

TATA

INDIAN SHARIA EQUITY FUND

(An Open-ended Equity Scheme)



Invest the Sharia way

This product is suitable for investors who are seeking*:

- Long Term Capital Appreciation.
- Investment predominantly in equity & equity related instruments of Sharia Principles compliant companies & in other instruments allowed under Sharia principles.

*** Investors should consult their financial advisors if in doubt about whether the product is suitable for them.**



Not a capital guaranteed product

TATA ASSET MANAGEMENT (MAURITIUS) PVT. LTD.

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

INVESTMENT PHILOSOPHY

Tata Indian Sharia Equity Fund is a diversified equity fund with an investment objective to invest in stocks which are compliant to the Sharia principles of investments. The Fund follows a bottom up approach to stock picking to build portfolio of companies which are in harmony with the principles of the Sharia on investments. Tata Indian Sharia Equity Fund prohibits from investing in companies categorized as morally deficient, such as those related to tobacco, alcohol, gambling, lottery, banking & finance services and other prohibited companies.

ABOUT TATA GROUP

- Founded 1868, the Tata group is a global enterprise, comprising over 100 independent operating companies in more than 100 countries across six continents.
- Mission 'To improve the quality of life of the communities we serve globally, through long-term stakeholder value creation based on Leadership with Trust'.
- Profits ploughed over into community good, philanthropy.
- Presence from Salt to Software
- One of India's largest business groups, exports into over 150 countries.
- Is one of India's most valuable brands.

WHY TATA INDIAN SHARIA EQUITY FUND?

Diversified Portfolio of Sharia Compliant Stocks

- Diversified portfolio of Sharia compliant stocks from universe of around 200 stocks across 29 sectors.
- The Fund does not follow any market cap bias
- Bottom-up approach to stock selection

Portfolio of fundamentally strong stocks with low leverage

- Invests in Companies which have less than 25% of its capital sourcing done using interest bearing debt
- Such companies generally do not need large external debt to fund their growth – High internal cash generation capability
- Ability to grow is good irrespective of the external liquidity conditions as experienced in current markets

Portfolio of fundamentally strong companies

Portfolio consists of companies with:

- High Cash generation
- High Capital efficiency
- Good earnings growth Prospect

Strict Adherence to Sharia Principles

- Rigorous monitoring of portfolio by independent advisors to check adherence to Sharia principles
- Any deviation is corrected within a specified time period
- Purification process in place in case of prohibited income

WHO SHOULD INVEST & WHY

- Investors looking to invest in Sharia compliant Indian equity & equity related instruments
- Invests in Socially responsible companies involved in businesses considered ethical
- Investors with a preference for investments in companies which have low leverage and fundamentally strong companies
- Equity Investors seeking long term wealth creation investment avenue with moderate to aggressive risk appetite and investment horizon of 3yrs or more

Strictly for Private Circulation. Not for Solicitation of Investments.

TATA Asset Management (Mauritius) Private Limited

Bulletin

A Monthly Portfolio Statement

TATA INDIAN SHARIA EQUITY FUND

31st October 2018

Contact us:

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Equity Commentary – October 2018

The Indian equity markets saw negative returns, with the Sensex down by -4.9%, whilst the Nifty was down by -5%. The broader market; the BSE Midcap & the BSE 200 both outperformed the Sensex with a performance of -1% and -4.1% respectively. In terms of sectors; Banking, Consumer Durable, Capital Goods, FMCG, Healthcare, Power and Realty were the major outperformers whilst, Auto, IT, Metals and Oil & Gas were the major underperformers. FII were net sellers in October, with net outflows to the tune of ~USD 3.9 bn. Consequently, there have been net FII outflows CYTD of ~USD 5.6 bn. Net equity investments in October 2018 by domestic MFs in the market were ~USD 3.2 bn.

Index Name	As on	As on	As on	Return in %	
	31-Oct-18	28-Sep-18	31-Oct-17	1 Month	1 Year
Nifty 50 Index	10387	10930	10335	-5.0	0.5
S&P BSE Sensex	34442	36227	33213	-4.9	3.7
S&P BSE MID CAP	14613	14763	16588	-1.0	-11.9
S&P BSE SMALL CAP	14201	14431	17600	-1.6	-19.3
S&P BSE 200	4440	4632	4541	-4.1	-2.2
S&P BSE AUTO	19881	21477	25415	-7.4	-21.8
S&P BSE Bankex	28360	27992	28284	1.3	0.3
S&P BSE Consumer Durable	19142	19134	18466	0.0	3.7
S&P BSE Capital Good	17489	17109	18423	2.2	-5.1
S&P BSE FMCG	11128	11503	10264	-3.3	8.4
S&P BSE Health Care	14727	15025	14282	-2.0	3.1
S&P BSE IT	14532	15629	10362	-7.0	40.2
S&P BSE METAL	12525	13279	14730	-5.7	-15.0
S&P BSE Oil & Gas	13247	14855	16552	-10.8	-20.0
S&P BSE Power Index	1958	1929	2349	1.5	-16.6
S&P BSE Realty	1680	1703	2301	-1.4	-27.0

