



London Stock Exchange Group Annual Investment Fund Conference

## **Why India? Why now?**

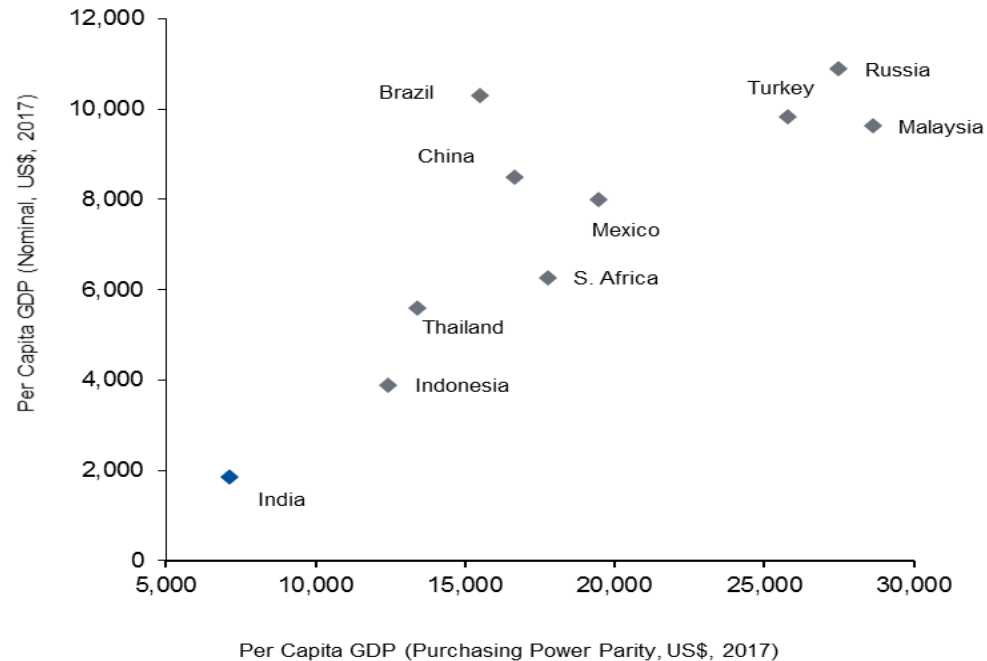
Presented by

David Cornell, CIO Ocean Dial Asset Management

