



TATA INDIAN SHARIA EQUITY FUND

Factsheet as on 29 April 2025

INVEST THE SHARIA WAY

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.

Diversified Portfolio of Sharia Compliant Stocks

- Diversified portfolio of Sharia compliant stocks.
- The Fund does not follow any market cap bias
- Bottom-up approach to stock selection
- 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

- High cash generation
- High capital efficiency
- Good earnings and growth prospects

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 and 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

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Contact us

INVESTMENT MANAGER

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Performance of Sectoral Indices

Index Name	As on			Return in %	
	30-Apr-25	28-Mar-25	28-Mar-24	1 Month	1 Year
S&P BSE Sensex	80,242.24	77,414.92	73,651.35	3.7	8.9
S&P BSE MID CAP	42,883.72	41,531.12	39,322.12	3.3	9.1
S&P BSE SMALL CAP	47,400.31	46,638.13	43,166.34	1.6	9.8
S&P BSE 200	10,957.64	10,603.50	10,099.58	3.3	8.5
S&P BSE AUTO	49,960.45	47,704.03	49,142.11	4.7	1.7
S&P BSE Bankex	62,622.04	59,542.38	53,515.19	5.2	17.0
S&P BSE Consumer Durable	57,454.63	54,381.55	52,276.61	5.7	9.9
S&P BSE Capital Good	62,780.39	62,724.28	60,943.12	0.1	3.0
S&P BSE FMCG	20,453.82	19,447.48	19,318.40	5.2	5.9
S&P BSE Health Care	42,211.32	41,421.50	35,052.84	1.9	20.4
S&P BSE IT	35,050.61	36,122.71	35,644.77	-3.0	-1.7
S&P BSE METAL	29,050.51	30,824.72	28,196.08	-5.8	3.0
S&P BSE Oil & Gas	26,491.20	25,133.51	27,644.48	5.4	-4.2
S&P BSE Power Index	6,647.59	6,588.41	6,701.74	0.9	-0.8
S&P BSE Realty	6,864.71	6,601.58	7,108.37	4.0	-3.4

Index Name	As on			Return in %	
	30-Apr-25	28-Mar-25	28-Mar-24	1 Month	1 Year
Nifty 200	13,438.15	12,982.75	12,329.75	3.5	9.0
Nifty 50	24,334.20	23,519.35	22,326.90	3.5	9.0
Nifty Auto	22,308.40	21,295.50	21,419.10	4.8	4.2
Nifty Bank	55,087.15	51,564.85	47,124.60	6.8	16.9
Nifty Commodities	8,515.50	8,468.70	8,331.65	0.6	2.2
Nifty Energy	34,241.60	33,571.60	39,020.60	2.0	-12.2
Nifty Financial Services	26,113.55	25,074.90	20,989.10	4.1	24.4
Nifty FMCG	56,445.35	53,589.80	53,949.20	5.3	4.6
Nifty India Consumption	11,316.55	10,720.40	10,128.40	5.6	11.7
Nifty Infrastructure	8,785.85	8,457.80	8,336.00	3.9	5.4
Nifty IT	35,794.95	36,886.15	34,898.15	-3.0	2.6
Nifty Metal	8,581.80	9,092.50	8,257.20	-5.6	3.9
Nifty Midcap 100	54,124.90	51,672.25	48,075.75	4.7	12.6
Nifty Pharma	21,772.45	21,137.45	18,996.15	3.0	14.6
Nifty Realty	885.85	851.30	900.65	4.1	-1.6
Nifty Smallcap 100	16,448.85	16,095.70	15,270.45	2.2	7.7

The Macro Picture

	April 2025	March 2025
WPI	2.05% (March 2025)	2.38% (February 2025)
CPI	3.34% (March 2025)	3.61% (February 2025)
Index of Industrial Production	3.00% (February 2025)	5.01% (January 2025)
Repo rate	6.00% (as on April 30, 2025)	6.25% (as on March 31, 2025)
Marginal Standing Facility Rate	6.25% (as on April 30, 2025)	6.50% (as on March 31, 2025)

Source: RBI, Bloomberg

BSE-30 and Nifty-50 indices continued on its up move during the month of April 2025 with a return of 3.7% and 3.5% respectively. Mid-cap index outperformed the benchmark indices with a gain of 4.7% while the small cap index delivered 2.2%. On the sectoral front Consumer Staples, Consumer Durables Oil & Gas, Banks, Auto and real estate outperformed the benchmark index, while other sectors underperformed.