Index Name	As on	As on	As on	Return in %	
	31-Oct-18	28-Sep-18	31-Oct-17	1 Month	1 Year
Nifty 200	5498	5735	5639	-4.1	-2.5
Nifty 50	10387	10930	10335	-5.0	0.5
Nifty Auto	8821	9590	11370	-8.0	-22.4
Nifty Bank	25153	25120	25019	0.1	0.5
Nifty Commodities	3346	3687	4099	-9.2	-18.4
Nifty Energy	13753	15697	14511	-12.4	-5.2
Nifty Financial Services	10640	10577	10236	0.6	3.9
Nifty FMCG	28547	29758	25688	-4.1	11.1
Nifty India Consumption	4592	4793	4697	-4.2	-2.2
Nifty Infrastructure	2970	2967	3582	0.1	-17.1
Nifty IT	14940	15838	10838	-5.7	37.9
Nifty Metal	3297	3485	3877	-5.4	-15.0
Nifty Midcap 100	17189	17154	19578	0.2	-12.2
Nifty Pharma	9758	9972	9756	-2.2	0.0
Nifty Realty	215	220	305	-2.1	-29.4
Nifty Smallcap 100	6063	6151	8550	-1.4	-29.1

The Macro Picture

	October-18	September-18
WPI	5.13%	4.5%
CPI	3.77%	3.69%
Index of Industrial Production	4.3% (for September 2018)	6.6% (for August 2018)
Repo rate	6.50% (as on October 31, 2018)	6.50% (as on September 30, 2018)
Marginal Standing Facility Rate	6.75% (as on October 31, 2018)	6.75% (as on September 30, 2018)

Source: RBI, MOSPI

Inflation

India's Wholesale Price Inflation (WPI) Index came in at 5.13% YoY in September 2018 as compared to 4.5% for August 2018. Food inflation came in at -0.2% as against -4% YoY in August.

The Consumer Price Inflation (CPI) index was largely similar at 3.77% YoY in September as compared to 3.69% in the previous month on benign food prices.

Growth

India's Real Gross Domestic Product (GDP) grew at 8.2% YoY in Q1 FY19 exceeding 5.6% growth in Q1 FY18 and 7.7% in Q4 FY18. The Nominal GDP growth came in at 13.8% versus 10.9% in Q4FY18. Private consumption grew 8.6% YoY for the quarter (highest in six quarters). The gross fixed capital formation continued to grow in double digits (~10% YoY).

Other macro developments (fiscal deficit and household savings)

India's fiscal deficit upto September 2018 is 95.3% of the budgeted estimates. Revenue expenditure has risen 13.8% YoY while capital expenditure has increased 11.1%. Total receipts and expenditure are up 8.6% and 13.5% respectively. India's net Household financial savings improved to 7.2% in FY18 from 6.8% of the GDP in FY17.

Market Outlook

Equity markets continued to correct during the month of October 2018 on the back of concerns of liquidity tightness for the NBFC sector and high crude prices. Higher Crude prices, along with higher current account deficit is putting pressure on interest rates, liquidity and currency in the short term in India which needs to be monitored going forward. Recent correction in Crude prices to \$75-76 is good for Indian economy. However, micro story for India, in terms of better corporate earnings growth going forward remains positive, making us optimistic on the long term potential for returns from the Indian Equity as an asset class.

The recently announced minimum support price (MSP) hikes on certain key agricultural commodities and further cut in GST rates on certain consumer categories (electronics, footwear, Paints etc) should boost consumption in both rural and urban respectively. While rising inflation is an impending risk, we expect demand to remain strong in light of the aforesaid recent government initiatives. We maintain our view of broad based consumption being a key growth driver

In terms of our portfolio positioning, we remain focused on companies with faster earnings growth visibility. We continue to remain overweight on private sector banks on account of their ability to gain market share and maintain relatively higher growth rates. We are also diversifying exposure to consumption plays across multiple themes.

Long-term structural drivers like demographic advantage, low household debt, limited penetration across different consumer categories, increased potential for financial savings and urbanization makes India a compelling equity story from medium to long term perspective.

We believe investors would be well advised to invest with medium to long term perspective and systematically increase exposure to Indian equity markets.

TATA Asset Management (Mauritius) Private Limited

TATA INDIAN SHARIA EQUITY FUND

Fund objective

The principal investment objective of the Fund is to achieve capital appreciation through initial investment into a dedicated Scheme managed by Tata Asset Management. The investment objective of the Tata Indian Sharia Equity Fund is to provide the benefits of investing in India in a Sharia compliant manner.

