

CONTRIBUTOR

Akash Jain

Associate Director

Global Research & Design

akash.jain@spglobal.com

SPIVA[®] India Scorecard

SUMMARY

- S&P Dow Jones Indices has been the de facto scorekeeper of the ongoing active versus passive debate since the first publication of the S&P Indices Versus Active Funds (SPIVA) U.S. Scorecard in 2002. Over the years, we have built on our experience publishing the report by expanding scorecard coverage into Australia, Canada, Europe, India, Japan, Latin America, and South Africa.
- The SPIVA India Scorecard compares the performance of actively managed Indian mutual funds with their respective benchmark indices over 1-, 3-, 5-, and 10-year investment horizons. In this scorecard, we studied the performance of three categories of actively managed equity funds and two categories of actively managed bond funds over the 1-, 3-, 5-, and 10-year periods ending in June 2017.
- Foreign portfolio investors (FPIs) were bullish in India during the first half of 2017, gaining confidence from continued implementation of reforms such as the goods and services tax (GST) and a stronger Indian rupee. Indian markets witnessed strong inflows from FPIs, over the six-month period ending in June 2017, as FPIs added INR 533.54 billion to the Indian equity market and INR 941.99 billion to the Indian debt market.
- The [S&P BSE 100](#), which seeks to measure the large-cap equity market in India, jumped 18.41% over the one-year period ending in June 2017. The mid-cap equity market, as measured by the [S&P BSE MidCap](#), returned 26.55% over the same period. The [S&P BSE India Government Bond Index](#) delivered a total return of 11.19% over the one-year period ending in June 2017.
- Over the one-year period ending in June 2017, 73.83% of Indian Composite Bond funds underperformed their benchmark, whereas only 38.1% of the Indian ELSS funds underperformed their benchmark. Over the 10-year horizon, 93.33% Indian Government Bond funds and 41.38% of Indian ELSS funds underperformed their respective benchmarks.

- Indian Large-Cap Equity Funds:** Over the 1-, 3-, 5-, and 10-year periods ending in June 2017, 52.87%, 34.19%, 50.93%, and 58.47% of large-cap equity funds in India underperformed the [S&P BSE 100](#), respectively. Over the 10-year period studied, survivorship rate and style consistency were low, at 66.1% and 28.81%, respectively. Over the same horizon, the asset-weighted fund return was 79 bps higher than the equal-weighted fund return, and the return spread between the first and the third quartile break points of the fund performance was 3.11%.
- Indian Equity-Linked Saving Schemes (ELSS):** In this category, most actively managed funds outperformed the [S&P BSE 200](#) across over the all observed time horizons. Over the 10-year period ending in June 2017, the survivorship rate was 96.55%, the asset-weighted fund return was 17 bps higher than the equal-weighted fund return, and the return spread between the first and the third quartile break points of the fund performance was 3.74%.
- Indian Mid-/Small-Cap Equity Funds:** Over the three- and five-year periods ending in June 2017, the majority of the actively managed mid-/small-cap equity funds in India outperformed the [S&P BSE MidCap](#). Over the one-year period, however, 56.52% of the funds lagged the S&P BSE MidCap. Over the 10-year horizon, the survivorship rate and style consistency were low, at 60.61% and 27.27%, respectively. For the same period, the asset-weighted fund return was 5 bps higher than the equal-weighted fund return, and the return spread between the first and the third quartile break points of the fund performance was 4.17%.
- Indian Government Bond Funds:** Over the 3-, 5-, and 10-year periods, 64.81%, 75.47%, and 93.33% of the actively managed funds in this peer group underperformed the [S&P BSE Indian Government Bond Index](#), respectively. Over the 10-year period ending in June 2017, survivorship rate and style consistency were at 45.00% and 43.33%, respectively. Over the same period, the asset-weighted fund return was 45 bps higher than the equal-weighted fund return, and the return spread between the first and the third quartile break points of the fund performance was 1.52%.
- Indian Composite Bond Funds:** Over the 1-, 3-, 5-, and 10-year periods ending in June 2017, 73.83%, 93.65%, 96.91%, and 90.70% of the actively managed funds in this category lagged the [S&P BSE India Bond Index](#). Over the 10-year period, the survivorship rate and style consistency were at 64.37% and 31.03%, respectively. For the same period, the asset-weighted fund return was 16 bps lower than the equal-weighted fund return, and the return spread between the first and the third quartile break points of the fund performance was 1.52%.
- Fund Survivorship:** A large percentage (30% or more) of the funds in all other categories, except ELSS, were either merged or liquidated over the 10-year horizon. Over the same period, Indian Government Bond funds had the lowest survival rate, at 45.00%, while Indian ELSS funds had the highest survival rate, at 96.55%, followed by Indian Equity Large-Cap, at 66.1%.
- Style Consistency:** Indian Equity Large-Cap and Indian Equity Mid-/Small-Cap categories were the least style consistent, at 28.81% and 27.27%, respectively, over the 10-year period ending in June 2017. Over the same horizon, only Indian ELSS funds were largely style consistent, at 96.55%. Both categories of bond funds witnessed low style consistency over the same period.
- Average Fund Returns:** Over the one-year period ending in June 2017, both equal- and asset-weighted returns of the Indian Equity Large-Cap, Indian ELSS, and Indian Government Bond categories were higher than their respective benchmarks. In contrast, Indian Equity Mid-/Small-Cap

