

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)

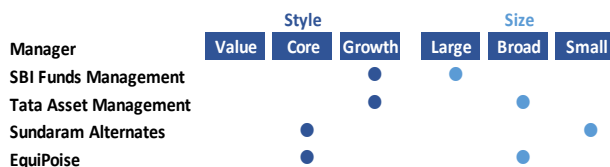
Current fund size: \$106 million (April 2023)

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 April 2023

	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	6.6%	9.9%	-3.8%	1.9%	20.4%	6.1%	10.5%	14.8%
Index	5.8%	9.0%	-2.7%	3.8%	18.2%	8.3%	11.1%	11.5%
Excess	0.8%	0.9%	-1.1%	-1.8%	2.2%	-2.2%	-0.5%	3.3%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev)	16.9%	21.5%	20.7%	19.3%
Benchmark (Std Dev)	16.1%	22.1%	19.2%	16.7%
Beta	0.95	0.97	0.99	0.97

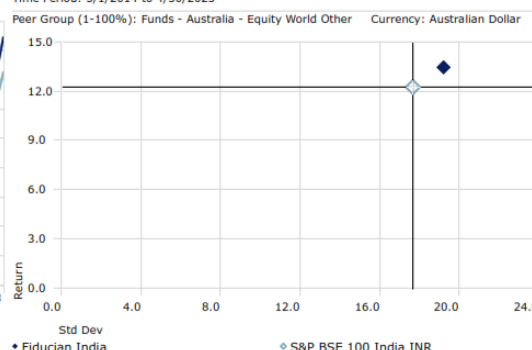
Investment Growth

Time Period: 5/1/2014 to 4/30/2023

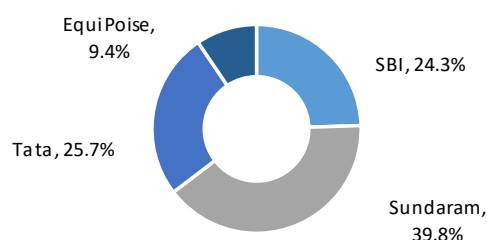
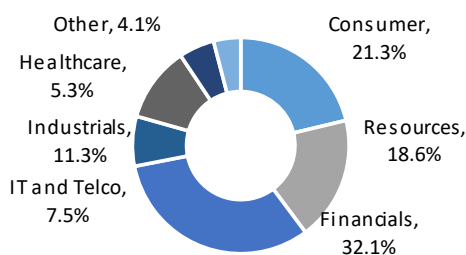


Risk-Reward

Time Period: 5/1/2014 to 4/30/2023



Sector exposures and current manager weights



Market Commentary and Outlook

The Indian stock market had a strong month in April. Large cap stocks gained 4.1%, with mid-caps returning 5.9% and small caps rising 7.5%. The top performing sectors for the month were Real Estate (+14.8%), Automotive (+7.4%) and Utilities (+7.2%). The Information Technology sector (-3.4%) was the only major sector to record a decline.

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. Despite weaker global conditions dampening some economic growth measures, the manufacturing sector in India continues to be robust, recording 22 consecutive months of growth. Growth rates in the services sector also posted another month of strong expansion. Export values have also recently hit an all time high. Capital spending by both the government and the private sector is also recording gains.

The corporate sector also remains very healthy. The latest quarterly profit announcements have shown large cap stocks generating aggregate annual growth in revenue of 13% year on year, with profit growth expanding to 18% year on year as input price pressures reduce. The current market expectation is for 19% growth in earnings for Financial Year 2024.

At its most recent meeting in April, the Reserve Bank of India paused its current rate hike cycle and left interest rates on hold. The Bank said it will observe the cumulative impact of the increases in policy rates which started in May 2022.

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 generally slower global economic growth.

Fund Commentary

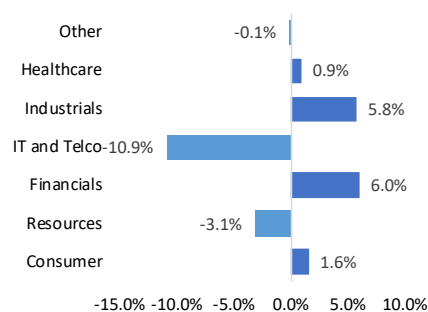
The Fiducian India Fund gained 6.6% in April, which was above the 5.8% return for the index (in Australian dollar terms). Over the last 12 months the Fund has gained 1.9%, compared to the index return of 3.8%. Large cap managers Tata (+11.6%) and SBI (+9.8%) have been the top performers over the last year.

The top stock contributors for the month included food delivery and restaurant services business Zomato, industrial company Navin Fluorine and AU Small Finance Bank. Detractors included IT consulting business Infosys and consumer products company Hindustan Unilever.

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	4.8%
ICICI Bank Ltd	Diversified Banks	4.8%
HDFC Bank Limited	Diversified Banks	4.4%
Titan Co Ltd	Apparel Accessories	4.0%
Infosys Ltd	IT Consulting	3.5%
Navin Fluorine	Specialty Chemicals	3.5%
Reliance Industries Ltd	Oil & Gas Refining	3.4%
Berger Paints India Ltd	Commodity Chemicals	2.8%
Larsen & Toubro Ltd	Construction	2.7%
Au Small Finance Bank Ltd	Regional Banks	2.7%



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