



MONTHLY SUMMARY

- The Nifty50 index rose by 2.9% in USD, whilst the BSE Sensex Mid Cap Total Return index gained 4.8% in USD in October.
- In October, we added HDFC (mortgage financier) to the Alquity Indian Subcontinent Fund.
- The BSE Sensex small cap price-to-book ratio are currently hovering around 2-standard deviations below its long term average.

PERFORMANCE OVERVIEW

	2015	2016	2017	2018	2019
JAN	5.9%	-9.3%	7.2%	-0.7%	-5.5%
FEB	-0.5%	-10.3%	8.0%	-3.7%	0.6%
MAR	-4.1%	14.0%	8.2%	-1.5%	12.5%
APR	-5.1%	4.8%	5.7%	5.1%	-4.5%
MAY	2.9%	3.2%	0.2%	-2.5%	1.5%
JUN	-1.1%	2.1%	0.1%	-5.3%	-4.2%
JUL	3.3%	6.2%	6.2%	5.6%	-10.6%
AUG	-9.1%	2.6%	1.8%	-1.8%	-3.6%
SEP	0.5%	-0.2%	-1.3%	-19.1%	5.6%
OCT	2.1%	1.9%	6.7%	-6.4%	5.0%
NOV	-3.5%	-11.7%	1.8%	12.1%	
DEC	3.3%	-0.5%	3.6%	0.4%	
ANNUAL	-6.4%	-0.3%	59.7%	-19.2%	-5.1%



PERFORMANCE SUMMARY:

1 Month:	5.0%	1 Year:	6.9%
3 Months:	6.9%	3 Years:	7.8%
6 Months:	-7.1%	Inception:	38.4%
Year to Date:	-5.1%	Annualised:	6.1%

