

# INVESTMENT STRATEGY

## MUTUAL FUND PORTFOLIOS

Dec 2023

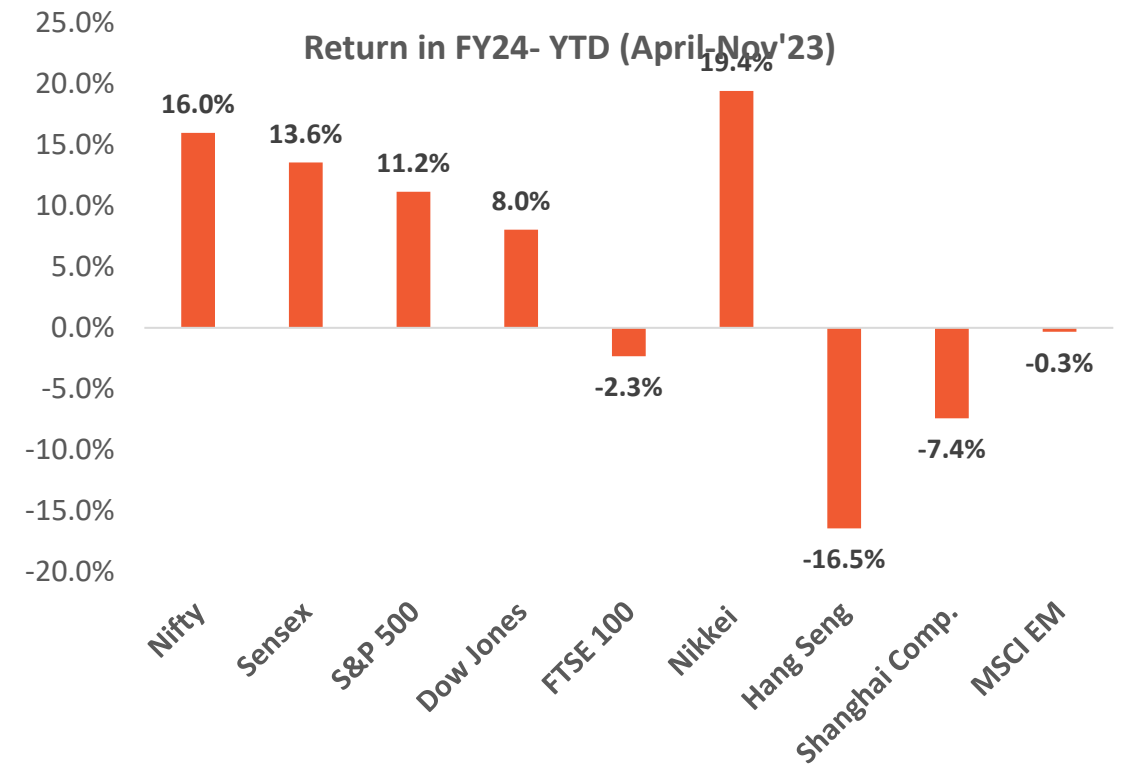
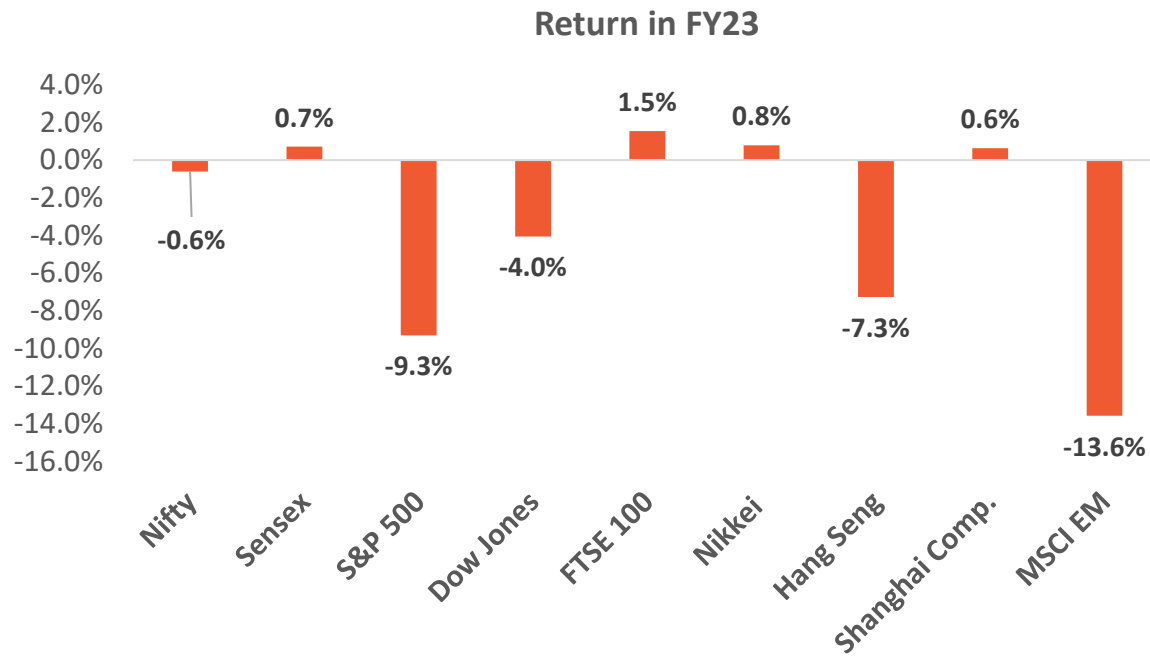


*December 2023*

# Equity Market Outlook

# Indian market remained resilient in FY2023; New high in FY24 with solid outperformance

- India remained one of the best among global markets and outperformed most of its peers convincingly in FY23 and FY24 YTD. Also, Sensex surpassed the \$4 trillion market cap mark in November 2023 and became the fifth-largest market in the world.

