

# INDIA QUALITY ADVANTAGE FUND (IQAF)- B Share

A sub-fund of ABSL Umbrella UCITS Plc.

## Investment Manager

Aditya Birla Sun Life Asset Management Company Pte. Ltd.

## Investment Objective

The investment objective of the Fund is to generate superior risk-adjusted returns.

## Investment Philosophy

The Fund invests in companies in India exhibiting consistent high-quality growth with investment horizon of medium-to-long term. It adopts a bottom-up stock election approach based on 'Quality' parameters including but not restricted to Return on Equity, Return on Capital employed, Earnings and Profit margins.

## Key Facts (as on 31<sup>st</sup> January 2023)

Inception Date	March 15th, 2019
Total Fund Size	USD \$10.70 million
NAV "B" Share	USD \$155.51
Domicile	Dublin, Ireland
Fund Base Currency	USD
UCITS	Yes
Benchmark	MSCI India SMALLCAP
Benchmark Ticker	MXINSC

## Share Class wise

B	
ISIN	IE00BJ8RGQ37
Fund Ticker	AINQABS ID Equity
Swiss Valor	43014541
Initial Charges	NIL
Redemption Charges*	Max 3.0%**
Minimum Initial Subscription (USD)	5,000
Minimum Additional Purchase (USD)	1000
Minimum Redemption (USD)	1000

\*This is the maximum that might be taken out of your money before it is invested or before the proceeds of your investment are paid out respectively.

\*\* The exit load would be charged in the below slabs:

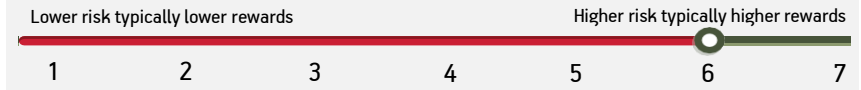
Charge 3% for investors exiting within 1 year of investment. Charge 2% for investors exiting within 2 years of investment. Charge 1% for investors exiting within 3 years of investment. For further details on Charges refer to the Prospectus and Supplement of the Fund.\*

## Risk Statistics

Standard Deviation	Sharpe Ratio #	Beta
25.54%	0.29	0.78

Risk ratios pertain to "B" share class  
Standard Deviation, Sharpe Ratio & Beta are calculated on Annualized basis using 3 year history of monthly USD returns. All statistical ratios w.r.t. MSCI India Small Cap Index  
# Risk-free rate assumed to be 4.70% (3 Month US Treasury Bill yield as on 31-Jan-2023)

## Synthetic Risk & Reward Indicator (SRRI)



## Market Outlook – January 2023

Indian equities fell while underperforming the emerging market region and peers (MSCI APX)/EM: +8.6%/+7.9% MoM). Mid-caps (-4.3% MoM) and small caps (-1.5% MoM) though weak, underperformed and outperformed the large caps respectively. All sectors barring IT and Consumer Discretionary ended the month in the red.

Globally, most of the markets ended with positive returns; Hong Kong, Shanghai and US SPX gained 10%, 5% and 5%, respectively. Indian markets were the worst-performing markets globally. Other key developments in the month: (1) China lifted quarantine provisions for inbound travelers, (2) the World Bank slashed its growth forecasts for most countries and regions and warned that new adverse shocks could tip the global economy into a recession, (3) sharp fall in Adani group stocks, and (4) the BOJ maintained its policy rate at (-)0.1% and surprised markets by not tweaking the range for the 10-year yield fluctuations following a surprise move of +/- 50 bps in the previous meeting.

January witnessed, growth in workers' compensation come in below estimates for the US markets. US house price inflation also slowed to 8.2% in Nov, the lowest since July 2020. Eurozone managed to show growth of 1.9% yoy in Q4 CY22, managing to avoid a recession even amidst high energy costs and rising interest rates. IMF has upgraded the CY23 global growth forecast by 0.2% to 2.9% yoy on the back of higher household spending and lower inflation forecasts.

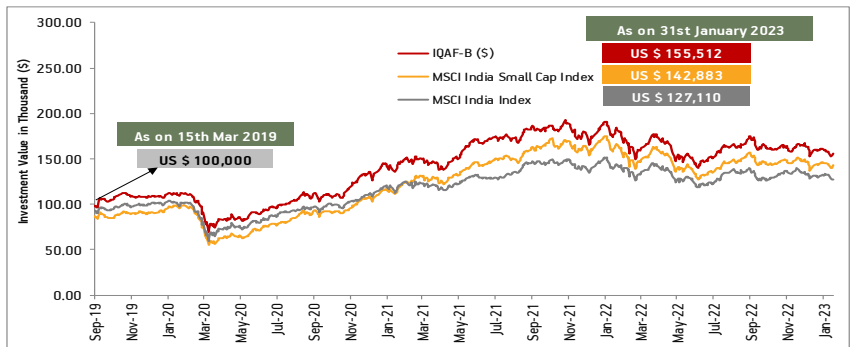
FII's continued their selling momentum in January (-\$3.1bn, following -\$0.2bn in December). India saw FII outflows of \$17bn in CY22. DIIs saw buying of \$4.1bn in January, keeping on trend with the previous month (+\$2.9bn). Mutual funds were buyers in January with inflows of \$1.2bn and Insurance funds were net buyers in the month with outflows of \$2.9bn.

