

Padma India Fund

 Share class R-EUR
 (EUR, retail)

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	R-EUR
Target investor class	retail
NAV currency	EUR
Distribution policy	accumulating
Minimum Investment	EUR 100
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.	32636594
ISIN	LU1422844305
WKN	A2AMWV
Bloomberg	PIFEURR LX Equity

Fund Valuation

Total net assets (in EUR Mio.)	13.42
Net asset value (EUR)	79.87
Benchmark / Hurdle rate	NSE S&P CNX NIFTY 50 Index (EUR)

Fees

Management fee (p.a.)	160 bps
Performance fee	10% beyond hurdle rate and HWM
Total Expense Ratio	2.32%

Organization

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

Performance in EUR

13.04.17 - 28.06.19



Performance* in EUR

13.04.17 - 28.06.19

Period	Return	Benchmark
1 month	-5.75%	-2.23%
3 months	-4.89%	0.29%
6 months	-3.83%	10.10%
2019 YTD	-3.83%	10.10%
2018	-21.74%	-0.89%
Since inception (p.a.)	-9.68%	5.29%

* since launch of share class R-EUR on 13.04.2017

Portfolio Indicators*

	Portfolio	Benchmark
Volatility	16.98%	14.44%
Beta	0.64	1.00
Sharpe Ratio	-0.48	0.43
Information Ratio	-1.27	

* since launch of share class R-EUR on 13.04.2017

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%

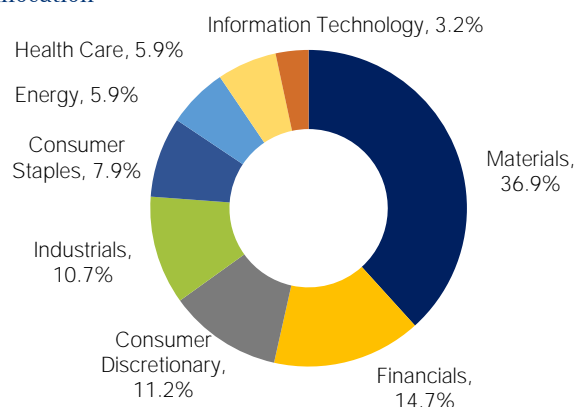
Past performance is not indicative of future results. Performance and risk figures are based on net asset value and are calculated without taking into account any possible additional costs or fees incurred by the investor in conjunction with the issue, redemption or swapping of fund shares.

Padma India Fund

 Share class R-EUR
 (EUR, retail)

Data as of 28.06.2019

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.

Legal disclaimer

This document does not constitute an offer or an invitation to buy or sell securities and is only intended for information purposes. Investments should only be made after a thorough reading of the current prospectus and/or the fund regulations, the current simplified prospectus, the articles of association, and the current annual and semi-annual reports. The mentioned documents can be obtained in hard copy and free of charge at M.M.Warburg & CO Luxembourg, 2, Place François-Joseph Dargent, L-1413 Luxembourg and at the representative in Switzerland PMG Fonds Management AG, Sihlstrasse 95, CH-8001 Zürich, www.pmg-fonds.ch. Paying agent in Switzerland is InCore Bank AG, Stauffacherstrasse 41, CH-8004 Zurich. Information office and paying agent in Germany is M.M.Warburg & CO (AG & Co), Kommanditgesellschaft auf Aktien, Ferdinandstrasse 75, D-20095 Hamburg. The domicile of the fund is Luxembourg.

The tax treatment of the funds depends on the personal circumstances of each client and can be subject to future changes.

The "Guidelines to guarantee the independence of financial analysis" of the Swiss Bankers Association do not apply to this presentation. Please note that it is possible that Picard Angst Ltd. will itself have an interest in the price performance of one or more of the securities referred to in this presentation.

The value of the units and the return they generate can go down as well as up. They both are affected by market volatility and by fluctuations in exchange rates. Picard Angst Ltd. does not assume any liability for possible losses. The performance of past values and returns is no indicator of their current or future development. The performance of values and returns does not include the fees and costs which may be charged when buying, selling and/or switching units. The breakdown into sectors, countries and currencies and their respective positions as well as possibly indicated benchmarks are subject to change at any time in line with the investment policy as set forth in the prospectus.

All opinions may change without notice. Opinions may differ from views set out in other documents, including research publications, published by Picard Angst Ltd. Neither this document nor any part of it may be reproduced or redistributed. Although Picard Angst Ltd. believes that the information contained herein is based on reliable sources, Picard Angst Ltd. cannot accept any responsibility for its quality, accuracy, currency or completeness.

Please note that in any jurisdiction where a fund, sub-fund or share category is not registered for public offering, they may, subject to the applicable local regulation, only be sold in the course of private placement or institutional investments. The fund may not be distributed within the United States nor offered or sold to US persons.

Picard Angst Ltd. is an Asset Manager of collective investment schemes under the Federal Act on Collective Investment Schemes and is regulated by the Swiss Financial Market Supervisory Authority