and Indian Composite Bond categories delivered lower equal- and asset-weighted returns than their respective benchmarks over the same period. Over the 10-year period, the largest underperformance was seen in the Indian Equity Large-Cap fund category, where equal-weighted returns were 1.33% lower than the benchmark.

A UNIQUE SCORECARD FOR THE ACTIVE VERSUS PASSIVE DEBATE

There is nothing novel about the index versus active debate. It has been a contentious subject for decades, and there are few strong believers on both sides, with the vast majority of market participants falling somewhere in between. The SPIVA India Scorecard provides a semiannual update on the active versus index debate in India. It shows the performance of actively managed Indian mutual funds compared with S&P DJI indices in their respective categories.

Beyond the SPIVA Scorecard's widely cited headline numbers is a rich data set that addresses issues related to measurement techniques, universe composition, and fund survivorship that are far less frequently discussed but are often much more fascinating. These data sets are rooted in the following fundamental principles of the SPIVA Scorecard, with which regular readers will be familiar.

- **Survivorship Bias Correction:** Many funds might be liquidated or merged during a period of study. However, for someone making an investment decision at the beginning of the period, these funds are part of the opportunity set. Unlike other commonly available comparison reports, SPIVA Scorecards account for the entire opportunity set—not just the survivors—thereby eliminating survivorship bias.
- **Apples-to-Apples Comparison:** Fund returns are often compared with a popular benchmark regardless of their investment category. The SPIVA India Scorecard makes an appropriate comparison by measuring a fund's returns against the returns of a benchmark that reflects the fund's investment category.
- **Asset-Weighted Returns:** Average returns for a fund group are often calculated using only equal weighting, which results in the returns of an INR 10 billion fund affecting the average in the same manner as the returns of an INR 10 million fund. However, the SPIVA India Scorecard shows both equal- and asset-weighted averages. Equal-weighted returns are a measure of average fund performance, while asset-weighted returns are a measure of the performance of the average invested dollar.
- **Style Consistency:** SPIVA Scorecards measure consistency for each style category across different time horizons. Style consistency is an important metric, because style drift (the tendency of funds to diverge from their initial investment categorization) can have an impact on asset allocation decisions.
- **Data Cleaning:** SPIVA Scorecards avoid double counting multiple share classes in all count-based calculations, using only the share class with greater quarterly average assets at the start of the measurement period. Since this is meant to be a scorecard for active managers, index funds, leveraged and inverse funds, and other index-linked products are excluded.

Please note that neither S&P Dow Jones Indices nor any of its affiliates make any assurance or provide any investment recommendation on the appropriateness of investing in either index or active investing. S&P Dow Jones Indices does not sponsor, endorse, sell, or promote any investment fund or other investment vehicle that is offered by third parties and that seeks to provide an investment return based on the performance of any index. The SPIVA India Scorecard simply provides semi-annual statistics according to the SPIVA methodology and a brief analysis of those statistics. Further, S&P Dow Jones Indices does advise anyone reading this report to also read the SPIVA methodology in the report to understand how the data was derived.

