



# TATA INDIAN SHARIA EQUITY FUND

Factsheet as on 30 May 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

Tata Asset Management Private Ltd.

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## Performance of Sectoral Indices

Index Name	As on			Return in %	
	30-May-25	30-Apr-25	30-Apr-24	1 Month	1 Year
S&P BSE Sensex	81,451.01	80,242.24	74,482.78	1.5	9.4
S&P BSE MID CAP	45,136.35	42,883.72	42,121.40	5.3	7.2
S&P BSE SMALL CAP	52,413.25	47,400.31	47,315.93	10.6	10.8
S&P BSE 200	11,235.80	10,957.64	10,368.95	2.5	8.4
S&P BSE AUTO	52,321.56	49,960.45	51,066.09	4.7	2.5
S&P BSE Bankex	63,154.98	62,622.04	55,997.79	0.9	12.8
S&P BSE Consumer Durable	57,946.66	57,454.63	55,197.79	0.9	5
S&P BSE Capital Good	71,089.64	62,780.39	63,024.94	13.2	12.8
S&P BSE FMCG	20,308.16	20,453.82	19,611.99	-0.7	3.5
S&P BSE Health Care	42,604.29	42,211.32	35,405.71	0.9	20.3
S&P BSE IT	36,893.53	35,050.61	34,094.78	5.3	8.2
S&P BSE METAL	30,760.36	29,050.51	31,250.50	5.9	-1.6
S&P BSE Oil & Gas	27,030.06	26,491.20	28,980.58	2	-6.7
S&P BSE Power Index	6,804.84	6,647.59	7,220.06	2.4	-5.8
S&P BSE Realty	7,359.43	6,864.71	7,643.26	7.2	-3.7

Index Name	As on			Return in %	
	30-May-25	30-Apr-25	30-Apr-24	1 Month	1 Year
Nifty 200	13,798.40	13,438.15	12,673.15	2.7	8.9
Nifty 50	24,750.70	24,334.20	22,604.85	1.7	9.5
Nifty Auto	23,325.60	22,308.40	22,479.90	4.6	3.8
Nifty Bank	55,749.70	55,087.15	49,396.75	1.2	12.9
Nifty Commodities	8,583.85	8,515.50	8,797.50	0.8	-2.4
Nifty Energy	35,879.05	34,241.60	40,366.70	4.8	-11.1
Nifty Financial Services	26,499.25	26,113.55	21,841.15	1.5	21.3
Nifty FMCG	55,283.00	56,445.35	54,240.60	-2.1	1.9
Nifty India Consumption	11,383.15	11,316.55	10,405.35	0.6	9.4
Nifty Infrastructure	8,970.35	8,785.85	8,575.25	2.1	4.6
Nifty IT	37,321.75	35,794.95	33,200.95	4.3	12.4
Nifty Metal	9,193.25	8,581.80	9,175.80	7.1	0.2
Nifty Midcap 100	57,420.00	54,124.90	50,868.20	6.1	12.9
Nifty Pharma	21,442.05	21,772.45	18,970.60	-1.5	13
Nifty Realty	949.35	885.85	973.25	7.2	-2.5
Nifty Smallcap 100	17,883.30	16,448.85	17,011.80	8.7	5.1

## The Macro Picture

	May-25	April-25
WPI	0.85% (April 2025)	2.05% (March 2025)
CPI	3.16% (April 2025)	3.34% (March 2025)
Index of Industrial Production	2.7% (April 2025)	3.00% (February 2025)
Repo rate	6.00% (as on May 31, 2025)	6.00% (as on April 30, 2025)
Marginal Standing Facility Rate	6.25% (as on May 31, 2025)	6.25% (as on April 30, 2025)

Source: RBI, Bloomberg

BSE-30 and Nifty-50 indices delivered positive returns during the month of May 2025 with a return of 1.5% and 1.7% respectively. The mid-cap index outperformed the benchmark indices with a gain of 5.3% along with the small cap index at 10.6%.

May 2025 was another month of steady rise through the month despite headwinds in terms of US led Tariff war. Global news is increasingly turning towards headwinds in terms of slower growth. We continue to believe one needs to build in higher volatility going ahead in all equity markets globally.

### Inflation

India's Wholesale Price Inflation (WPI) Index came in at 0.85% YoY during the current month as compared to 2.05% for the previous month on account of stable fuel, lower food and lower commodity prices.

