



Invest in India

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Morgan Stanley August 2019

Invest in India

4 REASONS TO INVEST IN INDIA

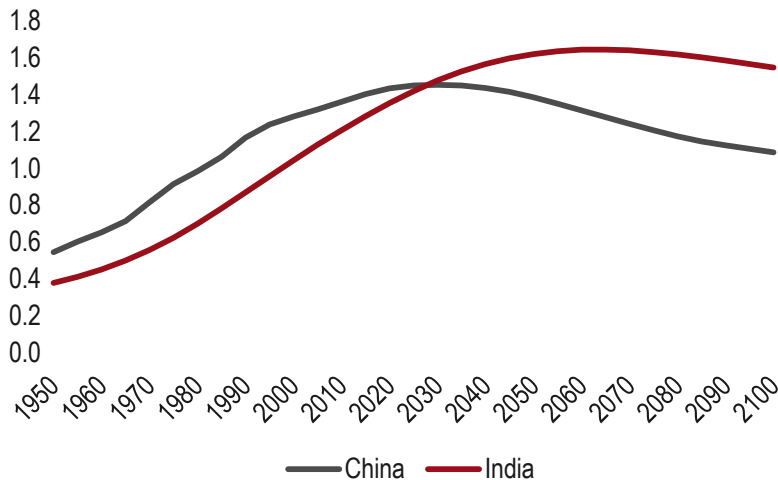
- Too big to ignore
- Intergenerational growth story
- Underpenetrated sectors
- Modi is a reformist with a mandate

Invest in India

TOO BIG TO IGNORE

- India currently accounts for 18% of the world's population and will overtake China's population by 2030.
- 65% of India's population is under 35 years old. There are over 400m millennials in India.
- A one-time intergenerational creation and transfer of wealth is occurring in India.
- By 2030, India is expected to be the 3rd largest economy in the world after China and the US.
- By 2050, India is expected to be the 2nd largest economy in the world after China.

Population Dynamics in India versus China



Largest Economies in the World (GDP \$ tr)

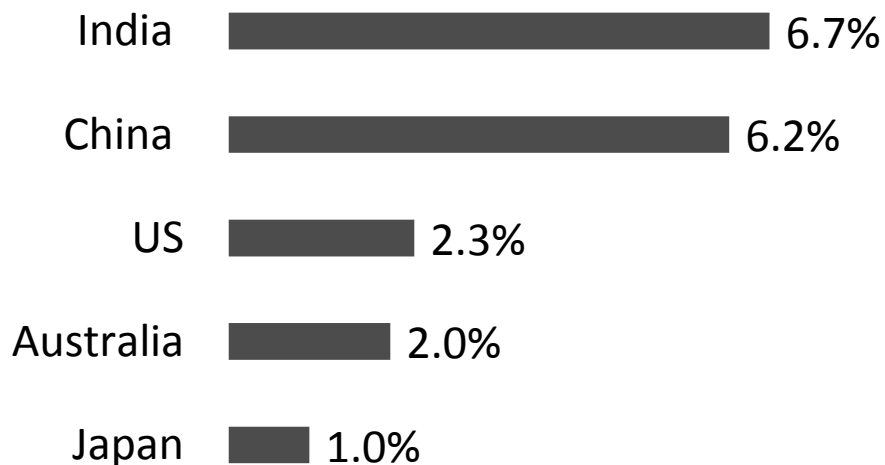
By 2030	By 2050
China (\$38 tr)	China (\$58 tr)
USA (\$24 tr)	India (\$44 tr)
India (\$20 tr)	US (\$34 tr)
Japan (\$6 tr)	Indonesia (\$11 tr)
Indonesia (\$5 tr)	Brazil (\$8 tr)

Source: Standard Chartered for 2030, PWC for 2050.

ACCESS TO GROWTH

- The Indian economy is growing more than three times as fast as the Australian and American economies.
- India is the only major economy in the world where growth is both high and stable/accelerating.
- This GDP growth is translating into sales and earnings growth for Indian companies.
- The Indian equity market is up 150% over the past 10 years, which is 3x greater than the ASX200.
- The Indian equity market is up 720% in the last 20 years which is 10x greater than MSCI World Index.

