

# INDIA FRONTLINE EQUITY FUND (IFEF)- B Share

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 September 2024)

Inception Date	March 15th, 2019
Total Fund Size	USD \$240.54 million
NAV "B" Share	USD \$176.50
Domicile	Dublin, Ireland
Fund Base Currency	USD
UCITS	Yes
Benchmark	MSCI India
Benchmark Ticker	MXIN

## Share Class wise

B	
ISIN	IE00BJ8RGL81
Fund Ticker	AINFLEB ID Equity
Swiss Valor	43014578
Initial Charges	NIL
Redemption Charges*	Max 3.0%**
Minimum Initial Subscription (USD)	5,000
Minimum Additional Purchase (USD)	1000
Minimum Redemption (USD)	1000

\*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	Sharpe Ratio #	Beta
13.63%	0.11	0.88

Risk ratios pertain to "B" 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 Index  
# Risk-free rate assumed to be 4.73%(3 Month US Treasury Bill yield as on 30th September 2024)

## Synthetic Risk & Reward Indicator (SRRRI)



## Market Outlook – September 2024

The Indian markets have shown amazing resilience, primarily driven by domestic flows and investor interest. Earnings season ended mixed, with some downgrades in overall earnings trajectory. However, monsoon remains largely favourable, a positive sign for rural demand. The U.S. Fed's recent decision to lower interest rates often lead to capital inflows into EMs like India, as investors seek higher returns. This can result in an appreciation of INR and increased stock market stability. India's current bull market is underpinned by focus on macro stability, attributed to flexible inflation targeting, fiscal consolidation and the mix of government spending away from redistribution and the declining oil intensity of the economy. This has driven down inflation volatility thereby making growth more predictable. More predictable growth means that India's beta relative to EMs has fallen, and equity valuations have risen (investors seek a lower return when future cash flows become more predictable). Fiscal consolidation is creating space for private borrowing and spending to fuel the next leg of earnings growth and simultaneously putting a lid on inflation and its volatility. We see a structural rise in equity holdings on household balance sheets being supplemented by higher global allocations to Indian stocks, reflecting India's rising index weight. This domestic bid means that India has a more reliable supply of risk capital dovetailing into less volatility in equities and a more predictable growth – a virtuous cycle hitherto never seen before.

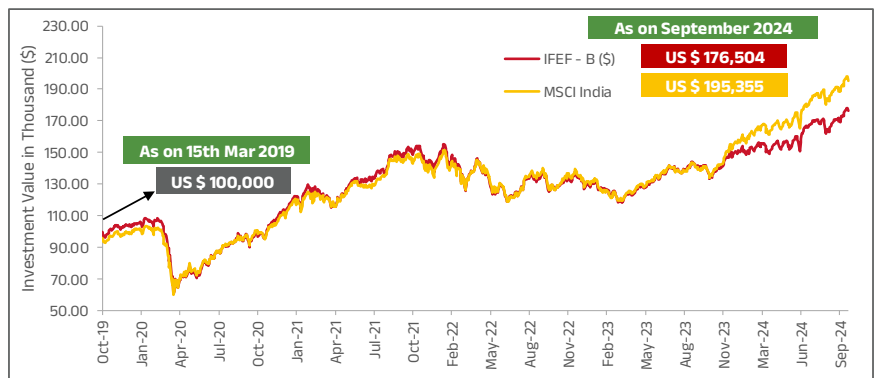
Among the sectors, Metals emerged as the top performer (rising 7% in Sep'24), followed by Consumer Durables & Utilities that were up 6% and 5% respectively. Oil & Gas, PSU and IT declined 4%, 3% and 3% respectively. Mid-cap indices rallied up by 1.5% while Small-cap indices dropped by 0.7%, but both underperformed Large-cap. At the beginning of the month, investors remained cautious ahead of the key US economy data release. An aggressive interest rate cut by the US Federal Reserve and long-awaited stimulus measures from China helped to boost investor mood in the second half of the month. Some key highlights during the month were as follows: (1) The Federal Reserve began its rate cut cycle with a 50-bps rate cut, with the federal funds rate now at 4.75-5%;

(2) China announced various stimulus packages to support the economy; (3) Indian government has increased the minimum wage rates for the unorganized sector by revising the variable dearness allowance; (4) Moody's revised its CV2024 GDP growth forecast for India to 7.1% from its earlier estimates of 6.8% while S&P retained India's FY2025 growth forecast at 6.8%.

