

# 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 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 March 2024)

Inception Date	November 3rd, 2014
Total Fund Size	USD \$17.90 million
NAV "D" Share	USD \$258.84
Domicile	Dublin, Ireland
Fund Base Currency	USD
UCITS	Yes
Benchmark	MSCI INDIA SMALLCAP
Benchmark Ticker	MXINSC

## Share Class wise

D	
ISIN	IE00BJ8RGS50
Fund Ticker	AINQADS ID Equity
Swiss Valor	36534767
Initial Charges	NIL
Redemption Charges	NIL
Minimum Initial Subscription (USD)	10,00,000
Minimum Additional Purchase (USD)	1000
Minimum Redemption (USD)	1000

## Risk Statistics

IQAF	Standard Deviation	Sharpe Ratio #	Beta
3 Year	16.25%	0.25	0.87
Since Inception	19.80%	0.27	0.76

Risk ratios pertain to "D" 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 28-March-2024)

## Synthetic Risk & Reward Indicator (SRR)



## Market Outlook - March 2024

MSCI India Index (USD) touched an all-time high in Mar'24 (+0.8%). Large caps (+1.6%) outperformed Midcaps (+0.2%) as well as Small caps (-3.8%) for the 2nd consecutive month. Communication Services & Industrials were the strongest performing sectors, while Information Technology was the weakest. Real Estate, Utilities and Consumer Staples were the other sectors which ended in the red.

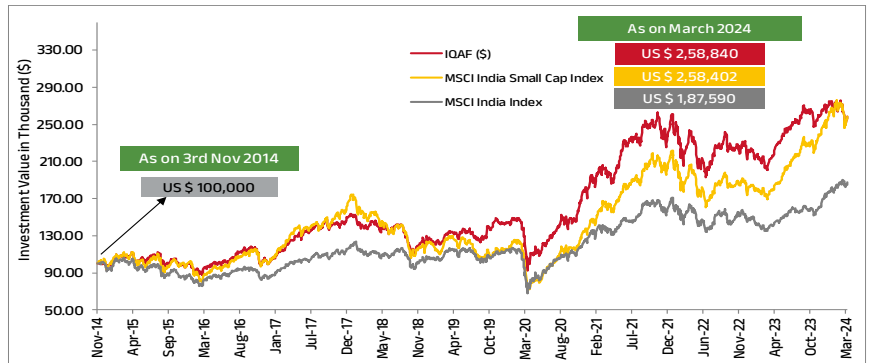
Some of the key developments for the month were as follows: (1) The Lok Sabha elections in 2024 have been scheduled to be conducted in seven phases, commencing from April 19 and concluding on June 1, with the results to be announced on June 4; (2) The finance ministry directed all state-owned banks to review their gold loan portfolios as instances of non-compliance with regulatory norms have been noticed by the govt.; (3) Fitch Ratings raised India's GDP growth forecast for FY2025 to 7.0% from the previous estimates of 6.5%.

FII's were strong buyers during the month, ending with a net buying of \$3.7 Bn (\$1.1 Bn YTD). DIIs continued to remain net buyers for the 8th consecutive month with strong inflows of \$6.8 Bn in Mar'24 (+\$3.1 Bn in Feb'24). Mutual Funds were net buyers with inflows of +\$3.8 Bn (+\$1.7 Bn in Feb'24) and Insurance Funds were net buyers with inflows of +\$3.0 Bn (+\$1.3 Bn in Feb'24). CPI Inflation in Feb'24 was unchanged at 5.1% from last month, WPI inflation moderated to 0.2% (Jan'24: 0.3%) while Industrial production in Jan'24 moderated to 3.8% (Dec'23: 4.2%).

The CAD in 3QFY24 moderated to US\$10.5 Bn (1.2% of GDP), while CAD in 2QFY24 was revised to US\$11.4Bbn from US\$8.3 Bn.