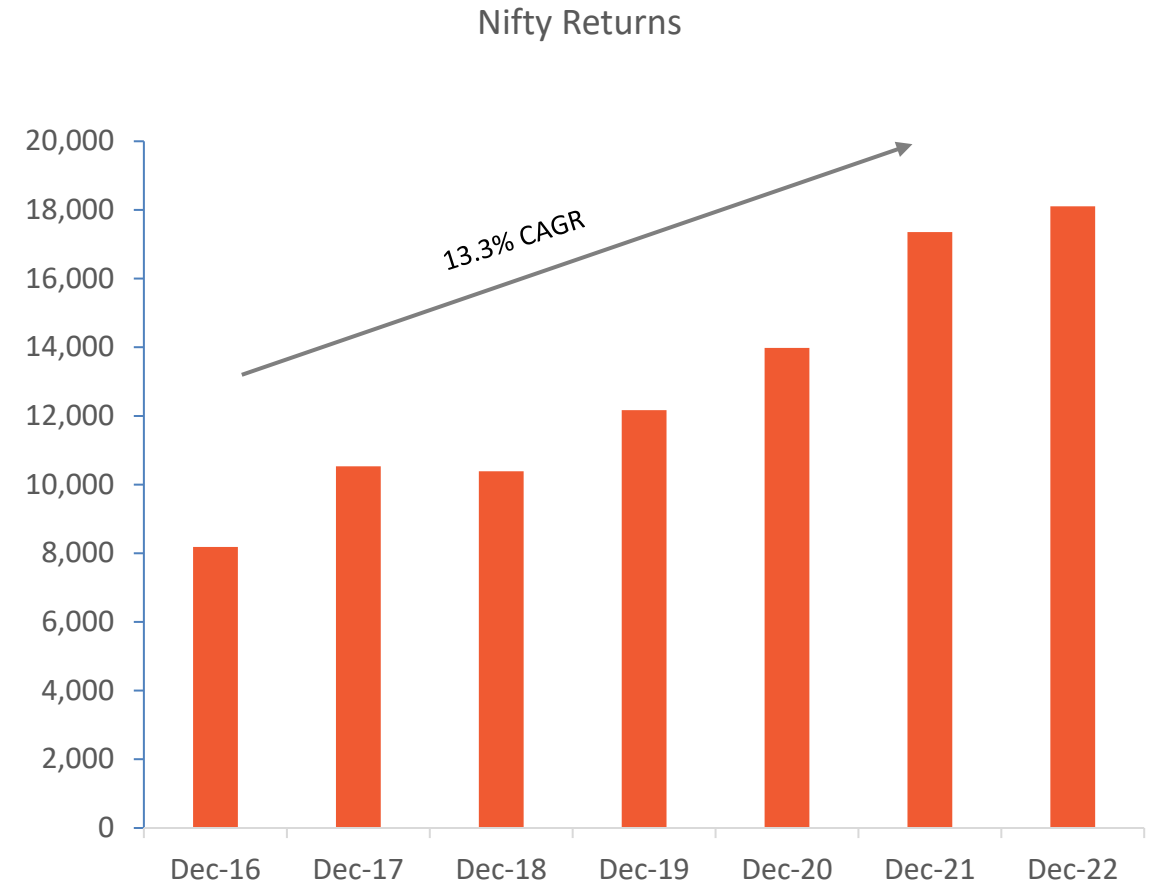


Source: Sharekhan Research

**CY2016-2022 (7 years):** Nifty returns of 13.3 CAGR despite major events in India & globally

***Major events include:***

- Demonetisation
- GST implementation
- Ballooning bad loans in banks
- ILFS Fiasco leading to credit crunch
- Pandemic & global lockdown
- Russia-Ukraine conflict & supply side issues
- Record inflation & one of the most aggressive rate hike cycle in India & globally



Source: Bloomberg, Sharekhan Research



# Indian Economy

*Primed for multi-year upcycle*

# Indian Economy: Set for multi-year upcycle with all three growth engines firing



## REAL ESTATE

(Solid recovery after slumber)

- Revival in property cycle to sustain, driven by a time correction in prices, better affordability, reasonable interest rates and need to have bigger houses
- This has a positive impact on many industries (such as steel, cement, building materials & other related sectors) and generates employment across income strata.



## INFRASTRUCTURE

(Infra spendings remain a key booster)

- Budgetary allocation for capex has been going up substantially for last couple of years and supporting various industries
- The government looked at innovative ways like Nation Asset Monetisation Plan to support its ambitious target Rs. 111 lakh-crore investment under National Infrastructure Pipeline (NIP).



