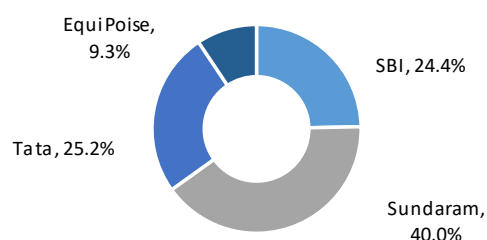
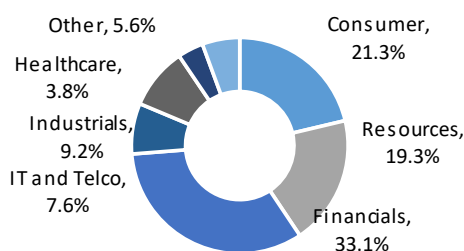
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### Sector exposures and current manager weights



### Market Commentary and Outlook

The Indian stock market finished lower in December. Large cap stocks declined by 3.5%, with mid-caps returning -1.7% and small caps returning -2.4%. The Metals (+2.4%) sector was the top performer, with Banks (-0.6%) also outperforming on a relative basis. Auto (-4.7%), Consumer Durables (-4.6%) and Healthcare (-4.5%) were the largest detractors.

For calendar year 2022, the Nifty Index returned 4.3% (in Indian currency terms), making it one of the top performing equity markets for the period.

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. The rate of growth in the manufacturing sector continues to improve, in contrast to the contractions being observed in many other economies. Other measures, including overall consumption, vehicle sales and credit growth, also paint a positive picture for growth over the coming year.

Inflation though remains somewhat high at 5.9%. Although, this is below current rates of inflation in many developed economies including the USA, Europe and Australia. The Reserve Bank of India (RBI) increased interest rates by 0.35% in December, which was in line with expectations.

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

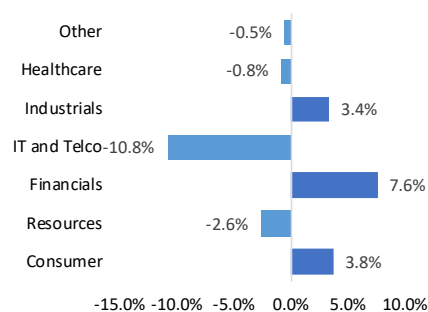
The Fiducian India Fund declined by 5.3% in December, which was above the 5.5% fall for the index (in Australian dollar terms). Over the last 12 months the Fund has declined by 5.0%, compared to the index return of -0.5%. Large cap managers SBI (+5.5%) and Tata (+4.6%) has been the top performer over the last year.

The top contributors for the month were within the banking sector, with gains seen in Axis Bank, Federal Bank and AU Small Finance Bank. Chemical Manufacturer Chemplat Sanmar also rose strongly. The main detractors were Infosys, Reliance and Zomato.

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	5.4%
ICICI Bank Ltd	Diversified Banks	4.8%
HDFC Bank Limited	Diversified Banks	4.0%
Titan Co Ltd	Apparel Accessories	4.0%
Infosys Ltd	IT Consulting	3.5%
Reliance Industries Ltd	Oil & Gas Refining	3.1%
Navin Fluorine	Specialty Chemicals	2.8%
Berger Paints India Ltd	Commodity Chemicals	2.7%
PI Industries Ltd	Agricultural Chemicals	2.7%
AU Small Finance Bank	Regional Banks	2.6%



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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.