

# 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 November 2024)

Inception Date	November 3rd, 2014
Total Fund Size	USD \$17.93 million
NAV "D" Share	USD \$309.68
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	16.19%	0.30	0.84
Since Inception	19.72%	0.37	0.77

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 4.58% (3 Month US Treasury Bill yield as on 29th Nov 2024)

## Synthetic Risk & Reward Indicator (SRRI)



## Market Outlook – November 2024

Index Returns (US\$)	Nov-24	YTD
MSCI India	-0.45%	15.65%
MSCI China	-4.40%	16.58%
MSCI EM	-3.58%	8.10%
MSCI APxJ	-2.19%	12.12%

Macro Data (US\$)	Nov-24	Oct-24
FII Flows	-2.6 Bn	-10.4 Bn
DII Flows	5.3 Bn	12.8 Bn
USD/INR	84.4937	84.0837

Sectoral Returns (US\$)	Nov-24	YTD
MSCI India	-0.45%	15.65%
MSCI India Consumer Discretionary	0.94%	31.61%
MSCI India Consumer Staples	-2.63%	-0.30%
MSCI India Financials	-0.41%	10.40%
MSCI India Industrials	1.23%	27.06%
MSCI India Information Technology	5.52%	19.92%
MSCI India Real Estate	1.75%	20.37%
MSCI India Utilities	-7.27%	17.05%
MSCI India Energy	-3.43%	4.23%
MSCI India Communication Services	1.47%	44.97%

- Composite PMI declined to 59.5 in Nov'24 (Oct'24: 59.1)
- Oct'24 CPI print went up to +6.21% (Sep'24: +5.49%)
- Sep'24 Industrial Production rose sharply to 3.1% YoY (Aug'24: -0.1%)
- WPI rose sharply to 2.4% YoY in Oct'24 (Sep'24: 1.8%)
- Trade deficit oscillated back to US\$ 27 Bn in Oct'24 (Sep'24: US\$ 20.8 Bn)
- India's FX reserves stood at US\$ 657 Bn (25th Nov 2024), signaling RBI selling in the month

Nov'24 was a busy month in terms of quarterly earnings. The earnings growth for Q2FY25 was nearly flat and below expectations. Sustained high food inflation is impacting the urban consumer, while there are signs of revival in rural consumer given the good monsoons. This is the reason RBI has been reluctant to cut the repo rate given the Oct'24 CPI of 6.2% that was driven by another food price shock. Credit growth has slowed down from 13.0% in Sep'24 to 11.5% in Oct'24 as RBI has been trying to slow down the growth in unsecured lending. Central and state government capex has been delayed in H1 due to elections and will have to rise 52% and 40% in 2H as per ICRA.

India's 3Q GDP (July-Sep) slowed to 5.4% YoY, the lowest in 7-quarters and much below expectations of 6.5%. Government capex has been slow to kick-off this year because of the general election and grew only 5.4%. Similarly, private consumption slowed to 6.0% from 7.4% in the previous quarter. Exports underwhelmed, growing just 2.8%, reflecting weak merchandise exports. However, we believe that this is likely to continue the quarterly growth trough as government spending is expected to pick up sharply in second half, along with a pick up in agriculture given the good monsoons.

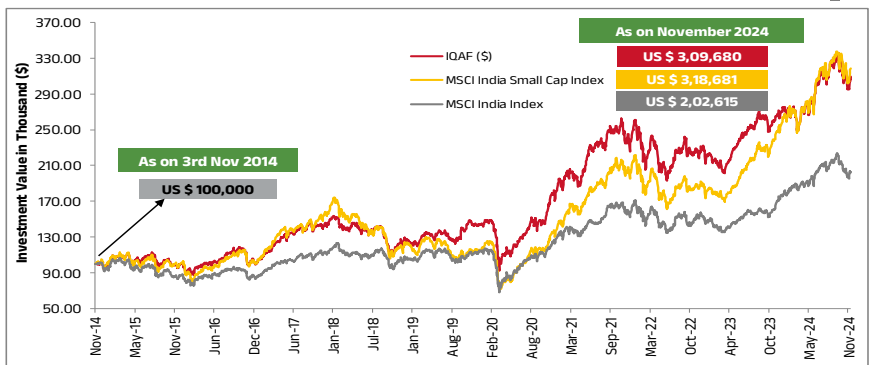
The ruling party won Maharashtra state elections by a wide margin (vs slight edge predicted by exit polls). This helped brush aside concerns around policy continuity.

