Aditya Birla Sun Life AMC Limited

ADITYA BIRLA CAPITAL

PROTECTING INVESTING FINANCING ADVISING

# INDIA FRONTLINE EQUITY FUND (IFEF)

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 Fund is to generate long term growth of capital.

## Investment Philosophy

The fund is a India equity, diversified long only strategy. It follows a growth oriented investment style that seeks to consistently deliver better risk-adjusted returns relative to the benchmark.

## Key Facts (as on 31st July 2018)

| | |
|---|---|
| Inception Date | November 3rd, 2014 |
| Total Fund Size | USD $96.2 million |
| NAV "D" Share | USD $130.25 |
| Domicile | Dublin, Ireland |
| Fund Base Currency | USD |
| UCITS | Yes |
| Benchmark | MSCI India |
| Benchmark Ticker | MXIN |
| Minimum Initial Subscription | USD 5000 |
| Minimum Additional Purchase | USD 1000 |
| Minimum Redemption | USD 1000 |

### Share Class wise

| | A | B | C | D |
|---|---|---|---|---|
| ISIN | IE00BJ8RGK74 | IE00BJ8RGL81 | IE00BJ8RGM98 | IE00BJ8RGN06 |
| Fund Ticker | NA | NA | NA | AINFLED ID Equity |
| Initial Charges | NIL | Max 3.0% | NIL | NIL |
| Redemption Charges* | NIL | Max 3.0%** | NIL | NIL |
| Expense Ratio p.a. (Including Mgmt. Fee) | 2.00% | 1.75% | 1.35% | 1.20% |

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 | 16.93% |
| Sharpe Ratio# | 0.42 |
| Beta | 0.95 |

Risk ratios pertains 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 2.03% (3 Month US Treasury Bill yield as on 31-July-18)

## Synthetic Risk & Reward Indicator (SRRI)

| Lower risk<br>Typically lower rewards | | | | | | Higher risk<br>Typically higher rewards |
|---|---|---|---|---|---|---|
| 1 | 2 | 3 | 4 | 5 | 6 | **7** |

## Market Outlook

MSCI India inched up in month of July meaningfully outperforming the peer group - MSCI EM and MSCI APxJ. The sharp rally in July reversed YTD underperformance of MSCI India (US$), outperforming both MSCI EM and MSCI APxJ.

The market movement since beginning of the second half of the year seems to be reflecting the improvement in macro and micro situation. Indian equities had a robust month with a good start to Q1 earnings and the benchmark Nifty Index crossing the 11,300 mark for the first time. On the macro front, MSP announcement finally came through early in the month followed by GST rationalisation for several items in the GST council meet. The Parliament monsoon session began on a stormy note with an unsuccessful no-confidence vote against the incumbent government. Monsoons recovered from deficiency over the month. New GVW norms spiked interest with discussions around their impact on auto OEMs. Among sectors, Banks & Cement outperformed on the back of improving asset quality in corporate banks and some pricing strength in cement.

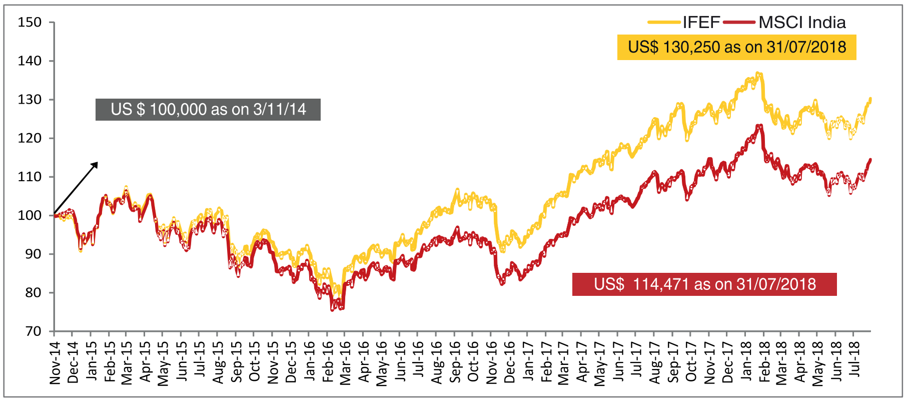
Consequently, we saw a return in risk appetite with both FIIs and DIIs as net buyers at ~US$76m and ~US$615m, respectively. FIIs flows turned positive after a continued outflow for three months. However, we may not call this a trend reversal in flows yet, as outflow risk to emerging markets persists from rising global yields and looming fear of trade wars.

Q1FY19 earnings so far have progressed well on the back of low base and demand recovery. 80% of MSCI India has reported Q1 results thus far. Sales growth (ex-financials) at 23% y-o-y is tracking the highest in the past six years. Within sectors Consumer Durables, Cement, Technology, Consumer Staples, Financials (largely NBFCs) have beaten earnings while Autos, Private Banks have missed so far. The base effect is at play, but management commentary suggests growth momentum remains very strong. Managements across companies cited rural consumption outpacing urban in their commentaries.

