

# TATA INDIAN SHARIA EQUITY FUND

Factsheet as on 30 September 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.

**Vilma Rodrigues**

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## Performance of Sectoral Indices

| Index Name               | As on     |           |           | Return in % |        |
|--------------------------|-----------|-----------|-----------|-------------|--------|
|                          | 30-Sep-25 | 29-Aug-25 | 30-Aug-24 | 1 Month     | 1 Year |
| S&P BSE Sensex           | 80,267.62 | 79,809.65 | 82,365.77 | 0.6         | -2.5   |
| S&P BSE MID CAP          | 44,916.33 | 44,642.31 | 49,065.36 | 0.6         | -8.5   |
| S&P BSE SMALL CAP        | 52,195.09 | 51,449.23 | 56,021.55 | 1.4         | -6.8   |
| S&P BSE 200              | 11,179.79 | 11,048.51 | 11,679.27 | 1.2         | -4.3   |
| S&P BSE AUTO             | 59,255.34 | 55,959.85 | 59,040.86 | 5.9         | 0.4    |
| S&P BSE Bankex           | 61,513.30 | 60,025.39 | 58,311.51 | 2.5         | 5.5    |
| S&P BSE Consumer Durable | 57,694.25 | 60,638.17 | 63,590.04 | -4.9        | -9.3   |
| S&P BSE Capital Good     | 68,289.99 | 65,417.08 | 73,169.37 | 4.4         | -6.7   |
| S&P BSE FMCG             | 20,107.82 | 20,610.64 | 23,022.21 | -2.4        | -12.7  |
| S&P BSE Health Care      | 43,075.69 | 43,622.70 | 43,177.32 | -1.3        | -0.2   |
| S&P BSE IT               | 33,184.74 | 34,437.32 | 43,486.56 | -3.6        | -23.7  |
| S&P BSE METAL            | 33,252.87 | 30,388.49 | 32,455.81 | 9.4         | 2.5    |
| S&P BSE Oil & Gas        | 26,910.13 | 25,540.00 | 32,978.10 | 5.4         | -18.4  |
| S&P BSE Power Index      | 6,715.08  | 6,392.75  | 8,231.68  | 5           | -18.4  |
| S&P BSE Realty           | 6,740.13  | 6,764.68  | 8,233.53  | -0.4        | -18.1  |

| Index Name               | As on     |           |           | Return in % |        |
|--------------------------|-----------|-----------|-----------|-------------|--------|
|                          | 30-Sep-25 | 29-Aug-25 | 30-Aug-24 | 1 Month     | 1 Year |
| Nifty 200                | 13,739.95 | 13,575.10 | 14,295.70 | 1.2         | -3.9   |
| Nifty 50                 | 24,611.10 | 24,426.85 | 25,235.90 | 0.8         | -2.5   |
| Nifty Auto               | 26,542.35 | 24,960.85 | 26,172.80 | 6.3         | 1.4    |
| Nifty Bank               | 54,635.85 | 53,655.65 | 51,351.00 | 1.8         | 6.4    |
| Nifty Commodities        | 8,985.90  | 8,571.80  | 9,484.20  | 4.8         | -5.3   |
| Nifty Energy             | 34,999.65 | 33,638.65 | 43,757.40 | 4           | -20    |
| Nifty Financial Services | 26,022.10 | 25,567.70 | 23,637.90 | 1.8         | 10.1   |
| Nifty FMCG               | 54,710.70 | 56,141.85 | 63,059.75 | -2.5        | -13.2  |
| Nifty India Consumption  | 12,063.25 | 12,059.35 | 12,077.70 | 0           | -0.1   |
| Nifty Infrastructure     | 9,007.20  | 8,873.10  | 9,425.75  | 1.5         | -4.4   |
| Nifty IT                 | 33,655.10 | 35,181.25 | 42,787.80 | -4.3        | -21.3  |
| Nifty Metal              | 10,038.15 | 9,154.80  | 9,405.25  | 9.6         | 6.7    |
| Nifty Midcap 100         | 56,529.30 | 55,727.40 | 59,286.65 | 1.4         | -4.7   |
| Nifty Pharma             | 21,454.25 | 21,804.05 | 23,217.60 | -1.6        | -7.6   |
| Nifty Realty             | 867.6     | 870.75    | 1,053.40  | -0.4        | -17.6  |
| Nifty Smallcap 100       | 17,562.75 | 17,227.00 | 19,307.10 | 1.9         | -9     |

## The Macro Picture

|                                 | Sep-25                           | Aug-25                        |
|---------------------------------|----------------------------------|-------------------------------|
| WPI                             | 0.52% (August 2025)              | -0.58% (July 2025)            |
| CPI                             | 2.07% (August 2025)              | 1.55% (July 2025)             |
| Index of Industrial Production  | 4.05% (August 2025)              | 1.52% (June 2025)             |
| Repo rate                       | 5.50% (as on September 30, 2025) | 5.50% (as on August 31, 2025) |
| Marginal Standing Facility Rate | 5.75% (as on September 30, 2025) | 5.75% (as on August 31, 2025) |

Source: RBI, Bloomberg

BSE-30 and Nifty-50 indices delivered a gain of 0.6% and 0.8% respectively. The mid-cap and small cap index outperformed the benchmark indices for the month. On the sectoral front IT, Consumer Durables, Healthcare, Real Estate and Consumer staples underperformed the benchmark index, rest all sectors outperformed during the month led by Metals and Auto.