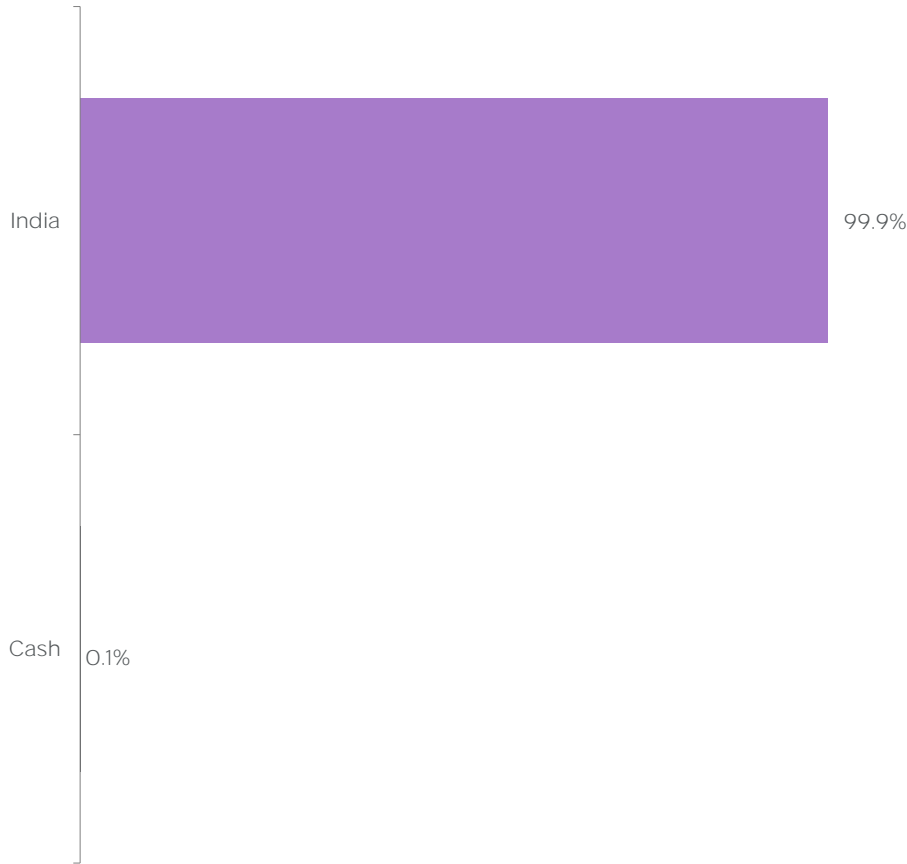
VOLATILITY	1Y	23.2%	3Y*	17.8%
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BETA***	0.91	*Where the share class has not been running for 3 years, the volatility figure displayed is since the inception of the share class
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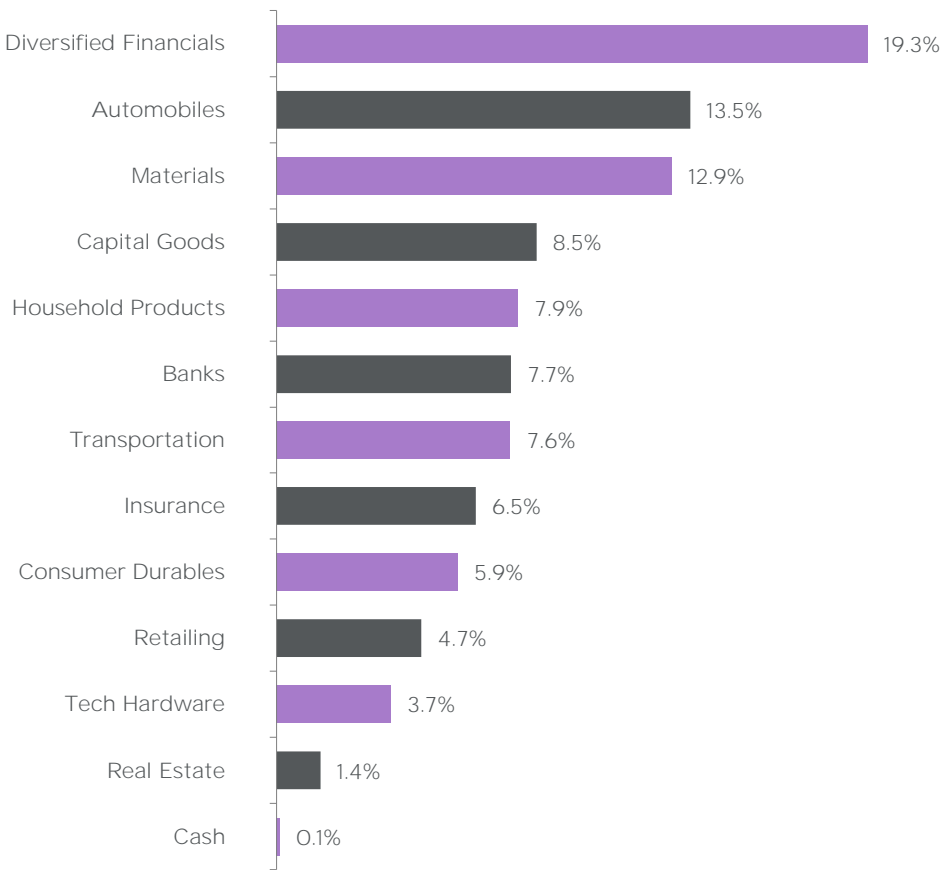
TURNOVER**	14.0%	**Average turnover of holdings (annualised) since the fund's inception
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ACTIVE SHARE***	88.4%	***Index used for reference purposes only - the fund is not benchmarked. See overleaf for details of index used.
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GEOGRAPHIC ALLOCATION



SECTOR ALLOCATION



MONTHLY UPDATE

The Nifty50 index rose by 2.9% in USD, whilst the BSE Sensex Mid Cap Total Return index gained 4.8% in USD in October.