April 2025 was another month of steady rise through the month in spite of headwinds in terms of US led Tariff war. Global news is increasingly turning towards headwinds in terms of slower growth. Would not be surprised to see some volatility going ahead in all equity markets globally.

Inflation

India's Wholesale Price Inflation (WPI) Index came in at 2.05% YoY during the current month as compared to 2.38% for the previous month on account of stable fuel, higher food and lower commodity prices.

Yet another month of correction in vegetable prices resulted in a sharp fall in headline inflation. FY25 average CPI was restrained at 4.6% vs. 5.4% in the previous year. Additionally, lower brent prices and above normal monsoon forecasted by IMD instils confidence that RBI could maintain their focus on supporting growth.

India's GDP growth picked up pace in Q3FY25 to 6.2% with primary driver of growth being Agriculture and Services from the supply side and Private and Government consumption from the expenditure side. Growth for the previous 2 years was revised sharply higher to 9.2% for FY24 (from 8.2%) and 7.6% for FY23 (from 7.0% earlier). Advance estimate for growth for FY25 was revised upwards marginally to 6.5% from 6.4% earlier. This implies growth of 7.6% in Q4. Q4 growth will be supported by revival in consumption demand (especially Rural), boost from Maha Kumbh and pick up in Government expenditure.

Other macro developments (fiscal deficit and household savings)

India's Q3FY25 current account balance registered a deficit of US\$11.5bn (1.1% of GDP) compared to a deficit of US\$ 16.7bn (1.8% of GDP) for Q2FY25. The lower deficit represents better software/services exports and stable imports.

India's fiscal deficit came much lower than forecasted at 5.6% for FY24 on account of lower revenue expenditure. The government has announced a path to reduce fiscal deficit to 4.9% for FY25 (revised lower from 5.1% earlier) and below 4.5% in FY26.

FY24 net household financial savings rate stood at 5.3% of GDP (5.1% for FY23). The same ratio had moved higher during the pandemic period to 12% in FY21 compared to 7.7% in FY20.

Market Outlook

As I write this monthly update, the Indian Rupee has appreciated sharply over the past few weeks to around 84/\$, infact we are very close to mid-2022 levels for the currency. It was only in February 2025 that the INR to the US\$ had depreciated to an all time low of 87.95 leading to some concern on foreign flows in the Indian markets and the ability of the RBI to maintain liquidity in the system thereby impacting economic growth. With the recent appreciation and various RBI actions on infusing liquidity in the system, we do expect economic growth to pick up from current levels with a lag of 3-6 months, barring any major global slowdown and its indirect impact on India.

Earnings growth for BSE Sensex as per Kotak Institutional research is likely to grow at 12.7% for FY26 and another 16.6% for FY27. Valuations stand at 21.6X FY26E and 18.7X FY27E. The valuations for the large cap index are to long term average, however there are wide dispersions across sectors. We believe one needs to be extremely selective in today's market environment since earnings growth will show higher divergences going ahead along with higher-than-normal valuations across many sectors.

We in our portfolios are focused on companies which can grow earnings at a fast pace and most importantly balance sheets/cash flow being on the positive side with less leverage. We believe investors would be well advised to invest with medium to long term perspective and systematically increase exposure to Indian equity markets.

Key portfolio actions – During the month we have not made any major change to the portfolios.

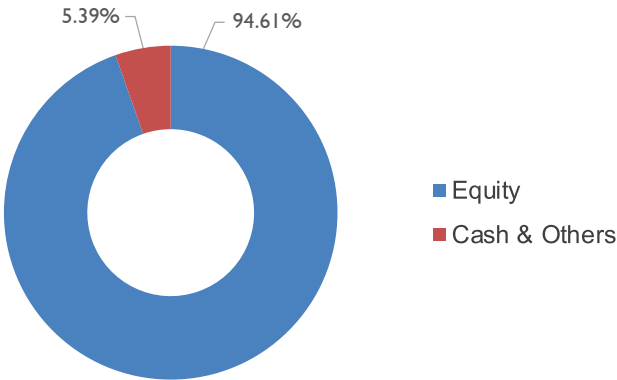
Investment Objective

The principal investment objective of the Fund is to achieve capital appreciation through a carefully chosen diversified portfolio of stocks that conform to Sharia principles.

