

# 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

29<sup>th</sup> March, 2019

## Contact us:

### INVESTMENT MANAGER

Tata Asset Management (Mauritius) Private Ltd.

**Mr. Sunil K Doorga**  
+230 4275700

Sunil.Doorga@tammp.ltd

**Mr. Nirmal D. Reetoo**  
+230 4275700

Nirmal.Reetoo@tammp.ltd

## Equity Commentary – March 2019

Indian equity markets were sharply up for the month of March 2019 with the Sensex up by 7.8%, and the Nifty by 7.7%. The broader market, the BSE Midcap & the BSE 200 were also up with a performance of 8.1% and 7.6% respectively. In terms of sectors; Banks, Consumer Durables, Capital Goods, Power, Oil & Gas, Realty were the major outperformers whilst all other sectors underperformed the BSE Sensex. FII's were net buyers in March, with net inflows to the tune of ~USD 4.8 bn. Net equity selling in March by domestic MF's in the market were ~ (USD 1 bn).

Index Name	As on	As on	As on	Return in %	
	28-Mar-19	28-Feb-19	28-Mar-18	1 Month	1 Year
Nifty 50 Index	11624	10793	10114	7.7	14.9
S&P BSE Sensex	38673	35867	32969	7.8	17.3
S&P BSE MID CAP	15480	14318	15963	8.1	-3.0
S&P BSE SMALL CAP	15027	13690	16994	9.8	-11.6
S&P BSE 200	4908	4563	4433	7.6	10.7
S&P BSE AUTO	18825	18806	24057	0.1	-21.7
S&P BSE Bankex	34142	30027	27198	13.7	25.5
S&P BSE Consumer Durable	23857	21410	22262	11.4	7.2
S&P BSE Capital Good	18472	17088	18477	8.1	0.0
S&P BSE FMCG	11742	11354	10290	3.4	14.1
S&P BSE Health Care	14408	13761	13158	4.7	9.5
S&P BSE IT	15280	15254	12101	0.2	26.3
S&P BSE METAL	11355	10767	13322	5.5	-14.8
S&P BSE Oil & Gas	15270	13802	14614	10.6	4.5
S&P BSE Power Index	2034	1829	2126	11.3	-4.3
S&P BSE Realty	2077	1796	2230	15.7	-6.9

Index Name	As on	As on	As on	Return in %	
	28-Mar-19	28-Feb-19	28-Mar-18	1 Month	1 Year
Nifty 200	6080	5643	5499	7.8	10.6
Nifty 50	11624	10793	10114	7.7	14.9
Nifty Auto	8335	8355	10821	-0.2	-23.0
Nifty Bank	30427	26790	24263	13.6	25.4
Nifty Commodities	3626	3306	3681	9.7	-1.5
Nifty Energy	16484	14819	13214	11.2	24.7
Nifty Financial Services	12544	11227	10208	11.7	22.9
Nifty FMCG	30321	29263	26127	3.6	16.1
Nifty India Consumption	4855	4708	4740	3.1	2.4
Nifty Infrastructure	3208	2918	3329	9.9	-3.6
Nifty IT	15628	15732	12512	-0.7	24.9
Nifty Metal	3044	2872	3513	6.0	-13.3
Nifty Midcap 100	18259	16721	18757	9.2	-2.7
Nifty Pharma	9347	8885	8358	5.2	11.8
Nifty Realty	269	230	294	16.9	-8.5
Nifty Smallcap 100	6673	5934	7792	12.4	-14.4

## The Macro Picture

	March 2019	February 2019
WPI	2.93% (February 2019)	2.76% (January 2019)
CPI	2.57% (February 2019)	2.05% (January 2019)
Index of Industrial Production	1.66% (January 2019)	2.37% (December 2018)
Repo rate	6.25% (as on March 31, 2019)	6.25% (as on February 28, 2019)
Marginal Standing Facility Rate	6.50% (as on March 31, 2019)	6.50% (as on February 28, 2019)

Source: RBI, MOSPI

## Inflation

India's Wholesale Price Inflation (WPI) Index came in at 2.93% YoY in February 2019 as compared to 2.76% for January 2019 on account of moderation in food inflation.

The Consumer Price Inflation (CPI) index came at 2.57% YoY in February as compared to 2.09% in the previous month on benign food prices.

## Growth

India's Real Gross Domestic Product (GDP) grew at 6.6% YoY in Q3 FY19 reducing from the pace of 7.1% in Q2FY19. Private consumption grew 8.4% YoY for the quarter. The gross fixed capital formation continued to grow in double digits (~10.6% YoY).

## Other macro developments (fiscal deficit and household savings)

India's fiscal deficit as per revised estimates for FY19 is likely to be 3.4% against the earlier budgeted 3.3%, a marginal increase – a decent performance by the government given the headwinds it faced on lower GST tax collections. The budgeted number for FY20 also stands at 3.4% including the new income supplement scheme for marginal farmers to the tune of approximately US\$70bn.

## Market Outlook

The change in stance among the central banks across the globe specially US with them being more dovish opens doors for the so called carry trade to restart. US \$ is unlikely to appreciate in the near term which is prompting the RBI to infuse liquidity in the market by using new instruments like to \$5 bn swap trade completed on 26<sup>th</sup> March 2019. Over the past few months we have been highlighting tight liquidity in the domestic market as a key concern area – this concern in a few months may go away if the current trend continues which augurs very well for lending rates in India and hence equity markets.

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.

