

# INDIA QUALITY ADVANTAGE FUND (IQAF)- A 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 January 2024)

Inception Date	August 29th, 2017
Total Fund Size	USD \$19.54 million
NAV "A" Share	USD \$185.36
Domicile	Dublin, Ireland
Fund Base Currency	USD
UCITS	Yes
Benchmark	MSCI India SMALLCAP
Benchmark Ticker	MXINSC

## Share Class wise

A	
ISIN	IE00BJ8RGP20
Fund Ticker	AINQAAS ID Equity
Swiss Valor	43014530
Initial Charges	NIL
Redemption Charges	NIL
Minimum Initial Subscription (USD)	5,000
Minimum Additional Purchase (USD)	1000
Minimum Redemption (USD)	1000

## Risk Statistics

Standard Deviation	Sharpe Ratio #	Beta
16.06%	0.47	0.83

Risk ratios pertain to "A" 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 5.46% (3 Month US Treasury Bill yield as on 31-January-2024)

## Synthetic Risk & Reward Indicator (SRRI)



## Market Outlook – January 2024

The Indian markets continued to deliver positive returns for the 3rd consecutive month as the Indian economy continues to be robust. The mid-cap and small-cap indices continued their winning streak and were up 5% and 7% respectively. Sector-wise, Oil & Gas, PSU and Realty gained 13%, 11% and 9% respectively while Bank, FMCG and Metals were down 4%, 3% and 1% respectively.

The market movement in the month was influenced by the 3Q result season, US FOMC meeting, interim budget and escalating tensions in the Middle East. Other key developments: (1) the US Federal Reserve meeting minutes indicated that interest rates will remain elevated for longer, (2) the NSO reported its FY2024 real GDP growth estimate at 7.3% against 7.2% in FY2023, and the IMF raised India's FY2025 GDP forecast by 20 bps to 6.5%, (3) Sony called off its merger with Zee Entertainment, (4) the US Federal Reserve kept the benchmark rates unchanged, (5) so far, 30 Nifty-50 companies have reported 3Q results, and net income came in 4% ahead of consensus expectations.

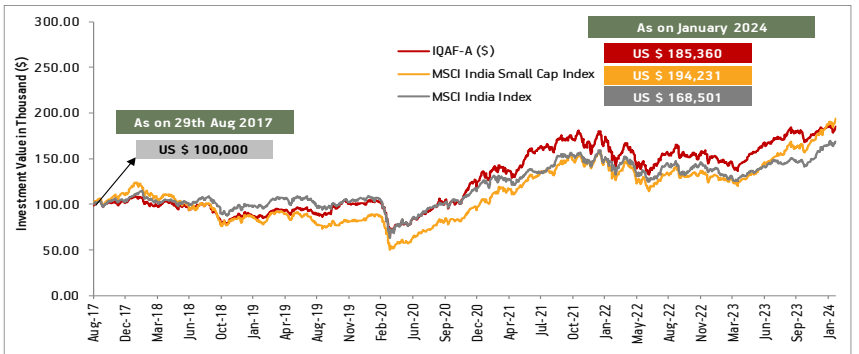
Total institutional inflows fell sharply as Foreign investors sold of US\$3.1 Bn, whereas domestic institutions continue to bid, buying stocks worth US\$3.2 Bn. FPIs remained buyers of debt at US\$2.4 Bn (the highest in over six years).

On the economic front, CPI inflation in Dec'23 came in at 5.7% (5.6% in Nov'23), while WPI inflation increased 0.73% (compared to 0.26% in Nov'23).

India Manufacturing PMI print for the month of Dec'23 was at 56.9 (54.9 in Nov'23), due to an increase in output & new order growth, while Services PMI increased to 61.2 in Dec'23 (59.0 in Nov'23), led by pick up in the rate of growth of output and new orders. While we expect the RBI to cut rates in the middle of 2024, the rate cycle is likely to be a shallow one given the domestic growth impulses.

Moving ahead, sentiment in the domestic equity market will be tracked by incoming domestic macroeconomic data. Corporate earnings numbers for the quarter ended Dec'23 by some key domestic companies are yet to be disclosed and the same will also have its impact on the markets. We expect equities to rise as India heads into general elections in 2024. Markets are pricing in a majority for the current ruling government and expect continuity in economic policies. Investment in manufacturing, offshoring opportunities, energy transition and the country's advanced digital infrastructure are set to fuel the economy and key catalysts for CY2024 are the upcoming elections, corporate earnings growth, a rise in net issuances and the inclusion of India in the JP Morgan Government Bond Index-Emerging Markets (GBI-EM), prompting US\$30 Bn in inflows into the Indian G-sec market.

## Fund Performance (as on January 2024)



Period	IQAF-A	MSCI India SmallCap Index	Outperformance	MSCI India Index	Outperformance
1 Month	1.0%	5.9%	-4.9%	2.4%	-1.4%
3 Months	9.8%	22.1%	-12.3%	17.9%	-8.1%
6 Months	7.3%	25.1%	-17.9%	13.9%	-6.6%
9 Months	22.7%	48.5%	-25.8%	25.8%	-3.1%
1 Year	25.7%	50.5%	-24.9%	26.3%	-0.6%
2 Year	5.1%	14.8%	-9.7%	6.4%	-1.3%
3 Year	11.5%	22.8%	-11.3%	10.5%	1.0%
5 Year	16.6%	18.6%	-2.0%	11.5%	5.1%
Since Inception	10.3%	10.9%	-0.6%	8.5%	1.8%
YTD	1.0%	5.9%	-4.9%	2.4%	-1.4%

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 A 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 31/01/2024