REPORTS

Report 1: Percentage of Funds Outperformed by the Index

FUND CATEGORY	COMPARISON INDEX	ONE-YEAR (%)	THREE-YEAR (%)	FIVE-YEAR (%)	TEN-YEAR (%)
Indian Equity Large-Cap	S&P BSE 100	52.87	34.19	50.93	58.47
Indian ELSS	S&P BSE 200	38.10	16.22	19.44	41.38
Indian Equity Mid-/Small-Cap	S&P BSE MidCap	56.52	43.94	37.31	50.00
Indian Government Bond	S&P BSE India Government Bond Index	37.21	64.81	75.47	93.33
Indian Composite Bond	S&P BSE India Bond Index	73.83	93.65	96.91	90.70

Source: S&P Dow Jones Indices LLC, Morningstar, and Association of Mutual Funds in India. Data as of June 30, 2017. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Report 2: Survivorship and Style Consistency of Indian Equity Funds

FUND CATEGORY	NO. OF FUNDS AT START	SURVIVORSHIP (%)	STYLE CONSISTENCY (%)
ONE-YEAR			
Indian Equity Large-Cap	87	96.55	72.41
Indian ELSS	42	100.00	100.00
Indian Equity Mid-/Small-Cap	46	97.83	86.96
Indian Government Bond	43	97.67	97.67
Indian Composite Bond	107	97.20	66.36
THREE-YEAR			
Indian Equity Large-Cap	155	85.81	40.65
Indian ELSS	37	100.00	100.00
Indian Equity Mid-/Small-Cap	66	95.45	56.06
Indian Government Bond	54	70.37	70.37
Indian Composite Bond	127	88.19	45.67
FIVE-YEAR			
Indian Equity Large-Cap	161	78.88	36.65
Indian ELSS	36	100.00	100.00
Indian Equity Mid-/Small-Cap	67	85.07	49.25
Indian Government Bond	53	62.26	60.38
Indian Composite Bond	100	86.00	41.00
TEN-YEAR			
Indian Equity Large-Cap	118	66.10	28.81
Indian ELSS	29	96.55	96.55
Indian Equity Mid-/Small-Cap	66	60.61	27.27
Indian Government Bond	60	45.00	43.33
Indian Composite Bond	87	64.37	31.03

Source: S&P Dow Jones Indices LLC, Morningstar, and Association of Mutual Funds in India. Data as of June 30, 2017. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Report 3: Average Fund Performance (Equal Weighted)

INDEX/PEER GROUP	ONE-YEAR (%)	THREE-YEAR ANNUALIZED (%)	FIVE-YEAR ANNUALIZED (%)	TEN-YEAR ANNUALIZED (%)
S&P BSE 100	18.41	9.90	14.95	9.87
Indian Equity Large-Cap	18.72	11.34	15.56	8.54
S&P BSE 200	19.57	11.44	15.83	10.19
Indian ELSS	21.81	14.68	19.07	11.43
S&P BSE MidCap	26.55	17.52	20.67	9.95
Indian Equity Mid-/Small-Cap	25.46	19.70	23.64	11.59
S&P BSE India Government Bond Index	11.19	11.30	9.94	9.08
Indian Government Bond	12.49	10.93	9.47	8.06
S&P BSE India Bond Index	11.09	11.18	9.95	9.19
Indian Composite Bond	10.03	9.64	9.09	8.33

Source: S&P Dow Jones Indices LLC, Morningstar, and Association of Mutual Funds in India. Data as of June 30, 2017. Returns are shown in INR. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Report 4: Average Fund Performance (Asset Weighted)