2019 Forecast GDP Growth Rates



Market Performance – Price Change (%)

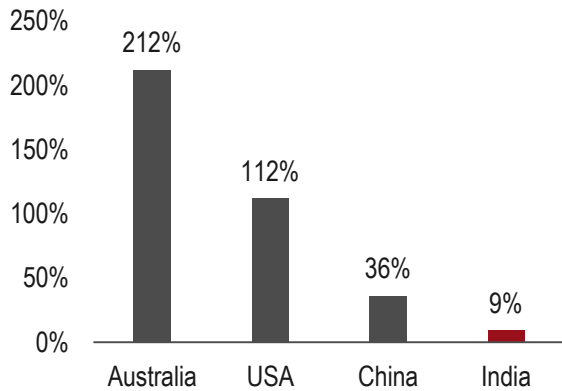
INDEX	1 YEAR	2 YEARS	5 YEARS	10 YEARS	20 YEARS
NIFTY 50	-3.6%	12%	40%	148%	720%
NASDAQ	2.4%	29%	77%	302%	202%
S&P 500	2.6%	21%	47%	190%	119%
MSCI World	-0.3%	10%	23%	101%	71%
ASX 200	2.0%	12%	15%	48%	119%

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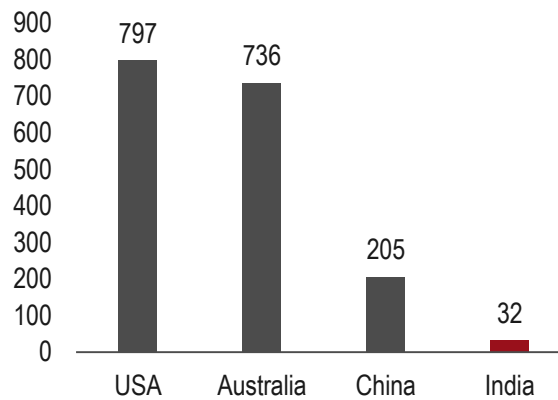
KEY SECTORS ARE MASSIVELY UNDERPENETRATED

- High growth rates in India are sustainable because of under-penetration in almost all aspects of the economy.
- Given this, India has a 10-20 year runway for growth.

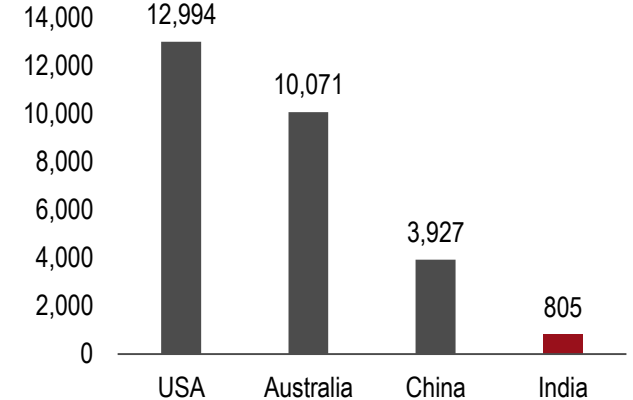
Household Debt as a % of Disposable Income



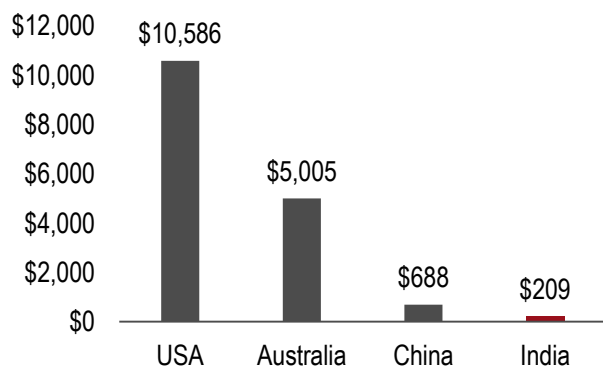
Vehicles per 1,000 people



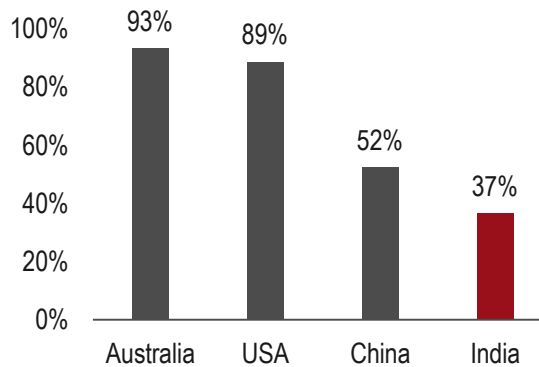
Electricity Consumption per Capita (kWh)