Post the GST rate cut announcement, initially markets went up, however ended the month with small gains on account of realization that GST cut benefit will be more back ended for the economy and initially may in fact negatively impact earnings for some sectors.

### Inflation

India's Wholesale Price Inflation (WPI) Index came in at 0.52% YoY during the current month as compared to -0.58% for the previous month on account of stable fuel, lower food and lower commodity prices.

CPI got a sigh of relief in Aug'25 as well, broadly led by food. The food price index remained in the deflation territory for 3rd straight month in a row. The broad comfort came from vegetables and pulses. Even rain related disruption has not impacted the supply dynamics of TOP (Tomato, Onion and Potato). Core inflation has also remained stable. Core excl. gold is benign.

India's GDP growth picked up pace in Q1FY26 to 7.8% with growth well balanced across all segments. Private final consumption expenditure grew by 7%, government final consumption expenditure grew at 7.4% while Gross fixed capital formation growth stood at 7.8% for the quarter.

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

India's Q4FY25 current account balance registered a surplus of US\$13.5bn (1.3% of GDP) compared to a deficit of US\$ 11.5bn (1.1% of GDP) for Q3FY25. The surplus represents preponement of goods exports to manage tariff risks from the US and better software/services exports along with 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 4.4% 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

GST rate rationalization exercise which was ratified by the GST council on September 3, 2025, got implemented from September 22, 2025. Rates have now been rationalized to largely two brackets, ie 5% and 18% instead of four rates earlier. The regime has been simplified, and many categories have been lowered to 5% with significant benefits for the consumer.

In the short term, i.e. Q2FY26 and partially Q3FY26 as well, rate reduction for a few sectors like Consumer Staples, Automotive is likely to see some disruption on account of inventory in the system. Our channel checks make us believe that in the near-term earnings are likely to be muted for some of these businesses and Q4FY26 earnings will start moving higher. In summary, it is worth highlighting that FY26 is probably a year of consolidation for the markets on account of weaker than normal earnings. Q4FY26 and FY27 we expect much better earnings growth for the markets including the benefit of a low base effect.

Overall, with valuations at 21x one year forward PE being on the higher side, earnings growth is likely to be the main driver of returns going ahead. We believe bottom-up stock picking will be the key to better performance unlike the past few years where momentum and valuation rerating was the key contributor of performance.

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 a long-term perspective.

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 added Tega industries to our portfolio. It is into ore mining consumables and with the acquisition of Molycop is now the largest such company in the world. We expect the company to deliver significant synergies leading to shareholder value creation over time. Valuation at 30x FY27 EPS are reasonable and provide favourable risk reward.

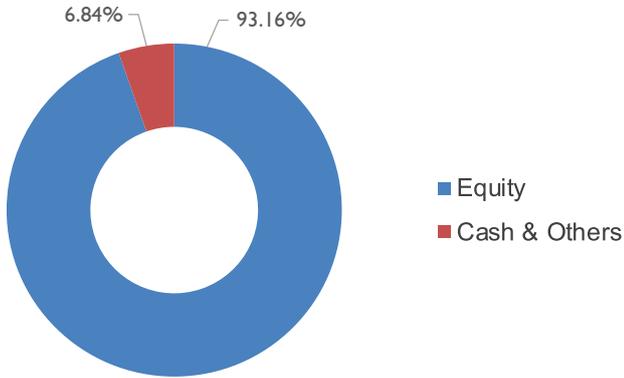
## Investment Objective

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.

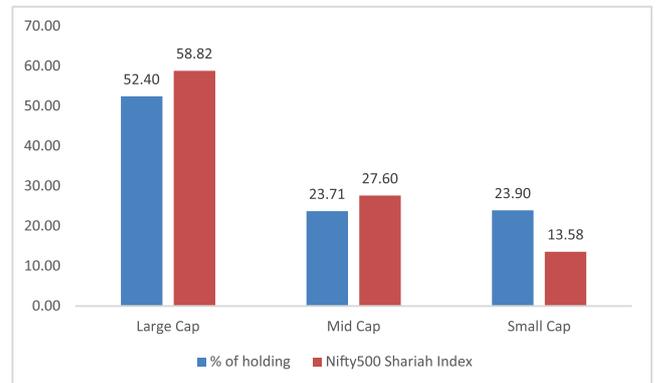
## Investment Approach

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.

