

# INDIA QUALITY ADVANTAGE FUND (IQAF)

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 selection 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 30th September 2020)

Inception Date	November 3rd, 2014
Total Fund Size	USD \$11.73 million
NAV "D" Share	USD \$144.85
NAV "A" Share	USD \$100.7
Domicile	Dublin, Ireland
Fund Base Currency	USD
UCITS	Yes
Benchmark	MSCI INDIA SMALL CAP
Benchmark Ticker	MXINSC
Minimum Additional Purchase	USD 1000
Minimum Redemption	USD 1000

### Share Class wise

	A	B	C	D
ISIN	IE00BJ8RGP20	IE00BJ8RGC37	IE00BJ8RGR44	IE00BJ8RGS50
Fund Ticker	AINQAAS ID Equity	AINQAAS ID Equity	AINQAAS ID Equity	AINQAAS ID Equity
Swiss Valor	43014530	43014541	43014551	36534767
Initial Charges	NIL	NIL	NIL	NIL
Redemption Charges*	NIL	Max 3.0%**	NIL	NIL
Minimum Initial Subscription (USD)	5000	5000	100,000	1,000,000

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	24.19%
Sharpe Ratio#	0.07
Beta	0.70

Risk ratios pertain to "D" share class  
 Standard Deviation, Sharpe Ratio & Beta are calculated on Annualised basis using 3 year history of monthly USD returns.

All statistical ratios w.r.t. MSCI India Index  
 # Risk-free rate assumed to be 0.10% (3 Month US Treasury Bill yield as on 30-September-20)

## Synthetic Risk & Reward Indicator (SRRI)

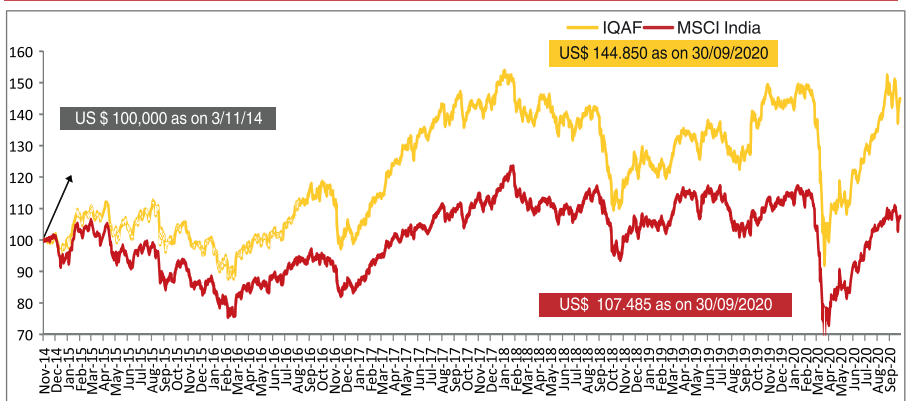


## Market Outlook

MSCI India (US\$) rose 0.6% in September. In 3QCY20, MSCI India (+14.5%) significantly outperformed peer group, MSCI APxJ (+8.6%) and MSCI EM (+8.7%). However, YTD MSCI India (-5.5%) is still underperforming peers, MSCI EM (-2.9%) and MSCI APxJ (+0.8%). Mid-caps performed inline with large caps while small cap indices outperformed in September. Global economic recovery continues to gain steam and there is a broad-based improvement in high frequency growth indicators around the world as lockdowns begin to ease. The pace of recovery had surprised most market participants and policy makers, and we are witnessing upgrades on global growth estimates which bodes well for global equity markets. However, markets continue to see some volatility due to concerns regarding a resurgence in COVID-19 cases in some countries, upcoming US elections and a delay in the second round of fiscal stimulus, and geo-political tensions. India's GDP growth contracted substantially by 23.9% YoY in 1Q FY21, but PMI indicates an improvement in 2Q. Key high frequency indicators are showing improvement, albeit with some moderation, as COVID curve is yet to flatten. Rural economy continued to grow higher aided by above-average monsoon and Kharif sowing. Global macro factors such as low oil prices and stable currency continue to be in India's favor. Most of India's de-growth can be explained by tight lockdown. Its

noteworthy that process of reopening the economy is continuing apace with most restrictions either removed or limited to isolated pockets/containment zones, even as Covid-19 cases continue to rise. The severity of disease in India appears to be low with healthy recovery rate. With the opening of the economy, recovery is underway with most high frequency beginning to recover and are at about 90% of pre-Covid levels. After record monthly net inflows in August, FIs turned net sellers in September with outflows of US\$731mn from Indian equities (vs. inflow of US\$6.1bn in August). FIs recorded net inflows in the debt markets at US\$569mn in September, first month of net inflows after six consecutive months of outflows. MFs were net equity sellers at US\$636mn while insurance funds bought US\$517mn of equities in September. India was amongst the best performing markets globally in September. Market breadth continued to improve with mid-and-smallcaps outperforming largecaps. In the short term, market volatility is expected to continue due to global developments and till we see a flattening of the COVID-19 curve in India. But easing of lockdowns and high liquidity should provide support to markets. In the current environment, it would be best to take a 3-year view as the economy and earnings would have normalized by then. Over a 3-year timeframe, we can expect a return CAGR of 10-12% for the Nifty.