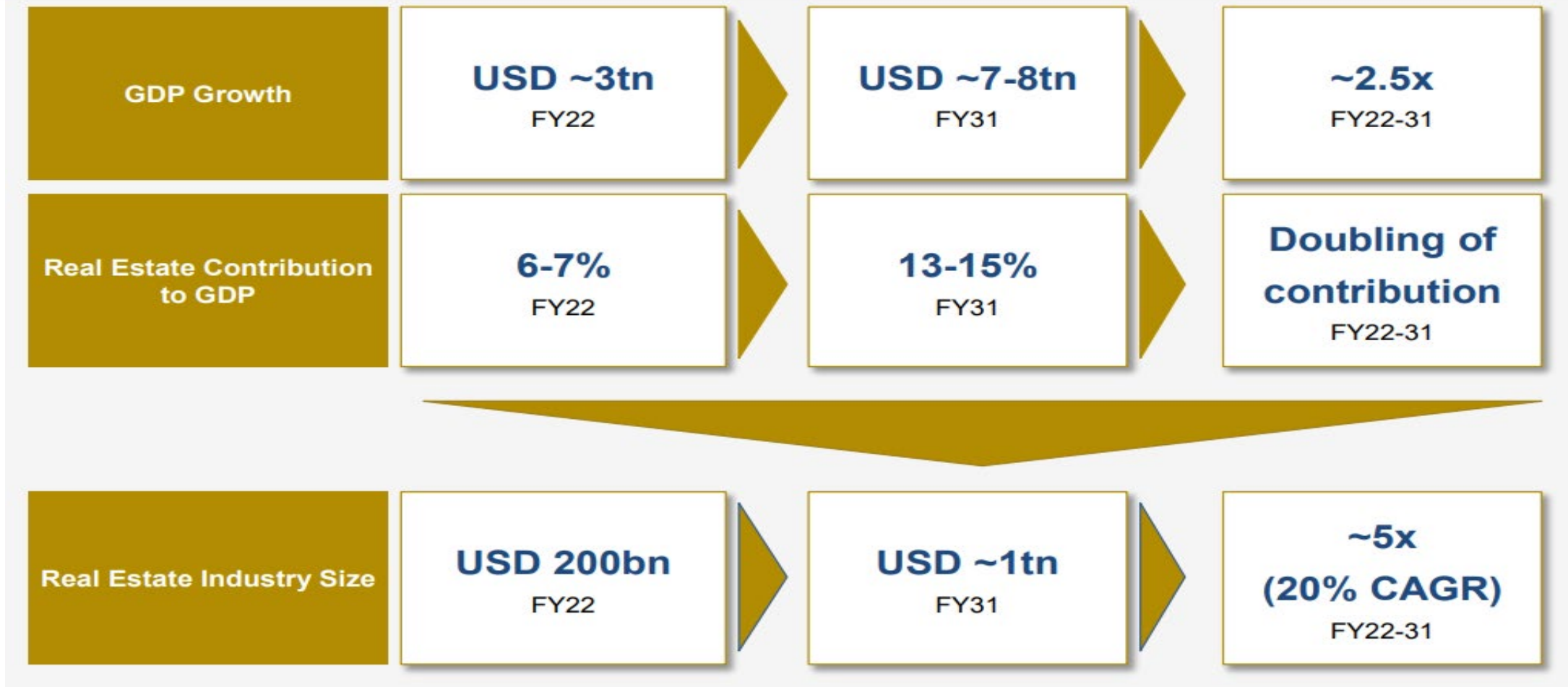
## CORPORATE CAPEX

(Set for an expansion spree)

- Many large corporates have set out a capacity expansion (including core sectors). Banks in better health now and capitalised to support credit growth in the economy
- Private sector deleveraging and improved asset quality of banks to support expansion plans
- Intensity of corporate capex doubled in the range of Rs 24-26 tn vis-à-vis five years back

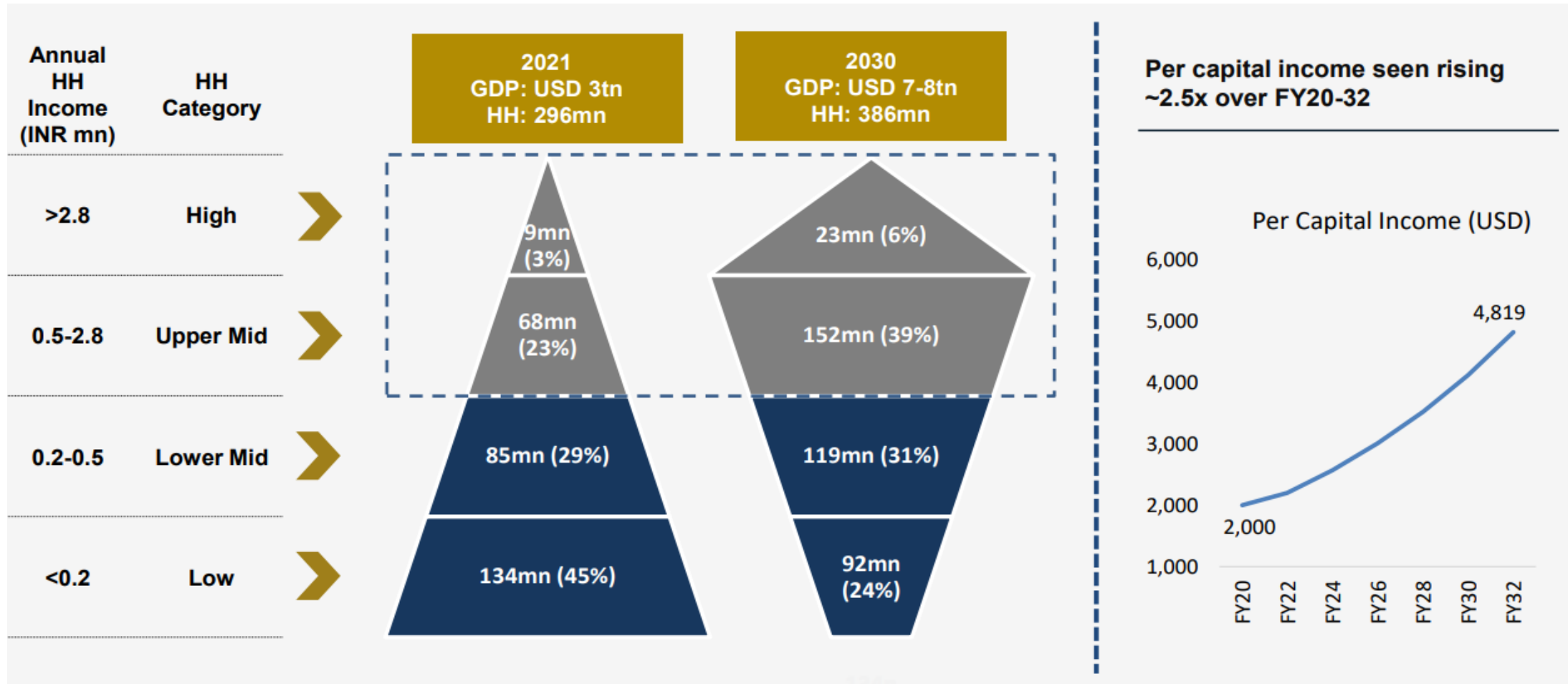
# Real Estate set to grow ~2x faster than Indian Economy

Factors like improving per capita income, rapid urbanization, family nuclearization, increasing educated workforce every year and most importantly improving affordability ratio to support real estate growth.



