

AUGUST 2018

Monthly commentary

Net Asset Value

The Net Asset Value (NAV) per Class A US\$ share as at 31 August 2018 was US\$ 195.58. In August the NAV was up 0.9% whilst the S&P Dollex 30 (BSE Sensex US\$ equivalent) was down 0.7% delivering outperformance against the benchmark of 1.6%. In local currency the NAV was up 4.3%.

Portfolio update

Positive contribution to the portfolio's performance was driven by Aurobindo Pharma (up 20.5%), City Union Bank (up 17.8%) and NIIT Technologies (up 14.7%). The negative contribution mainly stemmed from Skipper was down 19.8% and Hindustan Petroleum was down 10.9%.

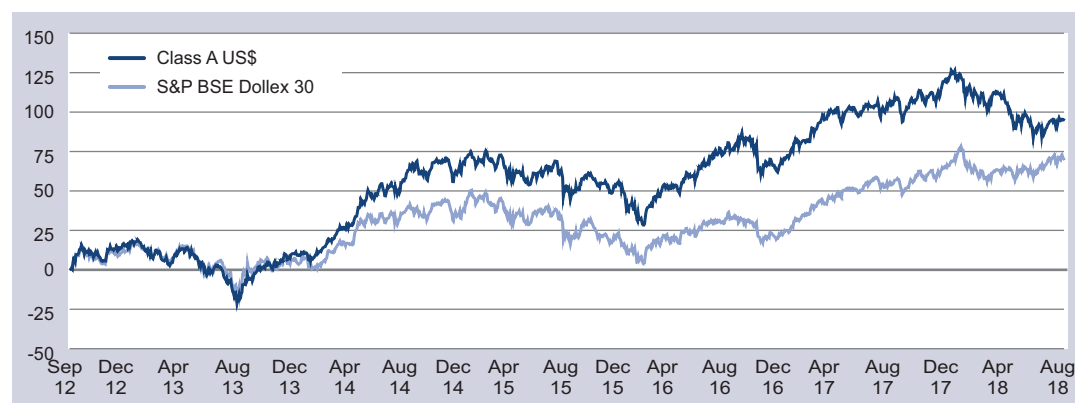
Market and economic update

Indian equity markets continued to rise in local currency terms. The BSE Sensex rose 2.8% in August touching all-time highs, whilst the BSE Mid Cap recovery extended for a second month, rising 5.6%. Rupee weakness intensified this month, touching all-time lows, falling 2.5% against Sterling and 3.6% against the US Dollar. Ongoing tensions between the United States and various key oil producing countries is driving oil prices higher, which is increasing the demand for Dollars, as import costs rise. The Reserve Bank of India (RBI) has indicated it is currently impervious to the falling currency, but may step in to reduce volatility. Ongoing currency weakness may also impact RBI's thinking over future interest rate rises, the next meeting being in

October. Foreign currency reserves have fallen but remain above US\$400bn and 10 year government bond yields crossed 8%. Foreign Institutions were net sellers of equities (US\$278m for the month) and Domestic Institutions were net buyers (US\$402m for the month).

The rally in stock prices remains narrowly based and seemingly driven by ongoing fund flow into domestic mutual funds, whose cash holdings are limited. That said, real GDP growth accelerated to 8.2% in Q1FY19 compared to 7.7% in Q4FY18, comfortably beating market expectations. A favourable base effect arising from a weak Q1FY18 (ahead of the GST implementation) played a role, but strong growth was enjoyed across a broad base. On the demand side, private consumption growth surged to 8.6% while capital expenditure (private sector investment) grew by 10%. Within sectors it was largely led by a pickup in agriculture (5.3% from 3.0% in Q1FY18) and industrial growth (10.3% from 0.1% in Q1FY18). In the industrial space, manufacturing (13.5% from -1.8% in Q1FY18) and construction (8.7% from 1.8% in Q1FY18) were the key contributors. The RBI expects India's economic growth rate to accelerate to 7.4% in the current financial year based upon a pickup in industrial activity and a good monsoon, although rising inflation due to the impact of increasing minimum support prices and a widening current account deficit, may yet temper these assumptions. In July, consumer price inflation fell to 4.2%, inside the RBI's comfort zone.

