

Monthly Report – April 2018

### Fund Objective

The Fiducian India Fund aims to provide investors with the opportunity to invest in a well-diversified range of companies listed on Indian stock exchanges. It is managed by carefully selected Indian fund managers who are based in India and have satisfied Fiducian's selection criteria. This Fund gives investors the opportunity to invest in an economy that has been one of the fastest growing in the world in recent years.

The objective of the fund is to outperform its benchmark, the Bombay Stock Exchange 100 Index (BSE 100), after fees, over rolling five-year periods.

Fund Classification      Core/Diversified      Sector      **Specialist/Satellite**

### Fund Performance Summary

Current Period Return (net of fees as at 30 April 2018 in \$A terms)

	1 mth	3 mth	6 mth	1 year	2 years	3 years	5 years	7 years	10 years
<b>Fund</b>	<b>6.1%</b>	<b>-0.1%</b>	<b>1.4%</b>	<b>8.5%</b>	<b>22.5%</b>	<b>13.1%</b>	<b>24.2%</b>	<b>16.5%</b>	<b>10.4%</b>
Index	6.2%	0.0%	2.6%	10.7%	18.2%	9.8%	14.8%	8.1%	4.1%
Excess	0.0%	-0.1%	-1.3%	-2.2%	4.2%	3.2%	9.4%	8.4%	6.2%

Note: Returns over a year were annualised.

Calendar Year return (net of fees in \$A terms)

	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>Fund</b>	<b>47.2%</b>	<b>2.0%</b>	<b>-33.7%</b>	<b>30.8%</b>	<b>15.4%</b>	<b>74.8%</b>	<b>6.1%</b>	<b>5.0%</b>	<b>36.8%</b>
Index	50.1%	6.4%	-38.2%	21.9%	7.6%	41.2%	1.0%	2.0%	28.4%
Excess	-2.9%	-4.4%	+4.5%	+8.9%	+8.3%	+33.5%	+5.0%	+3.0%	+8.3%

### Manager Commentary

The Fiducian India Fund marginally under-performed the benchmark, rising 6.1% in April compared with a return of 6.2% by the index. Among the Fund's managers, Sundaram was the best performer with a return of 9.2%, followed by Tata which rose 5.0%. HDFC was the worst performing manager with a return of 2.8%, which appeared to be due to its exposure to the heavily sold-off financials sector. The market still appeared to be concerned about the health of the financial sector, following previous revelation of a banking fraud at Punjab National Bank. During the month, exposures to the other managers remained unchanged.

During the month, the small-cap sector (8.3%) out-performed both the mid-cap sector (6.6%) and the broader market, the S&P BSE Sensex (6.2%) in Rupee terms. Over the rolling year, the small-cap sector (+19.7%) was also ahead of both the mid-cap sector (+15.0%) and the broader market (+15.3%). The Fund's small to medium-cap manager, Sundaram, performed the best over the rolling year with a return of 15.3%. Both HDFC (-2.2%) and SBI (+6.3%) under-performed the index return of 10.7%.

During April, no changes were made to either the Sundaram or Tata portfolios. In the case of the HDFC portfolio, a new position in Voltas Limited was established, while a number of positions including Sun Pharmaceuticals, Hindustan Petroleum and Lupin were increased. For the SBI portfolio, a number of changes were made including the removal of HCL Ltd and NTPC Ltd. Existing positions in Infosys Ltd and Bharti Airtel were increased. New positions in ABB India Ltd and Galaxy Surfactants were also established for the SBI portfolio. The Fund's largest exposure continued to be Sundaram at around 45%, which in relative terms has been the best performer over the longer term. The mid-cap and small-cap sectors continued to be where more attractive opportunities could be found.

