Aditya Birla Sun Life AMC Limited

ADITYA BIRLA CAPITAL

PROTECTING INVESTING FINANCING ADVISING

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 Feb 28, 2018 :
US$ 109.30 million

NAV as on Feb 28, 2018 :
US$ 358.40

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 :
INDADVC:MP

Euroclear Registered :
Available

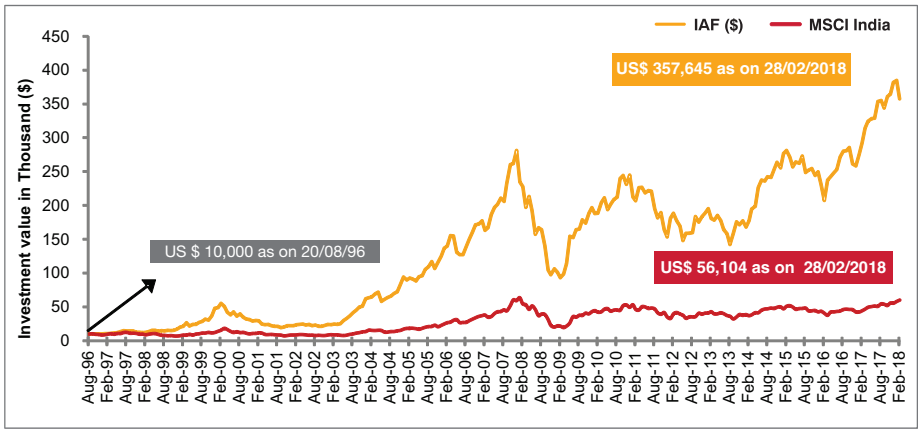
Investment Objective

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

- The month of February was very eventful with the introduction of LTCG tax on equity & equity oriented funds in the union budget. Indian equities gave up all the gains from the early part of the year in the month of Feb with the heightened global volatility weighing on sentiment and FIIs turning large net sellers.
- Foreign Portfolio Investors (FPI) turned sellers in both cash and Debt markets. In the cash market, they sold stock worth ~US$ 1.66bn, and in Debt they were marginal sellers at US$ 39mn (outflows for the 1st time in 13 months). Domestic Mutual Funds (DMF) were buyers for the 19th consecutive month at ~US$2.06bn.
- Consumer Staples and Materials were the best-performing sectors, while Financials and Consumer Discretionary were the worst. Relative to EM, Technology was the best-performing, and Financials the worst-performing sector. The fund is overweight on Industrials, Materials and underweight on Energy & IT.
- Markets globally were jittery on concerns that developed market central banks, particularly the US Fed, would normalize monetary policy at a quicker pace in relation to prior expectations. Key investor concerns specific to India over the month were 1. Substantial fraud at PNB and some other banks, by jewellery companies, using fake foreign trade transactions. 2. MSCI raising concerns about restricted data sharing by local stock exchanges and any potential risk of a change to India's classification and / or reduction in weight in the indices.
- On the data front, the Q3 GDP surprised positively clocking 7.2% yoy growth compared to previous number of 6.5%. This has to been in the light of increased net indirect taxes. The Index of Industrial Production (IIP) was better than expected at 7.1% due to good capital & consumer non-durables segments. Jan'18 CPI fell 14 bps to 5.07% compared to previous month, driven by fall in food prices but core inflation remained stable at 5.2%.
- Revival in economic and corporate earnings growth, government's annual budget, fiscal deficit, global tightening of rates and performance of ruling Bhartiya Janta Party in state elections are some of the key events to watch during the year. Amid, expectation of improvement in growth outlook, we remain positive on Indian equities from medium to long term perspective.

Fund Performance (as on February 28, 2018)



Statistical Ratios

Standard Deviation	Beta	Sharpe Ratio#
18.35%	1.02	0.36

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 1.65% (3 Month US Treasury Bill yield as on 28-Feb-18)

★★★★

Morningstar Rating™

INDIA ADVANTAGE FUND

IAF Returns

Period	IAF	MSCI India	Outperformance
1 Month	-7.0%	-6.9%	-0.2% ↓
3 Months	-1.8%	1.0%	-2.8% ↓
6 Months	0.7%	3.5%	-2.8% ↓
1 year	22.2%	19.4%	2.8% ↑
3 Years	8.3%	2.6%	5.7% ↑
5 Years	14.7%	7.1%	7.6% ↑
10 Years	4.6%	0.5%	4.1% ↑
Since Inception	18.1%	8.3%	9.7% ↑

IAF Calendar Year performance

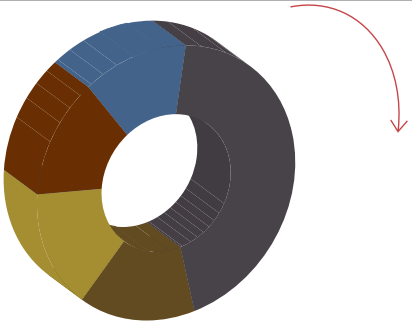
Period	IAF	MSCI India	Outperformance
YTD 2018	-6.3%	-3.7%	-2.7% ↓
2017	47.8%	36.8%	11.0% ↑
2016	3.5%	-2.8%	6.3% ↑
2015	-2.3%	-7.4%	5.1% ↑
2014	43.9%	21.9%	22.0% ↑
2013	-5.9%	-5.3%	-0.6% ↓
2012	23.0%	23.9%	-1.0% ↓
2011	-37.3%	-38.0%	0.6% ↑
2010	24.4%	19.4%	5.0% ↑
2009	84.7%	100.5%	-15.9% ↓
2008	-62.1%	-65.1%	2.9% ↑
2007	62.9%	71.2%	-8.4% ↓

Period	IAF	MSCI India	Outperformance
2006	37.5%	49.0%	-11.4% ↓
2005	33.4%	35.4%	-2.0% ↓
2004	51.5%	16.5%	35.1% ↑
2003	153.0%	73.9%	79.1% ↑
2002	10.5%	5.9%	4.5% ↑
2001	-24.3%	-21.2%	-3.1% ↓
2000	-39.2%	-22.8%	-16.4% ↓
1999	179.4%	84.7%	94.8% ↑
1998	36.1%	-22.9%	58.9% ↑
1997	24.2%	9.6%	14.6% ↑
1996*	2.3%	-13.6%	15.9% ↑

*Fund incepted on 8th 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 February 28, 2018)



Financials	34.0
Information Technology	11.5
Consumer Discretionary	11.4
Industrials	10.5
Materials	9.8

Top 10 Holdings (as on February 28, 2018)

NAME OF THE SECURITY	% OF PORTFOLIO
Infosys	6.7%
HDFC Bank	6.0%
Maruti Suzuki India	5.1%
Yes Bank	4.5%
ICICI Bank	3.7%

NAME OF THE SECURITY	% OF PORTFOLIO
Reliance Industries	3.4%
Housing Development Finance Corporation	3.3%
Axis Bank	2.9%
Bajaj Finance	2.8%
Larsen & Toubro	2.6%

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. Securitie Alisted 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

Fund Administrator

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INDIA ADVANTAGE FUND 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 then 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 uncertaincities in countries where the fund may invest.(d)where the fund invest principally in common stocks and other equity securities, in ordered 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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For further details on Charges refer to the Prospectus and Supplement of the Fund.