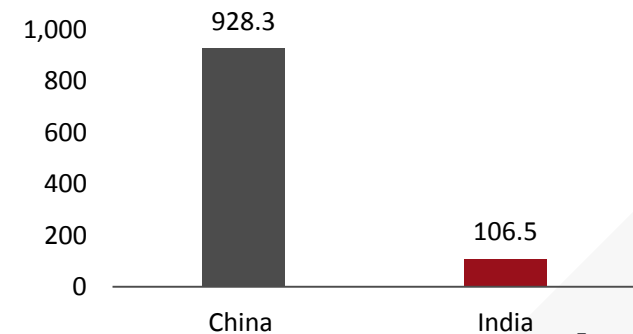
Health Care Spending per Capita per Year (\$US)



Internet Penetration (%)



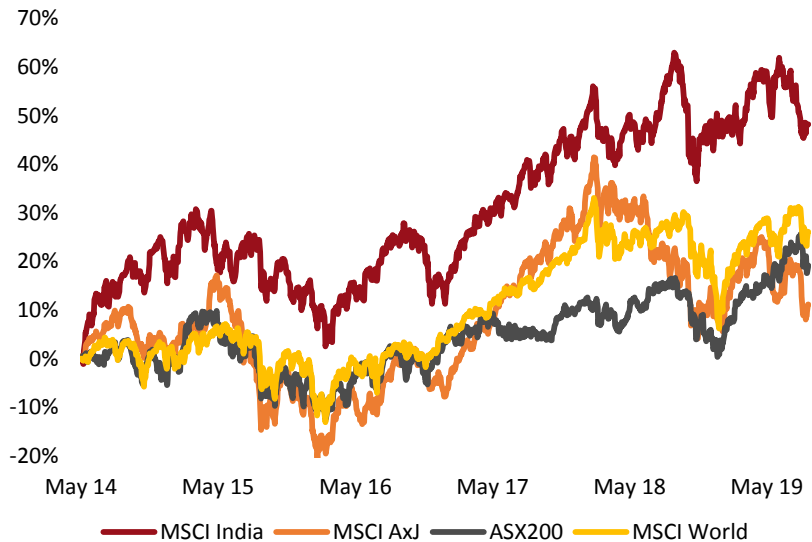
Steel Production (mm of tonnes per year)



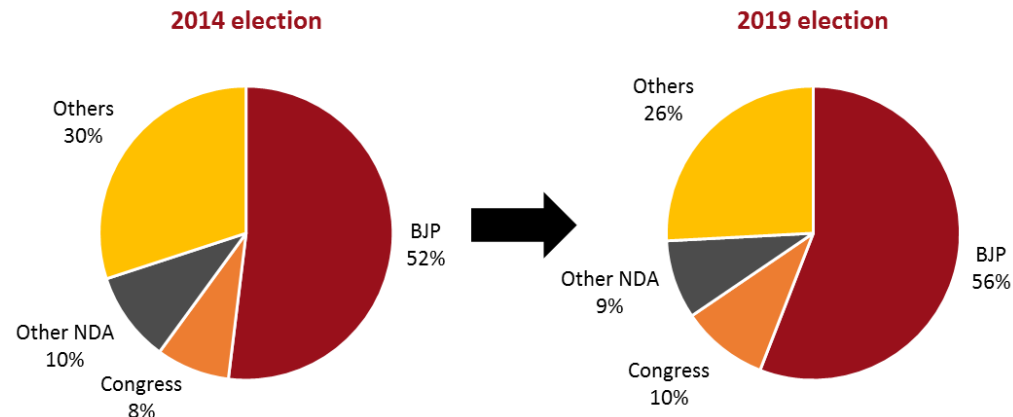
REFORMIST POLITICAL AGENDA

- The India market has performed very well since Modi was elected in 2014 (up 48%), outperforming most other markets globally.
- Modi was recently re-elected for another 5 years and with a clear majority in the lower house.
- This is a strong positive for the Indian economy as it will allow Modi to see through the structural reforms he has initiated since 2014.
- Key government initiatives include cleaning up the public sector banks, infrastructure spending, boosting rural incomes, job creation and formalising the Indian economy.
- A stable government with a clear reform mandate will continue to drive strong equity market performance.

Global Market Performance Since Modi's Election in 2014



Indian General Election Results*



Source: Bloomberg

* 2014 Election was decided from 543 seats. 2019 Election was decided from 542 seats.

MRF Example

- MRF is one of the largest tyre companies in India.
- Since my involvement with MRF, the stock has gone up 3800%.



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