23 April 2018

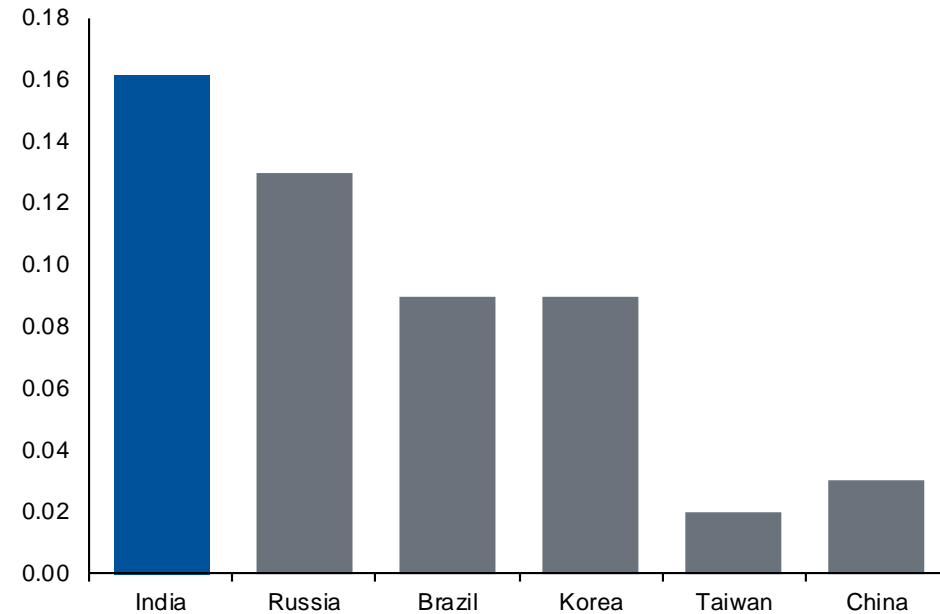
## The Long Road Ahead

Emerging Market Per Capita/GDP

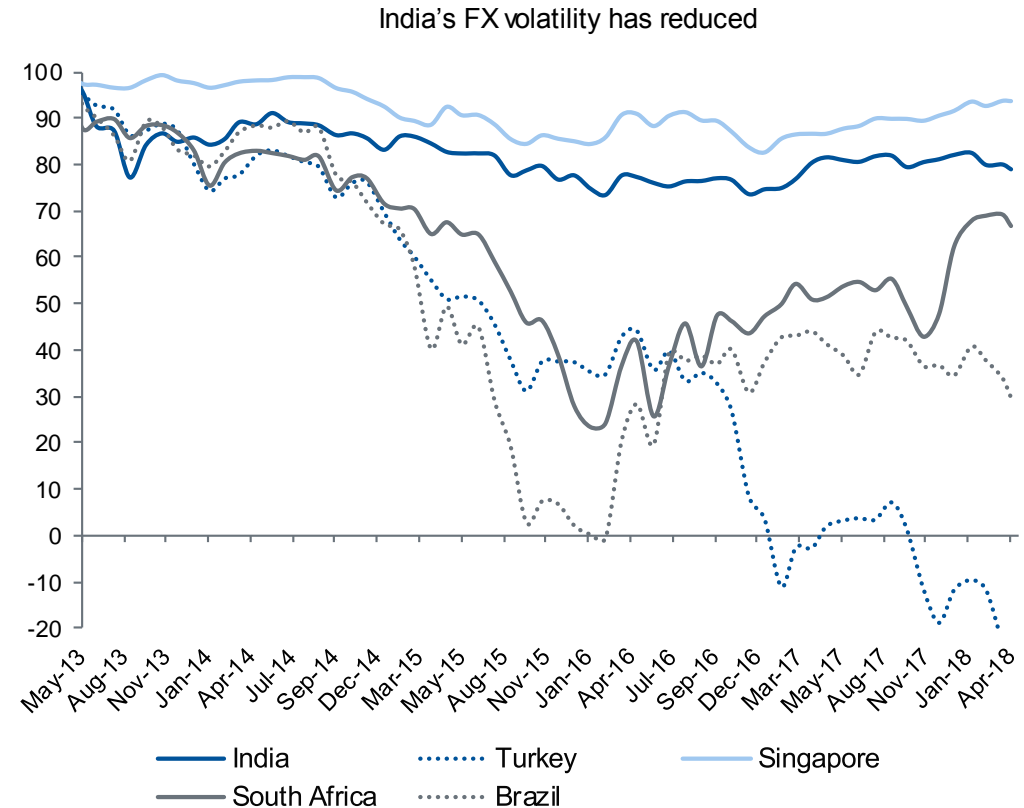
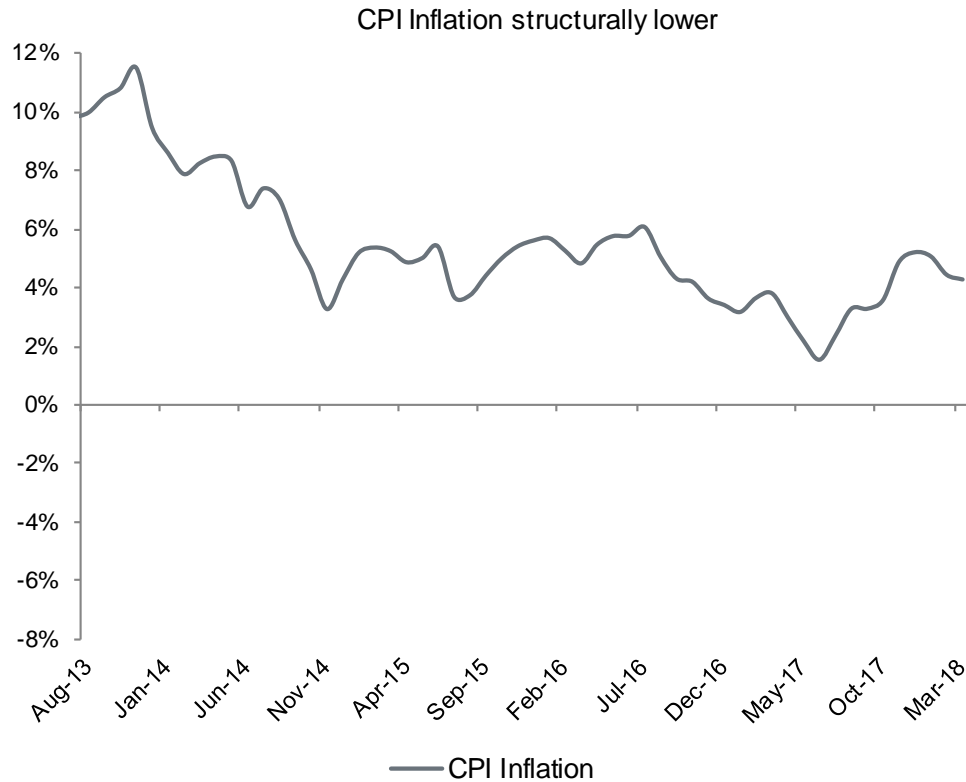


