

# INDIA ADVANTAGE FUND



**Birla Sun Life**  
Asset Management

Factsheet | October 2017



## 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 Sep 30, 2017 :

US\$ 158.80 million

### NAV as on Sep 29, 2017 :

US\$ 344.71

### 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 :

International Financial Services Ltd., Mauritius

### Sub-Fund Investment Manager :

Aditya Birla Sun Life AMC Ltd, India.

### Banker :

Barclays Bank Plc, Mauritius

### Sub-Fund Custodian :

Citibank N.A., Mumbai, India

### 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.

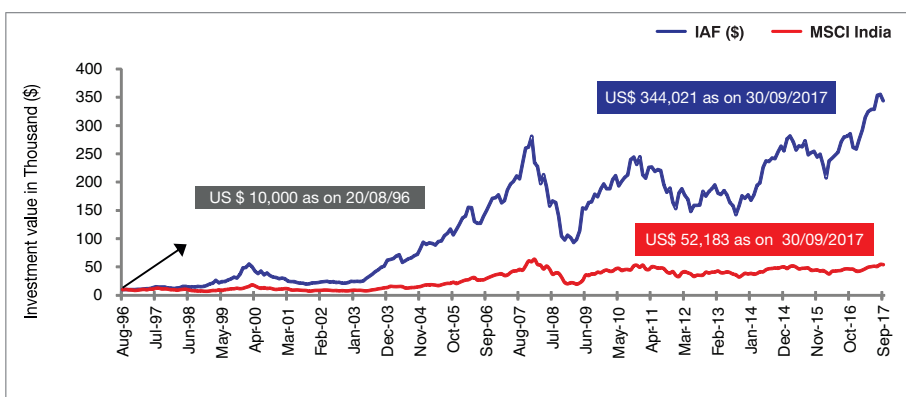


## Fund Manager's Report

- Indian equity markets witnessed consolidation over the past month given geo-political tension pertaining to North Korea's weapon test, rising fiscal slippage risk amid rise in oil prices and talks about fiscal stimulus by the government.
- FPIs sold stock worth US\$1.8 bn during the month and remained sellers in Indian equities for the second month running. Domestic mutual funds were buyers for the 14th consecutive month and saw the 2nd highest monthly inflows at ~US\$2.4bn vs. US\$2.8bn in the month of August. Domestic insurance companies turned buyers for the 1st time since Nov-16. Year to date, FPIs have bought US\$5.3bn, while domestic mutual funds bought US\$13.4 bn in Indian equities.
- Sectorally, Utilities and Healthcare were the best performing sectors while Telecoms and Consumer staples were the worst. The fund is overweight on Consumer Discretionary, Materials & Industrials and underweight on IT, Energy & Consumer Staples.
- As expected, the August CPI and WPI prints were 100-130 bps higher at 3.4% & 3.2% respectively primarily due to increase in food inflation. Current account deficit for Q1 FY18 came in at 2.4% of GDP primarily driven by increased trade deficit. July IIP came in at 1.2% which was below expectations due to impact of GST.
- On the central banking front, the Reserve Bank of India maintained status quo on rates in its policy earlier this month. US Fed announced that it would start to taper its balance sheet starting Oct'17. It has also indicated that a rate hike in Dec'17 in on the table with an additional three rate hikes in 2018.
- The supply side disruption caused by GST has impacted the growth in the short term. While demand side still remains strong, the supply side constraints will likely self-correct. The government is working towards improving the regulatory business environment and resolve the teething GST problems. While markets might remain volatile in the near term, we remain positive on Indian equities from medium to long term perspective.



