



TATA INDIAN SHARIA EQUITY FUND

Factsheet as on 29 August 2025

INVEST THE SHARIA WAY

Tata Indian Sharia Equity Fund is a diversified equity fund with an investment objective to invest in stocks which are compliant to the Sharia principles of investments. The Fund follows a bottom up approach to stock picking to build portfolio of companies which are in harmony with the principles of the Sharia on investments. Tata Indian Sharia Equity Fund prohibits from investing in companies categorized as morally deficient, such as those related to tobacco, alcohol, gambling, lottery, banking & finance services and other prohibited companies.

Diversified Portfolio of Sharia Compliant Stocks

- Diversified portfolio of Sharia compliant stocks.
- The Fund does not follow any market cap bias
- Bottom-up approach to stock selection
- Invests in Companies which have less than 25% of its capital sourcing done using interest bearing debt
- Such companies generally do not need large external debt to fund their growth
- High internal cash generation capability
- Ability to grow is good irrespective of the external liquidity conditions as experienced in current markets

Portfolio of Fundamentally Strong Companies

- High cash generation
- High capital efficiency
- Good earnings and growth prospects

Strict Adherence to Sharia Principles

- Rigorous monitoring of portfolio by independent advisors to check adherence to Sharia principles
- Any deviation is corrected within a specified time period
- Purification process in place in case of prohibited income

Who should invest and why?

- Investors looking to invest in Sharia compliant Indian equity & equity related instruments
- Invests in Socially responsible companies involved in businesses considered ethical
- Investors with a preference for investments in companies which have low leverage and fundamentally strong companies
- Equity Investors seeking long term wealth creation investment avenue with moderate to aggressive risk appetite and investment horizon of 3yrs or more

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Contact us

INVESTMENT MANAGER

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Performance of Sectoral Indices

Index Name	As on			Return in %	
	29-Aug-25	31-Jul-25	31-Jul-24	1 Month	1 Year
S&P BSE Sensex	79,810	81,186	81,741	-1.7	-2.4
S&P BSE MID CAP	44,642	45,782	48,634	-2.5	-8.2
S&P BSE SMALL CAP	51,449	53,425	55,332	-3.7	-7.0
S&P BSE 200	11,049	11,248	11,580	-1.8	-4.6
S&P BSE AUTO	55,960	52,901	60,185	5.8	-7.0
S&P BSE Bankex	60,025	62,100	58,866	-3.3	2.0
S&P BSE Consumer Durable	60,638	59,472	60,929	2.0	-0.5
S&P BSE Capital Good	65,417	68,237	75,640	-4.1	-13.5
S&P BSE FMCG	20,611	20,567	22,507	0.2	-8.4
S&P BSE Health Care	43,623	45,372	40,519	-3.9	7.7
S&P BSE IT	34,437	34,809	41,707	-1.1	-17.4
S&P BSE METAL	30,388	30,886	32,771	-1.6	-7.3
S&P BSE Oil & Gas	25,540	26,797	32,563	-4.7	-21.6
S&P BSE Power Index	6,393	6,698	8,442	-4.6	-24.3
S&P BSE Realty	6,765	7,082	8,540	-4.5	-20.8

Index Name	As on			Return in %	
	29-Aug-25	31-Jul-25	31-Jul-24	1 Month	1 Year
Nifty 200	13,575	13,814	14,171	-1.7	-4.2
Nifty 50	24,427	24,768	24,951	-1.4	-2.1
Nifty Auto	24,961	23,656	26,685	5.5	-6.5
Nifty Bank	53,656	55,962	51,553	-4.1	4.1
Nifty Commodities	8,572	8,745	9,654	-2.0	-11.2
Nifty Energy	33,639	35,116	44,087	-4.2	-23.7
Nifty Financial Services	25,568	26,650	23,412	-4.1	9.2
Nifty FMCG	56,142	55,812	62,082	0.6	-9.6
Nifty India Consumption	12,059	11,739	11,806	2.7	2.1
Nifty Infrastructure	8,873	9,066	9,499	-2.1	-6.6
Nifty IT	35,181	35,302	40,851	-0.3	-13.9
Nifty Metal	9,155	9,285	9,583	-1.4	-4.5
Nifty Midcap 100	55,727	57,401	58,991	-2.9	-5.5
Nifty Pharma	21,804	22,771	21,777	-4.2	0.1
Nifty Realty	871	912	1,094	-4.6	-20.4
Nifty Smallcap 100	17,227	17,967	19,138	-4.1	-10.0

