

# Aberdeen New India Investment Trust PLC

## Investment Trust

Performance Data and Analytics to 31 January 2019

### Investment objective

To achieve long-term capital appreciation by investing in companies which are incorporated in India or which derive significant revenue or profit from India, with dividend yield from the company being of secondary importance.

### Benchmark

The Company compares its performance to the MSCI India Index (sterling adjusted). However, the Company's portfolio is constructed without reference to the composition of any stock market index or benchmark. It is likely, therefore, that there will be periods when its performance may vary significantly from the benchmark.

### Cumulative performance (%)

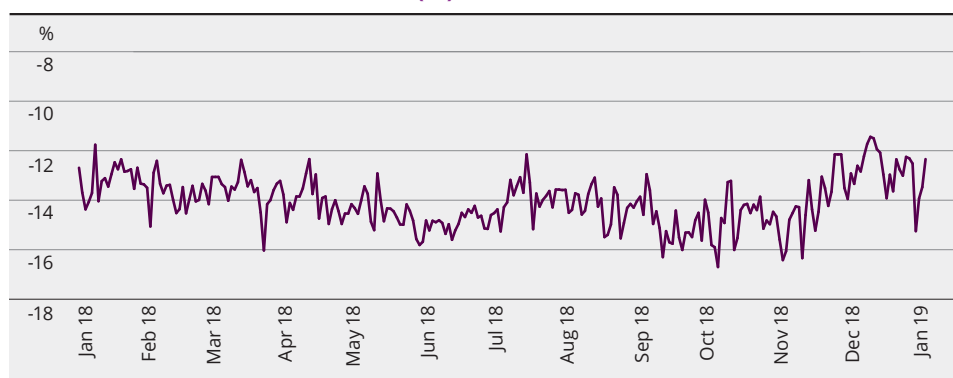
	as at 31/01/19	1 month	3 months	6 months	1 year	3 years	5 years
Share Price	429.0p	(8.1)	7.8	(10.3)	(6.5)	42.1	113.4
NAV <sup>A</sup>	489.4p	(8.7)	3.5	(12.3)	(6.9)	43.1	109.5
MSCI India		(5.0)	5.0	(8.0)	(5.0)	44.0	87.8

### Discrete performance (%)

Year ending	31/01/19	31/01/18	31/01/17	31/01/16	31/01/15
Share Price	(6.5)	19.2	27.5	(16.2)	79.4
NAV <sup>A</sup>	(6.9)	23.3	24.6	(12.3)	66.9
MSCI India	(5.0)	21.7	24.5	(14.3)	52.1

Total return; NAV to NAV, net income reinvested, GBP. Share price total return is on a mid-to-mid basis. Dividend calculations are to reinvest as at the ex-dividend date. NAV returns based on NAVs with debt valued at fair value. Source: Aberdeen Asset Managers Limited, Lipper and Morningstar. Past performance is not a guide to future results.

### 1 Year Premium/Discount Chart (%)



<sup>A</sup> Including current year revenue.

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### Morningstar Rating™



<sup>B</sup> Morningstar Rating™ for Funds  
Morningstar rates funds from one to five stars based on how well they've performed (after adjusting for risk and accounting for all sales charges) in comparison to similar funds.

### Fifteen largest equity holdings (%)

Housing Development Finance	9.3
Tata Consultancy Services	8.1
Infosys	6.0
Kotak Mahindra Bank	5.3
ITC	5.1
Hindustan Unilever	4.2
Container Corp of India	3.8
Nestlé	3.7
Piramal Enterprises	3.5
HDFC Bank	3.3
Mphasis	3.2
Godrej Consumer Products	2.8
Ultratech Cement	2.6
Hero MotoCorp	2.5
Bosch	2.5
<b>Total</b>	<b>65.9</b>

### Sector allocation (%)

	Trust	Benchmark
Financials	23.9	23.7
Information Technology	18.9	18.3
Consumer Staples	17.9	11.2
Materials	15.3	8.1
Health Care	7.2	5.4
Consumer Discretionary	6.8	9.3
Communication Services	2.1	2.4
Real Estate	2.1	-
Industrials	1.8	4.1
Utilities	1.1	2.9
Energy	1.0	14.6
Cash	1.9	-
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

Source: Aberdeen Asset Managers Limited and Bloomberg. Figures may not add up to 100 due to rounding.