## Fund Performance (as on September 30, 2017)



## Statistical Ratios



Standard Deviation  
18.39%



Beta  
1.04



Sharpe Ratio#  
0.62

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 1.06% (3 Month US Treasury Bill yield as on 29-Sep-17)



**Morningstar Rating™**

Also listed on

**"Channel Islands Stock Exchange (CISX)"**

## IAF Returns

Period	IAF	MSCI India	Outperformance
1 Month	-3.1%	-3.7%	0.6% ↑
3 Months	4.6%	2.5%	2.1% ↑
6 Months	9.4%	5.0%	4.4% ↑
1 Year	22.4%	12.6%	9.9% ↑
3 Years	12.5%	3.0%	9.5% ↑
5 Years	13.4%	5.0%	8.4% ↑
10 Years	4.0%	0.1%	3.9% ↑
Since Inception	18.2%	8.1%	10.1% ↑

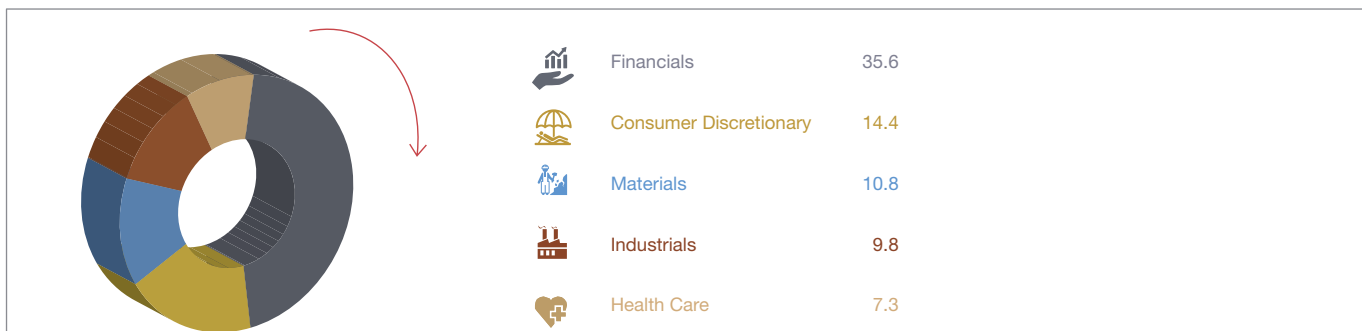
## IAF Calendar Year performance

Period	IAF	MSCI India	Outperformance	Period	IAF	MSCI India	Outperformance
YTD 2017	33.2%	22.6%	10.6% ↑	2006	37.5%	49.0%	11.4% ↓
2016	3.5%	-2.8%	6.3% ↑	2005	33.4%	35.4%	2.0% ↓
2015	-2.3%	-7.4%	5.1% ↑	2004	51.5%	16.5%	35.1% ↑
2014	43.9%	21.9%	22.0% ↑	2003	153.0%	73.9%	79.1% ↑
2013	-5.9%	-5.3%	0.6% ↓	2002	10.5%	5.9%	4.5% ↑
2012	23.0%	23.9%	1.0% ↓	2001	-24.3%	-21.2%	3.1% ↓
2011	-37.3%	-38.0%	0.6% ↑	2000	-39.2%	-22.8%	16.4% ↓
2010	24.4%	19.4%	5.0% ↑	1999	179.4%	84.7%	94.8% ↑
2009	84.7%	100.5%	15.9% ↓	1998	36.1%	-22.9%	58.9% ↑
2008	-62.1%	-65.1%	2.9% ↑	1997	24.2%	9.6%	14.6% ↑
2007	62.9%	71.2%	8.4% ↓	1996*	2.3%	-13.6%	15.9% ↑

\*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 construed 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 September 30, 2017)



## Top 10 Holdings (as on September 30, 2017)

NAME OF THE SECURITY	% OF PORTFOLIO	NAME OF THE SECURITY	% OF PORTFOLIO
HDFC Bank Ltd	5.9	Infosys Ltd	3.1
Maruti Suzuki India Ltd	5.8	Indusind Bank Ltd	2.8
ICICI Bank Ltd	4.5	Reliance Industries Ltd	2.8
Yes Bank Limited	3.9	Kotak Mahindra Bank Ltd	2.5
Bajaj Finance Ltd	3.5	Vedanta Ltd	2.4

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)

**Fund Administrator**

**Ms. Divya Basanta Lala / Ms. Vijaylaxmee Gooriah**

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**Sub-Fund Investment Manager**

**Aditya Birla Sun Life Asset Management Company Ltd.**

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**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 funds's assets will/are 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 invest principally in common stocks and other equity securities, in order to achieve its investment objectives, the fund may at time use certain types of instruments involve risks different from, and uncertain 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.

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