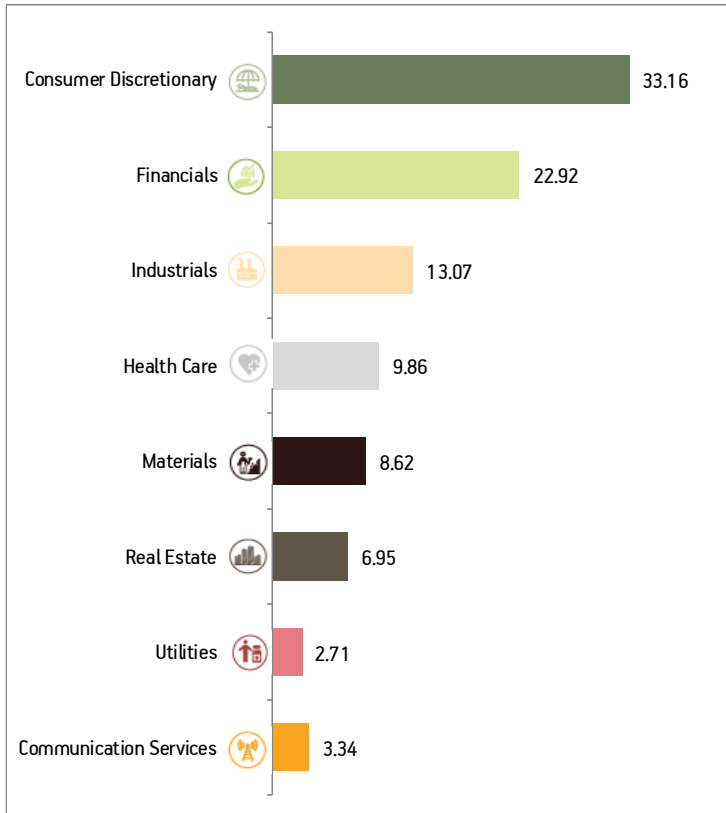
Lipper Leaders Rating: Funds are rated on a numeric scale of 5 to 1, with '5' representing funds with the highest rating (Top 20%) or Lipper Leaders, and '1' representing the lowest rated funds

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	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	YTD 2024
<b>IQAF-A</b>	-16.3%	11.6%	26.4%	31.8%	-9.4%	20.8%	1.0%
<b>MSCI India Small Cap Index</b>	-26.4%	-5.5%	19.6%	50.7%	-13.7%	41.7%	5.9%
<b>Outperformance</b>	10.1%	17.2%	6.8%	-18.9%	4.3%	-20.9%	-4.9%
<b>MSCI India Index</b>	-8.8%	6.1%	14.1%	25.1%	-8.7%	19.6%	2.4%
<b>Outperformance</b>	-7.6%	5.5%	12.2%	6.7%	-0.7%	1.2%	-1.4%

## Sector Allocation (as on January 2024)

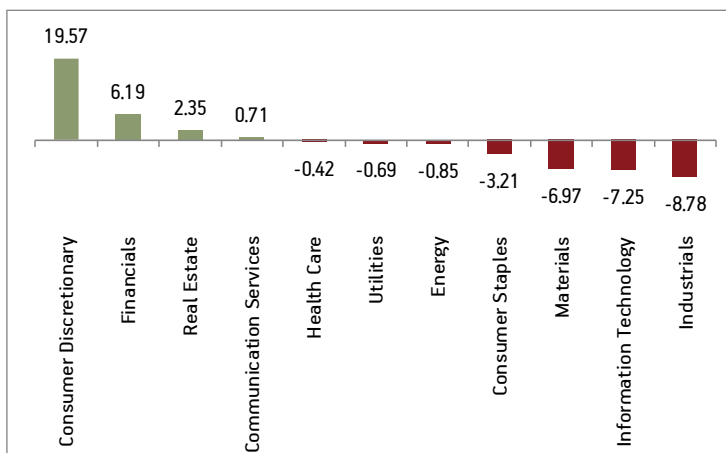


The above industry classification follows GICS Sector Classification Data is percentage (%)

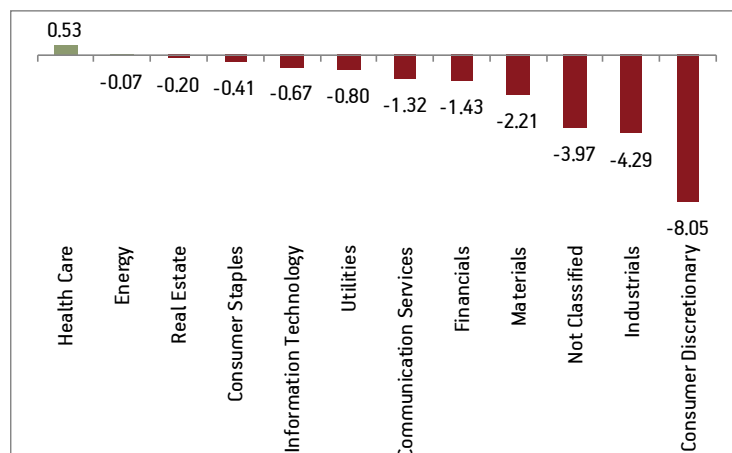
## Top Holdings (as on January 2024)

INSTRUMENT NAME	% NAV
LIC Housing Finance Ltd	4.33
TD Power Systems Ltd	4.32
Fortis Healthcare Ltd	4.29
Bank Of India	4.19
Motherson Sumi Systems	3.56
Manappuram Finance Ltd	3.53
Affle India Ltd	3.34
Shoppers Stop Ltd	3.28
Chalet Hotels Ltd	3.23
Aavas Financiers Ltd	3.19

## Active Weight



## Attribution



The above industry classification follows GICS Sector Classification. Portfolio details and attribution as of January 2024. Attribution analysis for 1 Year data. Data in percentage (%).

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