**Total number of investments** 44

All sources (unless indicated):  
Aberdeen Asset Managers Limited 31 January 2019.

Private investors 0808 500 0040  
Institutional investors  
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### Fund managers' report

#### Market review

Indian equities declined in January after a solid end to 2018 due to a mixed earnings season and recovery in crude oil prices.

In its budget, the Indian government increased the tax incentives for the middle class and provided more grants to rural households. This should boost consumption and bode well for our consumer holdings, such as Hero MotoCorp, Maruti Suzuki and Hindustan Unilever. Private sector banks, such as Kotak Mahindra Bank and HDFC Bank, should also benefit from potentially higher demand for consumer loans.

At the time of writing, the Reserve Bank of India (RBI) cut interest rates by 25 basis points, and changed its stance to neutral, as food inflation continued to ease. This, along with the incentives in the interim budget, should lift Indian equities in the near-term.

Bandhan Bank plans to merge with Gruh Finance. While priced expensively, this is a complementary merger of India's best microfinance and affordable housing companies. If executed well, the combined entity will provide attractive growth opportunities in India's bottom-of-the-pyramid segment. The merger also helps to lower Bandhan Bank's promoter holding in line with the central bank's regulations.

In earning updates, IT Services firms Tata Consultancy Services and Infosys retained their positive outlook on the back of robust sales growth. Meanwhile, our private-sector banks, Kotak Mahindra Bank and HDFC Bank, showed signs of improved loan growth and pricing power as competition from the troubled non-banking finance companies has abated. Cigarettes and FMCG conglomerate ITC's revenue and profits advanced amid healthy growth in its cigarette business.

On the flipside, auto holdings Hero MotoCorp and Maruti Suzuki had a more challenging quarter on slowing car and motorcycle sales and margin pressure, though we expect them to benefit from a recovery in rural spending. The cement companies, including Ultratech Cement also had a tough time as the pricing environment remained weak despite healthy volume growth and rising utilisation. The stabilisation of oil price and Indian rupee should alleviate the cost pressures for both these sectors.

#### Portfolio review

In January, we took the opportunity to build on our existing positions in market leaders, SBI Life, Maruti Suzuki and Aegis Logistics, in light of the volatile and relatively weak Indian markets.

We funded this by exiting Sun Pharmaceutical, which continued to be challenged by a difficult regulatory environment.

We took profits from the consumer staples sector, namely through Godrej Consumer Products, which was relatively resilient, and Bharti Infratel, after its share price rose on the back of solid results.

### Fund managers' report continues overleaf

The risks outlined overleaf relating to gearing, warrants, emerging markets, small companies and exchange rate movements are particularly relevant to this trust but should be read in conjunction with all warnings and comments given.

#### Important information overleaf

<sup>c</sup> Expressed as a percentage of average daily net assets for the year ended 31 March 2018. The Ongoing Charges Figure (OCF) is the overall cost shown as a percentage of the value of the assets of the Company. It is made up of the Annual Management Fee and other charges. It does not include any costs associated with buying shares in the Company or the cost of buying and selling stocks within the Company. The Ongoing Charges figure can help you compare the annual operating expenses of different Companies.

<sup>d</sup> The management fee is 0.9% per annum of total assets less current liabilities up to £350m and 0.75% per annum of total assets less current liabilities above £350m.

<sup>e</sup> Calculated using the Company's historic net dividends and month end share price.

<sup>f</sup> The 'Active Share' percentage is a measure used to describe what proportion of the Company's holdings differ from the benchmark index holdings.

#### Fund risk statistics

	3 Years	5 Years
Annualised Standard Deviation of Fund	19.18	18.37
Beta	1.01	0.98
Sharpe Ratio	0.84	1.00
Annualised Tracking Error	4.08	4.34
Annualised Information Ratio	0.68	1.02
R-Squared	0.95	0.94

Source: Aberdeen Asset Management, BPSS & Datastream, Basis: Total Return, Gross of Fees, GBP. Please note that risk analytics figures are calculated on gross returns whereas the performance figures are based on net asset value (NAV) returns. In addition, the risk analytics figures lag the performance figures by a month.

