

## 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 31st July 2020)

Inception Date	November 3rd, 2014
Total Fund Size	USD \$10.99 million
NAV "D" Share	USD \$134.96
NAV "A" Share	USD \$93.95
Domicile	Dublin, Ireland
Fund Base Currency	USD
UCITS	Yes
Benchmark	MSCI India
Benchmark Ticker	MXIN
Minimum Additional Purchase	USD 1000
Minimum Redemption	USD 1000

#### Share Class wise

	A	B	C	D
ISIN	IE00BJ8RGP20	IE00BJ8RGQ37	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	23.73%
Sharpe Ratio#	-0.07
Beta	0.89

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 0.09% (3 Month US Treasury Bill yield as on 31-July-20)

### Synthetic Risk & Reward Indicator (SRRI)

Lower risk Typically lower rewards	1	2	3	4	5	6	7	Higher risk Typically higher rewards
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### Market Outlook

MSCI India (US\$) rose 10.1% in July outperforming peers MSCI EM (+8.4%) and MSCI APxJ (+7.5%), with YTD underperformance paring to 6-9%. Mid and small cap indices underperformed large cap indices by 3-4%.

Indian equities continue its upward momentum in July with markets rebounding by 46% from Mar lows and only 10% below YTD/all-time peak in mid Jan. However, the rally in July lacks breadth, given 2/3rd of the market uptick is contributed by Infosys and Reliance. Markets continue to move higher despite the relentless increase in daily new COVID cases and sharp earnings downgrades.

In India, we are still seeing a rising trend in number of COVID cases although fatality rate remains low. There are signs of deflation in economy – pent up demand is seen – although it remains to be seen if this will sustain. Key high frequency indicators are showing improvement although some are flattening out. Rural economy is a bright spot with normal monsoon and Kharif sowing higher YoY. Global macro factors such as low oil prices and stable currency also continue to be in India's favour.

FILs recorded net inflows of US\$1.3bn into Indian equities in July. YTD, FILs are net sellers at US\$1.2bn in Indian equities. FILs recorded net outflows from debt markets at US\$329mn in July, the 5th consecutive month of outflows. YTD, FILs have sold US\$14.6bn in the debt markets. DILs were net equity sellers of US\$1.3bn in July. Both mutual funds and insurance funds were net equity sellers in July at US\$1.0bn and US\$314mn respectively.

US\$314mn respectively.

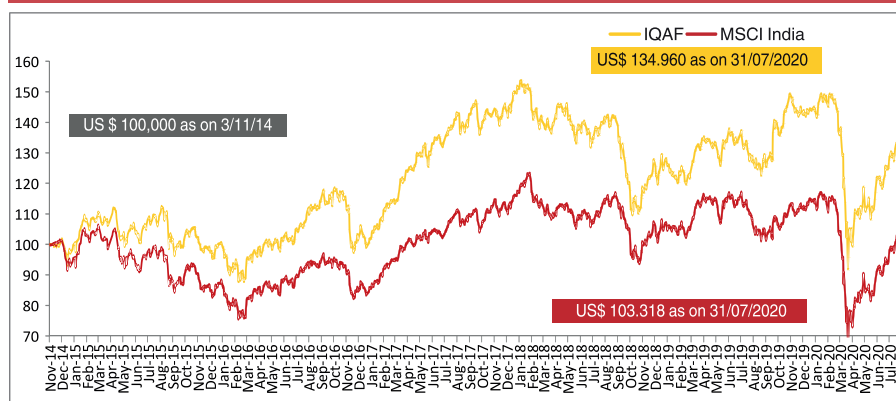
Q1 FY21 earnings are expected to be weak and further earnings downgrades can be expected. However, corporate earnings should bottom out in FY21. A recovery is projected in FY22 and economy and earnings are expected to normalize by FY23. Also, companies are re-designing business processes to take advantage of technology, remove inefficiencies, and reduce costs which may lead to faster recovery in earnings and ROE.

Valuations are reasonable with Nifty Trailing P/B ~13% below its LTA. Midcaps & small caps are at relatively attractive valuations. Low interest rates and high liquidity can justify higher equity valuations going forward.

USD has entered a bear market and a weaker USD boosts EM flows and assets. India continued to see strong FII inflows in July. However, domestic flows have turned negative even though SIP flows have been steady.

In the current environment, instead of a short term 1-year view, 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 higher than the LTA of 12.5% for the Nifty. Indicators like Market Cap-to-GDP and Market Cap-to-Broad Money Supply indicate that the market has enough room to rise from current levels. Low interest rates and high liquidity justify higher valuations.