## High risk adjusted returns (US\$)

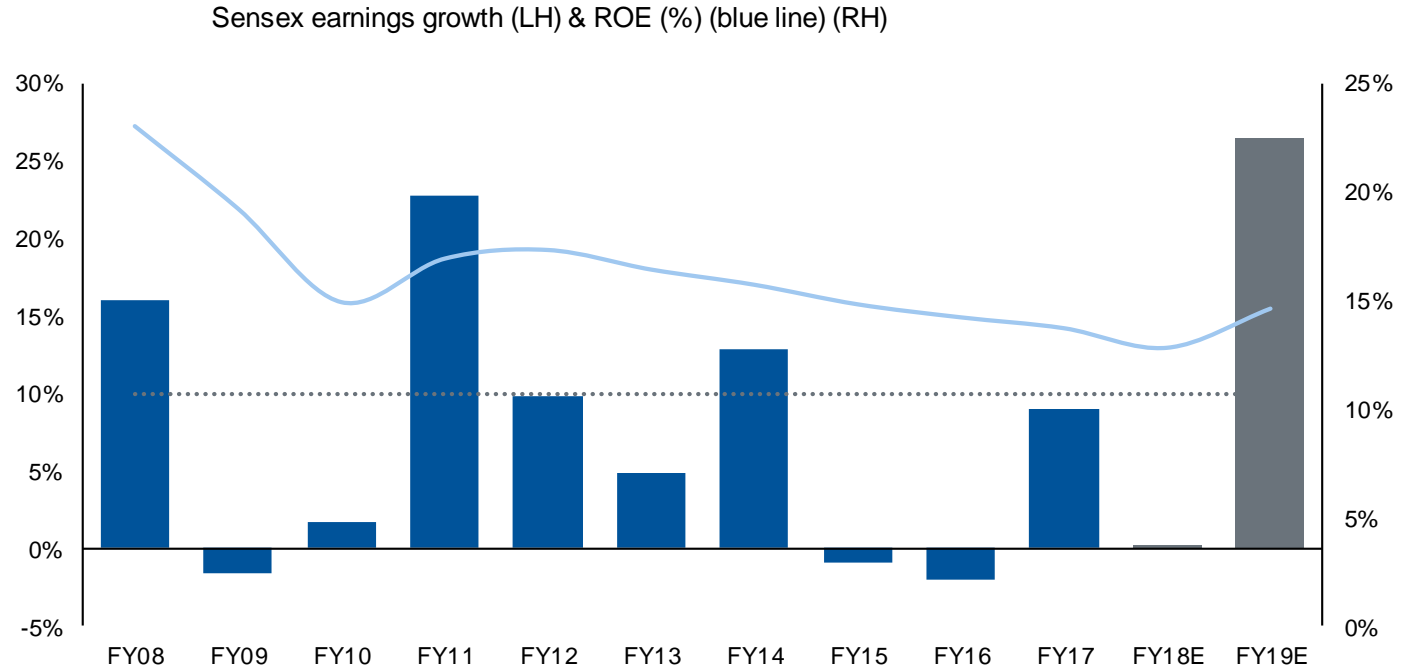
Average Annual Return/Annual volatility of MSCI Indices (1995-present)



