



## INDIA ADVANTAGE FUND

## Key Information

Incorporation Data :  
23rd May 1996. Regn No. 16491/2635

Legal Structure :  
Company holding Category I Global Business  
License under Mauritian Companies Act, 2001

Launch Date :  
8th August 1996

Structure :  
Open-ended

Minimum Subscription :  
US\$ 5,000 exclusive of entry charge

Additional Subscription :  
In multiples of US\$ 1,000

Size as on July 31, 2018 :  
US\$ 79.40 million

NAV as on July 31, 2018 :  
US\$ 356.70

Benchmark Indices :  
MSCI (India)

Subscription Charge :  
4% Maximum

Redemption Charge :  
None

Net Asset Value Days :  
All Business Days that are Business days for  
banks in Mauritius & Mumbai and any Stock  
Exchange in Mumbai

Investment Share Class :  
'C' Class Shares

Investment Management Fee :  
1.50% p.a

International Investment Manager :  
Aditya Birla Sun Life AMC (Mauritius) Ltd.

Sub-Fund :  
India Advantage (Offshore) Fund

Administrator, Secretary and Registrar:  
SANNE Mauritius

Sub-Fund Investment Manager :  
Aditya Birla Sun Life AMC Ltd, India.

Banker :  
Barclays Bank Mauritius Limited

Sub-Fund Custodian:  
Standard Chartered Bank, Mumbai

Auditors :  
Ernst & Young, Mauritius

ISIN Code :  
MU0196S00230

CISX Mnemonic Code :  
IAFC

Bloomberg Ticker Code :  
INDADV:MP

Euroclear Registered :  
Available

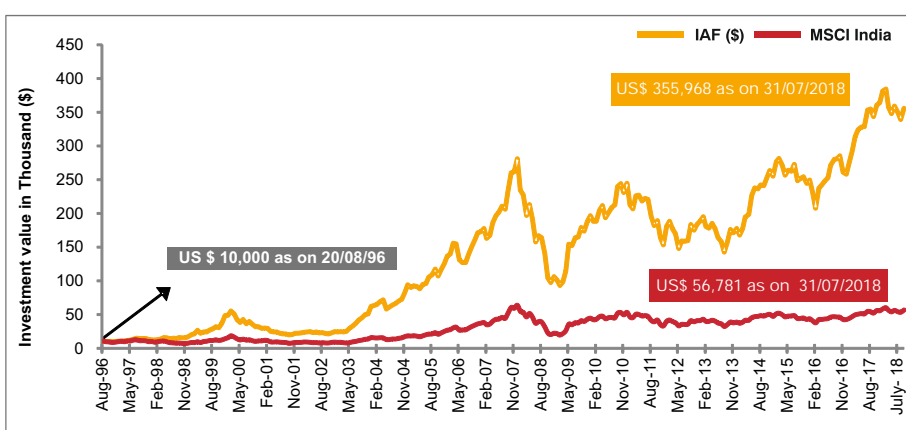
## Investment Objective

The principal objective of the Fund is to generate long term capital growth by investing in stocks and securities issued by Indian issuers and provide consistently superior returns over all market cycles as compared to its benchmark index - MSCI (India). The Fund has captured the essence of the exciting India opportunity by investing in a growth oriented diversified portfolio of Large and Midcap stocks using bottom up investing.