Lower vegetable prices resulted in a sharp fall in headline inflation. May 2025 CPI inflation stood at 3.16% lower than 3.34% for April 2025. The RBI is estimating FY26 CPI Inflation in a range of 4% to 4.2%.

India's GDP growth picked up pace in Q4FY25 to 7.4% with primary driver of growth being Agriculture, Construction and Services from the supply side and Private consumption from the expenditure side. Gross fixed capital formation growth stood at 9.4% for the quarter.

### 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

Over the past few weeks we have met various business leaders, many from our portfolio holdings and quite a few outside as well, to gauge the current environment and their perspective of potential growth given the challenging perceived global backdrop specially related to tariff wars.

Some of our takeaways are as follows –

- Corporate India are hopeful of a better FY26 on the back of good monsoon, positive macro, better government spending in the current year, surplus liquidity maintained by RBI and finally positive geopolitical backdrop favouring India.
- All corporate in the manufacturing space mentioned materially higher RFP/RFQ from global customers since April 2025. China + 1 term seems to have expanded and the new term we hear is outsourcing beyond China. However, recent tariff put by the US on India will have some short-term margin impact – our understanding is that price pass on to the final consumer in the US is likely to be over a period and quite gradual rather than immediate.
- Consumer discretionary demand is a mixed bag, for example with weather conditions less warmer Air Conditioning sales volumes growth is likely to be lower, Car and Commercial Vehicle demand on a high base are likely to be rangebound in the immediate term whereas Tractor, Cement, Real Estate demand continues to be strong.
- Service exports will mostly be impacted by US growth trajectory. Current trends by IT software companies suggest growth is very slow.
- On a general basis, many companies were guiding for a weaker 1H followed by a stronger 2H

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.

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.

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

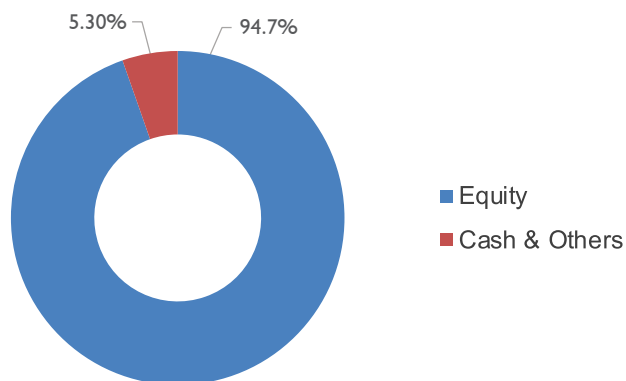
## Investment Objective

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

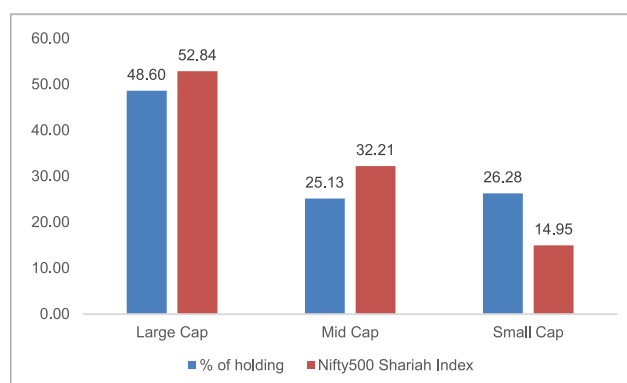
## Investment Approach

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.