- A young “all-consuming” middle class is emerging, though still a long way behind the EM peer group
- India’s diversified range of sectors and stocks supports a deep pool of managerial talent, generating superior long term returns

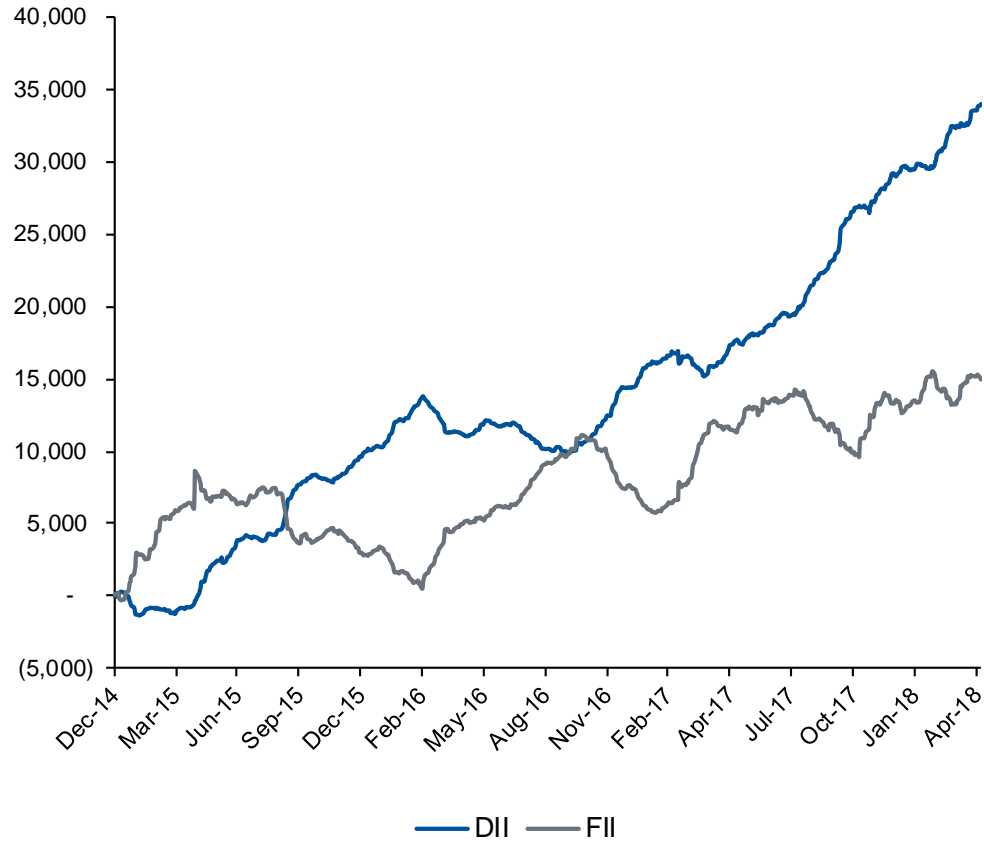


- Lower oil prices combined with better fiscal management have supported the economy
- Reform initiatives introduced by BJP Government are providing a stable platform for long term sustainable growth
- FX reserves are now over US\$424bn, India is better prepared for tighter global liquidity