## Fund Manager's Report

- ◆ MSCI India inched up in month of July meaningfully outperforming the peer group - MSCI EM and MSCI APxJ. The sharp rally in July reversed YTD underperformance of MSCI India (US\$), outperforming both MSCI EM and MSCI APxJ.
- ◆ The market movement since beginning of the second half of the year seems to be reflecting the improvement in macro and micro situation. Indian equities had a robust month with a good start to Q1 earnings and the benchmark Nifty Index crossing the 11,300 mark for the first time. On the macro front, MSP announcement finally came through early in the month followed by GST rationalisation for several items in the GST council meet. The Parliament monsoon session began on a stormy note with an unsuccessful no-confidence vote against the incumbent government. Monsoons recovered from deficiency over the month. New GVW norms spiked interest with discussions around their impact on auto OEMs. Among sectors, Banks & Cement outperformed on the back of improving asset quality in corporate banks and some pricing strength in cement.
- ◆ Consequently, we saw a return in risk appetite with both FIIs and DIIs as net buyers at ~US\$76m and ~US\$615m, respectively. FIIs flows turned positive after a continued outflow for three months. However, we may not call this a trend reversal in flows yet, as outflow risk to emerging markets persists from rising global yields and looming fear of trade wars.
- ◆ Q1FY19 earnings so far have progressed well on the back of low base and demand recovery. 80% of MSCI India has reported Q1 results thus far. Sales growth (ex-financials) at 23% y-o-y is tracking the highest in the past six years. Within sectors Consumer Durables, Cement, Technology, Consumer Staples, Financials (largely NBFCs) have beaten earnings while Autos, Private Banks have missed so far. The base effect is at play, but management commentary suggests growth momentum remains very strong. Managements across companies cited rural consumption outpacing urban in their commentaries.
- ◆ Also, the Indian economy is exhibiting signs of economic uptick on the micro and domestic fronts. Composite PMI at its highest level since October 2016 on the back of strong new business orders, the RBI suggesting the output gap has "virtually" closed pointing towards strong growth and private capex revival.
- ◆ While the equity market derived comfort from improvement in corporate earnings growth visibility, we expect the market to remain volatile going forward. Besides global events, we believe domestic events like inflation trajectory and thereby RBI's plan of action on interest rates and outcome of state elections will induce volatility in the markets.

## Fund Performance (as on July 31, 2018)



## Statistical Ratios



Standard Deviation  
18.20%



Beta  
1.01



Sharpe Ratio#  
0.40

Standard Deviation, Sharpe Ratio & Beta are calculated on annualised basis using 3 years history of monthly USD returns.  
All statistical ratios w.r.t. MSCI India Index. Risk-free rate assumed to be 2.03% (3 Month US Treasury Bill yield as on 31-Jul-18)

★★★★★  
Morningstar Rating™



"Lipper Ratings – Overall  
(Consistent Return)"



## INDIA ADVANTAGE FUND

## IAF Returns

Period	IAF	MSCI India	Outperformance
1 Month	4.9%	6.2%	-1.4% ↓
3 Months	-0.9%	1.0%	-1.9% ↓
6 Months	-7.5%	-5.7%	-1.7% ↓
1 year	0.7%	3.9%	-3.2% ↓
2 years	14.5%	10.7%	3.8% ↑
3 Years	9.2%	5.4%	3.8% ↑
5 Years	17.6%	9.4%	8.2% ↑
10 Years	7.9%	3.7%	4.2% ↑
Since Inception	17.7%	8.2%	9.4% ↑