Also, the Indian economy is exhibiting signs of economic uptick on the micro and domestic fronts. Composite PMI at its highest level since October 2016 on the back of strong new business orders, the RBI suggesting the output gap has "virtually" closed pointing towards strong growth and private capex revival.

While the equity market derived comfort from improvement in corporate earnings growth visibility, we expect the market to remain volatile going forward. Besides global events, we believe domestic events like inflation trajectory and thereby RBI's plan of action on interest rates and outcome of state elections will induce volatility in the markets.

## Fund Performance (as on 31st July 2018)




| Period | IFEF | MSCI India | Outperformance |
|---|---|---|---|
| 1 Month | 6.8% | 6.2% | 0.5% ↑ |
| 3 Months | 0.4% | 1.0% | -0.6% ↓ |
| 6 Months | -3.4% | -5.7% | 2.3% ↑ |
| 9 Months | 2.0% | 1.4% | 0.6% ↑ |
| 1 Year | 5.7% | 3.9% | 1.8% ↑ |
| 2 Year | 13.6% | 10.7% | 2.9% ↑ |
| 3 Year | 9.1% | 5.4% | 3.7% ↑ |
| Since Inception | 7.3% | 3.7% | 3.6% ↑ |
| YTD | -2.3% | -2.5% | 0.2% ↑ |

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 IFEF 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™

5 "Lipper Ratings – Overall (Consistent Return)"

**Morningstar Rating**

The rating is based on the current information furnished to Morningstar. For the methodology used refer to 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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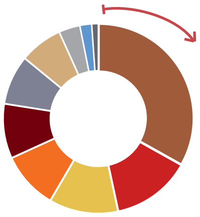
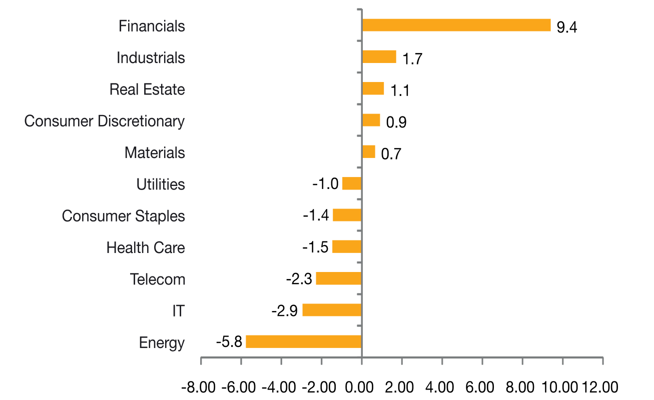
## Sector Allocation (as on 31st July 2018)



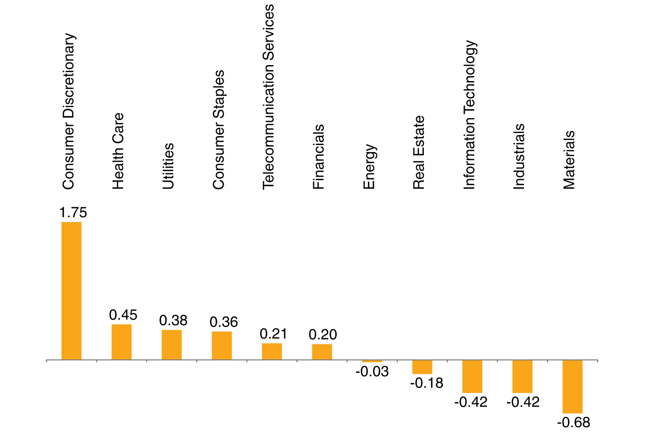
| | |
|---|---|
| 32.79 | Financials |
| 13.35 | Information Technology |
| 11.64 | Consumer Discretionary |
| 9.67 | Consumer Staples |
| 9.23 | Materials |
| 8.35 | Energy |
| 7.25 | Industrials |
| 3.57 | Health Care |
| 1.99 | Utilities |
| 1.09 | Real Estate |

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, 2018. Attribution analysis for 1 Year data. Data in percentage (%).

## Top Holdings (as on 31st July 2018)

| INSTRUMENT NAME | % NAV |
|---|---|
| RELIANCE INDUSTRIES | 6.28 |
| HOUSING DEVELOPMET FINANCE CORP | 5.50 |
| INFOSYS | 5.36 |
| MARUTI SUZUKI INDIA | 4.85 |
| HDFC BANK | 4.78 |

| INSTRUMENT NAME | % NAV |
|---|---|
| YES BANK | 4.03 |
| TATA CONSULTANCY SERVICES | 3.65 |
| ICICI BANK | 3.52 |
| MAHINDRA & MAHINDRA | 2.82 |
| BAJAJ FINANCE | 2.59 |



**Aditya Birla Sun Life Asset Management Company Pte Ltd**
Unit Entity No: 201001946G