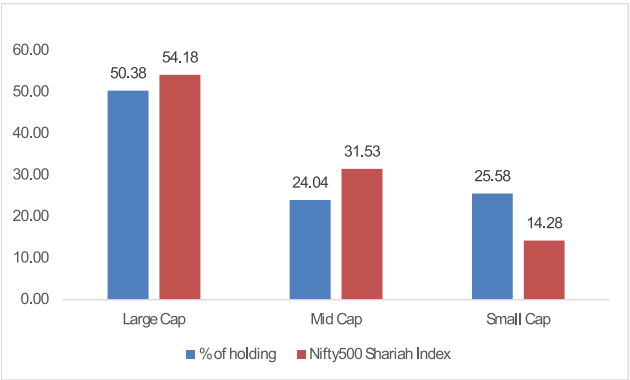
Investment Approach

The fund will follow a bottom-up approach to investing based on rigorous research. Focus will be on companies with good governance practices, strong earnings growth visibility and reasonable valuation. Fund will invest across sectors and market caps with a slight bias towards large caps.

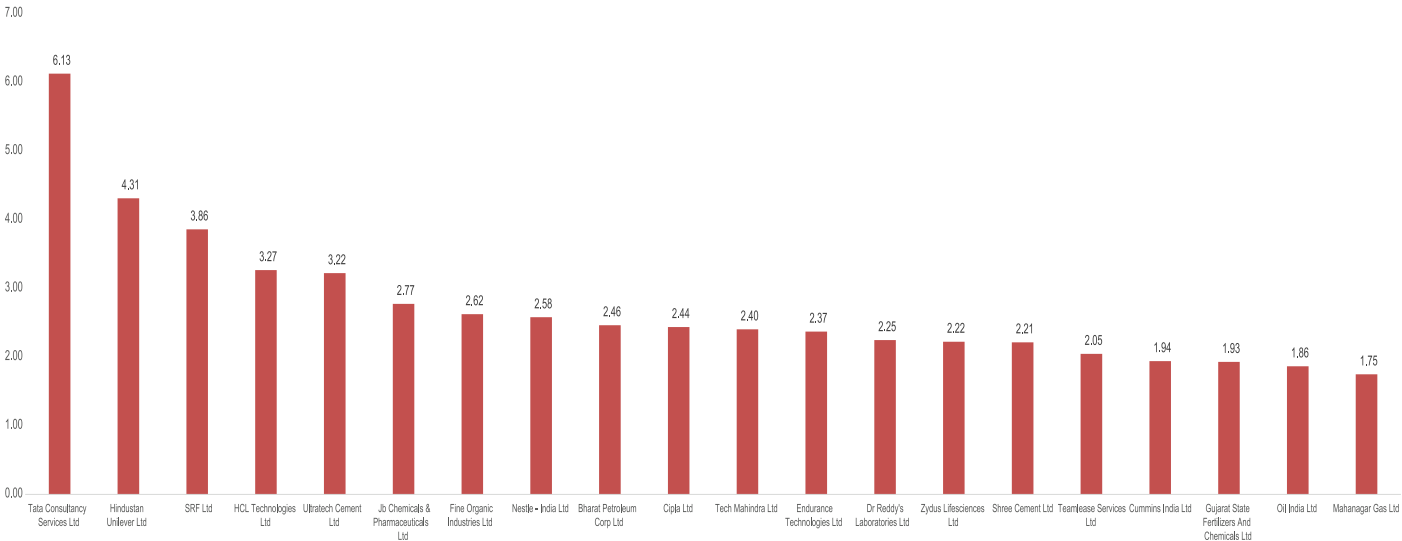
Asset Allocation



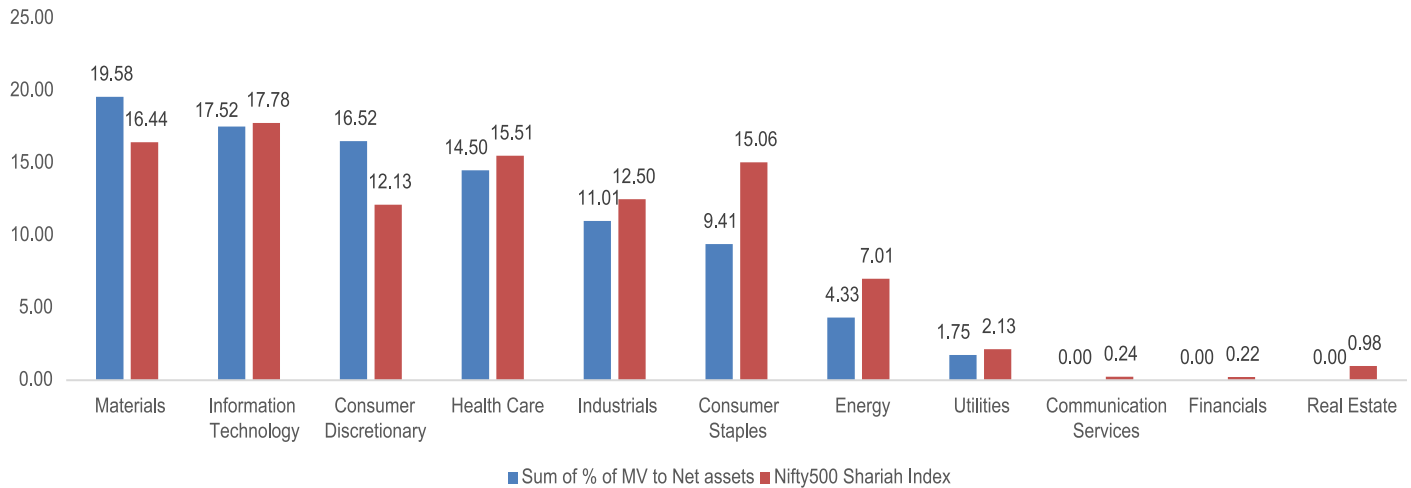
Market Cap Allocation



Top 20 Holdings



Sector Allocation



Fund Performance - Class B (USD terms)

Period	1 month	3-months	6-months	1-year	3-Years	5-Years	Since Inception
TISEF	2.67	-3.77	-13.27	-6.95	3.82	14.54	5.55
Nifty 500 Shariah Index	2.65	-1.43	-11.31	-0.39	6.18	16.86	6.65

Past performance may or may not be sustained in future. Less than 1 year returns calculated on absolute basis & more than 1 year on CAGR basis *Inception Date: October 2010

Key Information

Structure	Open-ended Fund
ISIN No	Class B : MU0316S00010
Domicile	Mauritius
Fund Type	Diversified equity fund investing in Sharia compliant equity or equity equivalent listed Indian companies
Benchmark	Nifty 500 Sharia Index
Reference Currency	USD
Total Expense Ratio (TER)	Class B: 2.0%
Custodian	Standard Chartered Bank
Administrator	APEX Fund Services, Mauritius
Auditors	KPMG Mauritius
Sharia Advisor	Taqwaa Advisory and Shariah Investment Solutions Pvt. Ltd. (TASIS)
Month-End AUM	USD 44.55mn
Month –End NAV	USD 21.2481
Minimum Investment	USD5000
Inception Date	October 2010
Purging Ratio for the period 1 October 2023 to 31 March 2024	0.017112

Disclosures and Disclaimers

