

AUGUST 2017

### Monthly commentary

#### Net Asset Value

The Net Asset Value per Class A US\$ share as at 31 August 2017 was US\$205.29. In August the NAV was up 0.6% whilst the S&P Dollex 30 (BSE Sensex US\$ equivalent) was down 2.1%. In local currency the NAV was up 0.5%.

#### Portfolio update

Positive attribution to the portfolio's performance was driven by HPCL (up 27.4%), Indian Oil Corporation (up 24.0%), and Petronet LNG (up 11.4%). The negative attribution mainly stemmed from Infosys which was down 9.5%, and City Union Bank which was down 9.7%.

#### Market and economic update

India's equity markets diverged this month. Large Cap stocks of the BSE Sensex corrected 2.4%, principally on the back of geopolitical tensions over North Korea, whilst stocks of the BSE Mid Cap Index rallied 1.1%, once again supported by ongoing inflows from Domestic Institutions. In August Foreign Institutions were net sellers (US\$1.7bn) while Domestic Institutions were net buyers (US\$ 2.5bn). The Rupee appreciated 0.4% against the US Dollar and 1.7% against Sterling.

First quarter FY18 GDP (for the quarter ending June 2017) was reported "softer" than expected, with growth slowing to 5.7% from 6.1%, as companies slashed production due to the wholesale channel

destocking ahead of the introduction of the Goods and Services Tax (GST) from July. Consensus estimates for full year GDP growth now range between 6.8% and 7.0%. Looking ahead, manufacturing growth is expected to revive slowly over the next few quarters as the impact of both demonetisation and destocking fades. Plentiful monsoon rainfall and lower interest rates are expected to generate healthy "consumption led" growth, however offsetting this could be a reduction in government spending as the Finance Minister looks to contain the fiscal deficit. Elsewhere, Consumer Price Inflation rose to 2.4% in July from a low of 1.5% in June, as the transition to GST pushed up prices.

Prime Minister Narendra Modi carried out a third ministerial reshuffle since taking power, in a move designed to raise economic growth and fast track the implementation of social sector projects ahead of the 2019 general election. Nine new cabinet members have been appointed (including India's first female Defence Minister for 35 years), all selected with the Prime Minister's 'New India' vision and with the '4P' formula in mind; Passion, Proficiency, Professional and Political acumen.

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### Class A US\$ performance vs. S&P BSE Dollex 30 (%)



Source: Ocean Dial Asset Management Limited, Bloomberg

### Performance (%)

	3m	6m	YTD	1 yr	3 yr	Sanjoy start	Launch
Class A US\$	3.09	12.81	24.23	15.75	29.74	92.84	105.29
S&P BSE Dollex 30	2.77	15.20	26.49	16.81	12.63	43.09	54.77
Class C GBP	2.77	8.02	18.72	17.61	66.44	125.86	131.23
S&P BSE Dollex 30 (GBP)	2.55	10.31	20.88	18.45	44.49	68.04	91.64

\*Class A US\$ was launched on 10 September 2012, Class C GBP was launched on 27 September 2012  
Source: Ocean Dial Asset Management Limited, Bloomberg

For the performance of other share classes please call +44 20 7068 9870 or email enquiries@oceandial.com

### Investment objective

The Fund aims to achieve long-term capital growth and will comprise of a diversified portfolio of companies from the Indian subcontinent. The Fund concentrates on securities that are listed, traded or dealt on the Regulated Markets in the Indian subcontinent and will have a minimum of 80% of the portfolio invested in Indian securities.

### Portfolio statistics

Fund size	US\$401m
No of holdings	44
Top 10 holdings	34.2%
5 and 40 rule	0.0%
Fund PE FY17	20.5
BSE Dollex 30 PE FY17e	22.6
Dividend yield FY17	1.8%
Median market cap	US\$3.8bn
Active share	78.7%

### Key facts - Class A US\$

Fund manager	David Cornell
Fund adviser	Sanjoy Bhattacharyya
Fund type	UCITS OEIC
Domicile	Ireland
Base currency	US\$
Share currencies	US\$, GBP, EUR
Launch date	10 Sept 2012
Benchmark	S&P BSE Dollex 30
Min. investment	US\$5,000 or currency equiv.
Reporting status	Yes
Fees (%)	Initial 0.00
	Annual 1.25
	Redemption* 3.00

No performance fee is applicable to the Class A US\$ share class.