The Macro Picture

	August 2025	July 2025
WPI	-0.58% (July 2025)	-0.13% (June 2025)
CPI	1.55% (July 2025)	2.10% (June 2025)
Index of Industrial Production	1.52% (June 2025)	1.87% (May 2025)
Repo rate	5.50% (as on August 31, 2025)	5.50% (as on July 31, 2025)
Marginal Standing Facility Rate	5.75% (as on August 31, 2025)	5.75% (as on July 31, 2025)

Source: RBI, Bloomberg

BSE-30 and Nifty-50 indices delivered negative performance during the month of August 2025. The mid-cap and small cap index underperformed the benchmark indices for the month. On the sectoral front Auto, IT and Consumer staples outperformed the benchmark index, rest all sectors underperformed during the month.

August 2025 was another month of correction in India markets with risks on growth being the key worry for investors post the large tariff being implemented by the US on India manufactured exports. Select labour intensive sectors like Textiles and Gems & Jewellery are likely to be the worst hit.

Inflation

India's Wholesale Price Inflation (WPI) Index came in at -0.58% YoY during the current month as compared to -0.13% for the previous month on account of stable fuel, lower food and lower commodity prices.

July CPI inflation moderated to 1.6% yoy (June: 2.1%) due to a 1.8% yoy contraction in food prices led by a sharp decline in prices of vegetables, pulses and spices. Headline CPI rose by 0.9% mom, led by a 2% mom rise in food prices—largely led by a sequential increase in prices of vegetables, fruits, oil & fats and eggs. Core inflation (CPI excluding food, beverages and fuel) eased to 4.1% (June: 4.4%).

India's GDP growth picked up pace in Q1FY26 to 7.8% with growth well balanced across all segments. Private final consumption expenditure grew by 7%, government final consumption expenditure grew at 7.4% while Gross fixed capital formation growth stood at 7.8% for the quarter.

Other macro developments (fiscal deficit and household savings)

India's Q4FY25 current account balance registered a surplus of US\$13.5bn (1.3% of GDP) compared to a deficit of US\$11.5bn (1.1% of GDP) for Q3FY25. The surplus represents preponement of goods exports to manage tariff risks from the US and better software/services exports along with stable imports.

India's fiscal deficit came much lower than forecasted at 5.6% for FY24 on account of lower revenue expenditure. The government has announced a path to reduce fiscal deficit to 4.9% for FY25 (revised lower from 5.1% earlier) and below 4.5% in FY26.

FY24 net household financial savings rate stood at 5.3% of GDP (5.1% for FY23). The same ratio had moved higher during the pandemic period to 12% in FY21 compared to 7.7% in FY20..

Market Outlook

US has imposed a tariff of 50% on India goods exports from August 27, 2025. First impression suggests that approximately US\$18bn – US\$20bn of exports from India (less than 1% of GDP) may get negatively impacted if these tariffs remain for a long time. In terms of sectors – Textiles and Gems and Jewelry are likely to be the worst hit. Government of India is pushing back on this tariff and showing a hard stance like China given the total impact on the economy is not very large for now. It would be prudent to assume that negotiations, if any, are likely to take a longer time.

In our fund, we do have reasonable exposure to IT services (20% of portfolio, underweight vs benchmark) and pharma (13% of portfolio, underweight vs benchmark) sectors. Both these sectors are not in the ambit of tariffs for now and the market reactions are mostly based on expectations of punitive actions if any.

Further, government has cut GST (indirect consumption tax) across a variety of consumer goods like automobiles, consumer durables, consumer staples etc. Effectively, government has shifted to a two-rate structure instead of current four and from 5%, 12%, 18% and 28%, most of the new categories are now in only 5% and 18%. We expect this development to provide a demand stimulus to sagging consumption growth in India.

Overall, with valuations at 21x one year forward PE being on the higher side, earnings growth is likely to be the main driver of returns going ahead. We believe bottom-up stock picking will be the key to better performance unlike the past few years where momentum and valuation rerating was the key contributor of performance.

