

# 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 September 2023)

Inception Date	March 15th, 2019
Total Fund Size	USD \$16.51 million
NAV "B" Share	USD \$176.91
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

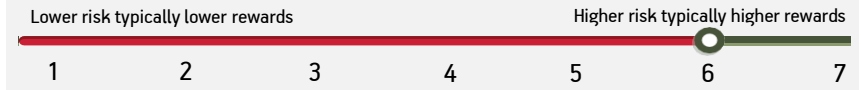
Standard Deviation	Sharpe Ratio #	Beta
19.31%	0.65	0.97

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 5.59% (3 Month US Treasury Bill yield as on 31-October-2023)

## Synthetic Risk & Reward Indicator (SRRI)



## Market Outlook – September 2023

In October, equities fell from the all-time highs made in the previous month, however continued to outperform its emerging market peers. The Israel-Hamas conflict, rising US bond yields and concerns about potential rate hikes dampened investor sentiment. The Mid-cap Index fell 4.1% while the Small-cap Index declined 0.8%. Sector-wise, all sectoral indices declined. Globally, most of the markets declined, with South Korea, Thailand and the Philippines declining 7.6%, 6.1% and 5.5%, respectively. Russia and Malaysia were the only markets to close with positive returns (7.2% and 1.3%, respectively). Other key developments: (1) the RBI MPC, in its October meeting, maintained status quo on the repo rate, (2) IMF raised India's FY2024 GDP forecast to 6.3% from 6.1% earlier, (3) World Bank maintained its FY2024 GDP growth forecast for India at 6.3%, (4) the Election Commission of India announced the schedule for assembly elections in five states: Rajasthan, Madhya Pradesh, Telangana, Chhattisgarh and Mizoram, (5) the Union Cabinet approved a 4% hike in dearness allowance for central government employees and pensioners effective July 2023. FPIs sold US\$3 bn (until October 27) of Indian equities in the secondary market, whereas DIIs bought US\$3.3 bn (until October 30).

Indian growth story remains intact and resilient with both industry and services doing well. Government capex has continued to be resilient; PMIs are running at near highest levels of last decade, and capacity utilization is above 75% which is marker for capex and the same is visible in new investment intention of corporate.

Monsoon recovered smartly in September reducing concerns on agri output, although sowing has been poor in some crops.

Despite the weakness in external sector, we remain positive on domestic growth and expect FY24 growth at 6.25-6.5%.

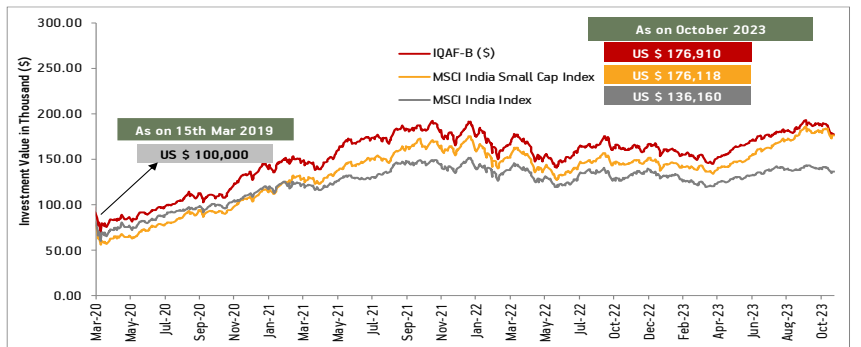
We believe that inflation data will continue to remain soft in the months ahead as vegetable prices have fallen and government is very focused on keeping inflation low, including through measures like cut in LPG prices and export bans on food items and quick imports/duty cuts. Like most major Central Banks, we expect RBI also to stay on pause for the rest of FY24 and start cutting in FY25.

Fiscal account of government of India is on track to achieve the 5.9% budget deficit target. We expect the government to stick to its borrowing targets for the fiscal. RBI continues to steadily build forex buffer and intervene on both sides to reduce INR volatility. We expect INR to remain relatively stable and one of the best performing EM currencies.

Key risk for India in the short term will be macro conditions on the global front and higher energy prices which have moved up lately due to supply side issues.

This year, mid and small cap stocks have continued to strengthen. This highlights the strength of domestic focused sectors. Though we remain structurally positive in mid & small caps, we expect there could be short-term volatility in this space given the valuation catch-up and relative valuation comfort in Large caps. Within equity, domestic focused themes viz. Banking and Financial Services, Consumption, Healthcare and Domestic Manufacturing are preferred to global cyclicals.

## Fund Performance (as on September 2023)



Period	IQAF-B	MSCI India SmallCap Index	Outperformance	MSCI India Index	Outperformance
1 Month	-5.8%	-1.9%	-3.9%	-2.2%	-3.6%
3 Months	-2.5%	2.5%	-5.0%	-3.4%	0.9%
6 Months	11.3%	21.6%	-10.3%	6.7%	4.6%
9 Months	13.8%	23.3%	-9.5%	7.1%	6.6%
1 Year	10.6%	21.9%	-11.4%	4.0%	6.6%
2 Year	-1.1%	4.6%	-5.6%	-2.4%	1.4%
3 Year	18.0%	25.0%	-7.0%	12.2%	5.8%
Since Inception	13.0%	13.0%	0.0%	6.9%	6.1%
YTD	10.3%	22.9%	-12.5%	3.8%	6.5%