\*The Fund reserves the right to charge a redemption fee of 3.0% of NAV, payable to the fund (not the manager), which will be imposed if the holding period is less than 12 months and is deemed detrimental to the NAV of the Fund.

### Dealing information

SEDOL	B585S74
ISIN	IE00B585S747
Bloomberg	ODGTIAU ID
Frequency	Daily
Dealing cut-off	13:30 T-1
Dealing line	+353 1 411 2949
Dealing fax	+353 1 411 2948

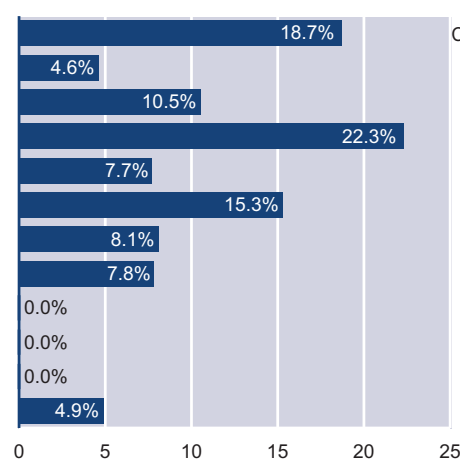
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## Top 10 equity holdings

Stock	% of Portfolio	P/E FY17	P/B FY17	Div. yield FY17	5yr Avg ROE	5yr EPS CAGR	5yr Sales CAGR
Hindustan Petroleum	4.6%	9.0	3.5	4.1%	19.2	134.0%	0.2%
ICICI Bank	4.1%	19.2	1.9	0.8%	14.3	6.1%	9.9%
Petronet LNG	3.5%	20.3	4.2	1.1%	19.6	10.3%	1.6%
Hindustan Zinc	3.4%	15.0	4.0	10.0%	18.8	9.2%	8.7%
Sundram Fasten	3.2%	25.2	6.9	1.1%	19.4	29.0%	3.5%
LIC Housing Finance	3.1%	17.5	3.1	0.9%	18.5	16.9%	17.7%
HCL Technologies	3.1%	15.6	3.7	2.8%	33.2	27.5%	18.0%
Hero Motorcorps	3.1%	24.7	7.7	2.1%	38.9	7.7%	3.9%
Balkrishna Industries	3.1%	21.5	4.3	0.5%	23.8	21.5%	4.3%
Indian Oil Corp	3.0%	11.9	2.6	4.2%	11.5	35.8%	-3.0%

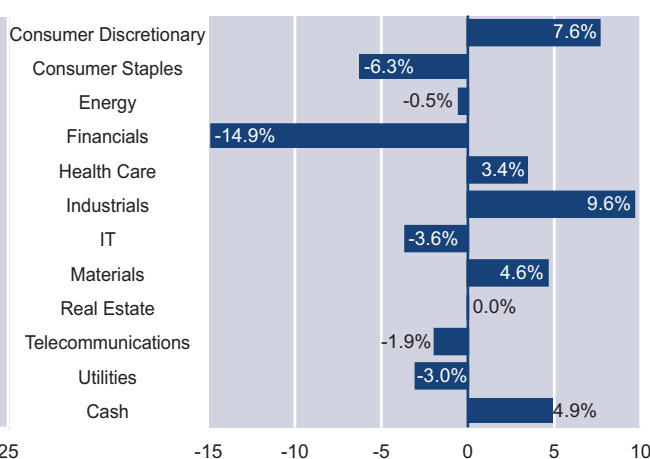
Source: Ocean Dial Asset Management Limited, Bloomberg