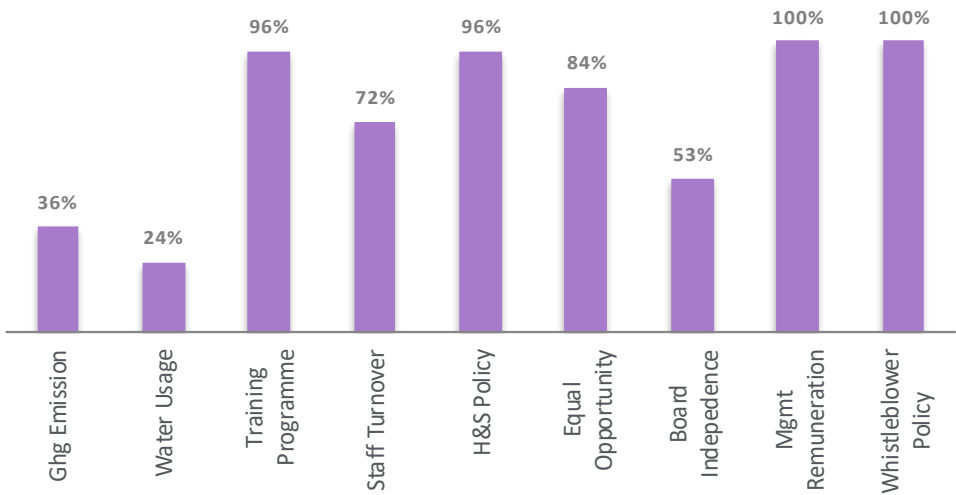
Investor sentiment in India was supported by the continuation of the RBI's rate cutting cycle and favourable macroeconomic data releases, such as the less negative current account deficit (2% of GDP in CY2Q19) and a solid manufacturing PMI (51.4 in September). The sentiment-boosting effect of the steps taken by the government (i.e. the removal of the so-called foreign portfolio investment surcharge, the substantial reduction of the effective corporate income tax and the recapitalisation of state-owned banks) lasted throughout October and in turn attracted further net capital flows to the Indian stock market for the second straight month. The reduction in the effective corporate income tax was one of the first in a series of steps by the government, which will further unlock India's very strong inherent economic growth potential. The combined impact of a cyclical upswing in the underlying economic activity, the execution of structural reforms and the reduction of red tape will help investor sentiment to further improve.

In October, we added HDFC (mortgage financier) to the Alquity Indian Subcontinent Fund. In our opinion, the company exhibits compelling risk-reward characteristics at this juncture and will benefit from the falling wholesale interest costs. Furthermore, we reduced the weightings of KEI (cable manufacturer) and Ultratech Cement, whilst adding Oberoi (property developer) back to the Fund.

We remain positive on the outlook for the market, given compelling valuations. The BSE Sensex small cap price-to-book ratio are currently hovering around 2-standard deviations below its long term average, whilst the BSE Sensex mid cap price-to-book ratio is around 1-standard deviation below its long-term average.

ESG : KEY PROGRESS INDICATORS

Percentage of India Fund holdings meeting each KPI standard



For all portfolio holdings, we track a set of Key Progress Indicators “KPIs” that represent a general set of transparency and ESG standards we want all firms to meet over time. In each case, the assessment has a financial motivation and an associated positive potential impact in line with the principles of the UN Global Compact. The chart summarises the where we stand in relation to the KPIs for all the portfolio holdings. These KPIs support our engagement activity with our holdings. Please contact us or refer to our Responsible Investment brochure for full details.

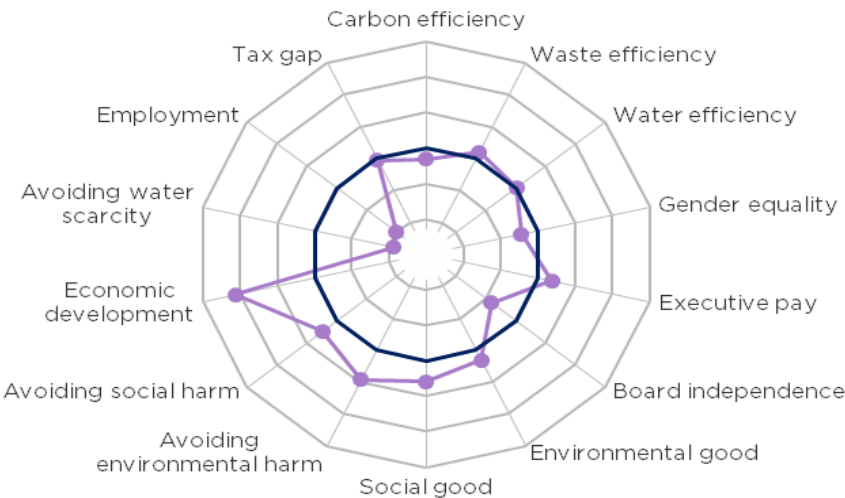
Source: Alquity

TOP 10 HOLDINGS

1.	M&M Financial Services	6.6%
2.	ICICI Prudential	6.5%
3.	Escorts	6.4%
4.	KEI Industries	5.3%
5.	Heidelberg Cement India	5.3%
6.	TCI Express	5.2%
7.	Amrutanjan	5.0%
8.	Vmart	4.7%
9.	ICICI Bank	4.7%
10.	Maruti Suzuki	4.5%

ESG: IMPACT MEASURES

The impact chart below compares the performance of Indian Subcontinent Fund holdings (purple line) versus the MSCI India Index (blue line). Any score inside the blue circle indicates a factor in the portfolio is worse than the index.