This year, the fundamental set up looks compelling given backdrop of strong economic growth, generally strong earnings momentum, and prospects for rate cuts. India is expected to be the fastest growing large economy with real GDP growth projected to be 7.5% - 8.0% for FY24 and 6.5% - 7.0% for FY25. Strong economic growth should drive earnings momentum. Nifty earnings growth is projected to be 20%+ for FY24 and 17% for FY25. The most important upcoming catalyst is both the market's view on the 2024 general election outcome and then finally the actual results. The polls are suggesting both continuity & a strong government which we believe is also something equity markets are pricing in. The budget for FY25 will likely reaffirm the fiscal consolidation outlined in the interim budget released in Feb'24, as the fiscal consolidation augurs well for equity market performance. In the meanwhile, we expect RBI to maintain status quo on rates while allowing liquidity to be less tight in the coming months. In our base case we think RBI will engage in a shallow rate cutting cycle beginning 3QCY2024. An earlier rate cut could hinge on more aggressive action from the Fed or a durable decline in oil/food prices which pulls down headline inflation ahead of our forecasts.

## Fund Performance (as on March 2024)



Period	IQAF	MSCI India SmallCap Index	Outperformance	MSCI India Index	Outperformance
1 Month	-3.8%	-4.3%	0.5%	0.8%	-4.6%
3 Months	-4.5%	0.3%	-4.8%	5.9%	-10.4%
6 Months	-1.8%	13.5%	-15.3%	19.3%	-21.1%
9 Months	5.4%	25.9%	-20.5%	21.2%	-15.8%
1 Year	24.4%	48.4%	-24.0%	35.5%	-11.1%
2 Year	5.1%	14.6%	-9.5%	8.6%	-3.5%
3 Year	9.8%	17.2%	-7.4%	11.2%	-1.4%
5 Year	14.0%	14.9%	-1.0%	10.4%	3.6%
7 Year	11.1%	10.4%	0.7%	9.4%	1.7%
Since Inception	10.6%	10.6%	0.02%	6.9%	3.7%
YTD	-4.5%	0.3%	-4.8%	5.9%	-10.4%

Source: Bloomberg, ABSLAMC Internal Research

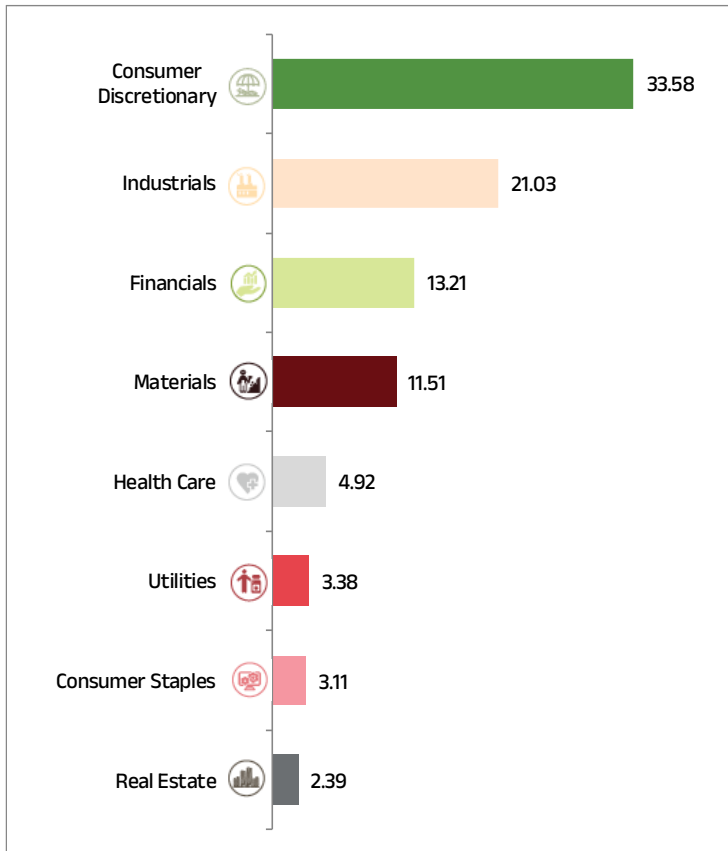
Returns are net of expenses. Returns are in % and absolute returns for period less than 1 year & CAGR for period 1 year or more. The returns for IQAF D Share & MSCI (India) are in US Dollars. Past performance is not indicative of future results. MSCI - Morgan Stanley Capital International. CAGR - Compounded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