With respect to corporate newsflow, City gas companies were hit hard as the government unexpectedly lowered the allocation of cheap gas (APM, Administrative Price Mechanism) for the 2nd time in Nov'24.

Life insurance companies got hit as according to media, IRDAI may consider capping share of parent bank in bancassurance business to 50% on concerns of mis-selling of insurance products by banks. HDFCLIFE clarified in a filing that such news reports are inaccurate and such significant regulatory changes will be preceded by detailed industry considerations.

Adani Group stocks took a hit as SEC has charged Gautam Adani (Founder and Chairman of the Adani group) and Sagor Adani (Executive Director of Adani Green and Gautam Adani's nephew) among others, accusing them of paying more than \$250 Mn in bribes to Indian Govt. officials to obtain lucrative solar energy contracts.

## Fund Performance (as on November 2024)



Period	IQAF	MSCI India SmallCap Index	Outperformance	MSCI India Index	Outperformance
1 Month	-1.0%	-0.7%	-0.3%	-0.5%	-0.5%
3 Months	-4.3%	-2.5%	-1.8%	-6.2%	2.0%
6 Months	10.8%	13.4%	-2.6%	5.0%	5.8%
9 Months	15.1%	18.0%	-2.9%	8.9%	6.2%
1 Year	17.2%	31.1%	-13.9%	23.6%	-6.4%
2 Year	16.7%	29.7%	-13.1%	13.7%	3.0%
3 Year	9.4%	16.7%	-7.2%	9.0%	0.5%
5 Year	16.6%	22.3%	-5.7%	12.6%	4.0%
7 Year	11.5%	10.6%	0.9%	8.8%	2.7%
Since Inception	11.9%	12.2%	-0.3%	7.3%	4.6%
YTD	14.3%	23.7%	-9.4%	14.4%	-0.1%

Source: Bloomberg, ABSLAMC Internal Research

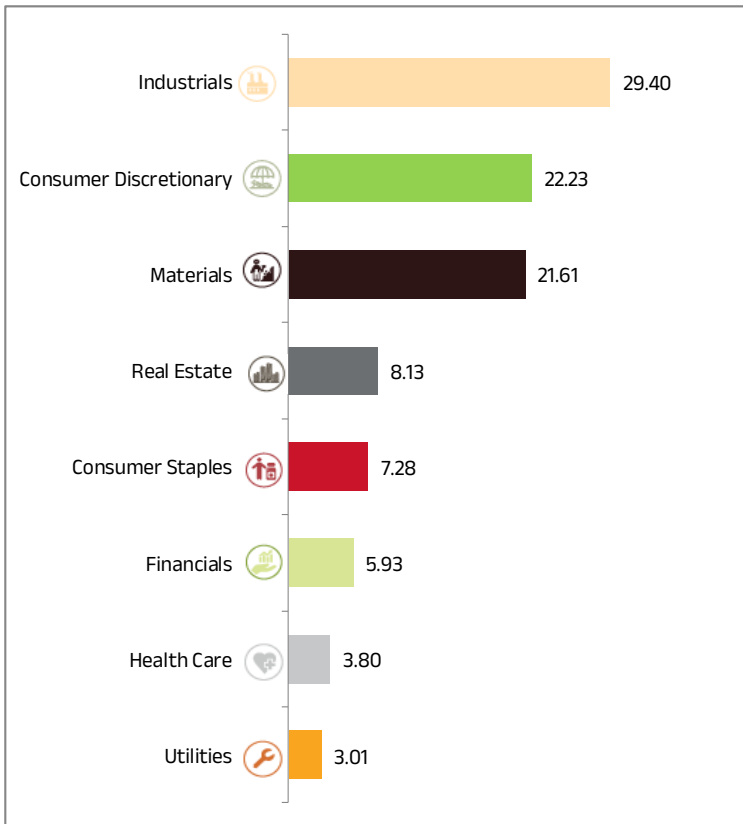
Returns are net of expenses. Returns are in % and absolute returns for period less than 1 year & CAGR for period 1 year or more. The returns for IQAF D Share & MSCI (India) are in US Dollars. Past performance is not indicative of future results. MSCI - Morgan Stanley Capital International. CAGR - Compounded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