Source: Macrotech Developers; Sharekhan Research

# Real Estate: Potential demand of 8-9 crore new houses over the next decade

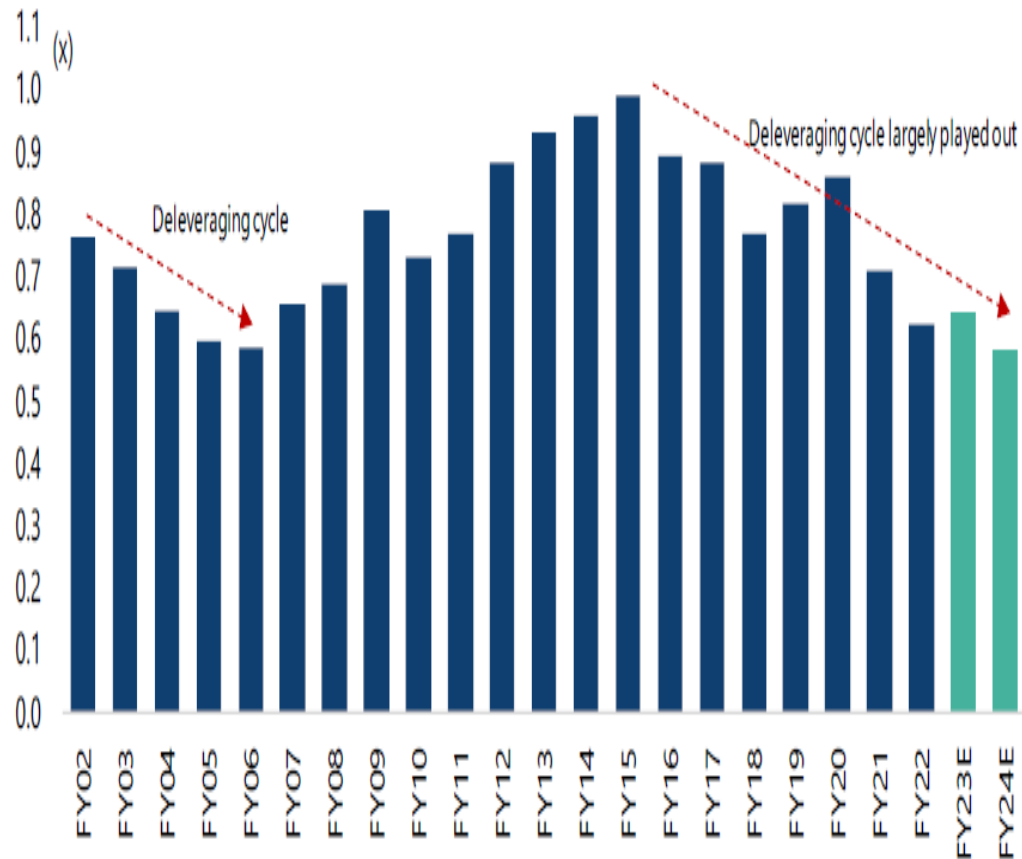


Source: Macrotech Developers; Sharekhan Research, HH - Households

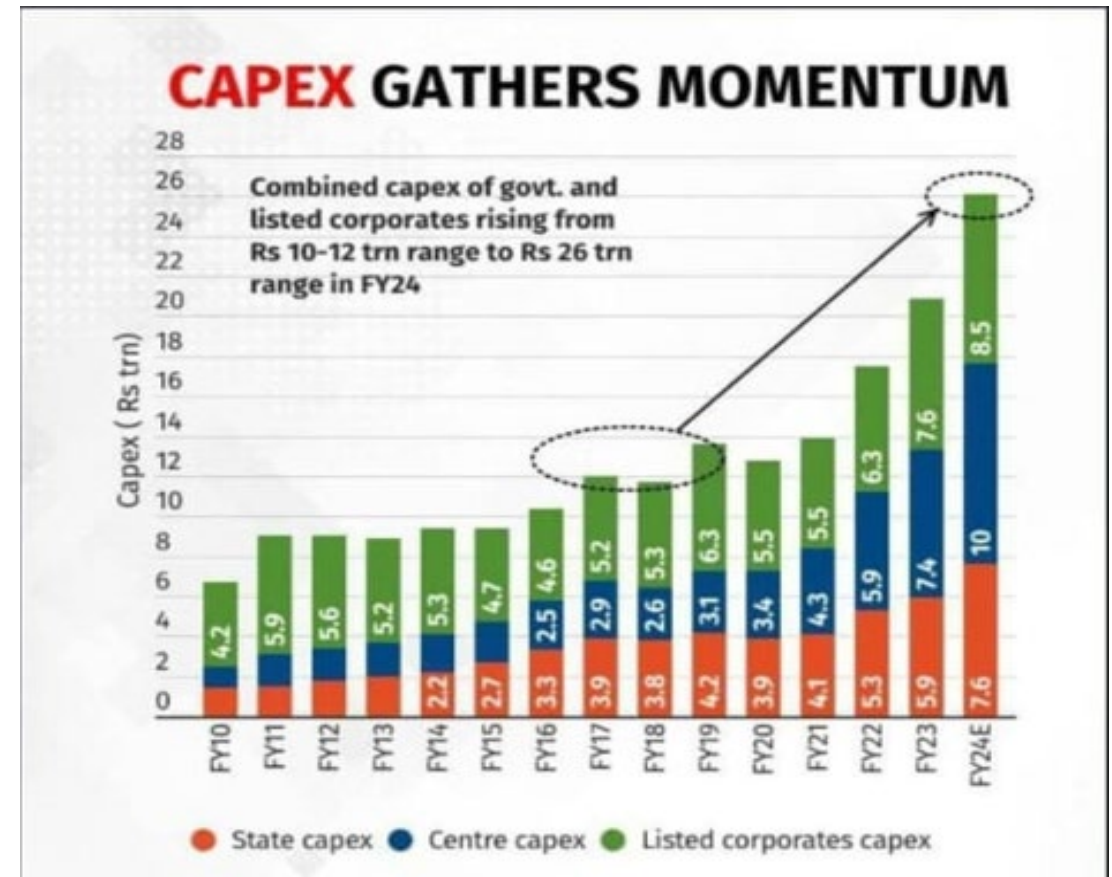


# Corporate Investment Cycle: On a Cusp of a Multi-year Upcycle

- Visible revival in private capex along with sustained pick up in govt capex bodes well. A record capex of Rs 26 lakh crore