



## 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 August 31, 2018 :  
US\$ 78.90 million

NAV as on August 31, 2018 :  
US\$ 355.01

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

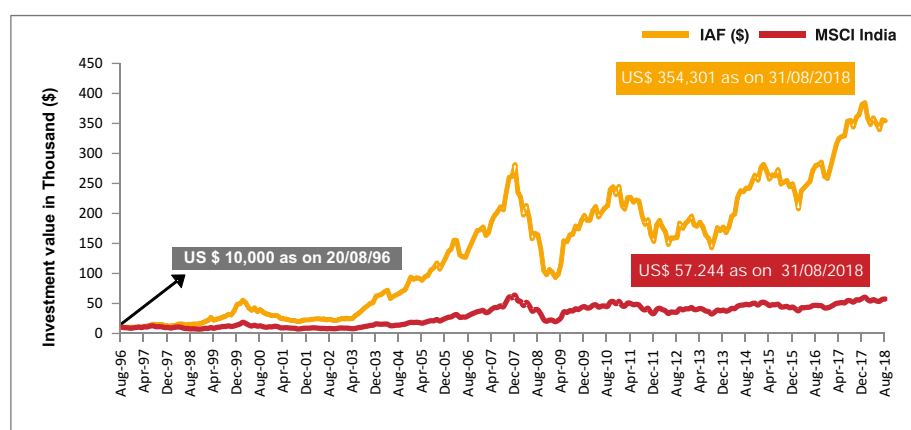
## Investment Objective

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 (USD) was up 1% in August, outperforming peer group – MSCI EM down 3% and MSCI APxJ down 1%. Returns for the MSCI India in local currency terms were healthy at 4.3%, but a sharp 3.4% depreciation in USDINR pared gains in FX terms. Indian equities moved higher buoyed by a strong 1QFY19 reporting season and a relatively light macro calendar. Q1 FY19 GDP data took the market by surprise (8.2% y-o-y vs. expectation of 7.6%).
- ◆ Global sentiment for equities continued to be volatile given the noise around trade wars. Sentiment improved towards the later part of the month though on expectations of policy measures in China to sustain and boost growth. The FOMC minutes confirmed that a September rate hike is likely, in line with expectations. The macro backdrop for India remained under pressure as a) crude oil rebounded 10% in August exacerbating external imbalances, and b) the INR sold off with EM currencies as contagion fears from Turkey and Argentina crisis weighed in.
- ◆ Foreign Portfolio Investors (FPI) remained marginal buyers in equities (for the second month running) and buying in debt gained pace a bit after outflows in the recent months. Domestic Mutual Fund (DMF) were buyers for the 25th consecutive month, but the buying slowed to US\$546mn, down to a 18-month low. Aggregate Domestic institutional flows (DMF and DFI) stood at US\$457mn – the lowest since Jan-18. YTD, FPIs are net sellers of US\$282mn in equities, DMFs have bought stock worth US\$11.5bn, while Domestic Insurers have sold stock worth US\$989mn.
- ◆ The 1Q FY19 earnings have come to a close with NIFTY companies clocking 10% y-o-y growth. The miss in the aggregate PAT was driven by financials, mainly PSU banks and corporate lenders due to higher provisions and MTM treasury losses. Excluding three corporate banks, PAT growth was robust at ~25%.
- ◆ EBITDA growth was healthy at 17% but missed the estimated strength. Margins moderated on rising raw material cost. They may remain under pressure for some time as rupee slides, raw material and interest costs escalate and competitive pressures in few sectors (telecom, aviation, staples and auto) inhibits the capacity to take the parallel price hikes. With 2-3% downgrades, FY19 earnings growth is now placed at nearly 19%.
- ◆ Key outperforming sectors during the month were Healthcare, IT and utilities, while telecom, Consumer Discretionary & Financials were laggards. The fund is overweight on Financials, Industrials and underweight on Energy, IT & Consumer Staples.
- ◆ Equities are up amidst macro headwinds and upcoming political uncertainty. We remain positive on the medium-term structural story as the reforms implemented in the last two-three years are starting to pay off.

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



## Statistical Ratios

Standard Deviation  
17.26%

Beta  
1.00

Sharpe Ratio#  
0.60

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 2.11% (3 Month US Treasury Bill yield as on 31-Aug-18)

★★★★★  
Morningstar Rating™



“Lipper Ratings – Overall  
(Consistent Return)”



## INDIA ADVANTAGE FUND

## IAF Returns

Period	IAF	MSCI India	Outperformance
1 Month	-0.5%	0.8%	-1.3% ↓
3 Months	1.4%	5.8%	-4.3% ↓
6 Months	-0.9%	2.0%	-3.0% ↓
1 year	-0.2%	5.6%	-5.8% ↓
2 years	12.4%	10.6%	1.9% ↑
3 Years	12.5%	9.0%	3.5% ↑
5 Years	20.0%	12.1%	7.9% ↑
10 Years	8.0%	3.9%	4.1% ↑
Since Inception	17.6%	8.2%	9.3% ↑

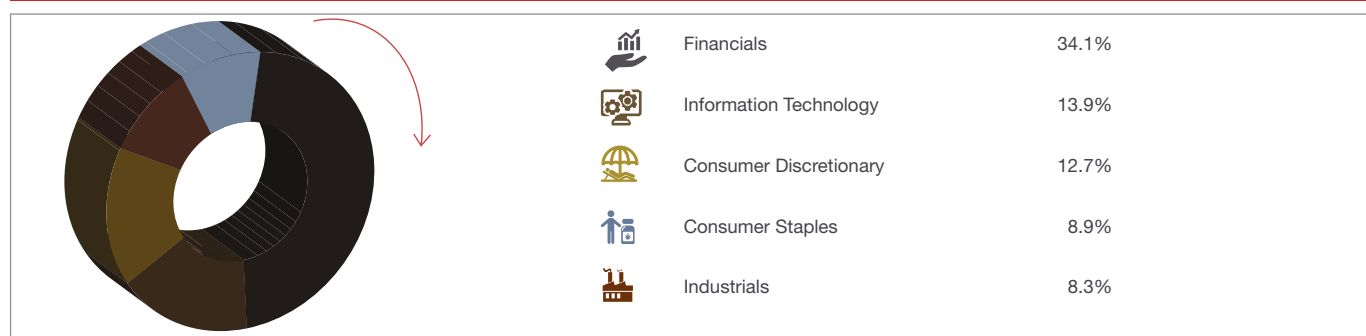
## IAF Calendar Year performance

Period	IAF	MSCI India	Outperformance	Period	IAF	MSCI India	Outperformance
YTD 2018	-7.2%	-1.7%	-5.5% ↓	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 August 31, 2018)



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

NAME OF THE SECURITY	% OF PORTFOLIO	NAME OF THE SECURITY	% OF PORTFOLIO
HDFC Bank	7.9%	ICICI Bank	3.9%
Infosys	5.8%	Maruti Suzuki India	3.7%
Yes Bank	4.8%	HDFC	3.4%
ITC	4.3%	Indusind Bank	2.7%
Reliance Industries	4.1%	Tata Consultancy Services	2.5%

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 which involve risks different from, and in certain cases, greater than the risks presented by more traditional investments. These and other India specific risks are hopefully described in the Fund's offering document.

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