Long-term structural drivers like demographic advantage, low household debt, limited penetration across different consumer categories, increased potential for financial savings and urbanization makes India a compelling equity story from a long-term perspective.

We in our portfolios are focused on companies which can grow earnings at a fast pace and most importantly balance sheets/cash flow being on the positive side with less leverage. We believe investors would be well advised to invest with medium to long term perspective and systematically increase exposure to Indian equity markets.

Key portfolio actions – During the month we have made certain additions and exits to our portfolio, largely due to change in Shariah classification of certain companies. We have sold Pi Industries, Shree Cement and Fine organics as they were deemed Shariah non-compliant by our advisors. We have also added Infosys (one of India's largest IT services companies) to our portfolio as it has been re-classified as Shariah compliant by our advisors. The stock has very large weight of 8.7% in the benchmark and as of now our positioning remains underweight.

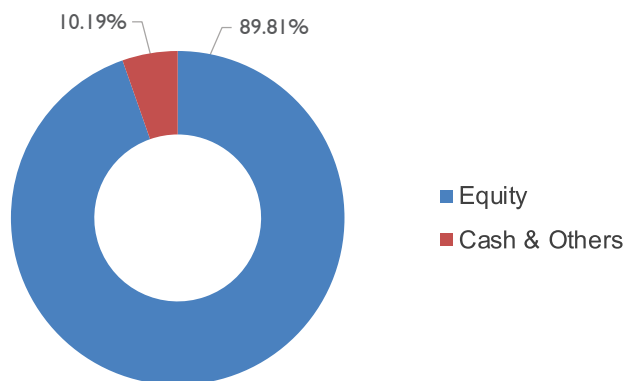
Investment Objective

The principal investment objective of the Fund is to achieve capital appreciation through a carefully chosen diversified portfolio of stocks that conform to Shariah principles.

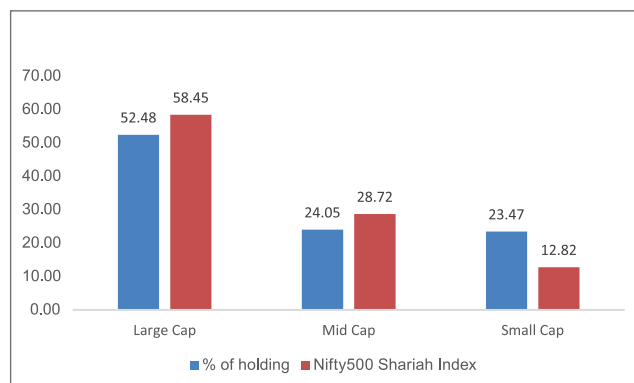
Investment Approach

The fund will follow a bottom-up approach to investing based on rigorous research. Focus will be on companies with good governance practices, strong earnings growth visibility and reasonable valuation. Fund will invest across sectors and market caps with a slight bias towards large caps.