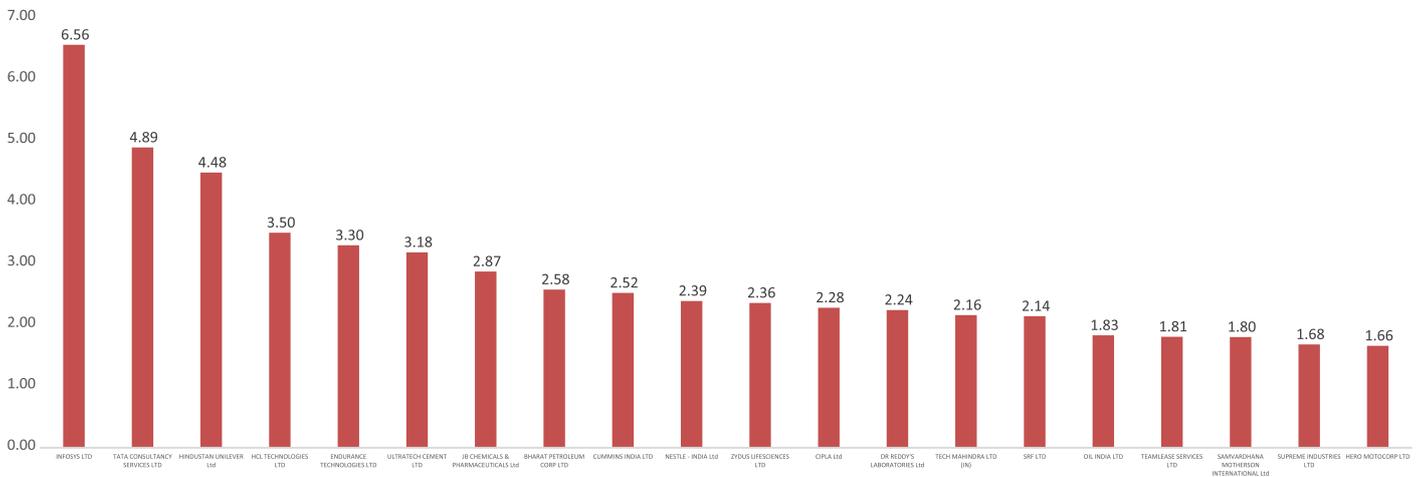
## Asset Allocation



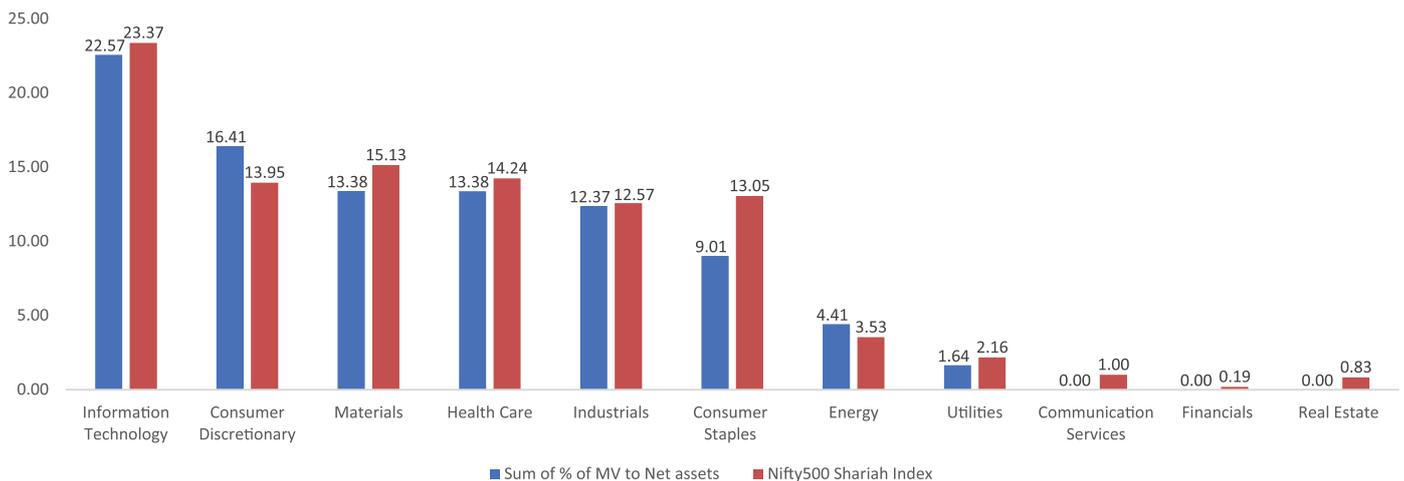
## Market Cap Allocation



## 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                   | (2.29)  | (7.35)   | 1.48     | (19.96) | 5.38    | 10.65   | 5.31            |
| Nifty 500 Shariah Index | (1.89)  | (7.60)   | (0.24)   | (20.29) | 7.76    | 11.40   | 6.25            |

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 44.53mn   |
| Month –End NAV   | USD 21.0024   |
| Minimum Investment   | USD5000   |
| Inception Date   | October 2010  |
| Purging Ratio for the period   October 2023 to 31 March 2024 | 0.018027  |

## Disclosures and Disclaimers

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