



## 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 31st March 2022)

Inception Date	November 3rd, 2014
Total Fund Size	USD \$22.40 million
Share Class Size (D)	USD \$18.36 million
NAV "D" Share	USD \$234.24
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	24.48%	0.81	0.74
Since Inception	20.79%	0.57	0.75

Risk ratios pertain to "D" share class

Standard Deviation, Sharpe Ratio &amp; Beta are calculated on Annualised 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 0.52% (3 Month US Treasury Bill yield as on 31-Mar-2022)

"Lipper Ratings – Overall  
(Consistent Return)"

Morningstar Rating™

Morningstar Rating: Overall Rating based on risk-adjusted returns out of 396 funds as of 31/03/2022

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



## Synthetic Risk &amp; Reward Indicator (SRRI)

Lower risk Typically lower rewards

Higher risk Typically higher rewards



## Market Outlook - March 2022

Indian equities had a turbulent start to the year as markets witnessed global sell-off due to surface of unprecedented events. Faster-than-expected rate hikes signals by the US Fed, rising bond yields, crude prices and geopolitical tensions continued to weigh on investor sentiments. Concerns that rising geopolitical tension could spark global supply chain disruption resulting in rising input costs. Meanwhile Concerns around the third COVID-19 wave were muted as cases showed a steep rise while hospitalizations remained low. During the quarter the Indian central bank (Reserve Bank of India) maintained its accommodative stance, keeping rates on hold. Month of March, however, saw recovery, as geopolitical tensions and oil prices cooled down a bit.

FII's continued as to remain net sellers of Indian equities in March (-\$4.8bn, following -\$5.0bn in February). This marked the sixth consecutive month of net equity outflows for FIIs. FIIs recorded inflows of \$5.2bn in March, maintaining the buying trend observed since March 2021. Mutual funds and Insurance funds were both net buyers in March with \$3.1bn inflows and \$2.1bn inflows respectively.

The higher inflation and slower global growth arising from escalation of war is negative for risk assets in the short term. However, past episodes reflect that such crises had little discernible impact on a medium-term basis. Given the unpredictability of the geopolitical conflict(s), duration

and impact on economic growth, we will see some downside risk to India's growth forecast for FY23. Over next three years, India is likely to go back to its real GDP growth trend of 6.5% with all three drivers of economy namely Consumption, Investments and Exports firing.

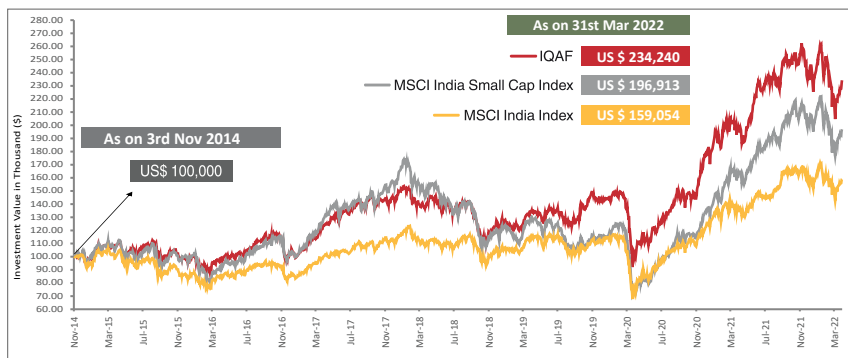
In the near-term, higher commodity prices may lead to lower consumer discretionary demand and lower corporate margins, resulting in a downgrade in earnings for FY23. However, we believe over the next 3 years, earnings are likely to grow at a 13-15% CAGR, which is higher than the long-term average.

2022 is a year of transition, as excess liquidity gets withdrawn and interest rates inch up. Hence, valuation multiples can be expected to normalize. On an overall basis, this can be a year of moderate returns.

Valuations have corrected but remain close to long-term average. The heightened geopolitical conflict has also led to elevated FII outflows from India. But the same has been offset by strong DII buying during the same period which is supporting markets. On a medium-to-long term basis, we continue to remain positive on Indian equities and expect markets to continue to scale higher. Our long-term narrative for India remains intact. Overall, we believe Indian equity markets can give returns slightly below earnings CAGR over next 3 years.



## Fund Performance (as on 31st March 2022)



Period	IQAF	MSCI India Small Cap Index	Outperformance	MSCI India Index	Outperformance
1 Month	4.9%	4.7%	0.2%	3.6%	1.3%
3 Months	-3.9%	-6.6%	2.7%	-2.0%	-1.9%
6 Months	-5.2%	-4.7%	-0.6%	-2.4%	-2.8%
9 Months	1.8%	7.4%	-5.6%	9.6%	-7.7%
1 Year	18.8%	21.5%	-2.7%	16.8%	2.0%
2 Year	49.3%	62.0%	-12.7%	42.9%	6.4%
3 Year	20.2%	15.2%	5.1%	11.5%	8.7%
5 Year	13.6%	8.8%	4.7%	9.7%	3.9%
Since Inception	12.2%	9.6%	2.6%	6.5%	5.7%
YTD	-3.9%	-6.6%	2.7%	-2.0%	-1.9%

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.