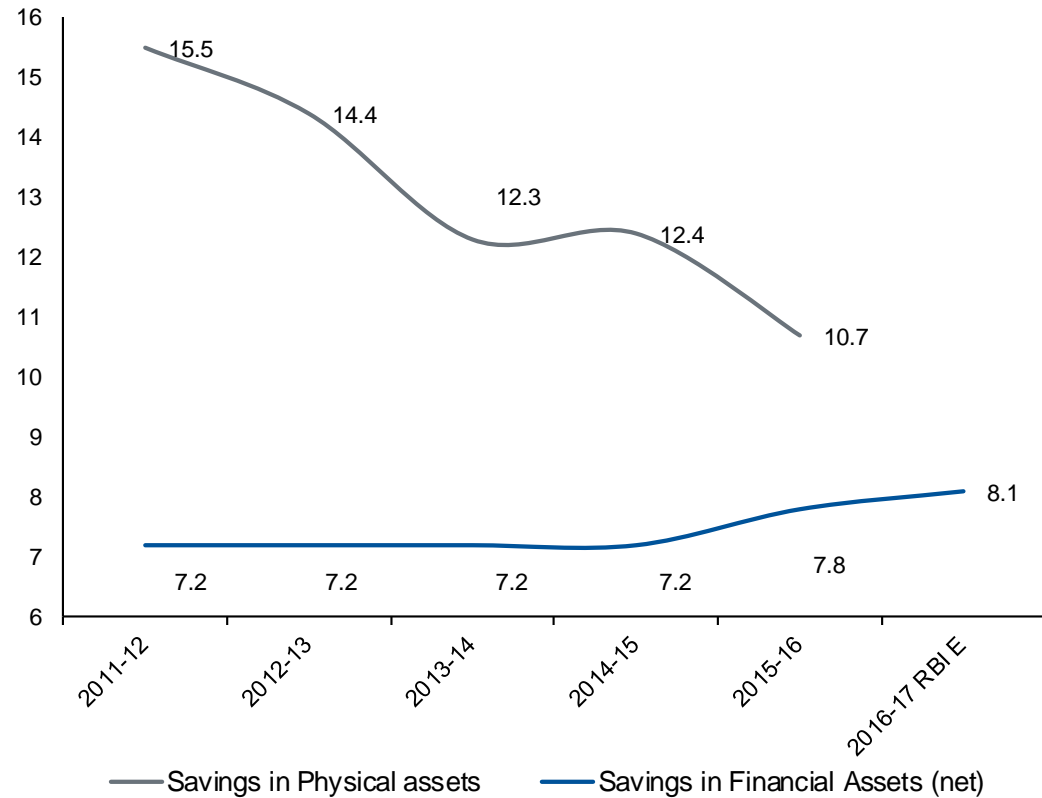


- After a period of stagnation, corporate earnings are recovering
- Corporate profitability as % of nominal GDP remains low
- Deleveraging process ongoing, consumer and business confidence high
- Gross Fixed Capital Formation and credit growth are picking up

Foreign & Domestic Incremental Fund Flows (US\$)