## Sector weighting



Source: Ocean Dial Asset Management Limited, Bloomberg

## Overweight/underweight portfolio compared to S&P BSE Dollex 30 Index



## Important information

The information in this document does not constitute or contain an offer or invitation for the sale or purchase of any shares in the Fund in any jurisdiction, is not intended to form the basis of any investment decision, does not constitute any recommendation by the Fund, its directors, agents or advisers, is unaudited and provided for information purposes only and may include information from third party sources which has not been independently verified. Interests in the Fund have not been and will not be registered under any securities laws of the United States of America or its territories or possessions or areas subject to its jurisdiction, and may not be offered for sale or sold to nationals or residents thereof except pursuant to an exemption from the registration requirements of the U.S. Securities Act of 1933, as amended (the "Securities Act"), and any applicable state laws. While all reasonable care has been taken in the preparation of this document, no warranty is given on the accuracy of the information contained herein, nor is any responsibility or liability accepted for any errors of fact or any opinions expressed herein. Past performance is not a guide to future performance and investment markets and conditions can change rapidly. Emerging market equities can be more volatile than those of developed markets and equities in general are more volatile than bonds and cash. The value of your investment may go down as well as up and there is no guarantee that you will get back the amount that you invested. Currency movements may also have an adverse effect on the capital value of your investment. Investing in a country specific fund may be less liquid and more volatile than investing in a diversified fund in the developed markets. This Fund should be seen as a long term investment and you should read the Prospectus whilst paying particular attention to the risk factors section before making an investment. Please refer to the Prospectus for specific risk factors. Where reference to a specific Class of security is made, it is for illustrative purposes only and should not be regarded as a recommendation to buy or sell that security. Market index information shown herein such as that of the S&P BSE Dollex 30 is included to show relative market performance for the periods indicated and not as standards of comparison, since indices are unmanaged, broadly based and differ in numerous respects from the Fund. This document is issued by Ocean Dial Asset Management Limited and views expressed in this document reflect the views of Ocean Dial Asset Management Limited and its Mumbai based affiliated company and advisor, Ocean Dial Advisers Private Limited as at the date of publication. This information is for the use of intended professional and institutional investor recipients only and may not be reproduced, redistributed or copied in whole or in part without the express consent of Ocean Dial Asset Management Limited. Ocean Dial Asset Management Limited is authorised and regulated by the Financial Conduct Authority in the United Kingdom. Registered office 13/14 Buckingham Street, London WC2N 6DF.

## Fund adviser



Sanjoy Bhattacharyya has a career in the Indian capital markets that spans 25 years, initially as Head of Research at UBS Warburg Securities

(India) before becoming CIO of HDFC Asset Management. Latterly he joined New Vernon Advisory as a Partner before setting up Fortuna Capital. He joined Ocean Dial in April 2013 and acts as an exclusive investment adviser to the Gateway to India Fund. Sanjoy has an MBA from the Indian Institute of Management, Ahmedabad.

## Investment philosophy

The investment manager believes that in India, optimal returns will be generated over time by investing in companies that are well placed to benefit from the structural growth potential of the Indian economy, combined with the highest quality of management best able to exploit this opportunity. The fund uses a consistent and disciplined bottom up stock picking process to select investments from our best ideas, unconstrained by a benchmark.

## Regulatory information

Any views expressed within this fact-sheet are those of the Fund Manager as at the date of issue which may be subject to change, and should not be taken as advice to invest. We do not undertake to advise you as to any changes in our views. If you are unsure about the suitability of any investment, please consult a Financial Adviser.

The Gateway to India Fund is a sub-fund of Ocean Dial Investment Funds plc, an Irish UCITs investment company.

## Prospectus and Application Form

The Prospectus and Application Form are available by telephoning +353 1 411 2949.

## Fund manager

Ocean Dial Asset Management Limited is authorised and regulated by the Financial Conduct Authority. Tel: +44 (0) 20 7068 9870 Email: enquiries@oceandial.com

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