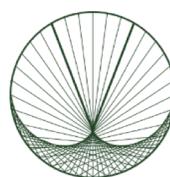


## VIKASA India EIF I Fund

Fund Fact Sheet  
January 2019  
NAV 121.12



**VIKASA**  
CAPITAL ADVISORS

### MANAGER COMMENTARY

The Indian benchmark indices ended flat for the second consecutive month in Jan'19. FII's turned net sellers after two months, offloading stocks worth USD 100 million. Domestic inflows, too, remained muted at USD 300 million. With the market volatility, large-caps are a safe haven. Encouragingly, the earnings season has been largely in line with the upgrade-to-downgrade ratio at greater than one. Corporate banks had positive trends.

Sectoral trends for Jan 2019: Technology (+8%) and Private Banks (+1%) were the outperformers in. Media (-17%), Auto (-11%), Cement (-11%), Capital Goods (-8%), and Metals (-7%) were the top laggards.

For the month, VIKASA INDIA EIF I Fund outperformed the benchmark. VIKASA was -0.9% while its benchmark was -1.43% in dollar terms. Axis Bank (+17%), Infosys (+14%) and Reliance Industries (+9%) were the top performers on a MoM basis. Hero Motors (-16%), Mahindra & Mahindra (-15%) and Maruti Suzuki (-11%) were the top underperformers. Despite uncertain macros, most companies reported strong revenue growth coupled with healthy deal pipeline in the IT Sector. Infosys Limited, which represents 8.5% of the portfolio contributed the most for the month. The company has won \$4.7 billion in large deals in the three concluded quarters of the ongoing financial year.

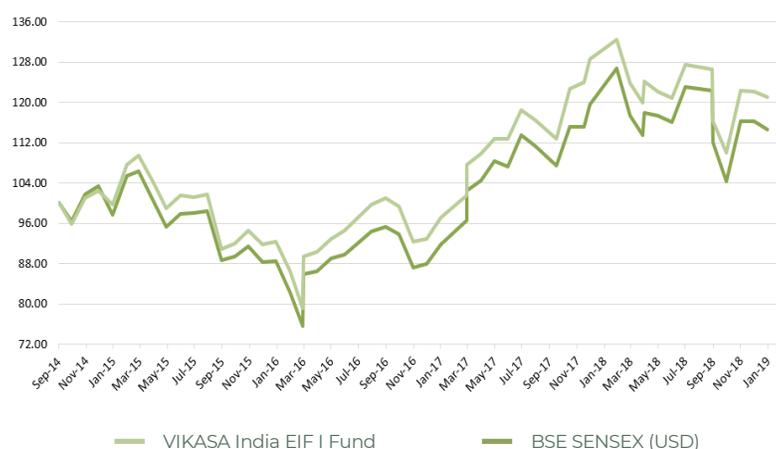
Private Banks continued reporting steady trends in loan growth, while the margin outlook is also getting better with banks like Axis Bank. The bank saw 131.4% surge in its December quarter net profit due to higher net interest and other income. The overweight of this stock provided alpha in the portfolio.

Reliance Industries Ltd (RIL), India's biggest company in terms of market capitalization, showed strong performance despite a weak benchmark refining margin. Operating profit was up by 6.4% led by strong operating performance in petrochemicals, retail, and digital services businesses. Significant volume growth and margin improvement in key product categories boosted petrochemicals segment earnings. RIL's overweight in the portfolio continues to bear fruits.

While the markets are likely to remain volatile due to central election, valuation of many companies have corrected and offers opportunity for long term investment.