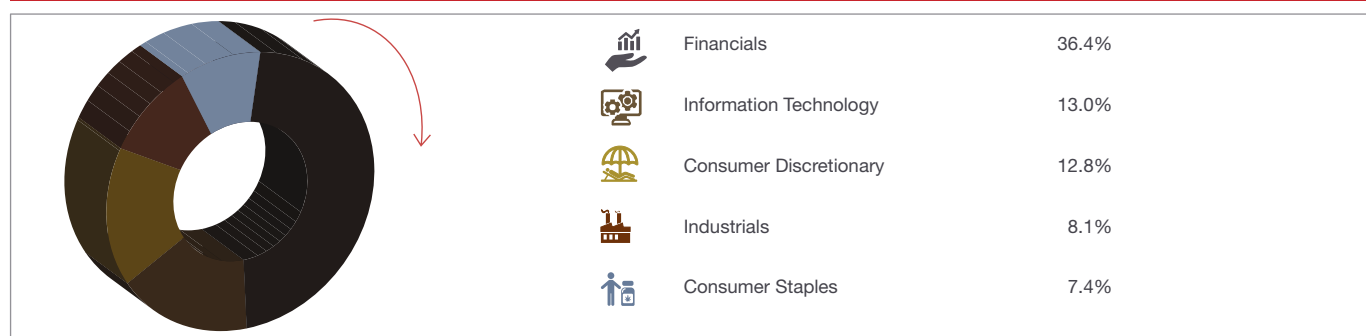
## IAF Calendar Year performance

Period	IAF	MSCI India	Outperformance	Period	IAF	MSCI India	Outperformance
YTD 2018	-6.8%	-2.5%	-4.3% ↓	2006	37.5%	49.0%	-11.4% ↓
2017	47.8%	36.8%	11.0% ↑	2005	33.4%	35.4%	-2.0% ↓
2016	3.5%	-2.8%	6.3% ↑	2004	51.5%	16.5%	35.1% ↑
2015	-2.3%	-7.4%	5.1% ↑	2003	153.0%	73.9%	79.1% ↑
2014	43.9%	21.9%	22.0% ↑	2002	10.5%	5.9%	4.5% ↑
2013	-5.9%	-5.3%	-0.6% ↓	2001	-24.3%	-21.2%	-3.1% ↓
2012	23.0%	23.9%	-1.0% ↓	2000	-39.2%	-22.8%	-16.4% ↓
2011	-37.3%	-38.0%	0.6% ↑	1999	179.4%	84.7%	94.8% ↑
2010	24.4%	19.4%	5.0% ↑	1998	36.1%	-22.9%	58.9% ↑
2009	84.7%	100.5%	-15.9% ↓	1997	24.2%	9.6%	14.6% ↑
2008	-62.1%	-65.1%	2.9% ↑	1996*	2.3%	-13.6%	15.9% ↑
2007	62.9%	71.2%	-8.4% ↓				

\*Fund inception on 8<sup>th</sup> August 1996

Returns are net of expenses. Returns are in % and absolute returns for period less than 1 year & CAGR for period 1 year or more. The returns for IAF & MSCI (India) are in US Dollars. Gross returns for the period shown do not reflect sales charges. Past performance is not indicative of future results. Shares of the Fund are offered only pursuant to the Fund's current offering document and this summary should not be constructed as an offer to sell or for solicitation of an offer to buy or a recommendation for the securities of the Fund. MSCI- Morgan Stanley Capital International. CAGR - Compounded Annualised Growth Rate.

## Top 5 Sectors (as on July 31, 2018)



## Top 10 Holdings (as on July 31, 2018)

NAME OF THE SECURITY	% OF PORTFOLIO	NAME OF THE SECURITY	% OF PORTFOLIO
HDFC Bank	8.6%	Maruti Suzuki India	3.9%
Infosys	6.4%	HDFC	3.9%
Yes Bank	4.9%	ICICI Bank	3.8%
ITC	4.1%	Bajaj Finance	3.0%
Reliance Industries	4.0%	Indusind Bank	2.9%

The above industry classification follows GICS Sector Classification.

Investment via Sub-Fund, India Advantage (Offshore) Fund, is stated at market/ fair value at the date of determination. Securities Listed on a recognised stock exchange are Aat the last quoted closing price on the principal exchange on which the security is traded Non-traded securities are valued at amortised cost and/or fair value as determined in good faith by Birla Sun Life Asset Management Company Limited, India

## Morningstar Rating

The rating is based on the current information furnished to Morningstar. For the methodology used refer to [www.morningstar.com](http://www.morningstar.com)

## Lipper Leaders Rating

Funds are rated on a numeric scale of 5 to 1, with '5' representing funds with the highest rating (Top 20%) or Lipper Leaders, and '1' representing the lowest rated funds