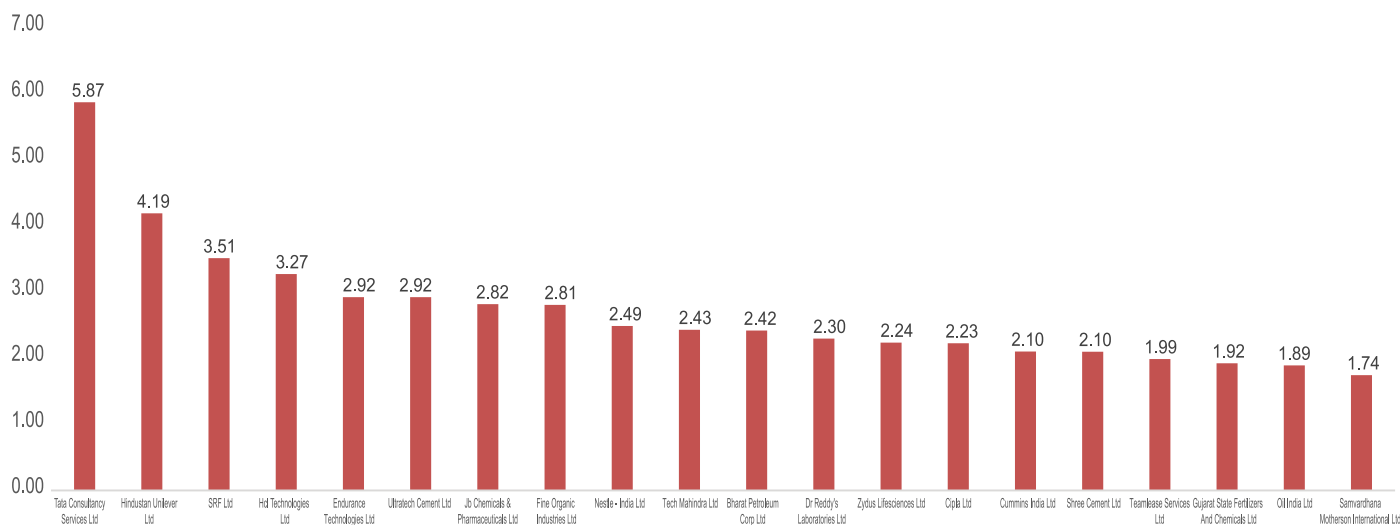
## Asset Allocation



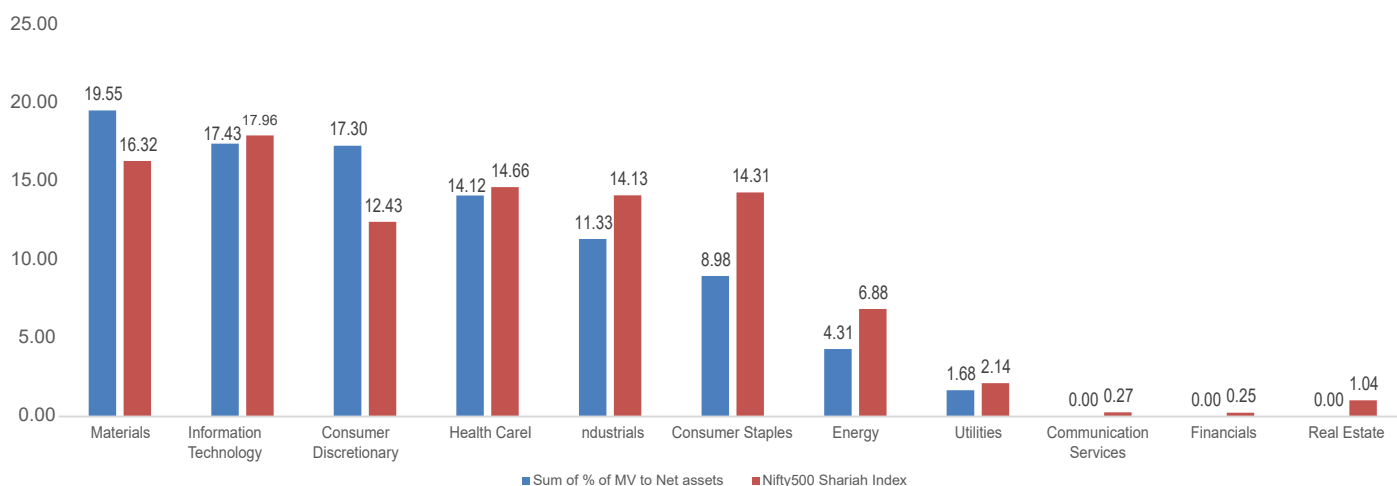
## Market Cap Allocation



## 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	3.43	13.92	-9.80	-5.15	6.82	16.09	5.77
Nifty 500 Shariah Index	2.49	14.88	-7.65	0.66	9.29	17.77	6.80

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 Shariah 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 46.21 mn
Month –End NAV	USD 21.9770
Minimum Investment	USD5000
Inception Date	October 2010
Purging Ratio for the period 1 October 2023 to 31 March 2024	0.018027

## 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.