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	5yr	Launch
Class A US\$	-0.41	-7.82	-11.56	-4.73	27.82	136.85	95.58
S&P BSE Dollex 30	4.04	3.93	2.08	9.76	37.59	93.94	69.88
Class C GBP	2.13	-2.16	-7.76	-4.98	51.29	181.86	119.72
S&P BSE Dollex 30 (GBP)	6.70	10.31	6.31	9.48	62.86	131.42	109.80

*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 9877 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\$288m
No of holdings	36
Top 10 holdings	41.4%
5 and 40 rule	6.1%
Fund PE FY18	19.2
BSE Dollex 30 PE FY18	27.6
Dividend yield FY18	1.2%
Median market cap	US\$3.71bn
Active share	79.2%

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

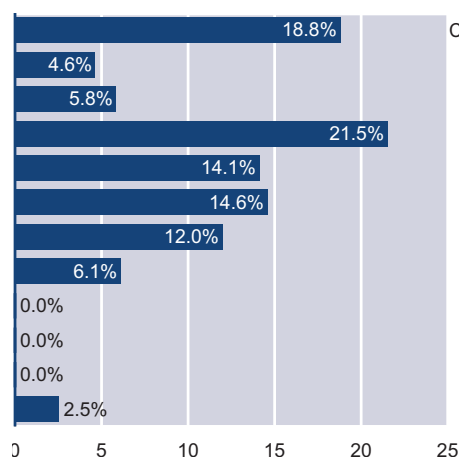
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Top 10 equity holdings

Stock	% of Portfolio	P/E FY18e	P/B FY18e	Div. yield FY18e	5yr Avg ROE	5yr EPS CAGR	5yr Sales CAGR
Mahindra & Mahindra	6.1%	16.0	3.3	0.8%	14.0%	12.2%	6.0%
Petronet LNG	4.5%	17.9	3.8	1.8%	18.9%	13.2%	-0.6%
HCL Technologies	4.4%	17.4	4.0	1.1%	31.2%	16.5%	14.6%
Infosys	3.9%	19.6	4.8	3.0%	24.3%	13.3%	11.8%
Aurobindo Pharma	3.8%	17.6	3.6	0.4%	31.0%	52.5%	23.0%
Hero Motorcorp	3.8%	17.6	5.5	2.9%	37.9%	14.1%	6.3%
Niit Technologies	3.8%	30.9	4.9	1.1%	17.1%	6.1%	8.2%
Balkrishna Industries	3.8%	36.5	6.4	0.4%	21.7%	15.7%	5.5%
ICICI Bank	3.7%	29.5	2.0	0.4%	12.9%	-4.3%	6.7%
City Union Bank	3.6%	25.2	3.6	0.1%	16.3%	8.0%	9.2%

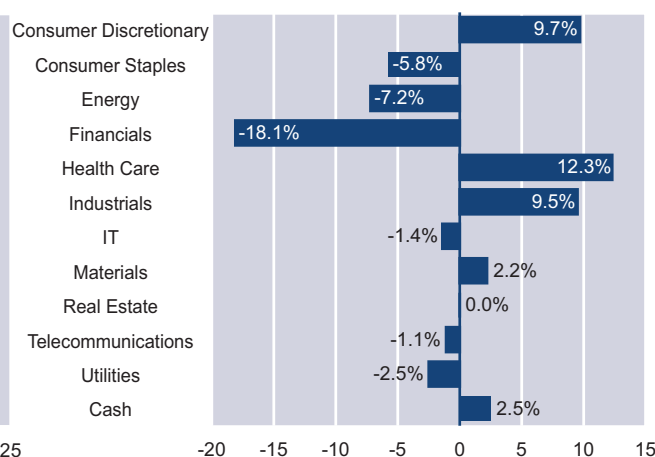
Source: Ocean Dial Asset Management Limited, Bloomberg

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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