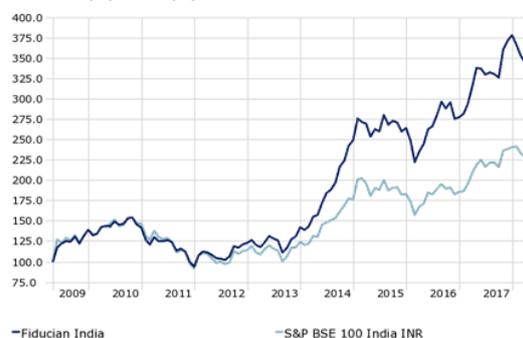
### Fund Facts

**Portfolio Manager:** Conrad Burge  
**Asset Sector:** International Equity (Indian Equities)  
**Asset Code:** IE23  
**ARSN:** 125 089 456  
**APIR Code:** FPS0013AU  
**Benchmark:** BSE 100 Index (in \$A terms)  
**Inception Date:** September 2007  
**Fund Size:** \$86.8 million as at 30 April 2018  
**Application/Exit Fee:** Nil  
**Management Fee:** 1.74%

### Investment Growth

#### Investment Growth

Time Period: 1/05/2009 to 30/04/2018

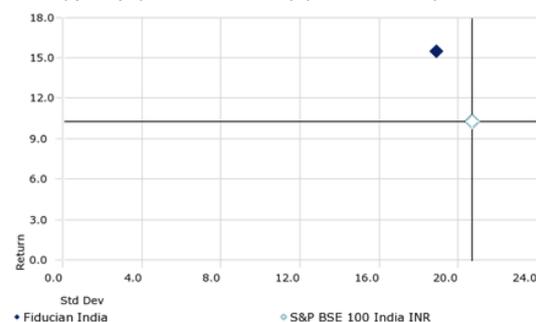


### Risk-Reward Chart

#### Risk-Reward

Time Period: 1/05/2009 to 30/04/2018

Peer Group (1-100%): Open End Funds - Australia - Equity World Other      Currency: Australian Dollar



### Managers Diversification

Manager	Style	Sector	No. of Stocks	Weights
SBI	Growth	Large Cap	47	14.1%
Sundaram	GARP	Mid & Small	25	45.1%
HDFC	GARP	Multi Cap	34	19.9%
TATA	Growth	Multi Cap	41	19.7%
Cash				1.2%

### Market & Economic Outlook

The Sensex and the Nifty Index gained 6.2% and 6.6% respectively in the month of April in local Rupee terms. Upbeat domestic corporate earnings and global markets boosted the market in the month. The Consumer Durables, Fast Moving Consumer Goods (FMCG), Capital Goods, Information Technology and Realty sectors were the major outperformers whilst Consumer Durables, Power and Oil & Gas sectors were the major underperformers. The Indian Rupee was flat against the Australian Dollar during the month, resulting in a benchmark gain of around 6.2% in AUD terms.

Foreign funds (Fiis) sold around US\$0.8 billion worth of equities while domestic institutional investors (DIIs), encouragingly bought US\$1.6 billion during the month.

India's Wholesale Price Index (WPI) was broadly unchanged sitting at an 8 month low of 2.5% (year-on-year) in March. This was primarily driven by a lower than expected price rise for major articles and manufactured products and offset by higher than expected prices for fuel and power. CPI inflation eased further to 4.2% in March after a 4.4% rise in February, driven by a moderation in food inflation.

India's Industrial Production recorded robust growth of 7.1% (year-on-year) in February compared to a rise of 7.4% in January. This was driven by a robust performance by the manufacturing sector coupled with a higher off-take of capital goods and consumer durables. The manufacturing sector, which accounts for more than three quarters of the index grew at 8.7% in February compared to the almost flat growth of 0.7% in the same month a year ago. Similarly, capital goods output rose by a robust 20% in the month under review as against a contraction of 2.4% earlier.

Going forward, the market seems to be focusing on the looming state and federal elections due later this year and in 2019. The market broadly appeared to be pricing in the incumbent government staying put but with fewer seats for the BJP party but improved performances by some of its coalition partners.

