PICARD ANGST

Padma India Fund

Share class I-EUR
(EUR, institutional)

Data as of 28.06.2019

Investment Objective and Strategy

Padma India Fund is an open-end UCITS fund incorporated in Luxembourg. The Fund's objective is to achieve long-term capital appreciation by investing in equity securities of exchange-listed companies domiciled in or exercising the predominant part of their business activities in India.

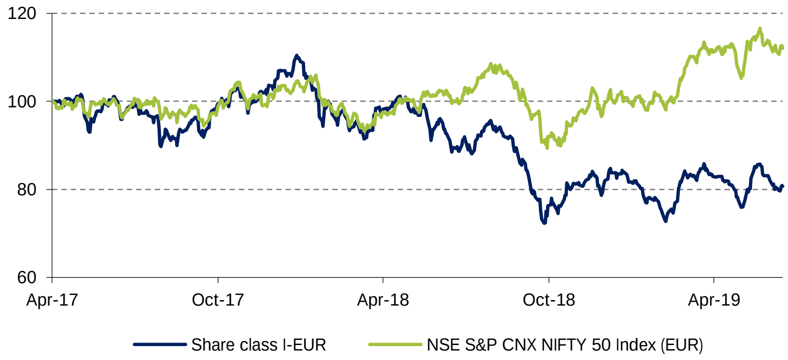
A rigorous and disciplined bottom-up approach along with profound on-the-ground research is applied to select high quality portfolio companies with a superior potential for long-term returns. The fund focuses on investments in small and mid-capitalized companies placed in the rapidly growing industries and businesses, driven by structural changes in the Indian economy.

Fund Facts

Share class	I-EUR
Target investor class	institutional
NAV currency	EUR
Distribution policy	accumulating
Minimum Investment	EUR 100'000
Subscriptions / Redemptions	Daily / until 16:00 CET
Legal structure	UCITS V (FCP)
Fund domicile	Luxembourg
Authorized for public distribution	LU, DE, CH
Fund inception date	30.12.15
Investment start date	13.04.17
Financial year	31. December
Valor no.	32636606
ISIN	LU1422844487
WKN	A2AMWW
Bloomberg	PIFEURI LX Equity

Performance in EUR

13.04.17 - 28.06.19



Performance* in EUR

13.04.17 - 28.06.19

Period	Return	Benchmark
1 month	-5.70%	-2.23%
3 months	-4.66%	0.29%
6 months	-3.33%	10.10%
2019 YTD	-3.33%	10.10%
2018	-21.46%	-0.89%
Since inception (p.a.)	-9.24%	5.29%

* since launch of share classs I-EUR on 13.04.2017

Fund Valuation

Total net assets (in EUR Mio.)	13.42
Net asset value (EUR)	80.73
Benchmark / Hurdle rate	NSE S&P CNX NIFTY 50 Index (EUR)

Portfolio Indicators*

	Portfolio	Benchmark
Volatility	16.99%	14.44%
Beta	0.64	1.00
Sharpe Ratio	-0.45	0.43
Information Ratio	-1.23	

* since launch of share classs I-EUR on 13.04.2017

Fees

Management fee (p.a.)	120 bps
Performance fee	10% beyond hurdle rate and HWM
Total Expense Ratio	1.88%

Portfolio Market Capitalization

Segment (in USD billion)	Percent
> 10 bn	9.68%
5 bn <> 10 bn	7.23%
1 bn <> 5 bn	38.69%
< 1 bn	40.79%

Organization

Investment manager	Picard Angst AG
Management company	LRI Capital Management SA
Custodian	European Depositary Bank SA
Auditor	PricewaterhouseCoopers (PwC)

Past performance is not indicative of future results. Performance and risk figures are based on net asset value and are calculated without taking into account any possible additional costs or fees incurred by the investor in conjunction with the issue, redemption or swapping of fund shares.

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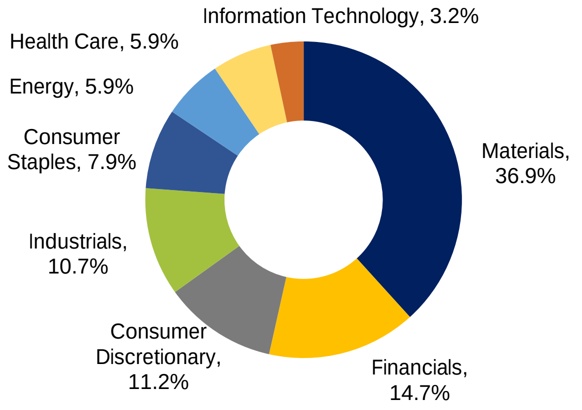
Sector Allocation



Top 5 Holdings

Company	Sector	Weight
KEI Industries Ltd	Industrials	5.92%
Aarti Industries Ltd	Materials	5.81%
Bajaj Finance Ltd	Financials	5.79%
Kansai Nerolac Paints Ltd	Materials	5.65%
Atul Ltd	Materials	5.45%

Manager's Commentary

On June 6th, the Reserve Bank of India (RBI) cut the benchmark interest rate by another 25bps to 5.75%. The monetary policy shift and a 75 bps rate cut in the first half of the year have trimmed the real interest rate to 2.5% from over 3%. This accommodative policy stance should support the recovery in consumption. The RBI has retained inflation forecast at 3.0% and has curtailed the FY20 GDP outlook to 7%, from 7.2% and it expects the GDP growth to be around 6.6% in the first half of FY20 and growth to pick-up to 7.4% in the second half.

Following the Fed and the ECB's dovish stance, central banks globally are firmly leaning towards loose monetary policy. In India, on the basis of relatively lower and stable crude oil price, below 4% inflation and high real interest rate compared to other major economies, the RBI still has room for another 50 bps rate cut by the end of FY20 (25bps cut expected in August). In the meantime, the RBI needs to ensure the effective transmission of this accommodative policy.

Domestic investors adopted a wait and watch mode until the post-election budget, which is planned to be announced on July 5th. Nevertheless, there are low expectations for any big bang reforms or major fiscal stimulus. However, the budget allocation to infrastructure and rural schemes will be the main focus. After selling USD 7.2 bn and USD 6.9 bn worth of equities and bonds last year, the foreign investors have returned back to India. Year-to-date, they have invested (net) USD 392 mn and USD 1.19 bn in equities and debt securities. Expectation of interest rate cuts and the divergence between the large cap and the broader market performance lay the foundation for small and mid-cap outperformance. Multiple investment opportunities are now in the small and mid-cap space, given its valuation discount to the large cap.

In June the NSE Nifty 50 Index posted a negative return of 0.1% and the S&P BSE mid cap and the S&P BSE Small Cap were in the negative territory, posting -0.9% and -3.3% respectively all in USD terms. The Padma India Fund bore the full impact of the demand slow down. As per the strategy, the fund focuses on domestic consumption related investments and the recent slowdown in the demand has impacted the prices of the portfolio stocks. The industrials, consumer discretionary, consumer staples and materials sectors were the major contributors to the underperformance in June while the financial sector was the only positive contributor. On the stock level, Bajaj Finance was the best performer whereas V2 Retail and Phillips Carbon Black remained the main laggards. Phillips Carbon Black is the largest producer of carbon black in India. The carbon black is used in tyres as reinforcing material. India will see the highest investments in the tyre segment within the next five years and will need roughly 200 kilo tonnes of incremental carbon black per year.

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