vis-à-vis Rs 10-12 lakh cr four years back will continue to foster momentum..
- Private sector deleveraging and bank balance sheet back in shape to support expansion plans



Source: Industry Reports, Sharekhan Research



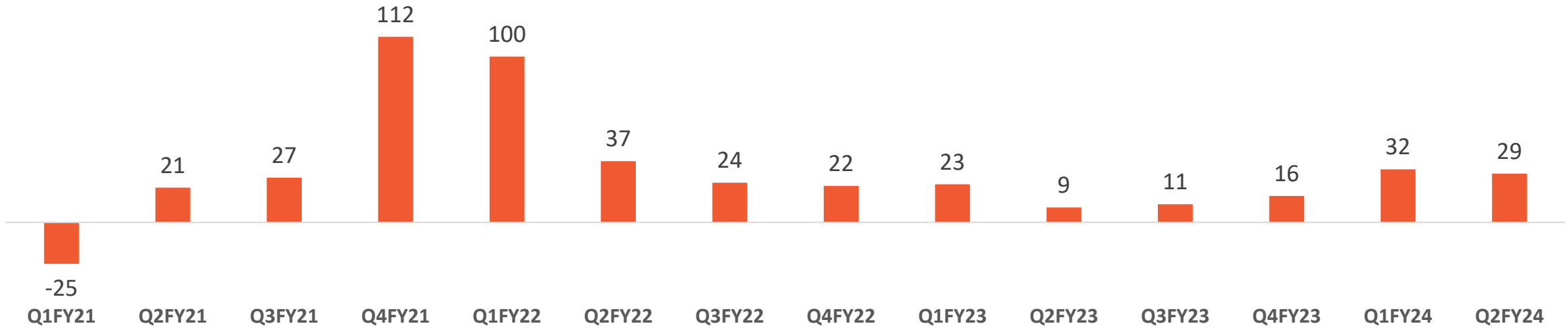


# Corporate Earnings

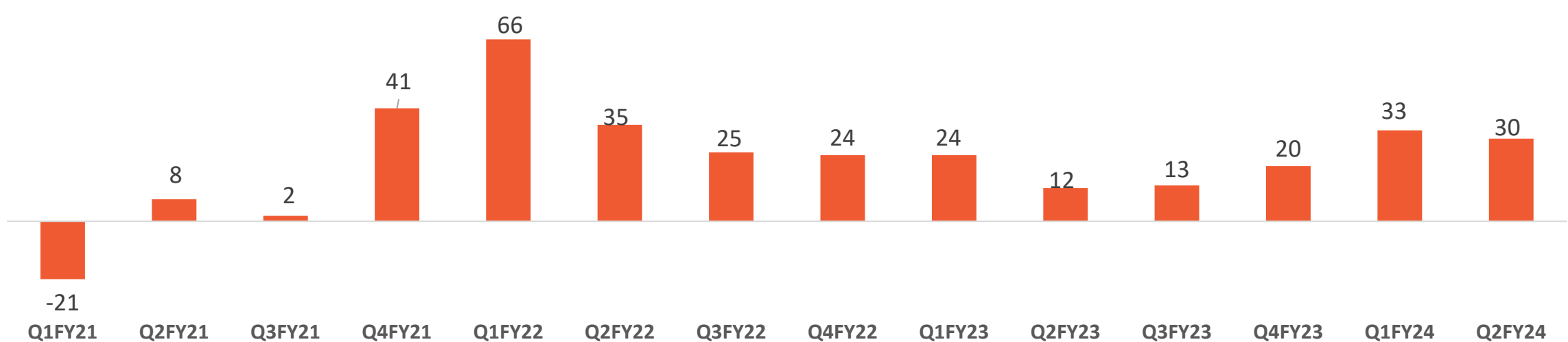
*Double-digit earnings despite rate hikes*

# Nifty & Sensex: Strong Earnings Growth for 13 Quarters Now!

Nifty Cos Earnings Growth (% Y-o-Y)

