

The India Avenue Equity Fund



*India Avenue runs a tour to India once a year called the Grassroots India Tour for both prospective and current investors to understand and observe the landscape of India with their own eyes. It is another way our firm makes a difference to our clients' knowledge of their investments.

Why India

India's economy has grown at close to 7% per annum over the last 20 years given its strong demographics, consisting of a youthful, aspirant and sizeable population. The growing desire for consumption, significant urbanisation and resulting need for infrastructure is creating opportunities for listed companies in India, which allow them to generate robust compounded earnings over time. India is certainly not the next China, given its political system, legal system and business language are more aligned with familiarity of developed countries. Thus, while we expect its growth trajectory over the next few decades to be significant, we also expect the composition of India's growth will be very different to China's success story.



Our Philosophy

At India Avenue Investment Management, our philosophy is built on two key tenets which is embedded into the portfolio construction of the India Avenue Equity Fund:

- 1) India's growth will be high relative to other countries in the world given its favourable fundamentals. This will create significant compounding investment opportunities operating within its ecosystem; and
- 2) Investing in India's equity markets provide a significant opportunity to generate long-term outperformance of historical looking market-capitalisation based benchmarks.

Whilst large capitalisation stocks of India are some of the most researched companies in the world (given local and foreign broker research operating in the markets), companies outside the Top-100 (by market capitalisation) are largely undiscovered and can emerge to be significant players in their industry given India's fundamental tailwinds.

Early discovery of companies with strong potential to grow earnings in a sustainably compounded manner allows investors in Australia and New Zealand to benefit from the true growth story of India. It is important to invest not only in India's already established and robust businesses, but also in its emerging companies that grow their earnings at a much faster pace than GDP growth, until they approach a more mature profile.

A Case in Point:

Tata Consulting Services (TCS) is one of India's leading companies, with a current market capitalisation of approximately A\$165bn, placing it within India's Top 3 companies. The company was listed only 15 years ago in 2004 and is now India's leading IT services firm. The IT sector itself only emerged in India as an Industry in the 1990's. Within 2 to 3 decades it has become a dominant industry in India, servicing a significant global client base. What will be India's dominant industry, which is either in the process of emerging (e.g. medical devices, automobiles, pharmaceuticals) or yet to emerge?



Why Invest with Us?

We believe our Six Degrees of Separation to our competition are important to understand for both our existing and prospective investors.

Pure India Focus:

India Avenue is a firm which is focused only on India as an investment region. We feel our singular focus provides our investors with the benefit of our experience and insights through all market cycles rather than only when it is topical. We take care in building our proposition and product with a focus on our clients' domicile and our investment region.

Dual Presence:

Our presence in both Sydney, Australia and Mumbai, India through our networks in both locations allows us to understand our investor's needs

Track Record:

Our Founders have previously managed funds in this region with success. We utilised a similar investment process, to capture the benefits of investing in the region, which we have embedded in the India Avenue Equity Fund.

Proximity to our Clients and Investments:

India Avenue's founders have over 90 years combined of investment, operational and marketing experience related to Indian and Australian investment markets and funds. This provides our investors with significant insight and knowledge to navigate the investment journey more successfully.

Strong Partnerships:

Accessing stock selection and conviction ideas through locally based investment advisers in India (via our skilfully designed investment mandates) allows our investors to benefit from deep knowledge of the local ecosystem of company promoters, consumers, producers, employees, suppliers and market participants like stockbrokers and regulators, operating in India.

Diversification:

Our Fund seeks to provide Australian and New Zealand investors with a portfolio which is cognisant of diversification relative to their other typical equity holdings. We have a bias towards companies generating revenue locally in India, with greater leverage to the local growth story, rather than companies specifically benefitting from exports or based on commodity prices.



