

# AVENUES

## INDIA AVENUE EQUITY FUND

SQM Research Rating: Superior ★★★★★

### FUND OBJECTIVE

The India Avenue Equity Fund is a registered, unlisted unit trust, which invests in listed companies trading on Indian stock exchanges or on other exchanges, with significant exposure to India's growing economy. The Fund aims to outperform its benchmark in AUD terms, after fees and over rolling 5 year periods.

### FUND FACTS

Fund Manager	India Avenue Investment Management
Portfolio Manager	Mugunthan Siva
Structure	Registered managed investment trust
Inception Date	6 <sup>th</sup> September 2016
Fund Size	\$4.6 Million
Unit Price	0.9487
Base Currency	Australian Dollars
Responsible Entity	Equity Trustees Limited
Custodian	Fund BPO / BNP Paribas
Auditor	KPMG
Benchmark	MSCI India in AU\$
Distribution Freq.	Yearly at 30 June
Management Fee	Wholesale: 1.10% p.a. Retail: 1.50% p.a.
Buy-Sell Spread	0.50%
Performance Fee*	10% of the excess return above the benchmark

\*Subject to a high watermark.

### MARKET COMMENTARY: NOVEMBER 2016

The India Avenue Equity Fund fell 4.0% (net of fees) in November compared to the benchmark MSCI India which was down 4.7%. Concerns surrounding a stronger USD and the US election caused initial uncertainty for investors. However, the most notable event in the month, coincidentally on the same day as the US elections, was Prime Minister Modi's unprecedented move to curb black money by scrapping currency notes of Rs.500 and Rs.1000 denominations. Although this is a positive move for India in the long term, the uncertainty surrounding its immediate impact pushed the market lower relative to global markets. We have studied the repercussions and believe them to be of a short-term nature that creates an attractive entry point for long term investors. Please click on the links for more of our research regarding [demonetisation](#) and the [US election's](#) impact on India.

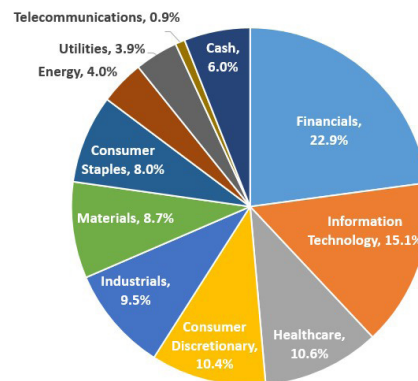
### FUND PERFORMANCE (Net of management fees and fund expenses)

	1 Month	2 Months	Since Inception*
India Avenue Equity Fund (AUD)	-4.00%	-1.18%	-5.13%
MSCI India (AUD)	-4.69%	-3.04%	-7.58%
Out/Under Performance	0.69%	1.86%	2.45%
ASX 300	3.26%	1.05%	1.79%
MSCI EM (AUD)	-1.83%	-0.87%	-2.74%
MSCI World (AUD)	4.45%	3.21%	2.38%

Source FundBPO and Bloomberg

\*Inception Date: 6th Sept 2016

### SECTOR ALLOCATIONS



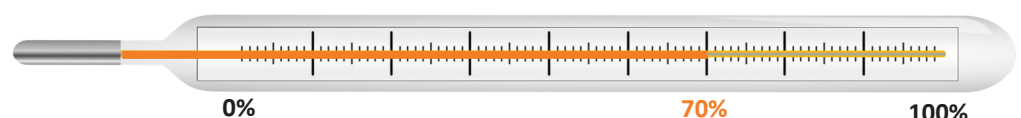
Source: IAIM Research and Bloomberg

### TOP 5 INDUSTRIES

Industries	Weight
Banks	19.5%
Software & Services	15.1%
Pharmaceuticals & Biotech	10.6%
Capital Goods	9.5%
Automobiles & Components	9.3%

Source: IAIM Research and Bloomberg GICS Sectors (30 November 2016)

### COMPANY REVENUE GENERATED LOCALLY %



Source: Bloomberg

The focus of the portfolio is to generally invest in companies which have a high component of their revenue generated locally in India. This provides significant leverage to the local economy's strong growth potential.



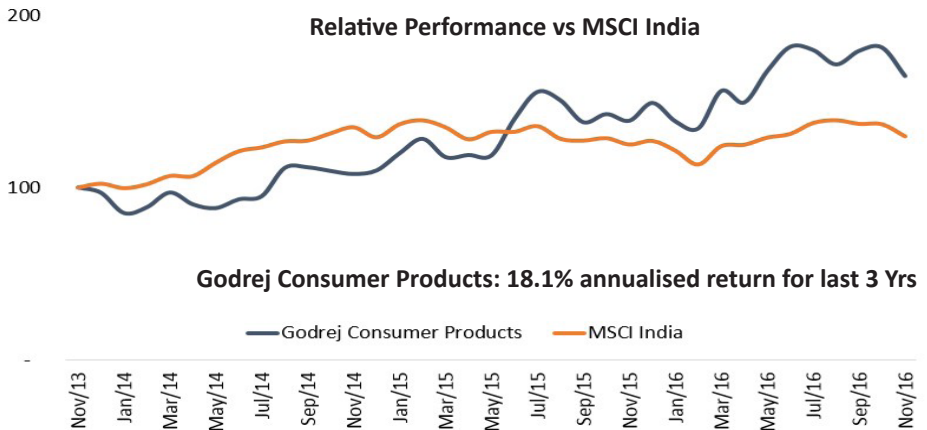
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## TOP 10 STOCKS

Name	Description	Weight
Infosys	Software & Services	5.2%
HCL Technologies Ltd	Software & Services	5.1%
Sun Pharmaceuticals	Pharmaceuticals	5.0%
Larsen & Toubro	Capital Goods	4.9%
Kotak Mahindra Bank	Banks	4.9%
Maruti Suzuki India	Automobiles	4.6%
Hindustan Unilever	Household & Personal	4.4%
ICICI Bank	Banks	3.9%
Wipro	Software & Services	3.6%
Tata Motors	Automobiles	3.4%

Source: IAIM Research and Bloomberg

## STOCK STORY: GODREJ CONSUMER PRODUCTS



Source: MSCI, ACE software, India Avenue Research

- Godrej Consumer Products Limited (GCPL) is a leading home care, personal wash and hair care company in India. The company is a leader in household insecticides, hair colour and liquid detergents and the second largest player in toilet soaps category in India
- GCPL has used its India business as a platform to become a leading consumer company in many emerging markets. The company has presence in 18 countries and presently, more than 50% of GCPL's revenue come from their international businesses
- Rising aspirations, increasing affordability, improved availability and enhanced buying experience in emerging markets provides the company tremendous opportunities to drive penetration and increase consumption of its products
- GCPL is looking to build itself into an emerging markets fast moving consumer goods (FMCG) leader. The company is focussed on innovation and investing significantly in technology and Research & Development to build on its core categories and broaden its products portfolio

## ABOUT INDIA AVENUE

India Avenue Investment Management (IAIM) is a boutique investment company focused on providing investment solutions for clients in Australia and New Zealand who seek exposure to India's growth potential through its capital markets.

The India Avenue Equity Fund is managed by the team at IAIM and has a bias towards companies which are experiencing strong growth through rising local demand. The Indian economy's robust ecosystem provides a tailwind for several well managed and carefully selected listed companies.

## FUND IDENTIFIERS

- ARSN: 611 374 586
- ISIN: AU60ETL04826
- Citi Code: NFCK
- Bloomberg: ETL0482 AU
- Morningstar: 41512

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