Q-ACPI India Equity UCITS Fund

(EUR Institutional Class)

November 2018

The Q-ACPI India Equity UCITS Fund is an open-ended investment fund incorporated in Ireland. The investment objective of the fund is to achieve long-term capital appreciation by investing in the listed equities of Indian companies that are in a position to benefit from the anticipated growth and development of the Indian economy and its securities markets.

MARKET & PERFORMANCE SUMMARY

* The S&P BSE-200 Index ended the month to 30th November at 4,626.51 providing a total return of 4.3% in INR and 10.7% in USD. The fund generated a 6.8% return (in USD) for the month of November. The S&P BSE Midcap Index gained 9.4 % (in USD) and the S&P BSE Small Cap Index gained 8.0% (in USD). The INR appreciated by 6.1% against the USD during the month.
* Foreign Portfolio Investors were net buyers for 13 of the 19 trading days in November with net purchases amounting to USD 0.8 billion for the month. Locals – and institutional buyers - continue to have the faith with local buying of USD 0.7 billion that kept stock indices buoyant.
* The Fund continues to own an interest in 25 companies. During November, 13 of these 25 stocks (52%) delivered positive price returns, compared to 124 of the 201 stocks (62%) in the S&P BSE-200 Index. At month-end, cash represented 4.7% the Fund's assets.

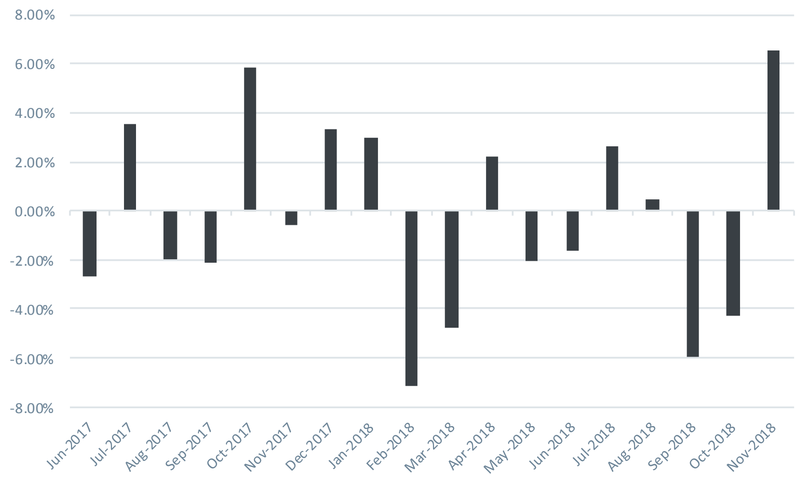
OUTLOOK

* After a sharp decline in the month of September and October, the market showed some recovery following the steep fall in the global crude price from the peak of ~$85/bbl in the beginning of October to below $60/bbl now. This decline in crude oil price is a big relief for the Indian economy as it eases pressure on India's current account deficit as well as softening the bout of inflation. The Indian rupee which depreciated sharply in the past few months also saw some respite by appreciating 6.1% during the month. On the domestic side, several measures taken by RBI to ease liquidity for non-banking finance companies (NBFC) have helped in stabilising trust in the financial sector.
* The much-awaited meeting of the Board of Directors of the RBI on November 19th ended in a truce with "government sources" claiming a victory of sorts by noting that the RBI was now more responsive to "the Board". A committee has been set up to work on a number of policy guidelines including "how much money should the RBI keep with itself?" Going ahead we would continue to keep a close watch on any government move that results into the dilution or shift in the power for monetary policies from RBI to government.
* On the agriculture front, the 9.4% deficient rainfall in the last monsoon season along with a warmer winter and unseasonal rains witnessed in many parts of India in November has led to reduction in the Rabi crop (typically 45% of annual food grain production) sowing this season. This could have some impact on the agriculture economy going ahead as 60% of India's population depends on an agricultural income.
* On the political front, 5 states are undergoing elections of which three are BJP ruling states. Given that this will be the last round of state elections before the upcoming general election to be held around April 2019, it will be the true test for BJP's popularity. In the last few state elections, BJP had seen significant resistance and a decline in their popularity. The impact of demonetisation on farm income has resulted in increasing protests from farmers in many parts of the

(continued overleaf)

PERFORMANCE

Past performance is no guarantee of future returns. Source: ACPI and Bloomberg. All performance is calculated on a NAV-to-NAV basis and is as at the last business day of the month.