Farm loan waivers/handouts are increasingly becoming popular instruments among all political parties constraining future government capital expenditure and crowding out potential private investments. FY20 budget has more of the same with the government promising Rs 6000 per annum income support scheme for marginal farmers totaling to approximately US\$10 bn annual spend. The key opposition party, Congress, has announced that they intend to start a minimum income guarantee scheme of Rs 72,000 per annum for the 20% of least poor population ie approximate cost on an annual basis of Rs 3,60,000 cr (US\$ 50 bn), if they win the elections. We will watch out for risks if any on our portfolio companies going forward.

Near term strong 15%+ CAGR earnings growth by Nifty/Sensex companies along with reasonable valuations make us optimistic of our performance going forward.

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.

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.

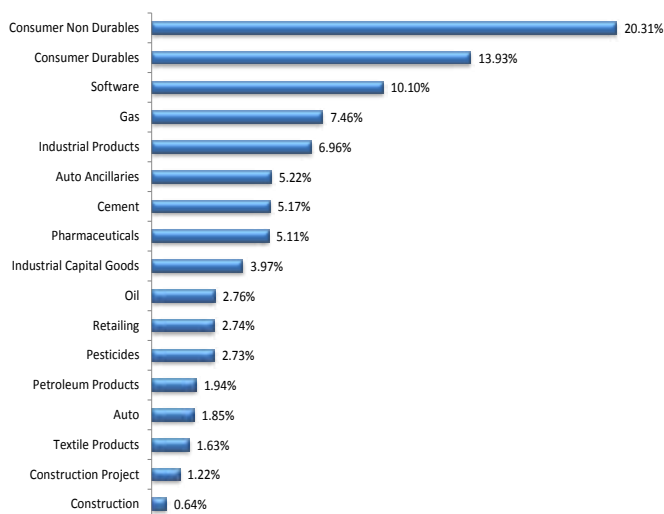
### Investment Approach & Style

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.	8.24%
INE021A01026	Asian Paints (India) Ltd.	4.81%
INE669C01036	Tech Mahindra Ltd.	4.16%
INE176A01028	Bata India Ltd.	4.13%
INE216A01022	Britannia Industries Ltd.	4.11%
INE280A01028	Titan Company Ltd.	3.12%
INE540L01014	Alkem Laboratories Ltd.	2.85%
INE347G01014	Petronet Lng Ltd.	2.79%
INE213A01029	Oil & Natu. Gas Co.	2.76%
INE752P01024	Future Retail Ltd.	2.74%

### Sector Allocation

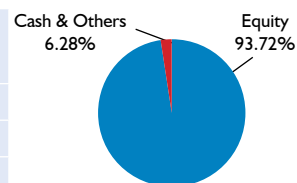


**Risk Profile:** Investment in the diversified equity fund investing in Sharia compliant equity or equity equivalent listed Indian companies (hereinafter referred to as 'TATA INDIAN SHARIA EQUITY FUND' OR 'TISEF') in US Dollars involves a significant degree of risk. There can be no assurance that the 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.

**Disclaimer:** This document is issued by Tata Asset Management (Mauritius) Pvt. Ltd., a private company incorporated under the laws of Mauritius with limited liability, which is a 100% subsidiary of Tata Asset Management Ltd. (TAM) This document has been prepared using information believed to be accurate at the time of its use. In no way is this intended to solicit any investment or constitute any advice whatsoever by the presenter and / or his organization. This information is strictly for internal circulation and shall not be construed as engaging in any regulated activity including solicitation of any investments. Any information contained in this publication does not constitute and shall be deemed not to constitute an advice, an offer to sell/purchase or as an invitation or solicitation to do so for any security of any entity and further, Tata Indian Sharia Equity Fund (TISEF), its affiliates/sponsors/employees, directors shall not be liable for any loss, damage, liability whatsoever for any direct or indirect loss arising from the use or access of any information that may be displayed in this publication from time to time. Recipients of the information contained herein should exercise due care and caution and read the offer document (including if necessary, obtaining the advice of tax/legal/accounting/financial/other professionals) prior to taking of any decision, acting or omitting to act, on the basis of the information contained herein. Editorial opinions expressed are not necessarily those of TISEF or of TAMMPL or of TAM or any of their officers, employees, personnel, directors and TISEF or TAMMPL or TAM and their officers, employees, personnel, directors do not accept responsibility for the editorial content and make no representation as to the accuracy, completeness or reliability of the editorial content and hereby disclaim any liability with regard to the same. "S&P®" and "Standard and Poor's®" are trademarks of the McGraw-hill Companies, Inc. ("S&P"), and have been licensed for use by India Index Services & Products Limited in connection with the S&P CNX Nifty Shariah Index. "The Product is not sponsored, endorsed, sold or promoted by India Index Services & Products Limited ("IISL") or Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P"). Neither IISL nor S&P makes any representation or warranty, express or implied, to the owners of the Product or any member of the public regarding the advisability of investing in securities generally or in the Product. Please read the full Disclaimers in relation to the S&P CNX Nifty Shariah Index in the Offer Document / Prospectus / Information Statement."

### Asset Allocation

	Market Value (USD '000)	% of Net Assets
EQUITY	20004.96	93.72%
Cash, Others	1340.08	6.28%
<b>Total Net Assets</b>	<b>21345.04</b>	<b>100.00%</b>



### Fund Performance (in USD terms)

CAGR as on 29th March 2019	1 Month	3 Month	6 Month	1 Year	3 Years	5 Years	Since Inception
TISEF	7.87	2.51	9.20	-4.02	6.02	8.37	2.85
Nifty50 Shariah Index (USD Terms)	7.35	5.04	7.08	-0.85	10.17	8.12	2.19

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 21.35 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. (w.e.f. 24 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