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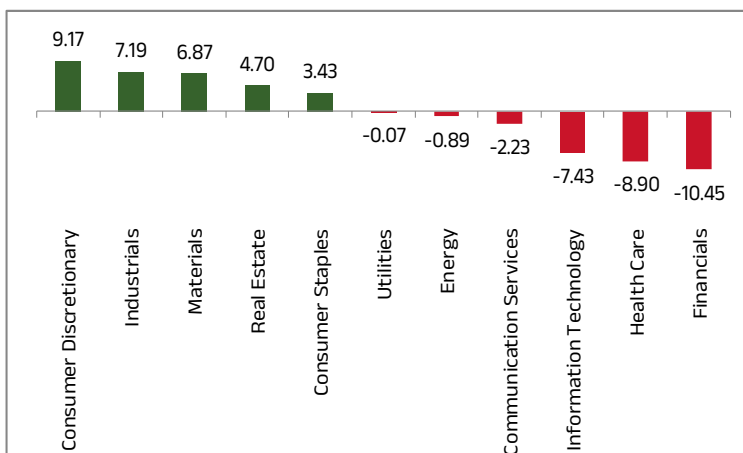
	CY 2015	CY 2016	CY 2017	CY 2018	CY 2019	CY 2020	CY 2021	CY 2022	CY 2023	YTD 2024
IQAF	1.0%	1.1%	49.3%	-15.6%	12.5%	27.4%	32.8%	-8.7%	21.8%	14.3%
MSCI India Small Cap Index	1.4%	-0.7%	65.9%	-26.4%	-5.5%	19.6%	50.7%	-13.7%	41.7%	23.7%
Outperformance	-0.4%	1.8%	-16.6%	10.8%	18.0%	7.8%	-17.8%	5.0%	-20.0%	-9.4%
MSCI India Index	-7.4%	-2.8%	36.8%	-8.8%	6.1%	14.1%	25.1%	-8.7%	19.6%	14.4%
Outperformance	8.4%	3.9%	12.5%	-6.9%	6.4%	13.2%	7.7%	0.0%	2.2%	-0.1%

## Sector Allocation (as on November 2024)



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

## Active Weight

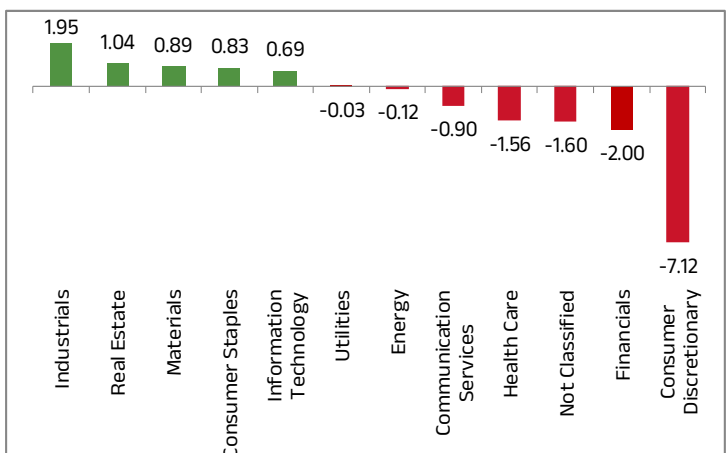


The above industry classification follows GICS Sector Classification. Portfolio details and attribution as of November 2024. Attribution analysis for 1 Year data. Data in percentage (%)

## Top Holdings (as on November 2024)

INSTRUMENT NAME	% NAV
Welspun Corp Ltd	4.71
JK Cement Ltd	4.25
Welspun Living Ltd	4.17
TD Power Systems Ltd	3.94
National Aluminium Co Ltd	3.82
Go Fashion India Ltd	3.57
Samhi Hotels Ltd	3.54
Apl Apollo Tubes Ltd	3.50
Power Mech Projects Ltd	3.48
Max Financial Services Ltd	3.44

## Attribution



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Aditya Birla Sun Life Asset Management Company Pte Ltd

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