INDEX/PEER GROUP	ONE-YEAR (%)	THREE-YEAR ANNUALIZED (%)	FIVE-YEAR ANNUALIZED (%)	TEN-YEAR ANNUALIZED (%)
S&P BSE 100	18.41	9.90	14.95	9.87
Indian Equity Large-Cap	19.48	11.29	16.21	9.34
S&P BSE 200	19.57	11.44	15.83	10.19
Indian ELSS	20.30	13.58	19.14	11.60
S&P BSE MidCap	26.55	17.52	20.67	9.95
Indian Equity Mid-/Small-Cap	23.98	19.52	23.02	11.65
S&P BSE India Government Bond Index	11.19	11.30	9.94	9.08
Indian Government Bond	13.55	11.92	9.78	8.52
S&P BSE India Bond Index	11.09	11.18	9.95	9.19
Indian Composite Bond	10.31	9.91	9.23	8.17

Source: S&P Dow Jones Indices LLC, Morningstar, and Association of Mutual Funds in India. Data as of June 30, 2017. Returns are shown in INR. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

Report 5: Quartile Breakpoints of Fund Performance			
FUND CATEGORY	THIRD QUARTILE	SECOND QUARTILE	FIRST QUARTILE
ONE-YEAR			
Indian Equity Large-Cap	15.53	18.33	21.84
Indian ELSS	17.97	21.28	24.24
Indian Equity Mid-/Small-Cap	20.81	25.85	30.99
Indian Government Bond	10.60	11.85	14.97
Indian Composite Bond	8.85	9.60	11.21
THREE-YEAR			
Indian Equity Large-Cap	10.04	12.22	14.39
Indian ELSS	11.98	14.51	16.76
Indian Equity Mid-/Small-Cap	15.15	18.35	21.47
Indian Government Bond	10.08	11.35	12.46
Indian Composite Bond	8.83	9.56	10.37
FIVE-YEAR			
Indian Equity Large-Cap	14.06	16.01	18.48
Indian ELSS	16.19	18.42	20.07
Indian Equity Mid-/Small-Cap	20.14	23.70	26.29
Indian Government Bond	8.22	9.29	10.35
Indian Composite Bond	8.20	8.97	9.50
TEN-YEAR			
Indian Equity Large-Cap	9.19	10.86	12.30
Indian ELSS	9.11	11.53	12.85
Indian Equity Mid-/Small-Cap	10.46	12.70	14.63
Indian Government Bond	7.29	8.17	8.82
Indian Composite Bond	7.42	8.37	8.93

Source: S&P Dow Jones Indices LLC, Morningstar, and Association of Mutual Funds in India. Data as of June 30, 2017. Returns are shown in INR. Past performance is no guarantee of future results. Table is provided for illustrative purposes.

APPENDIX A: GLOSSARY

Data

Data from Morningstar is obtained for all managed funds domiciled in India for which month-end data is available during the performance period. The data includes the most comprehensive Indian fund data on active and finalized (merged or liquidated) funds over the chosen period.

Quarterly average assets for all managed funds are sourced from the Association of Mutual Funds in India for every quarter end during the performance period.

SPIVA Styles and Morningstar Fund Classifications

Funds are classified based on the Morningstar fund classification system, and the SPIVA India Scorecard covers Indian Equity Large-Cap, Indian Equity-Linked Saving Schemes (ELSS), Indian Equity Mid-/Small-Cap, Indian Government Bond, and Indian Composite Bond categories.

The Morningstar classification system produces narrow, style-based classifications for Indian funds. S&P Dow Jones Indices has consolidated the style-based categories in order to generate a larger sample size and develop a broad-market comparison to market-based benchmarks. A narrow, style-based comparison would yield a limited sample size, given that value and growth style segments are not consistently discernible over the previous five-year period.

Morningstar categories have been mapped to SPIVA peer groups in the following manner.

Exhibit 1A: Indian Funds: SPIVA and Current Morningstar Categories	
SPIVA CATEGORY	MORNINGSTAR CATEGORY
Indian Equity Large-Cap	India Fund Large-Cap
Indian ELSS	India Fund ELSS (Tax Savings)
Indian Equity Mid-/Small-Cap	India Fund Small/Mid-Cap
Indian Government Bond	India Fund Long-Term Government Bond
	India Fund Intermediate Government Bond
	India Fund Short-Term Government Bond
Indian Composite Bond	India Fund Intermediate Bond
	India Fund Short-Term Bond

Source: S&P Dow Jones Indices LLC and Morningstar. Table is provided for illustrative purposes.

