India Equities Portfolio Fund

A Sub-Fund of RAMS Equities Portfolio Fund

Institutional Share Class

FACTSHEET – JANUARY 2019

Investment Objective

The principle objective of the sub-fund is to provide long term capital appreciation primarily through investment in equity and equity related investments of companies established in or operating in India. The exposure to the Indian market will be a minimum of 90% and a maximum of 100%.

Portfolio Manager Commentary

Indian equities provided stability in December as the price of crude oil decreased by a further 8% over the month. This was against the backdrop of a risk-off environment, which prompted global investors to turn cautious. The MSCI India Index (USD) was down 0.2% in December, outperforming its peer group for the third consecutive month, with both the MSCI EM and MSCI Asia Pacific (ex Japan) down 2.9%. Foreign portfolio investors continued to buy, recording inflows of USD 430mn, whilst domestic institutional investors curbed their recent buying habit, recording just USD 45mn of inflows, which was the lowest reported in 2018. The Indian Rupee depreciated by a modest 0.26% vs. USD and forex reserves remained at approximately USD 394bn. Among sectors, FMCG and infrastructure were the key outperformers while IT and pharma were the key laggards. Mid and small-cap indices outperformed the large-cap indices.

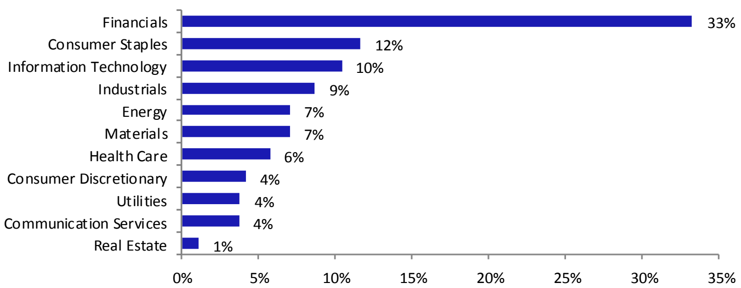
CPI inflation continued its soft patch in November, declining further to a 17-month low of 2.3%, with a broad-based decline across food (-1.7% vs. -0.1% in October), fuel (6.7% vs 8.1% in October) and core inflation (5.7% vs 6.2% in October). The MPC maintained rates again but decided to reduce the statutory liquidity ratio by 150bps to ease the tight liquidity situation in the system. However, the MPC maintained its monetary policy stance of “calibrated tightening”. The RBI Governor, Dr. Urjit Patel, resigned citing personal reasons, marking a rare event in the institution’s history, with the government subsequently announcing Shaktikanta Das as his successor a day later. However, this did not have much effect on the market, surprisingly. The RBI also announced a slew of open market operations (OMOs) for the next 3 months, taking the January-March quarter OMO total to INR 1.5 trillion (USD 21bn).

The assembly poll results were announced for 5 states with Congress emerging victorious in three BJP-incumbent states (Madhya Pradesh, Rajasthan, Chhattisgarh) while Telangana went to TRS and Mizoram to MNF. However, the markets surprisingly reacted positively to this result as there are no further reforms on the agenda that could get deferred. While the BJP-led government has shown exemplary fiscal responsibility in the first four years, the markets might be wary of the risks that populism poses following the state election results. Discussions on the farmer crisis gathered pace as GE(General Elections) drew closer with Congress hinting at a nationwide farm loan waiver. In order to boost consumption further, the GST meeting concluded with 6 items being removed from 28% tax bracket, while 28 items remained.

During December, we added the largest apparel retailer to our portfolio. It is expected to turnover USD 1.35bn in FY19e and is growing at 15% CAGR. Due to the operating leverage, the profit can grow at a much faster pace than the topline. We booked profit in one small South Indian bank as the results had been weaker than expected for last 3-4 quarters. As a result of these changes, the Fund is now approximately 96.5% invested.

We are closely monitoring the market and will selectively deploy any cash into new and existing opportunities as they arise. Q3FY19 result season will start soon and set the tone for the year. We need to monitor the RBI’s stance, which might become more dovish with continued, benign inflation. Fiscal risks remain as the government might spend more aggressively before the general elections.

Sector Breakdown



Key Information

Fund Size	USD 199.17 Mn
NAV	129.46
Inception date	17th May 2016
ISIN	LU1251112626
Bloomberg Code	RAMUSDI LX
Investment Manager	Reliance Asset Management (Singapore) Pte Ltd
Investment Advisor	Reliance Nippon Life Asset Management Ltd
Domicile	Luxembourg
Reference Currency	USD
Dealing and Valuation	Daily
Fee & Minimum Subscription	1.25% & USD 250,000

Data as at 31st December, 2018

Performance Snapshot (%)

	1 mth	3 mth	6 mth	1 year
RAMS India Equities Portfolio Fund (USD)	**1.52**	**6.61**	**0.86**	**-16.17**
MSCI India – USD^	**-0.18**	**2.23**	**-0.52**	**-8.70**

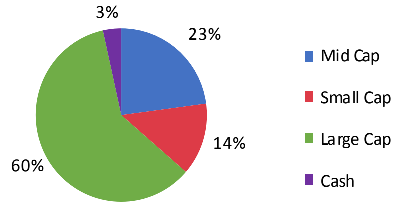
	2018	2017	2016*	Since Inception
RAMS India Equities Portfolio Fund (USD)	**-16.17**	**50.12**	**2.87**	**29.46**
MSCI India – USD ^	**-8.70**	**36.89**	**-0.54**	**24.30**

** Since 17th May 2016. ^Source: Bloomberg total returns of MSCI India USD Price Return Index*

Key Ratios (1Yr)

Portfolio Volatility	17.17%
Sharpe Ratio	-1.07
Beta	0.96
Tracking Error	6.31%

Market Capitalisation**



Large Cap: Greater than USD 4.5bn, Mid Cap: USD 4.5bn-USD1.2bn, Small Cap: Less than USD 1.2bn
*** Total may not add to 100% due to rounding effect*

Top 10 Holding

HDFC Bank	**6.2%**
Infosys Ltd	**4.7%**
State Bank of India	**4.4%**
HDFC Ltd	**3.5%**
ICICI Bank	**3.4%**
ITC	**3.0%**
Dabur	**3.0%**
Reliance Industries	**3.0%**
Supreme Industries	**2.9%**
Varun Beverages	**2.9%**