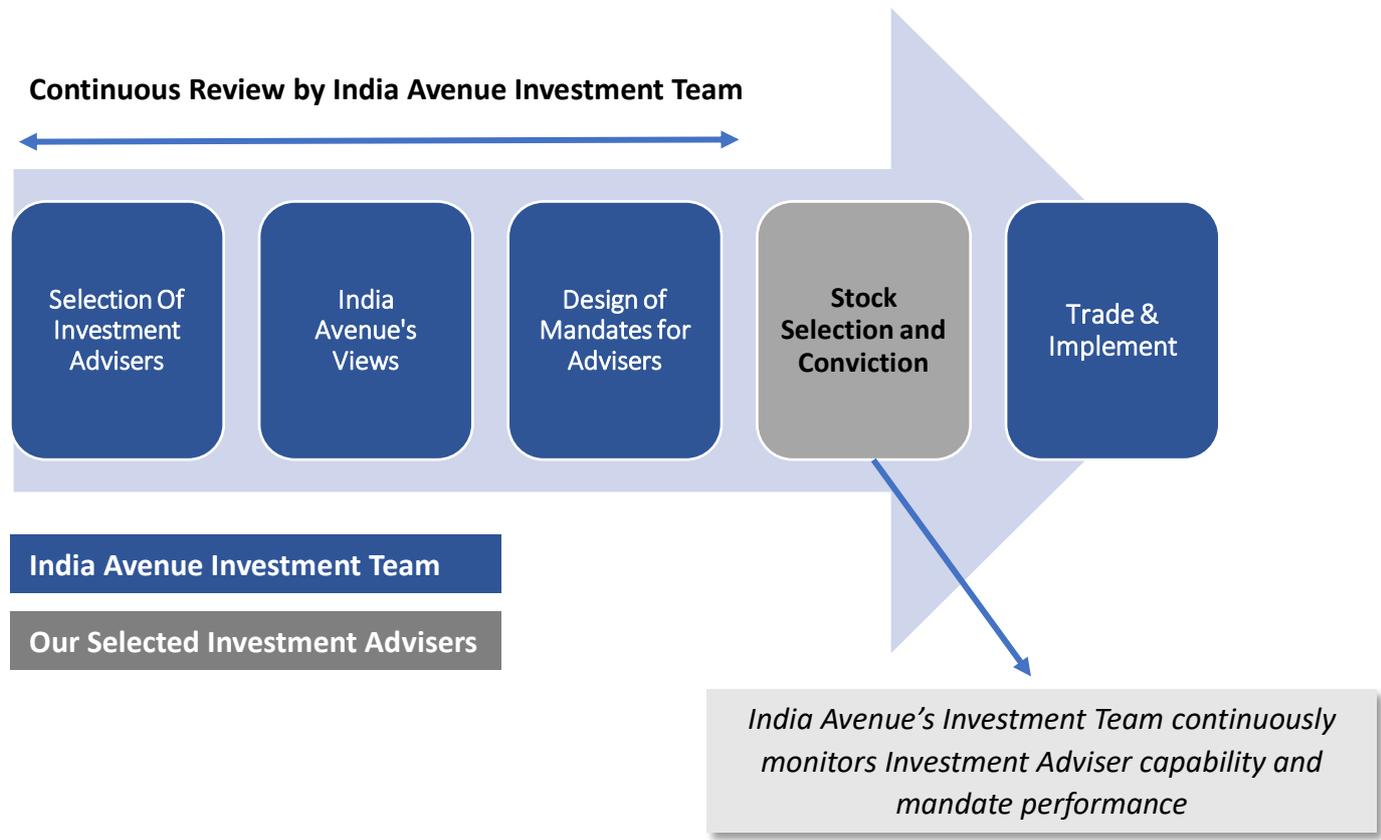
Our Investment Process

Given our experience in investing in this region, it is our view that **local qualitative insights on selection of companies are critical** in driving a better outcome compared to either investing passively (following a market capitalisation based index) or by applying standardised principles applied commonly across all markets and regions.

To benefit from local insights, whilst being domiciled in Sydney, Australia, **our firm has forged strong partnerships with locally based investment advisers** who manage money locally based out of Mumbai, India. These partnerships have evolved from our careful selection amongst India's best fund managers in terms of not simply investment performance, but also investment process and style. The investment team at India Avenue has undertaken significant due diligence with India's investment managers to determine who our partners should be. This remains a **dynamic part of our process of review and monitoring**, as the Indian market and its participants evolve.

We **design and develop investment mandates**, which is cognisant of the domicile of our investors in Australian and New Zealand and then allows our selected partners to impart their knowledge and insight via stock selection.

This allows **our investors to engage and communicate with us locally** in Australia and New Zealand, whilst **also benefitting from the local insights in India**, which is paramount to successfully investing in India's growth story.





About India Avenue

India Avenue is a firm established in Sydney, Australia in 2015, with an affiliate advisory firm based in Mumbai, India. The founders of our firms all have a background of employment with ING Investment Management across Australia and India. The India Avenue Equity Fund has an inception date of September 2016.

Our four founders of the business have a collective 90 years investment and operational experience which helped to build a strong proposition for our clients. Two of our founders (Mugunthan Siva and Aran Nagendra) are based in Sydney, Australia and bring significant investment experience in managing global, emerging as well as India specific portfolios.

India Avenue's founders own a majority stake in the business and are highly aligned with its long-term success.



MUGUNTHAN SIVA *has 26 years of experience, based in Sydney*

Previously Head of Portfolio Management for ANZ Wealth in Australia
Was CIO of a boutique multi-manager asset management business in India
Has managed diversified, alternative asset and global/emerging share market portfolios.



ARAN NAGENDRA *has 12 years of experience, based in Sydney*

Previously Senior Investment Analyst at MLC
Experience in capital markets research, asset allocation, multi-asset portfolio management, portfolio construction, manager selection research.



RAJEEV THAKKAR *has 25 years of experience, based in Mumbai*

Previously CEO for ENAM Asset Management Company
Worked for ING IM in Hong Kong and Singapore
Extensive experience in in Operations, Finance, Legal & Compliance and Risk



SAJJAN RAUT DESAI *has 26 years of experience, based in Mumbai*

Previously Head of Research & Investment Advisory for Bajaj Finance
Experience in portfolio construction and mutual fund research in India
Buy & sell side experience and has worked as a portfolio manager



India Avenue Equity Fund Facts

Objective	To outperform the MSCI India (Net) in AUD over rolling 5-7year periods
Benchmark	MSCI India (Net) in AUD
Inception	6 th September 2016
Number of Stocks	40-70
Buy / Sell Spread	+/- 0.35%
Management Fee	1.10% per annum – Wholesale* 1.50% per annum – Retail
Performance Fee	A fee of 10% of any excess performance over and above our benchmark, with a high watermark
Min Investment	\$20,000

*A wholesale investor can be classified as an investor who can invest a minimum of A\$500,000 or is classified as a “sophisticated investor” by their accountant, or an investor investing through an investment platform. A retail investor is anyone who does not qualify as a wholesale investor.

How to Invest

You can choose to invest in the India Avenue Equity Fund in following ways:

- 1) Directly via a PDS which you can find on our website www.indiaavenueinvest.com
- 2) You can invest with India Avenue via a platform, which is generally offered through a financial planner. A platform bundles a range of managed funds and investments as one single product to provide consolidated administration, tax, and distribution reporting. Currently the India Avenue Equity Fund is available on the Hub24, Netwealth, Powerwrap, Mason Stevens and Praemium investment platforms



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