FII's ended the month with net buying of \$6.7 Bn (Aug'24: +\$1.4 Bn). We now stand at -\$11.8 Bn of FII inflows YTD. DIIs remain net buyers for the 14th consecutive month with strong inflows of \$3.8 Bn (Aug'24: +\$5.8 Bn). Mutual funds were net buyers in Aug'24 with inflows of +\$3.1 Bn (Jul'24: +\$3.8 Bn). Insurance funds were also net buyers with inflows of +\$0.7 Bn (Aug'24: +\$2.0 Bn). Composite PMI decreased to 59.3 in Sep'24 (Aug'24: 60.7), marking the slowest growth in 2024, while manufacturing PMI eased to an 8-month low at 56.5 (Aug'24: 57.5). Aug'24 CPI print went up to +3.7% YoY (Jul'24: +3.6%). Jul'24 Industrial Production was +4.8% YoY (Jun'24: +4.7%). Aug'24 Trade Deficit widened to its second highest absolute print at \$29.7 Bn (Jul'24: \$23.6 Bn). Aug'24 WPI dropped down to +1.3% YoY (Jul'24: +2%). India's FX reserves came in at \$692 Bn, by 20th Sep'24, reaching its peak.

Our long-term optimism on Indian equities remains intact, particularly given the country's resilient economic fundamentals and the supportive domestic consumption story. However, we remain mindful of the global headwinds that could trigger short-term corrections. Any substantial market dips caused by global factors may present favourable buying opportunities. We continue to advocate for a selective, bottom-up approach to investing, with an emphasis on reasonable return expectations and valuation discipline. In the current environment, avoiding speculative or momentum-driven plays will help mitigate risks. In conclusion, while the broader trend for Indian markets is positive, staying patient and focused on long-term value remains key as we navigate the global macro uncertainties.

## Fund Performance (as on September 2024)



Period	IFEF-B	MSCI India	Outperformance
1 Month	3.2%	2.1%	1.1%
3 Months	5.5%	7.0%	-1.5%
6 Months	14.9%	17.6%	-2.7%
9 Months	17.1%	24.6%	-7.5%
1 Year	25.4%	40.4%	-15.0%
2 Year	17.2%	23.1%	-6.0%
3 Year	6.2%	10.6%	-4.4%
5 Year	12.2%	15.3%	-3.1%
Since Inception	10.6%	12.8%	-2.2%
YTD	17.1%	24.6%	-7.5%

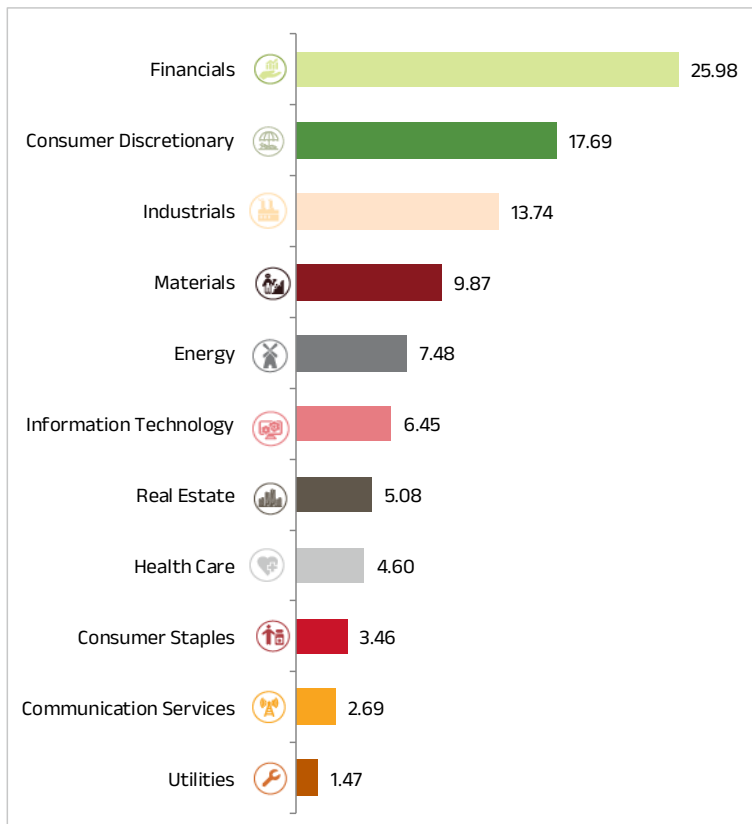
Source: Bloomberg, ABSLAMC Internal Research  
Returns are net of expenses. Returns are in % and absolute returns for period less than 1 year & CAGR for period 1 year or more. The returns for IFEF B Share & MSCI (India) are in US Dollars. Past performance is not indicative of future results. MSCI - Morgan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

