

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 9 years.

Fund facts

Portfolio manager: Conrad Burge

ARSN: 125 089 456

APIR code: FPS0013AU

Benchmark: BSE 100 Index (in AUD)

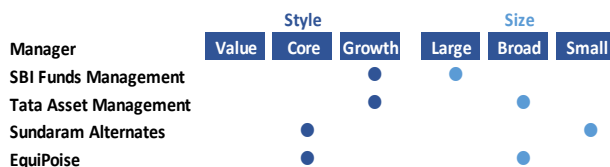
Current fund size: \$140 million (February 2024)

Management cost: 1.54%

Total management costs: 1.82%

Application/Exit fee: Nil

Inception Date: September 2007



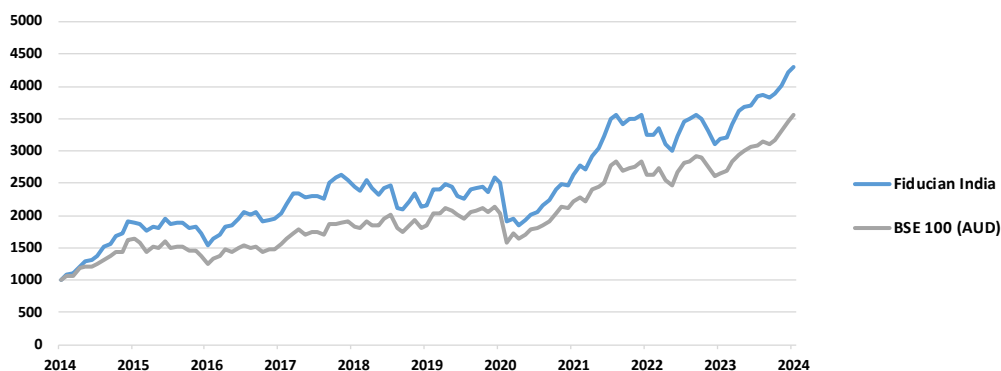
Performance and Risk

After fee returns as at 29 February 2024

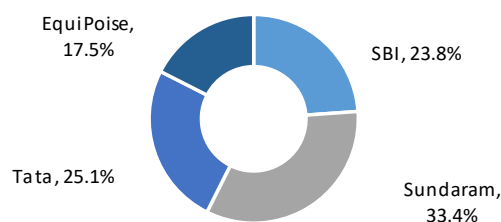
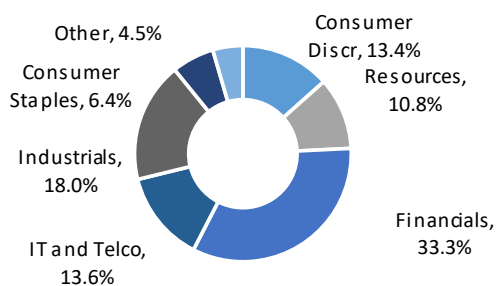
	1 Mth	3 Mth	6 Mth	1 Yr	3 Yrs	5 Yrs	7yrs	10 Yrs
Fund	2.0%	10.8%	11.8%	35.4%	17.8%	14.8%	11.3%	15.7%
Index	3.0%	13.0%	15.4%	34.8%	17.3%	14.0%	12.7%	13.6%
Excess	-1.0%	-2.2%	-3.6%	0.6%	0.5%	0.7%	-1.3%	2.2%

Risk Exposure

	1 Yr	3 Yrs	5 Yrs	10 Yrs
Fund Volatility (Std Dev)	7.9%	14.5%	18.6%	18.4%
Benchmark (Std Dev)	6.6%	14.0%	17.2%	17.0%
Beta	0.87	0.96	1.01	1.00
Tracking Error (% pa)	4.9%	4.5%	6.0%	6.7%



Sector exposures and current manager weights



Market Commentary and Outlook

The Indian stock market recorded a positive month in February. Large cap stocks gained 1.8%, mid cap stocks rose by 1.5% whilst small cap stocks declined by 1.1%. The best performing sectors for the month were Oil & Gas (+6.7%), Automotive (+6.4%) and Real Estate (+9.3%). Consumer Discretionary (-2.2%) was the only major sector to decline.

GDP accelerated during the month to an annual growth rate of 8.4%, compared to 8.1% in the previous quarter. Forecast growth is 6.5% for 2024 and for 2025 (IMF). Business activity and investment continue to expand, and the latest measures of activity in both manufacturing and services industries are close to peak levels. Other broad measures of growth, including tax collections and automotive sales, remain positive, and consumer confidence has improved. However, export growth remains weak, reflecting a slower global economy.

Recent quarterly profit announcements have generally been in line or slightly above expectations. Revenue growth has slowed in many sectors, but lower input costs (driven by falls in some commodity prices) have resulted in improved profitability. Companies with exposure to construction and infrastructure spending have been reporting strong growth, whilst sectors that are exposed to export markets have continued to moderate in line with a weakening global economy. Current market forecasts are for strong earnings growth this financial year.

The economic backdrop for the Indian market remains broadly positive. Company earnings are growing strongly, 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 be affected if developed economies remain sluggish.

Fund Commentary

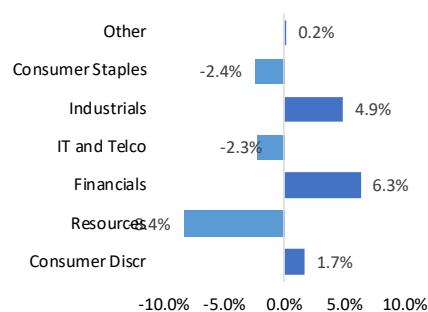
The Fiducian India Fund rose by 2.0% in February, which was below the 3.0% return for the index (in Australian dollar terms). Over the last 12 months the Fund has gained 35.4%, compared to the index return of 34.8%. Equipoise Investment Advisors (+50.7%) was the top performer over this period followed by Tata Asset Management (+37.3%)

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 Resources sector, where underlying fund managers are broadly expecting a less positive growth outlook relative to other parts of the market.

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
ICICI Bank	Banks	5.3%
HDFC Bank Limited	Banks	4.4%
Titan Co Ltd	Retail	4.1%
Reliance Industries Ltd	Oil & Gas	3.5%
Larsen & Toubro Limited	Engineering	3.4%
Infosys Ltd	Computers	3.3%
Cholamandalam Investment	Diversified Financial	2.8%
State Bank Of India	Banks	2.5%
Zomato Limited	Internet	2.4%
Mcx Ltd	Diversified Financial	2.1%



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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.