The Indian Government's renewed commitment to spur the infrastructure investment cycle has already resulted in improved execution on the ground. Focus on rural incomes and spending also appeared to be helping in promoting broad-based economic growth throughout India and could serve as a long-term driver of consumption. Stress in the banking system has also seen some significant Government focus, as expected, with a recognition of the need for higher provisions bad loans and of the need for bank recapitalisation. In many positive respects, the government has been laying the foundations for better sustainable growth over the long-term through broader reforms as well as more efficient administration.

A strong macro environment, continued structural economic reforms and long-term structural drivers including demographic advantage, low household debt, and limited penetration across different consumer categories, increased potential for financial savings and urbanisation make India a compelling equity story from a medium to long-term perspective.

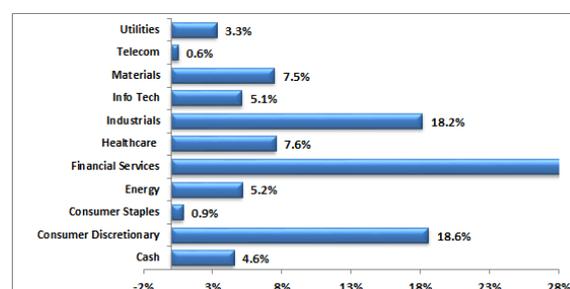
### SNIPPETS

1. All of India's 597,464 census villages have finally got electricity, thus marking a milestone in India's history.
2. India is second only to the USA when it comes to speaking English with around 125 million people speaking the language at home.
3. Be it because of religious reasons or personal choices or both, up to 40% of Indians are vegetarians, making it the largest vegetarian-friendly country in the world.

### Portfolio Top Holdings

Stocks	Weight
GRUH FINANCE LTD	3.8%
ICICI BANK LTD	3.6%
SUNDRAM FASTENERS LIMITED	3.4%
V-GUARD INDUSTRIES LTD	3.3%
YES BANK LTD	3.1%
BALKRISHNA INDUSTRIES LTD	2.9%
TITAN CO LTD	2.5%
TI FINANCIAL HOLDINGS LTD	2.4%
STATE BANK OF INDIA	2.4%
INDRAPRASTHA GAS LTD	2.0%
VST TILLERS TRACTORS LIMITED	1.9%
LARSEN & TOUBRO LTD	1.9%
NATCO PHARMA LTD	1.8%
TATA CHEMICALS LIMITED	1.8%
THERMAX LTD	1.7%
FEDERAL BANK LTD	1.7%
RELIANCE INDUSTRIES LTD	1.7%
HOUSING DEVELOPMENT FINANCE	1.6%
HERITAGE FOODS LTD	1.6%
BERGER PAINTS INDIA LTD	1.5%
EICHER MOTORS LTD	1.5%
DR LAL PATHLABS LTD	1.3%
INSECTICIDES INDIA LTD	1.3%
MAX FINANCIAL SERVICES LTD	1.3%
BAYER CROPSCIENCE LTD	1.3%
<b>Total</b>	<b>53.3%</b>

### Sector Diversification



### Chart of the Month

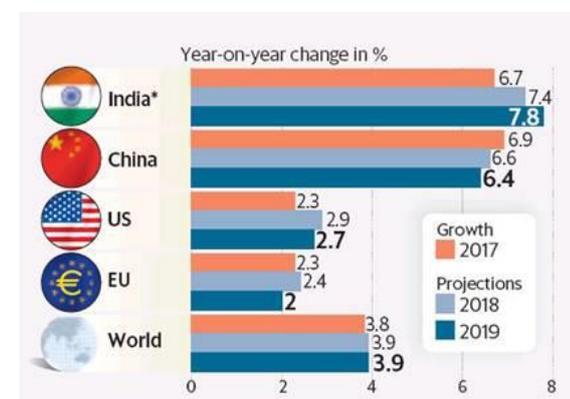


Chart: GDP growth forecast India versus other countries (source: IMF)