Monthly performance

	J	F	M	A	M	J	J	A	S	O	N	D	Year	BM
2017	-	-	-	-	-	-2.7%	3.6%	-2.0%	-2.1%	5.8%	-0.6%	4.5%	**5.2%**	**13.7%**
2018	3.0%	-7.1%	-4.8%	2.2%	-2.0%	-1.7%	2.6%	0.5%	-6.0%	-4.3%	6.6%	-	**-11.3%**	**-8.3%**

Net performance

	1 month	3 months	6 months	1 year	Since launch
Fund	6.6%	-4.1%	-2.8%	-8.4%	-6.7%
Benchmark	10.8%	-6.5%	-3.2%	-4.1%	5.3%

FUND FACTS

Entity	ACPI Select UCITS Funds Plc, Ireland
Investment manager	ACPI Investments Ltd
Inception date	08 June 2017
Benchmark	S&P BSE 200 TR Index
Minimum investment	€100,000
Minimum additional investment	€500
Subscription	Daily
Redemption	Daily
Redemption notice	One business day
Available currencies	USD, GBP, EUR
ISIN	IE00BD3J5321
TICKER	QACIEEI ID

KEY DATA

Strategy assets (USD)	$2.49m
NAV (EUR)	€93.28
Number of positions	25
Total return since inception	-6.7%
Annualised return since inception	-4.8%
Annualised standard deviation	2.7%

FEES

Management fee	1.25%
Performance fee	None

OUTLOOK

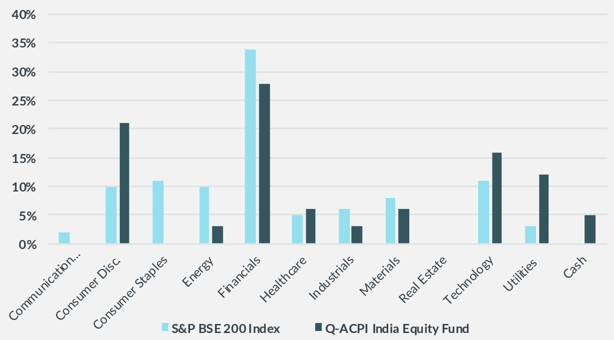
country, impacting its popularity.

* With BJP's popularity fading, there is an increasing likelihood of a poor outcome in upcoming general election, where no one party wins a majority (elections are to be held by May, 2019) and India ends up where it was in 1990-1991, 1996-1998, and 1998-1999 where the life expectancy of the ruling coalition governments was less than 18 months. Political gridlock, policy drift and preoccupation with the next impending election will stifle any catalyst for economic reforms and potentially weaken the economy.
* India has attracted significant capital flows over the last four years due to the perception of a reform-oriented stable political regime. Any significant reversal in the political fortunes of the ruling party might trigger a sharp selloff.
* With GST collections for the current fiscal year continuing to fall short of the budgeted numbers, the likelihood of fiscal slippage is becoming stronger. As the government focus on winning elections, the expenditure has been front-ended for the year. Lower revenues and higher expenses may result in higher government borrowing. The fiscal deficit till October 2018 has already hit 104% of annual budgeted amount.
* The EPS growth for companies representing the broader index showed flat growth for FY18, as expected. Equity per cent of returns over the last four years have been driven by P/E expansion. Triggered by a higher cost of capital and rising US interest rates, investors may now begin to assess the reality of India. The casualty will be the P/E ratio as investors adjust nominal share prices to match the lower reported EPS. Private capex which saw a significant decline post the Lehman collapse, has started showing some signs of revival. This also gets reflected in the pick-up in the credit growth from 10.7% in April 2018 to 14.8% in November 2018. Slower demand improvement post demonetisation and GST implementation has resulted in improvement in capacity utilisation amongst companies from c70% few quarters back to c76% now. With no disruption expected in the current year and the government loosening its purse ahead of general elections, the economy is limping along with some signs of a natural cyclical recovery.
* Despite all the near-term headwinds, Quantum continues to believe that India is a great investment destination. India's robust internal consumption patterns have offset the often miserable performance of the various governments that have held power during the past three decades.
* However, we also strongly believe that it is imperative to maintain a value-based investment discipline. Quantum's company-level valuation models assume a 6.5% rate of real GDP growth over the long term and we value the businesses of Indian companies against this macro backdrop. As 'value' investors, Quantum believes it is important to understand the environment under which the companies that we research and choose to own are likely to operate.
* Our long-term value based research process has forced us to trim or exit stocks, thereby raising cash levels in the fund. However, as macro fears bring into sharp focus the micro realities of the (relatively poor) earnings performance of India's corporate sector, share prices have been slipping and have offered us an opportunity to deploy capital into the Indian stock market. In February 2018 we had suggested upping the weight from "50% of your intended long term allocation" to 75%. Now, with correction in markets and rupee depreciating significantly, we suggest an overweight allocation "100% to 125%" of what your intended long term allocation is.