Exhibit 1B: Indian Funds: SPIVA and Historical Morningstar Categories	
SPIVA CATEGORY	MORNINGSTAR CATEGORY
Indian Equity Large-Cap	India CE Large Cap
	India OE Large Cap
	India OE Large-Cap
Indian ELSS	India OE ELSS (Tax Saving)
Indian Equity Mid-/Small-Cap	India CE Small/Mid Cap
	India OE Small/Mid Cap
	India OE Small/Mid-Cap
Indian Government Bond	India OE Long Government
	India OE Long-Term Government Bond
	India OE Intermediate Government Bond
	India OE Intermediate Government
	India OE Short Government
	India OE Short-Term Government Bond
	India OE Intermediate Bond
Indian Composite Bond	India OE Short-term Bond
	India OE Long-Term Bond
	India OE Fixed Maturity Multisector Bond
	India OE Fixed Maturity Short-term Bond
	India OE FMP Multisector Bond
	India OE Multisector Bond

Source: S&P Dow Jones Indices LLC and Morningstar. Table is provided for illustrative purposes.

Benchmarks

The chosen benchmarks are shown in Exhibit 2. All index returns are total returns (i.e., include dividend reinvestment) in Indian rupees. There has been no deduction from index returns to account for fund investment expenses. It is important to note that active fund returns are after expenses, but they do not include loads and entry fees.

The benchmarks chosen are the most commonly adopted benchmarks for funds that fall into the respective fund peer groups. In some instances, a fund may not adopt the benchmarks stipulated below. However, a vast majority do set their performance hurdle based on the assigned benchmarks in this report, ensuring that the study is robust and fair.

Exhibit 2: SPIVA Categories and Their Benchmarks	
SPIVA CATEGORY	BENCHMARK INDEX
Indian Equity Large-Cap	S&P BSE 100
Indian ELSS	S&P BSE 200
Indian Equity Mid-/Small-Cap	S&P BSE MidCap
Indian Government Bond	S&P BSE India Government Bond Index
Indian Composite Bond	S&P BSE India Bond Index

Source: S&P Dow Jones Indices LLC and Morningstar. Table is provided for illustrative purposes.

APPENDIX B: GLOSSARY

Percentage of Funds Outperformed by the Index

To correct for survivorship bias, we use the opportunity set available at the beginning of the period as the denominator. We determine the count of funds that have survived and beaten the index. We then report the index outperformance percentage.

Survivorship (%)

This measure represents the percentage of funds in existence at the beginning of the time period that is still active at the end of the time period.

Style Consistency (%)

This calculation shows the percentage of funds that had the same style classification at the end of the time period as at the beginning of the time period.

Equal-Weighted Fund Performance

Equal-weighted returns for a particular style category are determined by calculating a simple average return of all active funds in that category in a particular month.

Asset-Weighted Fund Performance

Asset-weighted returns for a particular style category are determined by calculating a weighted average return of all funds in that category in a particular month, with each fund's return weighted by its latest quarterly average assets available as of that month from the Association of Mutual Funds in India. Asset-weighted returns are a better indicator of fund category performance because they more accurately reflect the returns of the total money invested in that particular style category.

Quartile Breakpoints

The pth percentile for a set of data is the value that is greater than or equal to p% of the data, but it is less than or equal to (100-p)% of the data. In other words, it is a value that divides the data into two parts: the lower p% of the values and the upper (100-p)% of the values. The first quartile is the 75th percentile, the value separating the elements of a population into the lower 75% and the upper 25%. The second quartile is the 50th percentile and the third quartile is the 25th percentile. For fund category quartiles in a particular time horizon, the data used is the return of the largest share class of the fund net of fees, excluding loads.