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	CY 2020	CY 2021	CY 2022	CY 2023	YTD 2024
IFEF-B	11.5%	25.4%	-11.6%	16.1%	17.1%
MSCI India	14.1%	25.1%	-8.7%	19.6%	24.6%
Outperformance	-2.6%	0.3%	-2.9%	-3.4%	-7.5%

## Sector Allocation (as on September 2024)

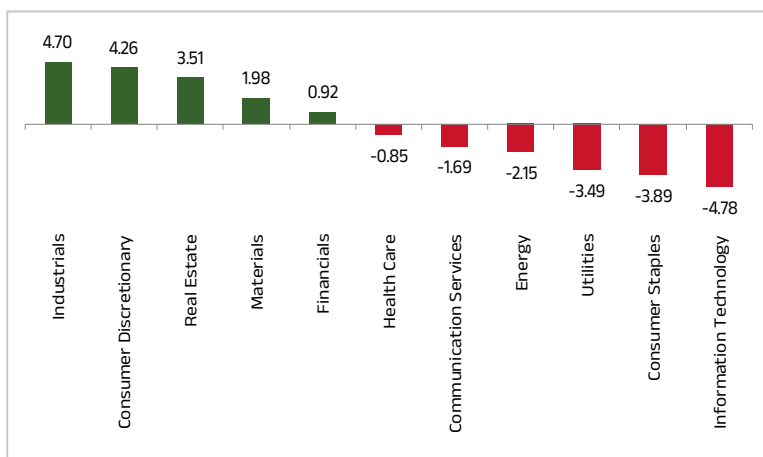


The above industry classification follows GICS Sector Classification Data is percentage (%)

## Top Holdings (as on September 2024)

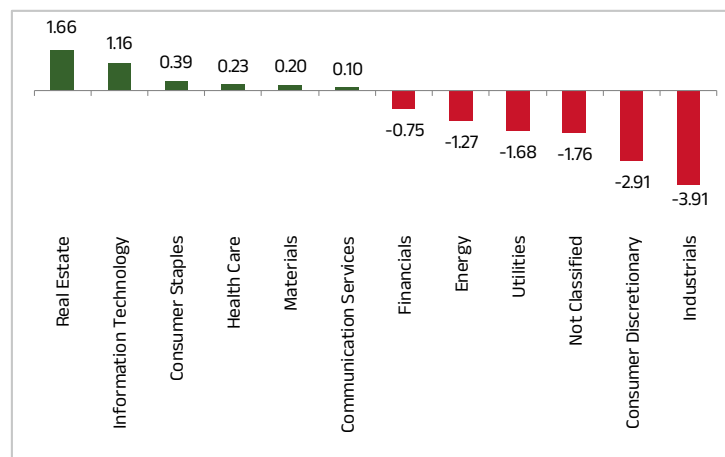
Instrument Name	% NAV
ICICI Bank Ltd	5.46
Reliance Industries Ltd	4.69
Infosys Ltd	4.36
Bharti Airtel Ltd	2.69
HDFC Bank Ltd	2.56
Larsen & Toubro Ltd	2.41
Axis Bank Ltd	2.34
Zomato Ltd	2.33
Maruti Suzuki India Ltd	2.25
Welspun Corp Ltd	2.20

## Active Weight



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

## Attribution



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As the price / value / interest rates of the securities as well as the currency in which the Fund invests fluctuates, the value of your investment in the Fund may go up or down depending on the various factors and forces affecting capital markets and money markets in India.

Past performance of the Promoter / Investment Manager does not guarantee future performance of the Fund and may not necessarily provide a basis of comparison with other investments.

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Aditya Birla Sun Life Asset Management Company Pte Ltd

Unit Entity No: 201001946G