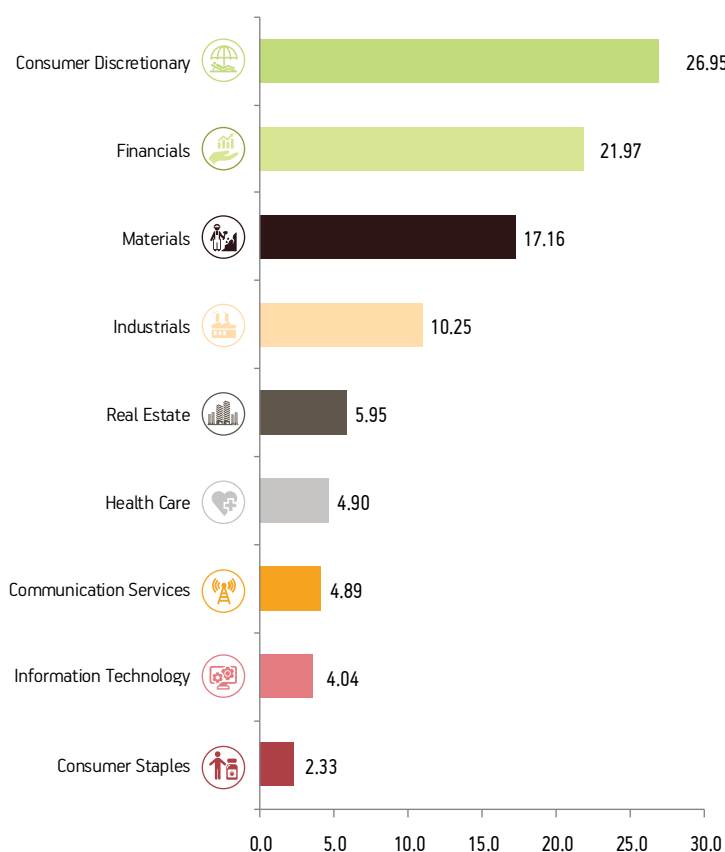
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	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021	YTD 2022
<b>IQAF</b>	1.0%	1.1%	49.3%	-15.6%	12.5%	27.4%	32.8%	-3.9%
<b>MSCI India Small Cap Index</b>	1.4%	-0.7%	65.9%	-26.4%	-5.5%	19.6%	50.7%	-6.6%
<b>Outperformance</b>	-0.4%	1.8%	-16.6%	10.8%	18.0%	7.8%	-17.8%	2.7%
<b>MSCI India Index</b>	-7.4%	-2.8%	36.8%	-8.8%	6.1%	14.1%	25.1%	-2.0%
<b>Outperformance</b>	8.4%	3.9%	12.5%	-6.9%	6.4%	13.2%	7.7%	-1.9%



## Sector Allocation (as on 31st March 2022)



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

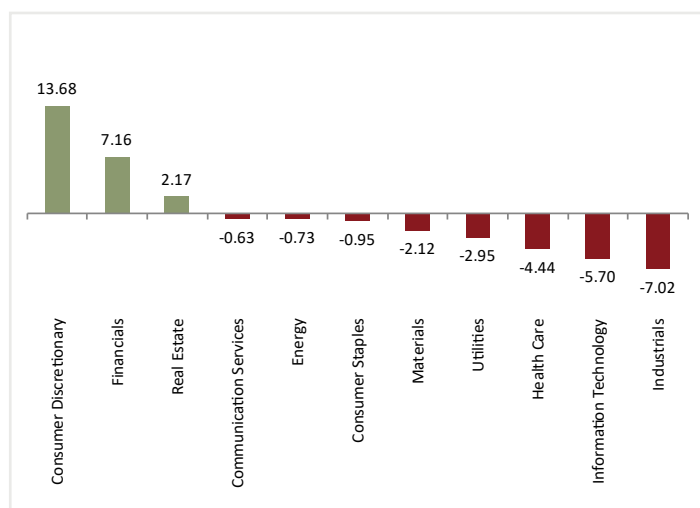


## Top Holdings (as on 31st March 2022)

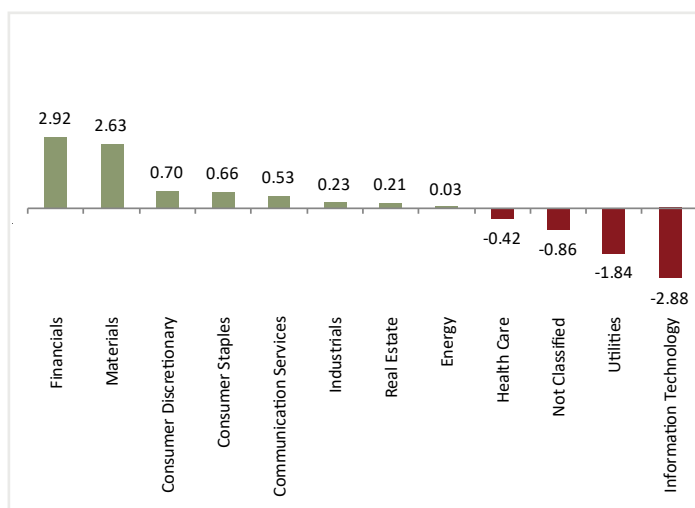
INSTRUMENT NAME	% NAV
Jindal Steel & Power Ltd	4.86
VIP Industries Ltd	3.93
Devyani International Ltd	3.55
Mahindra & Mahindra Financial Services Ltd	3.41
Bank Of Baroda	3.29
Bharat Forge Ltd	3.09
ICICI Bank Ltd	3.07
Go Fashion (India) Ltd	2.99
Fortis Healthcare Ltd	2.98
Restaurant Brands Asia Ltd	2.87



## Active Weight



## Attribution



The above industry classification follows GICS Sector Classification. Portfolio details and attribution as of March 31, 2022. Attribution analysis for 1 Year data. Data in percentage (%).



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Aditya Birla Sun Life Asset Management Company Pte Ltd

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