### Fund Performance (as on 31st July 2020)



Period	IQAF	MSCI India	Outperformance
1 Month	8.0%	10.1%	-2.1% ↓
3 Months	13.7%	14.2%	-0.5% ↓
6 Months	-8.0%	-8.4%	0.4% ↑
9 Months	-9.5%	-8.3%	-1.2% ↓
1 Year	4.7%	-4.7%	9.4% ↑
2 Year	-2.1%	-5.0%	2.9% ↑
3 Year	-1.5%	-2.1%	0.7% ↑
5 Year	4.3%	1.1%	3.2% ↑
Since Inception	5.4%	0.6%	4.8% ↑
YTD	-6.3%	-9.1%	2.8% ↑

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 - Lipper 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

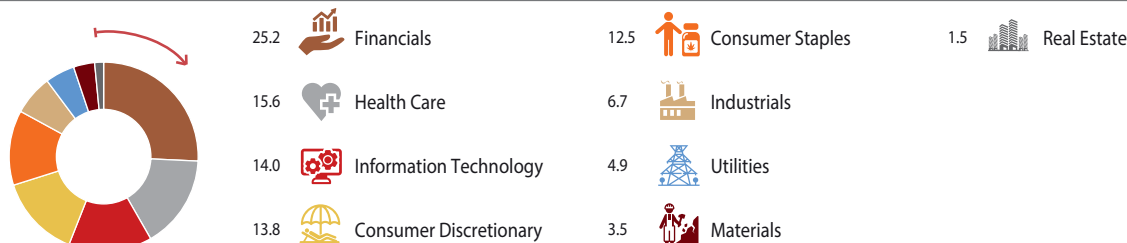


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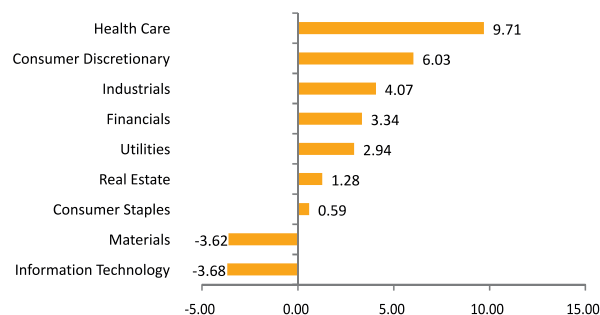
## Sector Allocation (as on 31st July 2020)



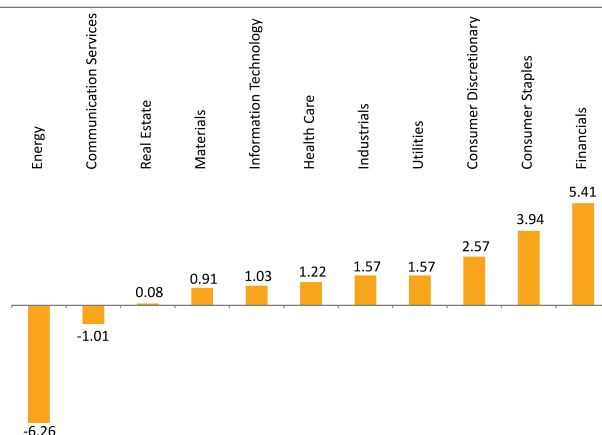
The above industry classification follows GICS Sector Classification Data is percentage (%)



## Active Weight



## Attribution



The above industry classification follows GICS Sector Classification. Portfolio details and attribution as of July 31, 2020. Attribution analysis for 1 Year data. Data in percentage (%).



## Top Holdings (as on 31st July 2020)

INSTRUMENT NAME	% NAV
INFOSYS LTD	5.66
CROMPTON GREAVES CONSUMER ELECTRICALS LTD	3.89
DIVIS LABORATORIES LTD	3.86
SUN PHARMACEUTICALS LTD	3.60
HCL TECHNOLOGIES	3.34

INSTRUMENT NAME	% NAV
BRITANNIA INDUSTRIES LTD	3.33
HINDUSTAN UNILEVER LTD	3.06
DABUR INDIA LTD	2.97
MOTHERSON SUMI SYSTEMS LTD	2.91
TECH MAHINDRA LTD	2.89

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For further details on Charges refer to the Prospectus and Supplement of the Fund.

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Aditya Birla Sun Life Asset Management Company Pte Ltd

Unit Entity No: 201001946G