## Fund Performance (as on 30th September 2020)



Period	IQAF	MSCI India	Outperformance
1 Month	-1.1%	0.6%	-1.7% ↓
3 Months	15.9%	14.5%	1.4% ↑
6 Months	37.8%	38.0%	-0.1% ↓
9 Months	0.5%	-5.5%	6.0% ↑
1 Year	3.7%	-0.7%	4.4% ↑
2 Year	9.8%	1.3%	8.6% ↑
3 Year	1.7%	0.7%	1.0% ↑
5 Year	7.4%	3.8%	3.6% ↑
Since Inception	6.5%	1.2%	5.2% ↑
YTD	0.5%	-5.5%	6.0% ↑

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 D Share & MSCI (India) are in US Dollars. Past performance is not indicative of future results. MSCI - Morgan Stanley Capital International. CAGR - Compounded Annualised Growth Rate. Returns shown above are point to point returns.



## Morningstar Rating

The rating is based on the current information furnished to Morningstar. For the methodology used refer to [www.morningstar.com](http://www.morningstar.com)

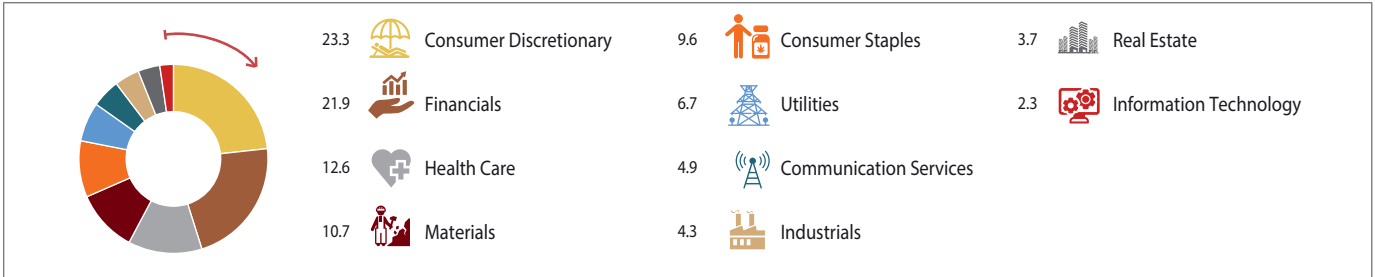
## Lipper Leaders Rating

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

INDIA QUALITY ADVANTAGE FUND (IQAF)

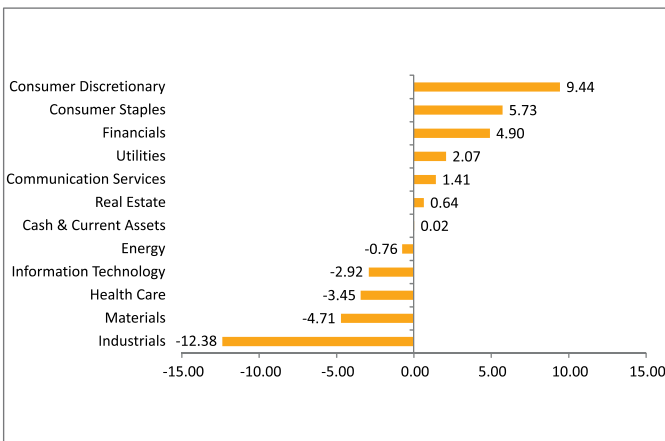
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**Sector Allocation** (as on 30th September 2020)

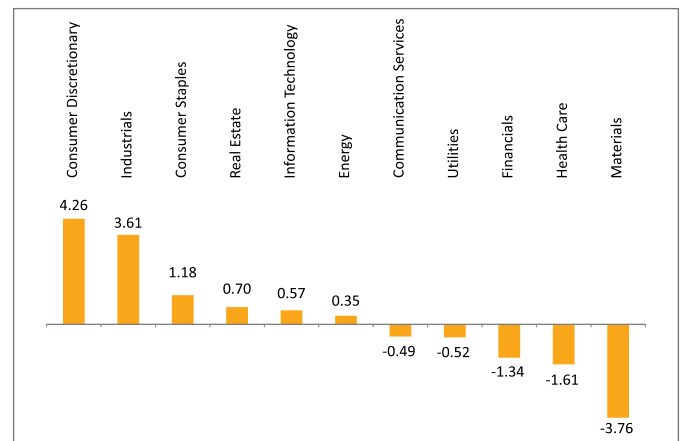


The above industry classification follows GICS Sector Classification Data is percentage (%)

**Active Weight**



**Attribution**



The above industry classification follows GICS Sector Classification. Portfolio details and attribution as of September 30, 2020. Attribution analysis for 1 Year data. Data in percentage (%).

**Top Holdings** (as on 30th September 2020)

INSTRUMENT NAME	% NAV
CROMPTON GREAVES CONSUMER ELECTRICALS LTD	4.43
TATA POWER CO LTD	4.09
MOTHERSON SUMI SYSTEMS LTD	3.88
ZEE ENTERTAINMENT ENTERPRISES LTD	3.81
PHOENIX MILLS LTD	3.74

INSTRUMENT NAME	% NAV
ASTER DM HEALTHCARE LTD	3.33
SBI LIFE INSURANCE COMPANY LTD	3.28
GODREJ CONSUMER PRODUCTS LTD	3.11
INDIAN HOTELS CO LTD	3.07
RADICO KHAITAN LTD	3.06

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