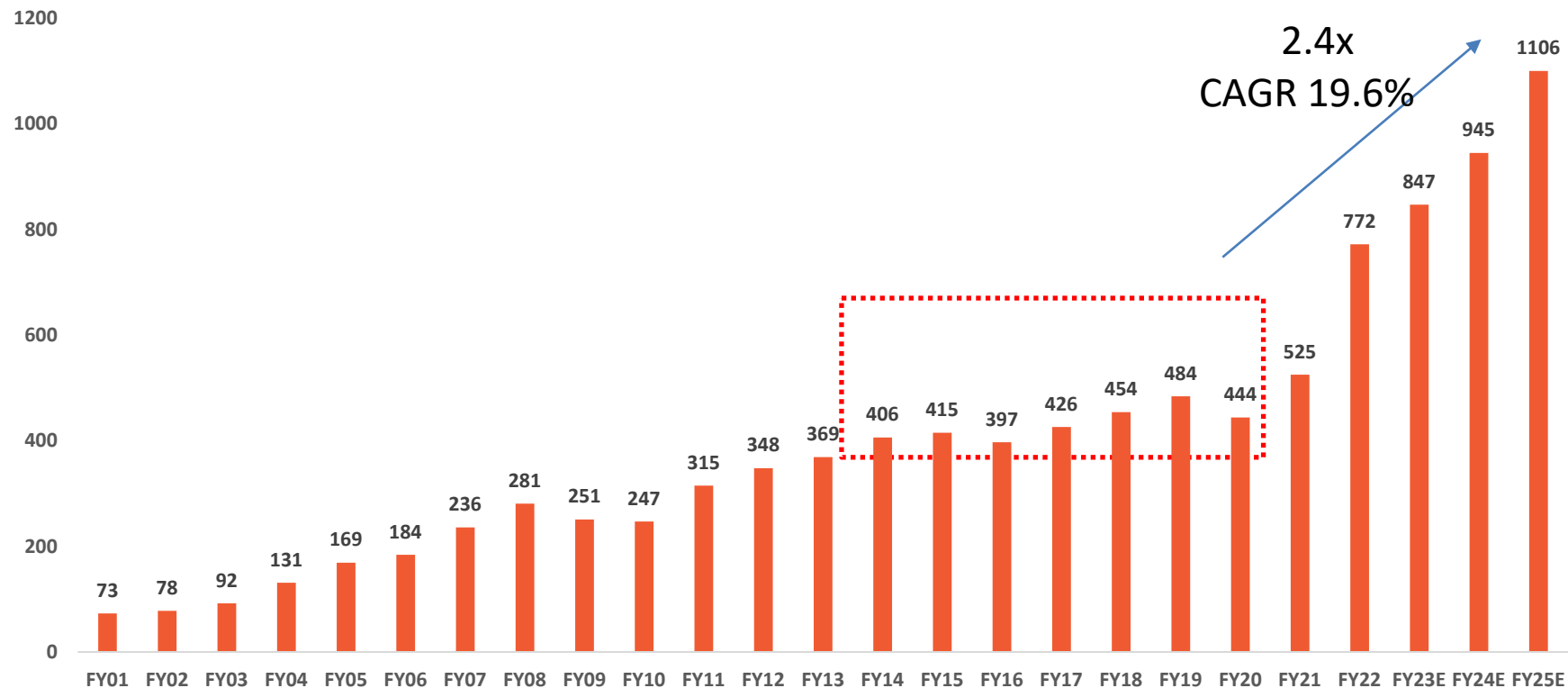


Sensex Cos Earnings Growth (% Y-o-Y)



# Corporate Earnings: Nifty EPS on a high growth trajectory

**Nifty EPS:** Consensus estimates suggest 2.4x surge in Nifty EPS during FY2020 to FY2025 after a long period of muted growth in earnings of Nifty companies (FY2014-2020).



