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Fiducian has identified India as one of the better global investment opportunities of our lifetimes. With a population that is expected to grow to be the largest in the world, a government committed to reforming and opening up the economy, a rapidly expanding middle class population and a level of investment expenditure seen in few other countries around the world at present, the investment opportunities for a long-term investor seem endless.

Fiducian provides investors unique exposure to this dynamic economy through the Fiducian India Fund. This fund is managed using Fiducian's 'Manage the Manager' investment process, which, through a refined process of quantitatively and qualitatively analysing fund managers, seeks to identify those managers which could achieve the best outcome for investors. This means that investors do not need to rely on the expertise of any one manager or investment team. Rather, three of India's best fund managers have been brought together in the one fund. Each of these managers has outlined some of their top stock picks below.



Tata Motors Ltd

Fund Weighting: 3.0%

Market cap: INR 788b/\$14.5b

Portfolio Manager: HDFC, Sundaram, SBI

12 month Forward PE: 3.6 times (DVR Shares), 7.2 times (ord)

2013/14 Consensus EPS Growth: 28.3%



Tata Motors is India's leading automobile manufacturer and is among the top 10 auto-manufacturers in the world. The company has more than 130 models spanning a wide range of commercial vehicles, passenger cars and multi-utility vehicles. The company operates out of plants in Jamshedpur, Pune and Lucknow in India. Key export markets include Europe, Australia, South East Asia, the Middle East and Africa. With the acquisition of Jaguar Land Rover, the company derives almost 65% of its revenues from outside India. Jaguar Land Rover accounts for more than 85% of profits and is expected to do well on the back of strong new vehicle launches and momentum in other emerging markets such as China, Brazil and Russia. The Differential Voting Right (DVR) shares are currently trading at a very attractive forward PE multiple of less than 4.



Astral Poly Technik

Fund Weighting: 4.7%

Market cap: INR 12.7b/\$233.8m

Portfolio Manager: Sundaram

12 month Forward PE: 14.6 times

2013/14 Consensus EPS Growth: 42.3%



Astral Poly Technik manufactures chlorinated PVC pipes and fittings for hot and cold water plumbing systems and for the transportation of hazardous and corrosive chemicals. The pipe industry in India is forecast to grow at a compound rate of 11% per annum, which compares to 4.5% growth in the industry worldwide. The demand in India is driven by increased spending on infrastructure by the Indian government, as well as increased demand for housing and the growing level of industrial activity. The company has production facilities based in Gujarat and Himachal Pradesh.



ICICI Bank

Fund Weighting: 2.7%

Market cap: INR 1,235b/\$22.7b

Portfolio Manager: HDFC, SBI

12 month Forward PE: 12.8 times

2013/14 Consensus EPS Growth: 17.2%



ICICI Bank is the second largest bank in India and the largest retail lender. It represents a good proxy to play the long-term India growth story. The bank owns the largest private sector life and non-life insurance companies and is among the nation's top asset managers. ICICI Bank is rapidly building scale in agriculture and international banking. The bank has a solid management team, under which the bank has been able to successfully gain market share and strengthen its consumer-oriented business. The bank enjoys a degree of pricing power in all businesses where it has attained scale. ICICI has been able to improve most of its operating parameters since the financial crisis of 2008 and has the highest capital adequacy of the largest banks while also being able to shrink the size of its risky assets. The bank is currently trading at an attractive valuation.



V-Guard Industries Ltd

Fund Weighting: 3.1%
Portfolio Manager: Sundaram
12 month Forward PE: 15.1 times
2013/14 Consensus EPS Growth: 22.4%

Market cap: INR 13.8b/\$254.3m



V-Guard Industries is a market leading manufacturer of voltage stabilizers, cables, pumps and other consumer durable items such as fans and water heaters. The company is based in southern India. Due to its strong brand, the company is able to command premium pricing for several of its products. The company is expanding geographically into northern Indian markets, which at present constitute only 15% of revenues. With no debt, strong return ratios and strong sales growth across its product suite of around 25%, the company trades at a PE multiple comparable with the broader Indian market, yet has far stronger earnings growth prospects. Consumer durables production is growing at almost double the rate of overall industrial production given the strong demand for products such as refrigerators, televisions and washing machines. Wage increases for government employees and higher incomes for farmers have led to a sustained increase in demand for lifestyle products. The company's operations are presently diversified across segments such as electronic and electrical consumer durables, agriculture, construction and power. Growth in the company's sales is linked closely to India's economic development.



Sun Pharmaceutical Industries Ltd

Fund Weighting: 1.1%
Portfolio Manager: SBI
12 month Forward PE: 26.1 times
2013/14 Consensus EPS Growth: 23.7%

Market cap: INR 1,039b/\$19.1b



Established in 1983, listed in 1994, and headquartered in India, Sun Pharma is an international, integrated, specialty pharmaceutical company. It manufactures and markets a large range of pharmaceutical formulations as branded generics as well as generics in India, US and several other markets across the world. In India, the company is a leader in the niche therapy areas of psychiatry, neurology, cardiology, nephrology, gastroenterology, orthopedics and ophthalmology. The company has strong skills in product development, process chemistry, and manufacturing of complex active pharmaceutical ingredients, as well as dosage forms. Sun Pharma has been able to grow its sales revenues at a compound rate of 27% per annum over the last 5 years on the back of value creating acquisitions coupled with organic growth. The company has been able to consistently command higher margins than its competitors in India, justifying its premium price.



Reliance Industries Ltd

Fund Weighting: 3.6%
Portfolio Manager: SBI, HDFC
12 month Forward PE: 12.5 times
2013/14 Consensus EPS Growth: 2.4%

Market cap: INR 2,857b/\$52.5b



Reliance Industries is India's second largest company measured by market cap and is a Fortune Global 500 company. Reliance Industries initially started as a textiles manufacturer in the 1970s, and through a process of backward vertical integration, eventually became fully integrated along the materials and energy value chain. Activities for the Group now cover oil and gas exploration and production, petroleum refining, petrochemicals, textiles and retail. Reliance Industries plays a pivotal role in the growth of India's economy, producing 14% of India's exports. It is one of the world's 10 largest producers of petro-chemical products and has the largest single location refining capacity of any company in the world. Reliance's management has been able to deliver consistent returns for investors despite the company's exposure to volatile oil and gas prices. Over the last decade, the company has on average, delivered return on capital employed of in excess of 16% per annum and compound earnings per share growth of 13.4%.

For more information, please speak to your Financial Planner, or alternatively contact Fiducian Portfolio Services Limited on +61 (2) 8298 4600 or 1800 653 263.

Market cap quoted as at 28 June 2013 prices and exchange rates. Data sourced from Bombay Stock Exchange. Consensus earnings per share estimates are sourced from Thomson Reuters.