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An investment in the Fund will involve a high degree of risk, including the risk of loss of the entire amount invested. The investment return and principal value of an investment in the Fund will fluctuate as the prices of the individual securities in which it invests fluctuate, so that your shares, when redeemed, may be worth more or less than their original cost. Substantially all the Fund’s assets will/are invested in securities of Indian companies whose securities are denominated in a currency (i.e. Indian Rupee) other than the US dollar which may magnify these fluctuations due to changes in international exchange rates. The Fund will have significant exposure to other risks associated with investments in India, including political and economic risks, as well as financial, regulatory, securities and currency and foreign exchange risks, and may employ strategies and investment techniques with significant risk characteristics, including the potential illiquidity of securities and derivative instruments and risk of loss from counter party defaults. There is no assurance that the Fund’s investment objective will be achieved, and results may vary substantially over time. An investment in the Fund may be illiquid, as preference shares have not been and will not be registered for resale or listed on any exchange and there can be no assurance that an active trading market will develop. The Fund will incur management fees and significant expenses regardless of whether the Fund has trading profits. The Fund will rely on the services of a few key individuals, and the loss of the services of any of them could adversely impact the Fund’s performance. The foregoing list of risk factors is not intended to be complete. Investors should carefully consider the more comprehensive set of risk factors, conflicts of interest and other important disclosures contained in the Fund’s private placement memorandum and consult with their own advisors prior to making an investment decision.