Survivorship Bias

Many funds might liquidate or merge during a period of study. This usually occurs due to continued poor performance by the fund. Therefore, if index returns were compared to fund returns using only surviving funds, the comparison would be biased in favor of the fund category. These reports remove this bias by (a) using the entire investment opportunity set, made up of all funds in that particular category at the outset of the period, as the denominator for outperformance calculations, (b) explicitly showing the survivorship rate in each category, and (c) constructing peer average return series for each category based on all available funds at the outset of the period.

Fees

The fund returns used are net of fees, excluding loads.

Indices

A benchmark index provides an investment vehicle against which fund performance can be measured.

S&P BSE 100

The [S&P BSE 100](#) is designed to measure the performance of the top 100 companies in India based on size and liquidity. It is a highly liquid and investable index that is designed to address investment managers' needs to benchmark against a large-cap equity portfolio.

S&P BSE 200

The [S&P BSE 200](#) is designed to represent the top 200 large, liquid, well-established, and financially sound companies listed at BSE Ltd. across sectors.

S&P BSE MIDCAP

The [S&P BSE MidCap](#) seeks to measure the mid-cap segment of the Indian equity market.

S&P BSE INDIA GOVERNMENT BOND INDEX

The [S&P BSE India Government Bond Index](#) is designed to track the performance of local-currency-denominated government bonds from India.

S&P BSE INDIA BOND INDEX

The [S&P BSE India Bond Index](#) is designed to track the performance of local-currency-denominated government and corporate bonds from India.

S&P DJI RESEARCH CONTRIBUTORS		
Charles Mounts	Global Head	charles.mounts@spglobal.com
Jake Vukelic	Business Manager	jake.vukelic@spglobal.com
GLOBAL RESEARCH & DESIGN		
AMERICAS		
Aye M. Soe, CFA	Americas Head	aye.soe@spglobal.com
Dennis Badlyans	Associate Director	dennis.badlyans@spglobal.com
Phillip Brzenk, CFA	Director	phillip.brzenk@spglobal.com
Smita Chirputkar	Director	smita.chirputkar@spglobal.com
Rachel Du	Senior Analyst	rachel.du@spglobal.com
Bill Hao	Director	wenli.hao@spglobal.com
Qing Li	Associate Director	qing.li@spglobal.com
Berlinda Liu, CFA	Director	berlinda.liu@spglobal.com
Ryan Poirier, FRM	Senior Analyst	ryan.poirier@spglobal.com
Maria Sanchez	Associate Director	maria.sanchez@spglobal.com
Kelly Tang, CFA	Director	kelly.tang@spglobal.com
Peter Tsui	Director	peter.tsui@spglobal.com
Hong Xie, CFA	Director	hong.xie@spglobal.com
APAC		
Priscilla Luk	APAC Head	priscilla.luk@spglobal.com
Utkarsh Agrawal, CFA	Associate Director	utkarsh.agrawal@spglobal.com
Liyu Zeng, CFA	Director	liyu.zeng@spglobal.com
Akash Jain	Associate Director	akash.jain@spglobal.com
EMEA		
Sunjiv Mainie, CFA, CQF	EMEA Head	sunjiv.mainie@spglobal.com
Leonardo Cabrer	Senior Analyst	leonardo.cabrer@spglobal.com
Andrew Innes	Associate Director	andrew.innes@spglobal.com
INDEX INVESTMENT STRATEGY		
Craig J. Lazzara, CFA	Global Head	craig.lazzara@spglobal.com
Fei Mei Chan	Director	feimei.chan@spglobal.com
Tim Edwards, PhD	Senior Director	tim.edwards@spglobal.com
Anu R. Ganti, CFA	Director	anu.ganti@spglobal.com
Hamish Preston	Senior Associate	hamish.preston@spglobal.com
Howard Silverblatt	Senior Index Analyst	howard.silverblatt@spglobal.com

ABOUT S&P DOW JONES INDICES

S&P Dow Jones Indices LLC, a division of S&P Global, is the world's largest, global resource for index-based concepts, data and research. Home to iconic financial market indicators, such as the S&P 500[®] and the Dow Jones Industrial Average[™], S&P Dow Jones Indices LLC has over 115 years of experience constructing innovative and transparent solutions that fulfill the needs of institutional and retail investors. More assets are invested in products based upon our indices than any other provider in the world. With over 1,000,000 indices covering a wide range of assets classes across the globe, S&P Dow Jones Indices LLC defines the way investors measure and trade the markets. To learn more about our company, please visit www.spdji.com.