Source: Company; Sharekhan Research

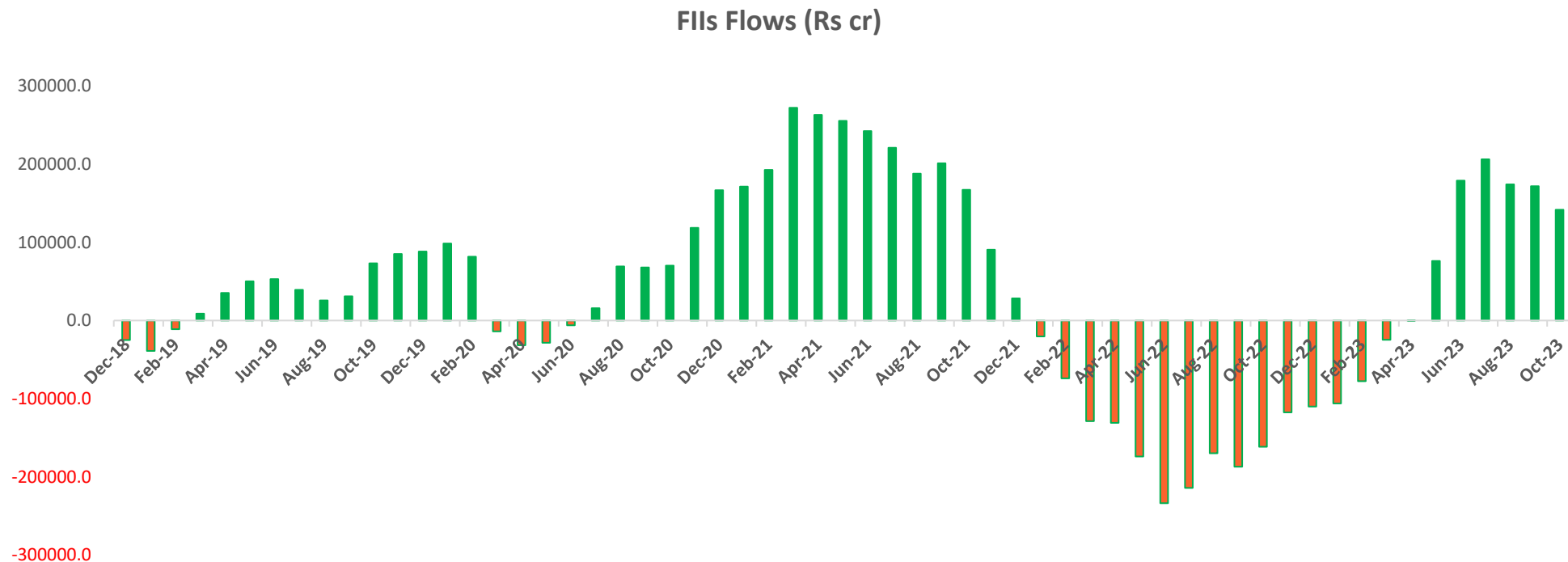


# India Equity

*Can't be ignored by serious investors anymore*

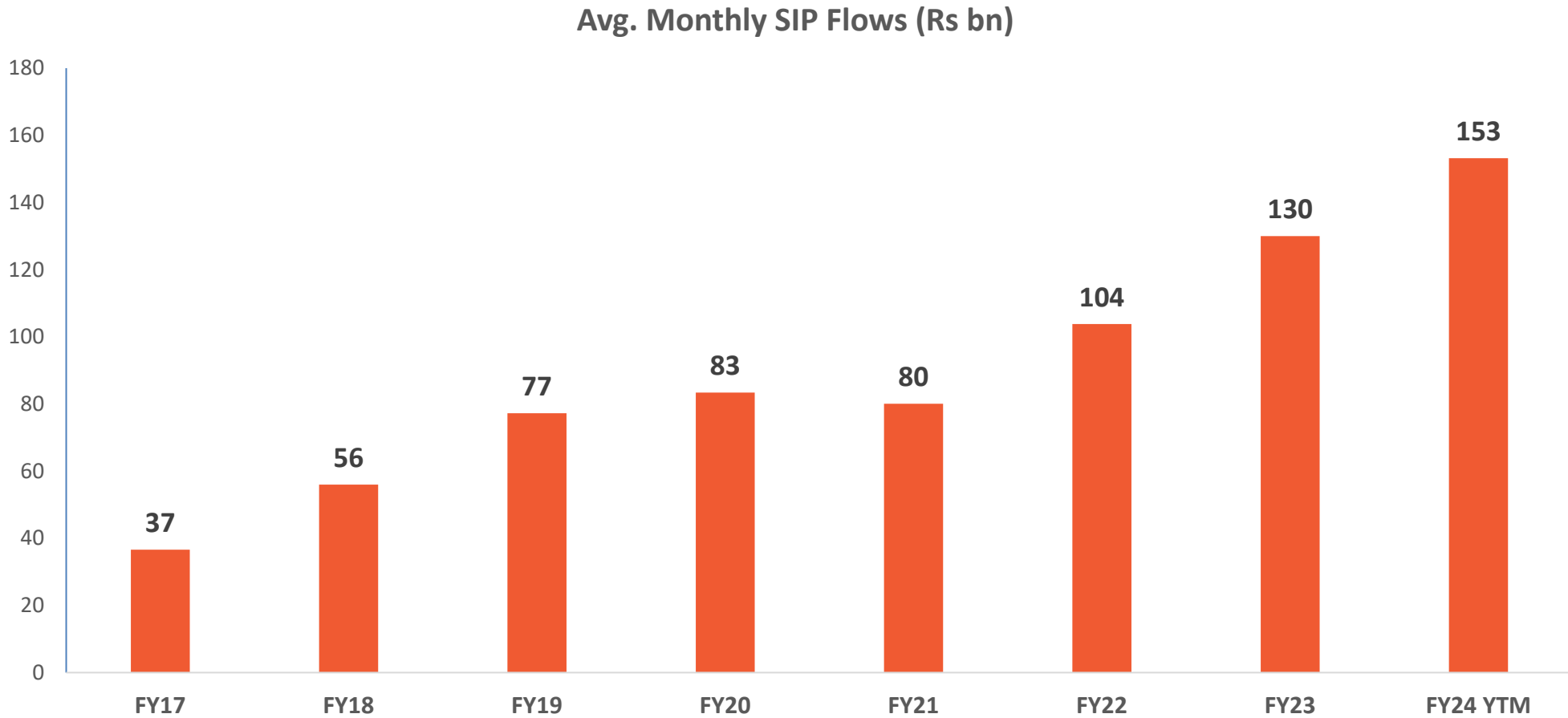
# FII Flows: Can be Volatile & Unpredictable but 12-month rolling trend is a good indicator

- Weekly or monthly trend in FII flows can be very volatile and unpredictable.
- However, on a 12-month rolling basis, FII flows into India turned positive in May 2023 after a long gap since December 2021. This gives some sense of trend for the next few months.