**INDIA ADVANTAGE FUND****Fund Administrator**

SANNE Mauritius  
IFS Court, Bank Street, Twenty Eight Cybercity,  
Ebène 72201, Republic of Mauritius.  
Tel.: (230) 467 3000 Fax: (230) 467 4000  
Email: iaf@sannegroup.mu

**Sub-Fund Investment Manager****Aditya Birla Sun Life Asset Management Company Ltd.**

One India Bulls Center, Tower 1, 17th Floor,  
Jupiter Mill Compound, 841, Senapati Bapat Marg,  
Elphinstone road, Mumbai 4000 013  
Tel. : 91 22 42568000  
Fax : 91 22 43568110 / 8111

**Email: [iaf@sannegroup.mu](mailto:iaf@sannegroup.mu)**

**INDIA ADVANTAGE FUND LTD.**

**IFS Court, Bank Street, Twenty Eight Cybercity, Ebène 72201,  
Republic of Mauritius. Tel.: (230) 467 3000 Fax: (230) 467 4000**

**Risk Factor:** (a) The investment returns and principal value of an investment in the fund will fluctuate as the prices of the individual in which it invests fluctuate, so that 'C' class shares, when redeemed, may be worth more or less than their original cost. (b) Substantially all the fund's assets will be invested in securities of Indian companies whose securities are denominated in a currency (i.e. Indian Rupees) other than the US dollar which may magnify these fluctuations due to international exchange rates. (c) There is the possibility of substantial volatility due to various factors including political and economic uncertainties in countries where the fund may invest. (d) Where the fund invests principally in common stocks and other equity securities, in order to achieve its investment objectives, the fund may at times use certain types of instruments involving risks different from, and in certain cases, greater than the risks presented by more traditional investment. These and other India specific risks are hopefully described in the Fund's offering document.

**Disclaimers:**

Any information contained in this publication does not constitute and shall be deemed not to constitute an advice, an offer to sell/purchase or as an invitation or solicitation to do so for any security of any entity and further, India Advantage Fund Limited/its affiliates/sponsors/employees, directors shall not be liable for any loss, damage, liability whatsoever for any direct or indirect loss arising from the use of access of any information that may be displayed in this publication from time to time. Recipients of the information contained herein should exercise due care and caution and read the offer document (including if necessary, obtaining the advice of tax/legal/accounting/financial/other professionals) prior to taking of any decision, acting or omitting to act, on the basis of the information contained herein.

Editorial opinions expressed in the 'Connect' are not necessarily those of India Advantage Fund Ltd or of Aditya Birla Sun Life AMC (Mauritius) Ltd. or of Aditya Birla Sun Life Asset Management Co Ltd or any of their officers, employees, personnel, directors and India Advantage Fund Limited or Aditya Birla Sun Life AMC (Mauritius) Ltd. or Aditya Birla Sun Life Asset Management Co Ltd and their officers, employees, personnel, directors do not accept responsibility for the editorial content and make no representation as to the accuracy, completeness or reliability of the editorial content and hereby disclaim any liability with regard to the same. The material contained in the 'Connect' cannot be reproduced or quoted anywhere without express written consent of India Advantage Fund Limited, Mauritius.

The Fund has not been approved for distribution in or from Switzerland by the Swiss Financial Market Supervisory Authority. As a result, the Fund's shares/units may only be offered or distributed to qualified investors within the meaning of Swiss law. The Representative of the Fund in Switzerland is Bastions Partners Office SA with registered office at Route de Chêne 61A, 1208 Geneva, Switzerland. The Paying Agent in Switzerland is Banque Heritage SA, with registered office at Route de Chêne 61, 1208 Geneva, Switzerland. The place of performance and jurisdiction for Shares/Units of the Fund distributed in or from Switzerland are at the registered office of the Representative.

For further details on Charges refer to the Prospectus and Supplement of the Fund.