In India, GST collections in Jan came in at 1.56 trillion, the second highest ever. Core sector growth has also come in at a 3-month high. The Economic Survey 2022-23 provided a particularly optimistic growth outlook, while emphasizing the need to continue to focus on capex and fiscal consolidation. It projects India's economy to grow at 6.5% (range of 6 – 6.8%) in FY24 and sustainable growth of 7.8% in the medium term. For India, earnings growth is expected in the range of 12-14% and valuations are expected to remain elevated (for both large caps and mid caps) at above pre-COVID levels while equity market returns are expected at 8-10% (back-ended towards 2H2023).

For flows into India, we believe that domestic flows will remain steady while FPIs are likely to sell in 1H2023 but there will likely be a revival in flows in 2H2023. FPIs are likely to look at cheaper valuations (e.g. China) in 1H2023 for Emerging Market allocations.

India likely to have relatively cheaper valuations in 2H2023 and with long-term demographic story intact, we expect flows to come in 2H2023.

## Fund Performance (as on 31<sup>st</sup> January 2023)



Period	IQAF	MSCI India Small Cap Index	Outperformance	MSCI India Index	Outperformance
1 Month	-3.0%	-0.3%	-2.7%	-3.1%	0.1%
3 Months	-2.8%	-1.1%	-1.7%	-2.9%	0.1%
6 Months	-4.2%	0.1%	-4.3%	-3.9%	-0.3%
9 Months	-7.5%	-7.6%	0.1%	-8.2%	0.6%
1 Year	-12.8%	-12.5%	-0.3%	-10.3%	-2.5%
2 Year	7.0%	13.2%	-6.2%	6.4%	0.6%
3 Year	12.0%	13.7%	-1.6%	8.4%	3.7%
Since Inception	11.9%	9.6%	2.3%	6.4%	5.5%
YTD	-3.0%	-0.3%	-2.7%	-3.1%	0.1%

Source: Bloomberg, ABSLAMC Internal Research

Returns are net of expenses. Returns are in % and absolute returns for period less than 1 year & CAGR for period 1 year or more. The returns for IQAF B Share & MSCI (India) are in US Dollars. Past performance is not indicative of future results. MSCI- Morgan Stanley Capital International. CAGR - Compounded Annualized Growth Rate. Returns shown above are point to point returns.



Morningstar Rating: Overall Rating based on risk-adjusted returns out of 396 funds as of 31/01/2023

Lipper Leaders Rating: Funds are rated on a numeric scale of 5 to 1, with '5' representing funds with the highest rating (Top 20%) or Lipper Leaders, and '1' representing the lowest rated funds

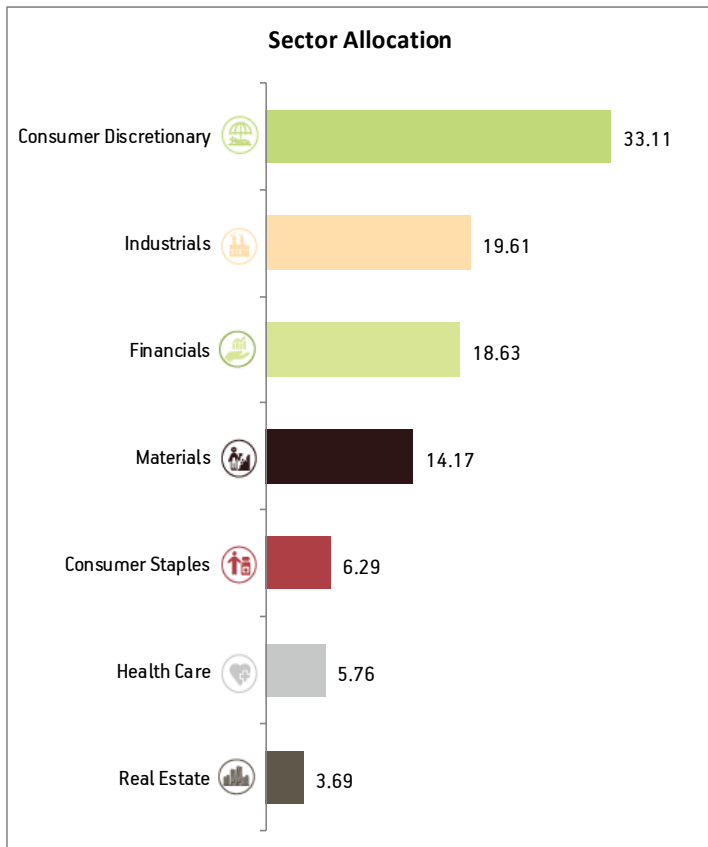
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	CY 2020	CY 2021	CY 2022	YTD 2023
IQAF	25.4%	30.8%	-10.1%	-3.0%
MSCI India Small Cap Index	19.6%	50.7%	-13.7%	-0.3%
Outperformance	5.8%	-19.9%	3.6%	-2.7%
MSCI India Index	14.1%	25.1%	-8.7%	-3.1%
Outperformance	11.3%	5.7%	-1.4%	0.1%



