



# 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 June 30, 2017	: US\$ 149.15 million
NAV as on June 30, 2017	: US\$ 329.47
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	: 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	: Birla Sun Life Asset Management Co. 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

## STATISTICAL RATIOS

Standard Deviation	17.89%
Beta	1.05
Sharpe Ratio#	0.58

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 1.03% (3 Month US Treasury Bill yield as on 30-Jun-17)



Morningstar Rating™

Also listed on  
"Channel Islands  
Stock Exchange (CISX)"

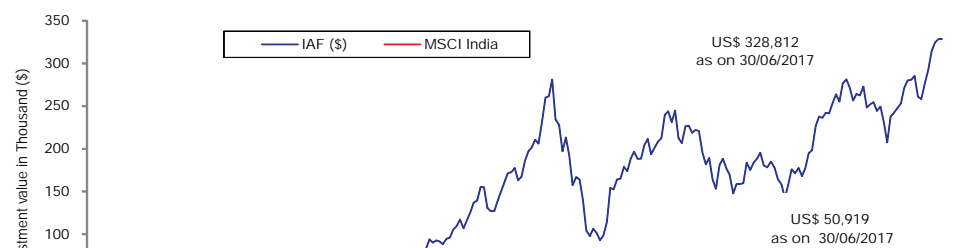
## Investment Objective :

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.

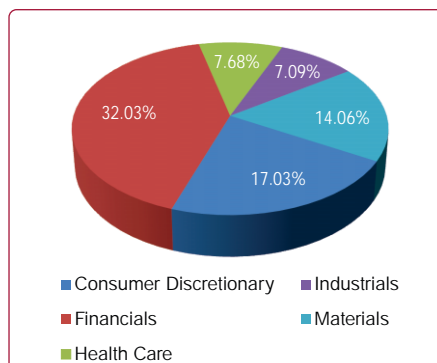
## Fund Manager's Report :

- MSCI India (US\$) was down 1.1% during the month marginally underperforming the regional peers (MSCI EM Index). For the year though, MSCI India (US\$) is up 20%, the best YTD performance since 2009 and is among the best performing markets in EM pack. Performance has been aided by global risk-on and local policy support – Cuts in lending rates, the BJP's positive showing in the State Elections and execution of reforms – particularly GST.
- FPIs continued to remain buyers in the cash and debt markets. In the cash market, FPIs were buyers (at US\$385mn) and in the debt market they reported the highest ever inflows in history (at US\$3.98bn) surpassing the previous high of Dec 2011. Year to date, FPIs have bought US\$14.5bn in the debt market and US\$8.3bn in the cash market. DMFs were buyers for the 11th consecutive month at US\$1.2bn. Domestic insurance companies remained sellers at US\$392mn.
- Healthcare and Consumer Staples were the best-performing sectors, while Utilities and Technology were the worst. Five out of 10 sectors posted MoM positive returns. Relative to EM, Consumer Staples was the best-performing, and Technology the worst-performing, sector. The fund is overweight on Materials, Healthcare & Consumer Discretionary and underweight on IT, energy & Utilities.
- On the macro data front, the CPI continued its downward trend to touch 2.18% for May slipping 81 bps from previous month. The IIP for Apr'17 came in at 3.1% which was better than expected. The June Services PMI was 53.1, higher by 0.9 points from previous month, an improvement seen for five months in a row. On the other hand, the June Manufacturing PMI clocked 50.9, 0.7 points lower than previous month.
- On the policy front, the government has implemented GST in time on the 1<sup>st</sup> of July. While GST may be disruptive for the next two quarters the long term benefits are going to flow through for the companies. RBI kept policy rates on hold but softened its tone materially, hinting that contingent on the inflation outturn, future easing was possible.
- Indian markets have been in consolidation mode owing to growth uncertainty in the wake of GST transition challenges and demanding valuations. However, in the long run, structural growth drivers shall ensure that India remains fastest growing major economy, amid robust macro-economic fundamentals. We see limited risks to India's current macroeconomic stability and continue to stay invested in domestic cyclical – Financials, Infrastructure / industrials and consumer discretionary sectors.

## FUND PERFORMANCE (as on June 30, 2017)



## TOP 5 SECTORS (as on June 30, 2017)



## TOP 10 HOLDINGS (as on June 30, 2017)

Name of the Security	% of Portfolio
HDFC Bank	5.81%
Maruti Suzuki India	5.60%
ICICI Bank	5.03%
Yes Bank	4.15%
Infosys	3.46%
ITC	3.45%
Tata Motors	2.89%
Reliance Industries	2.62%
Indusind Bank	2.62%
Kotak Mahindra Bank	2.61%

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 valued at 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.

**INVESTMENT PERFORMANCE (as on June 30, 2017)****IAF Returns**

	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years	Since Inception
India Advantage Fund	0.1%	4.6%	27.3%	29.9%	11.4%	15.6%	5.0%	18.2%
MSCI India	-1.1%	2.5%	19.6%	15.9%	2.7%	7.4%	1.7%	8.1%

**IAF Calendar year performance**

India Advantage Fund		MSCI India	India Advantage Fund		MSCI India
2017 YTD	27.30%	19.59%	2006	37.54%	48.95%
2016	3.50%	-2.81%	2005	33.37%	35.38%
2015	-2.30%	-7.42%	2004	51.54%	16.46%
2014	43.87%	21.87%	2003	153.01%	73.92%
2013	-5.85%	-5.28%	2002	10.47%	5.93%
2012	22.96%	23.93%	2001	-24.31%	-21.17%
2011	-37.33%	-37.97%	2000	-39.24%	-22.82%
2010	24.44%	19.41%	1999	179.45%	84.67%
2009	84.66%	100.51%	1998	36.06%	-22.89%
2008	-62.12%	-65.07%	1997	24.20%	9.59%
2007	62.88%	71.23%	1996*	2.30%	-13.62%

\*Fund inception 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 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.

**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**

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**Sub-Fund Investment Manager**

**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 fund'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 invests 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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