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	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	YTD 2024
IQAF	1.0%	1.1%	49.3%	-15.6%	12.5%	27.4%	32.8%	-8.7%	21.8%	-4.5%
MSCI India Small Cap Index	1.4%	-0.7%	65.9%	-26.4%	-5.5%	19.6%	50.7%	-13.7%	41.7%	0.3%
Outperformance	-0.4%	1.8%	-16.6%	10.8%	18.0%	7.8%	-17.8%	5.0%	-20.0%	-4.8%
MSCI India Index	-7.4%	-2.8%	36.8%	-8.8%	6.1%	14.1%	25.1%	-8.7%	19.6%	5.9%
Outperformance	8.4%	3.9%	12.5%	-6.9%	6.4%	13.2%	7.7%	0.03%	2.2%	-10.4%

## Sector Allocation (as on March 2024)

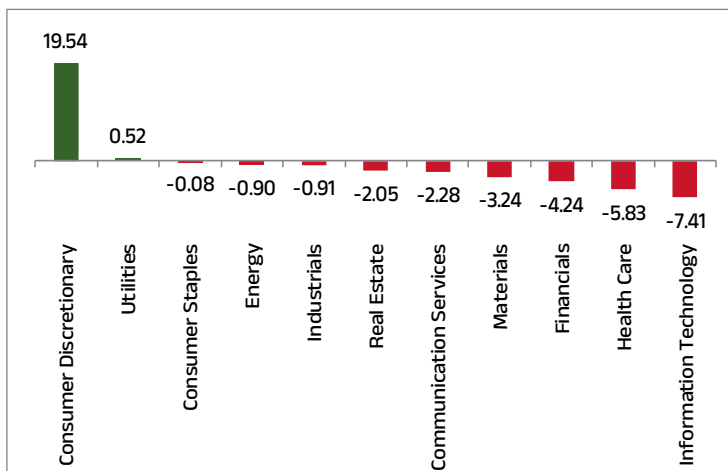


The above industry classification follows GICS Sector Classification Data is percentage (%)

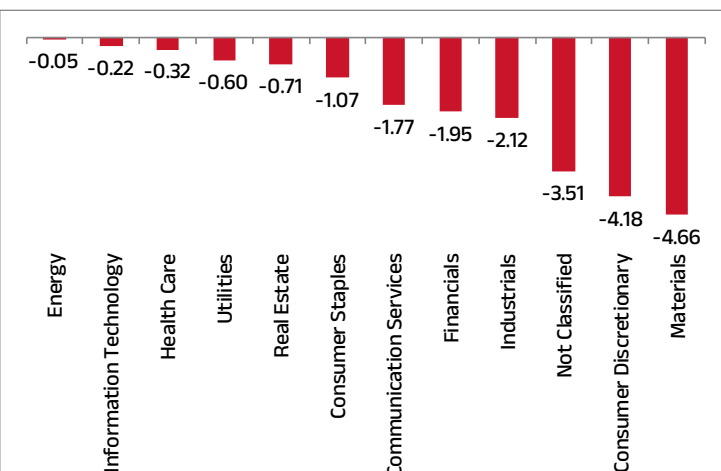
## Top Holdings (as on March 2024)

INSTRUMENT NAME	% NAV
TD Power Systems Ltd	4.60
Cello World Ltd	4.57
Power Mech Projects Ltd	4.10
Shoppers Stop Ltd	3.57
Samhi Hotels Rg	3.47
Gujarat Gas Ltd	3.38
Go Fashion India Ltd	3.23
Inox Rg 144A Reg S	3.17
Bikaji Foods International Ltd	3.11
Aavas Financiers Ltd	3.09

## Active Weight



## Attribution



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

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