## Sector Allocation (as on 31<sup>st</sup> January 2023)



The above industry classification follows GICS Sector Classification Data is percentage (%)

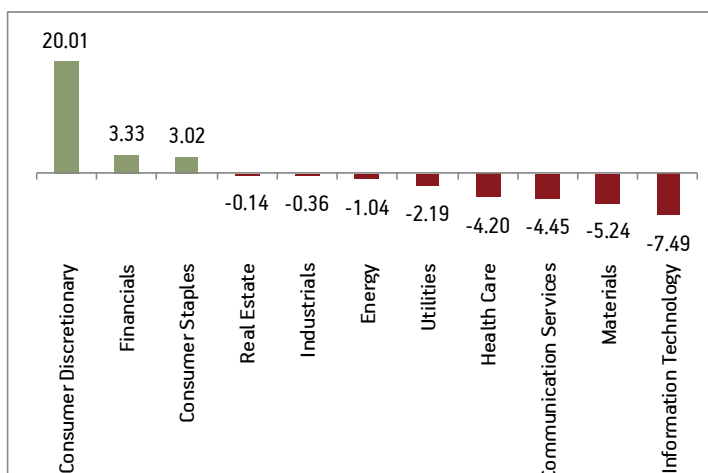


## Top Holdings (as on 31<sup>st</sup> January 2023)

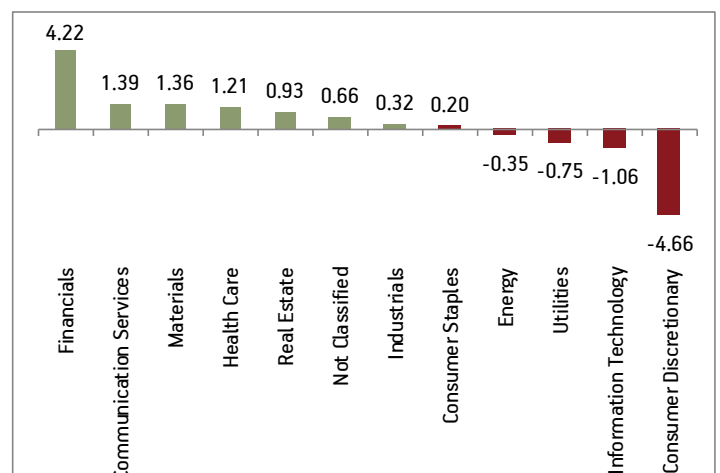
INSTRUMENT NAME	% NAV
Ujjivan Small Finance Bank Limited	4.31
Balrampur Chini Mills Ltd	4.14
M & M Financial Services Ltd	3.83
JK Lakshmi Cement	3.74
Interglobe Aviation Ltd	3.72
Phoenix Mills Ltd	3.69
Go Fashion India Ltd	3.64
FSN E-Comm Rg	3.42
Gmm Pfaunder Ltd	3.24
Fortis Healthcare Ltd	3.24



## Active Weight



## Attribution



The above industry classification follows GICS Sector Classification. Portfolio details and attribution as of Jan 31, 2023. Attribution analysis for 1 Year data. Data in percentage (%).

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- Investment in shares of the Fund involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal and there is no assurance or guarantee that the objectives of the Fund will be achieved.
- As the price / value / interest rates of the securities as well as the currency in which the Fund invests fluctuates, the value of your investment in the Fund may go up or down depending on the various factors and forces affecting capital markets and money markets in India.
- Past performance of the Promoter / Investment Manager does not guarantee future performance of the Fund and may not necessarily provide a basis of comparison with other investments.
- The name of the Fund does not, in any manner, indicate either the quality of the Fund or its future prospects or returns.
- The Fund is not a guaranteed or assured return fund.
- Indian equity and Equity Related Instruments by nature are volatile and prone to price fluctuations on a daily basis due to both macro and micro factors.
- The use of derivatives by the Fund affects the volatility of the Fund and exposes it to the risk of loss due to the unexpected application of a law or regulation or because contracts are not legally enforceable or documented correctly.

The Morningstar Rating™ for funds, or "star rating," is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period has the greatest impact because it is included in all three rating periods.

Lipper Leaders for Total Return may be the best fit for investors who want the best historical return, without looking at risk. This measure alone may not be suitable for investors who want to avoid downside risk. For more risk-averse investors, Total Return ratings can be used with Preservation and/or Consistent Return ratings to make an appropriate selection that balances the risk and return. The funds in each index receive scores for each metric in each time period. The bottom 20% of funds receive a "1", the second quintile receives a "2", the third a "3", the fourth a "4", and the fifth quintile receives a "5". The top 20% of funds, those ranked "5", earn the "Lipper Leaders" designation.

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Aditya Birla Sun Life Asset Management Company Pte Ltd

Unit Entity No: 2010019466