The table below reports the quantitative impact of the Indian Subcontinent Fund relative to the MSCI India Index on our ESG metrics in the chart above.

Metrics	Fund	index	Based on company reported	Estimated	SDG Relevance
Carbon efficiency	0.61	0.39	tons of GHG (Scope 1 & 2) emissions per unit revenue	48%	7
Waste efficiency	0.05	0.42	tons of waste generated per unit revenue	89%	6, 12, 14, 15
Water efficiency	6.58	8.84	litres fresh water used per unit revenue	48%	6
Gender equality	12.2%	13.8%	percentage of women in boards and top management	9%	5
Executive pay	42.3	48.9	ratio of executive level pay to median employee pay	47%	10
Board independence	48.3%	53.9%	independent board members	22%	10, 16
Environmental good	5.1%	2.3%	portfolio allocated to environmental solutions	n/a	most SDGs
Social good	46.1%	33.3%	portfolio allocated to help alleviate social issues	n/a	most SDGs
Avoiding environmental harm	0.0%	10.0%	portfolio allocated to environmentally destructive industries	n/a	most SDGs
Avoiding social harm	0.0%	3.1%	portfolio allocated to industries aggravating social issues	n/a	most SDGs
Economic development	\$ 1,800	\$14,600	median income of portfolio weighted geography of economic activity	n/a	16, 17
Avoiding water scarcity	3.69	3.36	geographic water use (World Resource Institute scale 0-5 from most to least water scarce areas)	n/a	16, 17
Employment	3.5%	4.5%	unemployment in portfolio weighted area of economic activity	n/a	1, 8, 11, 12, 16
Tax gap	2.56%	2.48%	estimated % tax avoided by corporate tax mitigation schemes	n/a	1, 9, 10, 16

Source: Impact Cubed. Please contact us for details of full methodology

TRANSFORMING LIVES

We donate a proportion of our fees from the Alquity Indian Subcontinent Fund to charity partners in the region, reinforcing our belief that social progress should also lead to financial success.

DONATIONS GENERATED BY THE INDIAN SUBCONTINENT FUND:	\$207,407
LIVES TRANSFORMED DIRECTLY:	1,535
LIVES TRANSFORMED INDIRECTLY:	9,075

Total Lives Transformed by Alquity



Total Donations generated by Alquity



Data correct at 28 Feb 19

Source: Alquity Transforming Lives Foundation

FUND FACTS

Fund :	Alquity Indian Subcontinent Fund
Share Class :	A Class
Inception Date :	19/05/2014
Fund AUM :	US\$ 55.3m
Number of Holdings :	26
Fund Structure :	UCITS IV SICAV
Domicile :	Luxembourg
Liquidity :	Daily
Fund Manager :	Mike Sell
Morningstar Rating :	No Rating
Minimum Investment :	US\$2,000
Annual Management Fee :	1.60%
Performance Fee :	15% (with hurdle & high watermark)
ISIN :	LU1049767863
SEDOL :	BLDYXC5
Bloomberg Ticker :	ALISUSA

FUND OBJECTIVE

The Alquity Indian Subcontinent Fund is equity focused and targets attractive risk-adjusted returns over the long-term by investing in public companies across the Indian Subcontinent. Our portfolio is unconstrained and emphasises long-term themes, transparency and alignment of management. This is achieved by a fundamental process which incorporates both financial valuation and Environmental, Social and Governance analysis of material non-financial factors.

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For more information about the Alquity Transforming Lives Foundation please visit www.alquityfoundation.org



Index used for Beta: MSCI India
Index used for Active Share: iShares MSCI India
(Index is used for reference purposes only - the fund is not benchmarked)

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