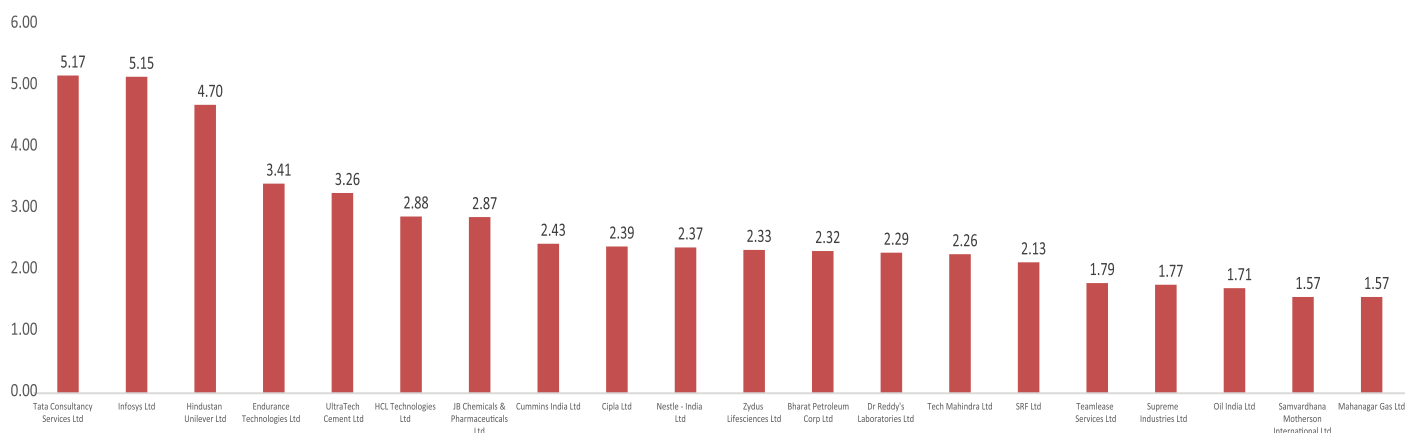
Asset Allocation



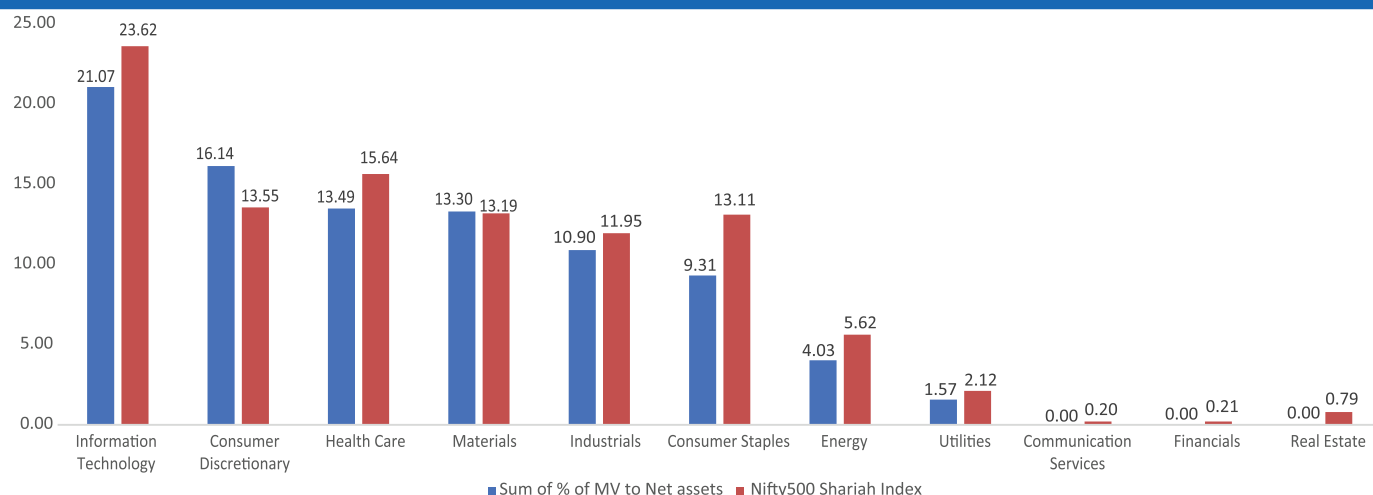
Market Cap Allocation



Top 20 Holdings



Sector Allocation



Fund Performance - Class B (USD terms)

Period	1 month	3-months	6-months	1-year	3-Years	5-Years	Since Inception
TISEF	-1.27	-2.19	11.43	-18.01	5.20	11.78	5.50
Nifty 500 Shariah Index	-1.06	-3.35	11.03	-17.56	6.73	12.78	6.43

Past performance may or may not be sustained in future. Less than 1 year returns calculated on absolute basis & more than 1 year on CAGR basis *Inception Date: October 2010

Key Information

Structure	Open-ended Fund
ISIN No	Class B : MU0316S00010
Domicile	Mauritius
Fund Type	Diversified equity fund investing in Sharia compliant equity or equity equivalent listed Indian companies
Benchmark	Nifty 500 Shariah Index
Reference Currency	USD
Total Expense Ratio (TER)	Class B: 2.0%
Custodian	Standard Chartered Bank
Administrator	APEX Fund Services, Mauritius
Auditors	KPMG Mauritius
Sharia Advisor	Taqwaa Advisory and Shariah Investment Solutions Pvt. Ltd. (TASIS)
Month-End AUM	USD 45.44mn
Month –End NAV	USD 21.4952
Minimum Investment	USD5000
Inception Date	October 2010
Purging Ratio for the period 1 October 2023 to 31 March 2024	0.018027

Disclosures and Disclaimers

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