TOP TEN HOLDINGS

HOUSING DEVELOPMENT FINANCE CORP	8.4%
INFOSYS TECHNOLOGIES	7.8%
HERO MOTOCORP LTD	6.5%
BAJAJ AUTO LTD	6.4%
ICICI BANK	5.1%
STATE BANK OF INDIA	4.7%
WIPRO	4.4%
INDIAN HOTELS CO LTD	4.3%
TATA CONSULTANCY SERVICES	4.0%
LIC HOUSING FINANCE	3.9%

SECTOR ALLOCATION VS. BENCHMARK



MANAGEMENT

I.V. Subramaniam, Member, Portfolio Team

I.V. "Subbu" Subramaniam has over 25 years of experience in the investment management and financial services industry. Since June 2000, Subbu has managed India-dedicated portfolios for Indian clients and since 2005, he has managed India-dedicated portfolios for international clients. Subbu is presently the Managing Director and Chief Investment Officer of Quantum Advisors.

Janish Shah, Member, Portfolio Team

Janish Shah has 19 years experience in Indian capital markets as an Analyst, Head of Research and Portfolio Manager. In addition to being Quantum's primary analyst for oil & gas, metals and real estate, Janish manages portfolios for domestic high net worth clients and assists on portfolios for international clients. Prior to joining Quantum, Janish worked as an analyst at Network Stock Broking Ltd.

Ajit Dayal, Member, Portfolio Team

Ajit Dayal (1990), has over 30 years of experience in investment management and equity research. In addition to founding Quantum Advisors in 1990 (India's first equity research house), Ajit has worked with leading US and UK financial advisory and asset management firms either as a key member of the executive management team or, through the Advisor, as a joint venture partner or affiliate. Ajit served as a Deputy Chief Investment Officer at Hansberger Global Investors, Inc, USA, and as the Lead Manager for the Vanguard International Value Fund.

RISK FACTORS YOU SHOULD CONSIDER BEFORE INVESTING

The value of investments and any income derived are subject to market and exchange rate movements and may fall as well as rise. Investors may not get back the full amount invested.

Investing in investment funds is subject to market risks.

Past performance results are no indication of future results, especially performance results referring to a period of less than twelve months (year-to-date-performance, start of investment fund within the last twelve months) are no reliable indicator for future results due to the short comparison period.

Issuance and redemption commissions are not included in the performance figures. All figures and information are given without any warranty and errors are reserved.

The annual management charge for the Fund will be charged to the Fund's income account. If insufficient income is generated by the Fund to cover the charge, the balance will be deducted from the Fund's capital and to that extent will constrain capital growth.

IMPORTANT INFORMATION

This document may only be distributed in the countries set out in the Fund prospectus. Please refer to the Prospectus for further details.

The tax treatment of the funds depends on the personal circumstances of each client and can be subject to future changes. This document is for information only. It does not represent an offer for the purchase or sale of the Fund.

This document does not constitute an offer or solicitation to deal, whether directly or indirectly, in any particular fund. Nothing in this document should be taken as an expressed or implied indication, representation, warranty or guarantee of performance whether in respect of income or capital growth. No warranty or representation is given as to the accuracy or completeness of this document and no liability is accepted for any errors or omissions that the document may contain.

The manager of this fund is Link Fund Manager Solutions (Ireland) Limited, Registered address: 2 Grand Canal Square, Dublin 2, Ireland. The Fund is authorised by the Central Bank of Ireland as a UCITS pursuant to the UCITS regulations.

For South African investors:

In the Republic of South Africa this fund is registered with the Financial Services Board and may be distributed to members of the public.

In addition to the other information and warnings in this document, the Financial Services Board of South Africa requires us to tell South African recipients of this document that collective investment schemes are generally medium to long-term investments, collective investment schemes are traded at ruling prices and can engage in borrowing and scrip lending and that a schedule of fees and charges and maximum commissions is available on request from the manager. The manager does not provide any guarantee either with respect to the capital or the return of a portfolio.

Because foreign securities are included in the investments within this collective investment scheme, we are also required to disclose to you the risks that there may be additional risks that arise because of events in different jurisdictions: these may include, but are not limited to potential constraints on liquidity and the repatriation of funds; macroeconomic risks; political risks; foreign exchange risks; tax risks; settlement risks and potential limitations on the availability of market information.

The fund carries no performance fee.

The performance is calculated for the portfolio, individual investor performance may differ as a result of initial fees, the actual investment date, the date of reinvestment and dividend withholding tax. The value of participatory interests may go down as well as up.

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