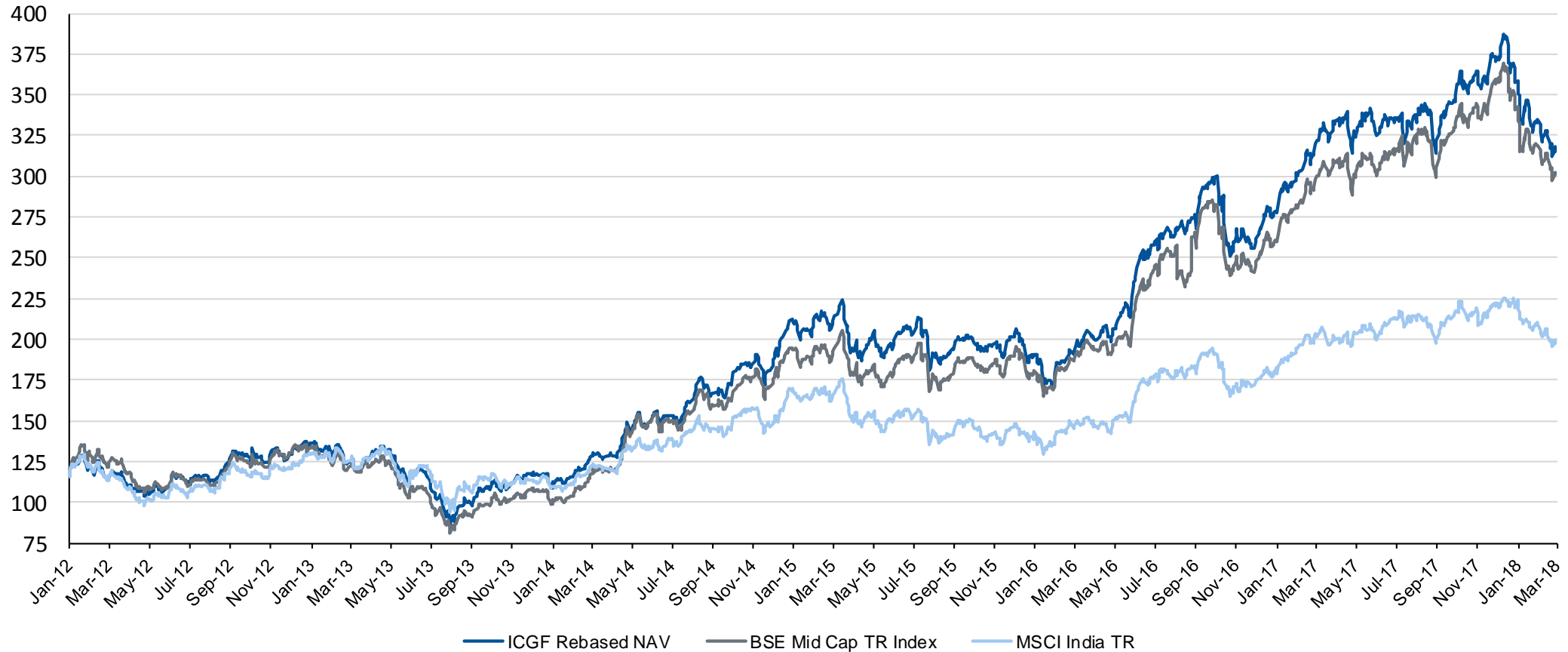


Gross Savings of the Household Sector (as a % of Gross National Disposable Income)



- Structural shift from physical assets to financial savings under way and may gather pace
- This has resulted in a sharp pick up in equity flows into mutual funds and a rise in bank deposits

ICGF Performance since 31 December 2011 (£, base = 100)



\* The Rebased NAV is the fairest representation of the Manager's performance across all periods excluding the dilutive effect of the new ordinary shares issued on 8 August 2016 following the exercise of subscription share rights.

Source: Ocean Dial Asset Management Ltd, Bloomberg as at 31 March February 2018  
 PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS. See Regulatory information (slide 10). All performance is net of fees

The information in this document does not constitute or contain an offer or invitation for the sale or purchase of any shares in the Funds in any jurisdiction, is not intended to form the basis of any investment decision, does not constitute any recommendation by the Funds, 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 Funds 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. These Funds 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 and S&P BSE Mid Cap Total Return Index 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 Funds. 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 adviser, as at the date of publication. Comments on individual sectors and companies also reflect those views as at that date. Subsequent events may cause such views to change. It may contain forward-looking statements, which can be identified by words like "anticipate," "intend," "believe," "plan," "hope," "goal," "initiative," "expect," "future," "intend," "will," "could" and "should" and by similar expressions, in reliance upon certain "safe harbour" provisions of applicable securities laws. Other information herein, including any estimated, targeted or assumed information, may also be deemed to be, or to contain, forward-looking statements. Prospective investors should not place undue reliance on forward-looking statements as this information is subject to various risks and uncertainties. Forward-looking statements are necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying any forward-looking statements will not materialize or will vary significantly from actual results for many reasons. Variations of assumptions and results may be material. 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.