#### Key information

##### Calendar

Year end	31 March
Accounts published	June
Annual General Meeting	September
Dividend paid	n/a

##### Launch date

Original trust	February 1994
Name change/reconstruction	December 2004
Fund manager	Asian Equities Team
Ongoing charges <sup>c</sup>	1.25%
Annual management fee <sup>d</sup>	0.9% (tiered)
Premium/(Discount)	(12.3)%
Yield <sup>e</sup>	0.0%
Gearing	3.8%
Active share <sup>f</sup>	61.4%

##### AIFMD Leverage Limits

Gross Notional	2.5x
Commitment	2x

##### Assets/Debt (£m)

Gross Assets	304.1
Debt	15.0
Cash	4.1

##### Capital structure

Ordinary shares	59,070,140
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##### Allocation of management fees and finance costs

Revenue	100%
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Receive the factsheet by email as soon as it is available by registering at [www.investments.co.uk/ITemail](http://www.investments.co.uk/ITemail) [www.aberdeen-newindia.co.uk](http://www.aberdeen-newindia.co.uk)

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### Fund managers' report – continued

#### Outlook

Although India equities are among the most expensive in emerging markets, short-term volatility could present opportunities. Globally, investors remain cautious over a slowdown in global growth and the outcome of the US-China trade talks, even while the Federal Reserve signalled a pause in rate hikes and flexibility in its balance-sheet reduction programme. At home, as we approach the general election, political developments will become more salient. Although Prime Minister Modi's popularity may have waned since peak levels at the last election, he remains a powerful force.

In spite of the short-term noise, the medium-term outlook for Indian equities is well supported. The country is well insulated from the ill-effects of global trade tensions. Structurally, its large, domestic consumption-based economy is in a good position to withstand external shocks. Growth remains compelling, underpinned by a young population and an expanding middle class. Moreover, local macroeconomic issues appear to be abating, thanks to the stability in oil prices and a pause in US rate hikes, as inflation remains benign. In addition, tax incentives stated in the interim budget and the Reserve Bank of India's rate cut should boost liquidity and demand. Moreover, government spending and policies, in a pre-election year, should support rural consumption.

In such an environment, companies with pricing power and robust balance sheets will benefit. We remain positioned in companies that will continue to profit from India's long-term consumption trends. We continue to remain optimistic about our holdings, given their solid fundamentals, led by experienced management. This should bode well for the portfolio over the long term.

#### Trading details

Reuters/Epic/	
Bloomberg code	ANII
ISIN code	GB0006048770
Sedol code	0604877
Stockbrokers	WINS Investment Trusts
Market makers	CANA, CFEP, INV, JPMS, NITE, PEEL, STFL, WINS, WEST

#### Important information

Aberdeen Standard Investments is a brand of the investment businesses of Aberdeen Asset Management and Standard Life Investments.

#### Risk factors you should consider prior to investing:

- The value of investments and the income from them can fall and investors may get back less than the amount invested.
- Past performance is not a guide to future results.
- Investment in the Company may not be appropriate for investors who plan to withdraw their money within 5 years.
- The Company may borrow to finance further investment (gearing). The use of gearing is likely to lead to volatility in the Net Asset Value (NAV) meaning that any movement in the value of the company's assets will result in a magnified movement in the NAV.
- The Company may accumulate investment positions which represent more than normal trading volumes which may make it difficult to realise investments and may lead to volatility in the market price of the Company's shares.
- Movements in exchange rates will impact on both the level of income received and the capital value of your investment.
- There is no guarantee that the market price of the Company's shares will fully reflect their underlying Net Asset Value.
- As with all stock exchange investments the value of the Company's shares purchased will immediately fall by the difference between the buying and selling prices, the bid-offer spread. If trading volumes fall, the bid-offer spread can widen.
- The Company invests in emerging markets which tend to be more volatile than mature markets and the value of your investment could move sharply up or down.
- Yields are estimated figures and may fluctuate, there are no guarantees that future dividends will match or exceed historic dividends and certain investors may be subject to further tax on dividends.

#### Other important information:

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