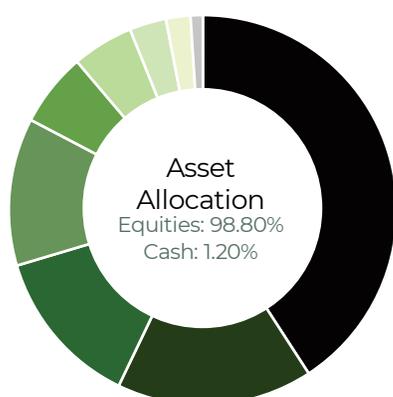
### PERFORMANCE

VIKASA India EIF I Fund vs BSE Sensex



Performance	Jan 2019	YTD	2018	Since Inception
VIKASA India EIF I Fund	-0.90%	-0.90%	-4.98%	21.12%
SENSEX	-1.43%	-1.43%	-2.81%	14.65%

### SECTOR ALLOCATION



- Financials 40%
- Information Technology 16%
- Energy 13%
- Consumer Staples 12%
- Consumer Discretionary 6%
- Industrials 5%
- Materials 3%
- Others 2%
- Health Care 1%

### FUND FACTS

Dealing Frequency	Monthly
Investment Manager	VIKASA Investment Management Ltd
Benchmark	S&P BSE SENSEX
Inception Date	2nd September 2014
Custodian	Edelweiss Custody Services
Administrator	Apex Fund Administrators
Auditors	KPMG
Valuation Day	Last business day of the month
Dealing Day	First business day of the month
Performance Feed	Nil
Exit Fees	Nil
Management Fee	0.85%

### TOP 10 HOLDINGS

10.85%	Reliance Industries Limited
8.57%	Housing Development Finance Corp Ltd
8.50%	Infosys Limited
8.48%	HDFC Bank Ltd - FII
6.55%	Tata Consultancy Services Ltd
5.51%	ITC Ltd
5.41%	ICICI Bank Ltd
5.40%	Larsen & Toubro Limited
5.33%	Axis Bank Ltd
3.82%	Bajaj Finance Limited

## INVESTMENT OBJECTIVES

The fund is designed for investors seeking exposure to India's public equity markets. A minimum of 70% of the fund tracks the BSE SENSEX benchmark, with an active equity overlay of up to 30% of the fund. The fund has the potential to generate higher returns, but will also have a higher risk profile than an index only product. The fund's objective is long-term capital appreciation with no need for income.

## RISK CONSIDERATIONS

- **Concentration risk** the Fund may be subject to a greater risk of loss because a single security's increase or decrease in value may have a greater impact on the Fund's value and total return.
- **Counterparty risk** a party that the Fund transacts with may fail to meet its obligations which could cause losses.
- **Custodian risk** insolvency, breaches of duty of care or misconduct of a custodian or sub-custodian responsible for the safekeeping of the Fund's assets can result in loss to the Portfolio.
- **Emerging markets risk** emerging markets are likely to bear higher risk due to lower liquidity and possible lack of adequate financial, legal, social, political and economic structures, protection and stability as well as uncertain tax positions. Emerging markets typically have an increase in price volatility.
- **Exchange rate risk** changes in exchange rates may reduce or increase the returns an investor might expect to receive independent of the performance of such assets. If applicable, investment techniques used to attempt to reduce the risk of currency movements (hedging), may not be effective. Hedging also involves additional risks associated with derivatives.
- **Liquidity risk** the Fund may not always find another party willing to purchase an asset that the Fund wants to sell which could impact the Fund's ability to meet redemption requests on demand.
- **Market risk** the value of assets in the Fund is typically dictated by a number of factors, including the confidence levels of the market in which they are traded.
- **Operational risk** material losses to the Fund may arise as a result of human error, system and/or process failures, inadequate procedures or controls.

**IMPORTANT PERFORMANCE NOTICE:** Performance assumes reinvestment of all dividends and/or distribution before taxes. All performance quoted represents past performance and is no guarantee of future results. Investment return and principal value will fluctuate with market conditions so that when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the return figures quoted. Returns would have been lower if certain of the Fund's fees and expenses had not been waived.

**IMPORTANT LEGAL NOTICE:** This report is provided by VIKASA India EIF I Fund for information purposes only and is meant for investment professional use. Neither the information nor any opinion expressed constitutes an offer or an invitation to make an offer, to buy or sell any fund. This report does not have regard to the specific investment objectives and financial situation of any specific person who may receive this report. Investors should seek financial advice regarding appropriateness of investing in any funds recommended in this report and should understand the statements regarding future prospects may not be realized. Investors should note that each fund's price or value may rise or fall. Past performance is not a guide to future performance. Dated February 2019.