ABOUT ASIA INDEX PRIVATE LIMITED

Asia Index Pvt. Ltd is a 50-50 partnership between S&P Dow Jones Indices LLC, the world's largest provider of financial market indices, and BSE Ltd, Asia's oldest stock exchange and home to the iconic SENSEX index - a leading indicator of Indian equity market performance. Asia Index Pvt. Ltd, which combines the benchmarks, market intelligence, and insights of both parent companies, each established more than 115 years ago, aims to provide a full array of indices enabling global and domestic investors to participate in South Asia's vibrant economies. The Company is best known for calculating, publishing, and maintaining a diverse family of Asian indices under the umbrella brand, S&P BSE Indices. To learn more about our company, please visit www.asiaindex.co.in.

GENERAL DISCLAIMER

Copyright © 2017 by S&P Dow Jones Indices LLC, a part of S&P Global. All rights reserved. Standard & Poor's®, S&P 500® and S&P® are registered trademarks of Standard & Poor's Financial Services LLC ("S&P"), a subsidiary of S&P Global. Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"). Trademarks have been licensed to S&P Dow Jones Indices LLC. Redistribution, reproduction and/or photocopying in whole or in part are prohibited without written permission. This document does not constitute an offer of services in jurisdictions where S&P Dow Jones Indices LLC, Dow Jones, S&P or their respective affiliates (collectively "S&P Dow Jones Indices") do not have the necessary licenses. All information provided by S&P Dow Jones Indices is impersonal and not tailored to the needs of any person, entity or group of persons. S&P Dow Jones Indices receives compensation in connection with licensing its indices to third parties. Past performance of an index is not a guarantee of future results.

It is not possible to invest directly in an index. Exposure to an asset class represented by an index is available through investable instruments based on that index. S&P Dow Jones Indices does not sponsor, endorse, sell, promote or manage any investment fund or other investment vehicle that is offered by third parties and that seeks to provide an investment return based on the performance of any index. S&P Dow Jones Indices makes no assurance that investment products based on the index will accurately track index performance or provide positive investment returns. S&P Dow Jones Indices LLC is not an investment advisor, and S&P Dow Jones Indices makes no representation regarding the advisability of investing in any such investment fund or other investment vehicle. A decision to invest in any such investment fund or other investment vehicle should not be made in reliance on any of the statements set forth in this document. Prospective investors are advised to make an investment in any such fund or other vehicle only after carefully considering the risks associated with investing in such funds, as detailed in an offering memorandum or similar document that is prepared by or on behalf of the issuer of the investment fund or other vehicle. Inclusion of a security within an index is not a recommendation by S&P Dow Jones Indices to buy, sell, or hold such security, nor is it considered to be investment advice.

These materials have been prepared solely for informational purposes based upon information generally available to the public and from sources believed to be reliable. No content contained in these materials (including index data, ratings, credit-related analyses and data, research, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse-engineered, reproduced or distributed in any form or by any means, or stored in a database or retrieval system, without the prior written permission of S&P Dow Jones Indices. The Content shall not be used for any unlawful or unauthorized purposes. S&P Dow Jones Indices and its third-party data providers and licensors (collectively "S&P Dow Jones Indices Parties") do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Dow Jones Indices Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content. THE CONTENT IS PROVIDED ON AN "AS IS" BASIS. S&P DOW JONES INDICES PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Dow Jones Indices Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs) in connection with any use of the Content even if advised of the possibility of such damages.

S&P Dow Jones Indices keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P Dow Jones Indices may have information that is not available to other business units. S&P Dow Jones Indices has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

In addition, S&P Dow Jones Indices provides a wide range of services to, or relating to, many organizations, including issuers of securities, investment advisers, broker-dealers, investment banks, other financial institutions and financial intermediaries, and accordingly may receive fees or other economic benefits from those organizations, including organizations whose securities or services they may recommend, rate, include in model portfolios, evaluate or otherwise address.