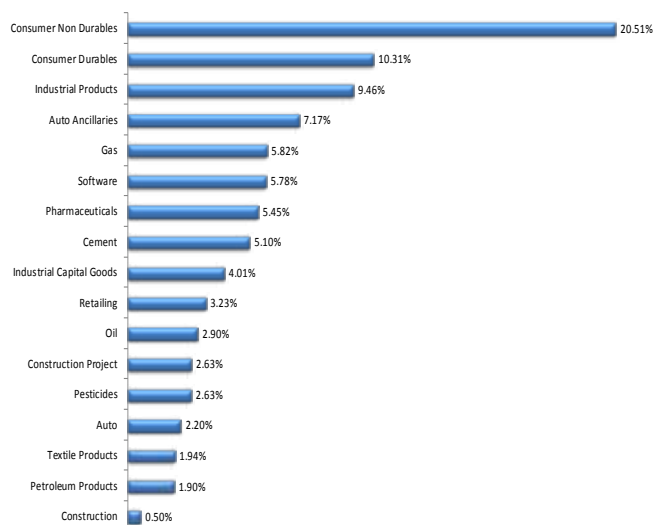
Investment Approach & Style

The Fund will invest in both value and growth oriented companies, with a slight bias towards growth oriented companies. The Fund will invest in stocks across market caps, but with a bias towards large cap stocks. The investment policy focuses on a bottom-up "stock-specific" approach to investing.

Top 10 Holdings

ISIN NO.	SECURITY NAME	% OF NET ASSETS
INE030A01027	Hindustan Unilever Ltd.	8.59%
INE669C01036	Tech Mahindra Ltd.	4.38%
INE021A01026	Asian Paints (India) Ltd.	4.35%
INE216A01022	Britannia Industries Ltd.	4.13%
INE059A01026	Cipla Ltd.	3.32%
INE752P01024	Future Retail Ltd.	3.23%
INE176A01028	Bata India Ltd.	3.14%
INE129A01019	Gail (India) Ltd.	3.07%
INE213A01029	Oil & Natu. Gas Co.	2.90%
INE347G01014	Petronet Lng Ltd.	2.75%

Sector Allocation

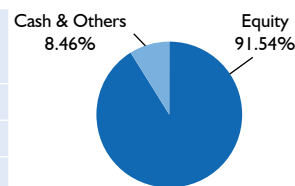


Risk Profile: Investment in the diversified equity fund investing in Sharia compliant equity or equity equivalent listed Indian companies (hereinafter referred to as 'TATA INDIAN SHARIA EQUITY FUND' OR 'TISEF') in US Dollars involves a significant degree of risk. There can be no assurance that the investment objectives of TISEF will be achieved. An investor may invest in TISEF as part of an overall investment strategy and only if the investor/s are able to withstand a total loss of its/their investment. Prospective investors should carefully consider, among other things, the following business and investment risks before investing in TISEF. THERE CAN BE NO ASSURANCE THAT THE INVESTMENT IN TISEF WILL BE PROFITABLE OR, IF IT IS PROFITABLE, THAT ANY PARTICULAR YIELD OR RATE OF RETURN WILL BE OBTAINED. THE INVESTOR/S HAS OR HAVE NOT RELIED ON ANY BUSINESS OR INVESTMENT PROJECTIONS RELATING TO THE PAST PERFORMANCE OF TISEF. The Investor/s is/are aware that investment in TISEF involves certain risks and special considerations and should only be made by those who understand the risks involved and who have an appetite and are able and willing to withstand the risk of loss of their entire or substantial amount invested by it/them. No assurance can be given that the investment objective of TISEF will be achieved. Prospective investor/s is/are required to refer to the risk factors and special considerations associated with respect to investing in TISEF and the potential conflicts of interest with respect to Tata Asset Management Limited and Tata Asset Management (Mauritius) Private Limited, which are set out in the clause for "Risk Factors and Special Considerations" of the PPM of TISEF.

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Asset Allocation

	Market Value (USD '000)	% of Net Assets
EQUITY	16651.1428	91.54%
Cash, Others	1539.537164	8.46%
Total Net Assets	18190.67997	100.00%



Fund Performance (in USD terms)

"CAGR as on 31st October, 2018"	1 Month	3 Month	1 Year	3-years	5-years	Since Inception
TISEF	(3.95)	(14.98)	(15.02)	(0.76)	7.76	1.37

Past Performance may or may not be sustained in future.

Key Information

Fund type	Diversified equity fund investing in Sharia compliant equity or equity equivalent listed Indian companies.
ISIN	MU0316S00010
Structure	Open-ended fund
Domicile	Mauritius
Currency	USD
Assets under Management	USD 18.19 mn
Benchmark	Nifty50 Shariah Index
Inception	October 2010
Redemption	Daily
Valuation	Daily
Minimum Investment	USD 5000
Exit Fees	Exit before 1 year - 2%, Exit before 2 years - 1%
Investment Manager	Tata Asset Management (Mauritius) Pvt. Ltd.
Administrator	Apex Fund Services (Mauritius) Ltd. wef 24th February, 2015.
Sharia Compliance Advisor	Taqwaa Advisory and Shariah Investment Solutions Pvt. Ltd. (TASIS)
Auditors	KPMG, Mauritius, & Deloitte Haskins and Sells, India
Banker / Custodian	Standard Chartered Bank