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 31/10/2023

**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



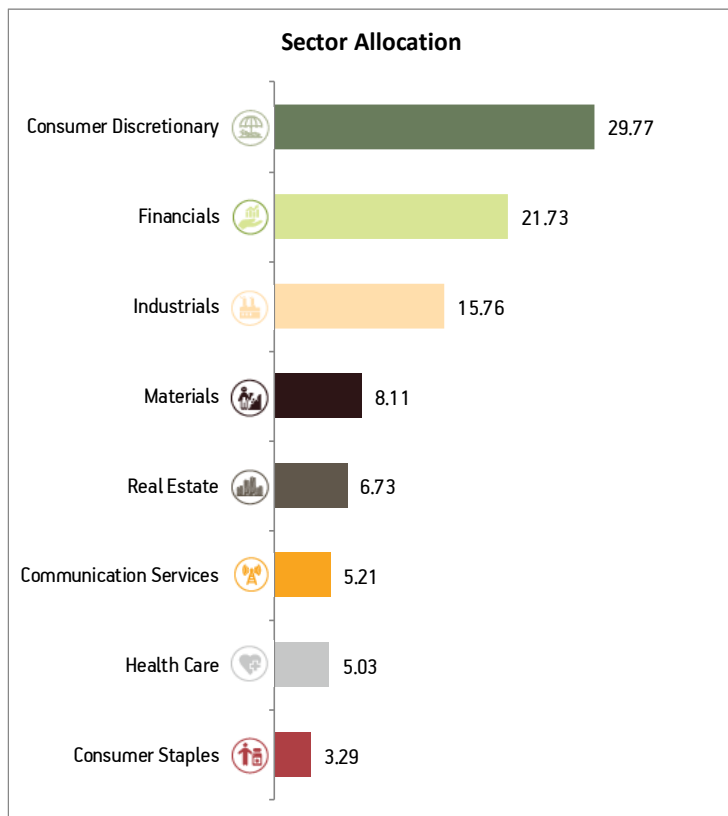
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	CY 2020	CY 2021	CY 2022	YTD 2023
<b>IQAF-B</b>	25.4%	30.8%	-10.1%	10.3%
MSCI India Small Cap Index	19.6%	50.7%	-13.7%	22.9%
Outperformance	5.8%	-19.9%	3.6%	-12.5%
MSCI India Index	14.1%	25.1%	-8.7%	3.8%
Outperformance	11.3%	5.7%	-1.4%	6.5%



## Sector Allocation (as on September 2023)



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

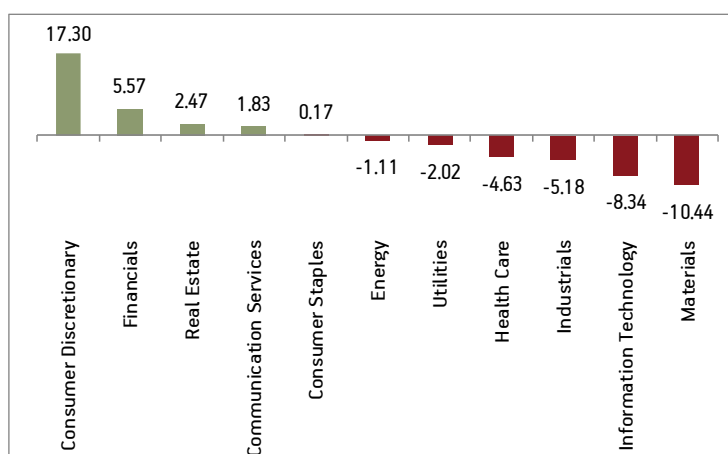


## Top Holdings (as on September 2023)

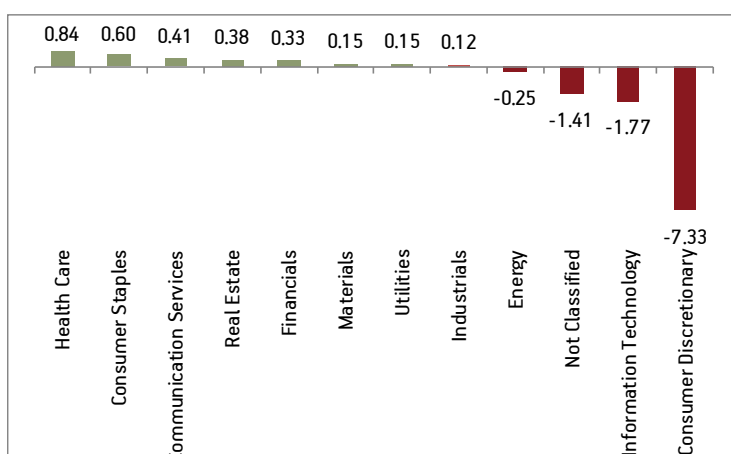
INSTRUMENT NAME	% NAV
TD Power Systems Ltd	4.08
LIC Housing Finance Ltd	3.75
Go Fashion India Ltd	3.61
Ashoka Buildcon Ltd	3.53
GMM Pfaudler Ltd	3.50
Dalmia Bharat Ltd	3.44
Motherson Sumi Systems	3.41
Balrampur Chini Mills Ltd	3.29
Shoppers Stop Ltd	3.29
Polycab India Ltd	3.22



## Active Weight



## Attribution



The above industry classification follows GICS Sector Classification. Portfolio details and attribution as of September 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". Meanwhile, the fifth quintile receives a "5". The top 20% of funds, those ranked "5," earn the "Lipper Leaders" designation.

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