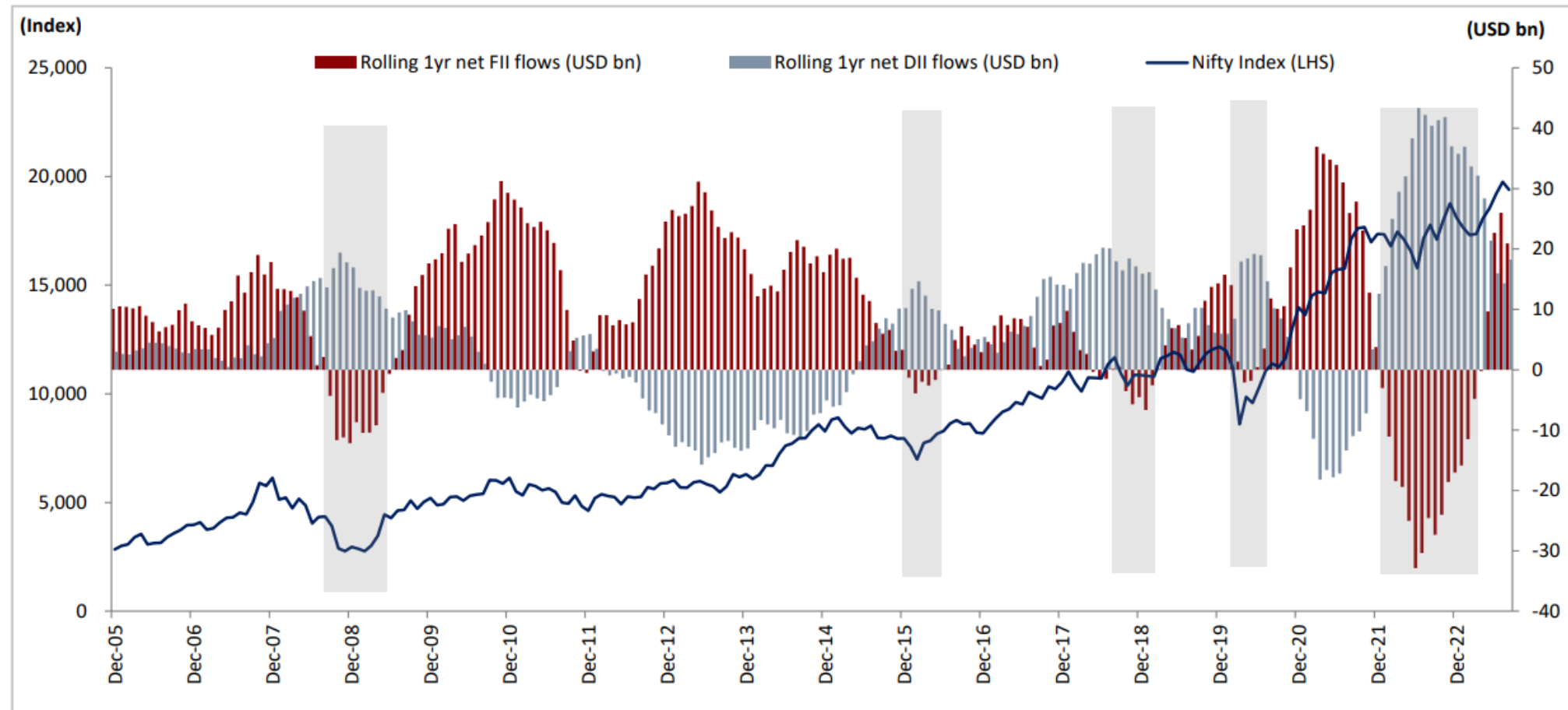
Source: Bloomberg, Sharekhan Research

# Domestic SIP inflows: Emerged as key Source of Retail inflows in Equities



Source: AMFI, Sharekhan Research

# Resultantly domestic investors becoming more relevant in Indian markets.



Source: AMFI, Sharekhan Research



# India: Fastest growing large economy globally in CY2023/CY2024

(Real GDP, annual percent change)	2022	PROJECTIONS	
		2023	2024
<b>World Output</b>	<b>3.5</b>	<b>3.0</b>	<b>2.9</b>
<b>Advanced Economies</b>	<b>2.6</b>	<b>1.5</b>	<b>1.4</b>
United States	2.1	2.1	1.5
Euro Area	3.3	0.7	1.2
Germany	1.8	-0.5	0.9
France	2.5	1.0	1.3
Italy	3.7	0.7	0.7
Spain	5.8	2.5	1.7
Japan	1.0	2.0	1.0
United Kingdom	4.1	0.5	0.6
Canada	3.4	1.3	1.6
Other Advanced Economies	2.6	1.8	2.2
<b>Emerging Market and Developing Economies</b>	<b>4.1</b>	<b>4.0</b>	<b>4.0</b>
Emerging and Developing Asia	4.5	5.2	4.8
China	3.0	5.0	4.2
<b>India</b>	<b>7.2</b>	<b>6.3</b>	<b>6.3</b>
Emerging and Developing Europe	0.8	2.4	2.2
Russia	-2.1	2.2	1.1
Latin America and the Caribbean	4.1	2.3	2.3
Brazil	2.9	3.1	1.5
Mexico	3.9	3.2	2.1
Middle East and Central Asia	5.6	2.0	3.4
Morocco	1.3	2.4	3.6
Saudi Arabia	8.7	0.8	4.0
Sub-Saharan Africa	4.0	3.3	4.0
Nigeria	3.3	2.9	3.1
South Africa	1.9	0.9	1.8
<b>Memorandum</b>			
Emerging Market and Middle-Income Economies	4.0	4.0	3.9
Low-Income Developing Countries	5.2	4.0	5.1

# India Growth Story Acknowledged Globally now

## The Economist (May 5, 2022 Issue)



India is likely to be the world's fastest-growing big economy this year

## The Washington Post (Apr'23)

The Washington Post  
Democracy Dies in Darkness

**Opinion** | India's economy is surging thanks to these three revolutions



By Fareed Zakaria  
Columnist | + Follow

April 28, 2023 at 8:18 a.m. EDT



## S&C (July'23)



## Morgan Stanley- Asia Economics (Nov'22)

Morgan Stanley | RESEARCH

October 31, 2022 10:49 PM GMT

The New India | Asia Pacific

## Why This Is India's Decade

India has the conditions in place for an economic boom fueled by offshoring, investment in manufacturing, the energy transition, and the country's advanced digital infrastructure. These drivers will make it the world's third-largest economy and stock market before the end of the decade, we estimate.

BLUEPAPER

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## Jefferies – Greed & Fear Strategy

Jefferies

GREED & FEAR

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5 May 2022

## A hapless Powell and a resilient Modi

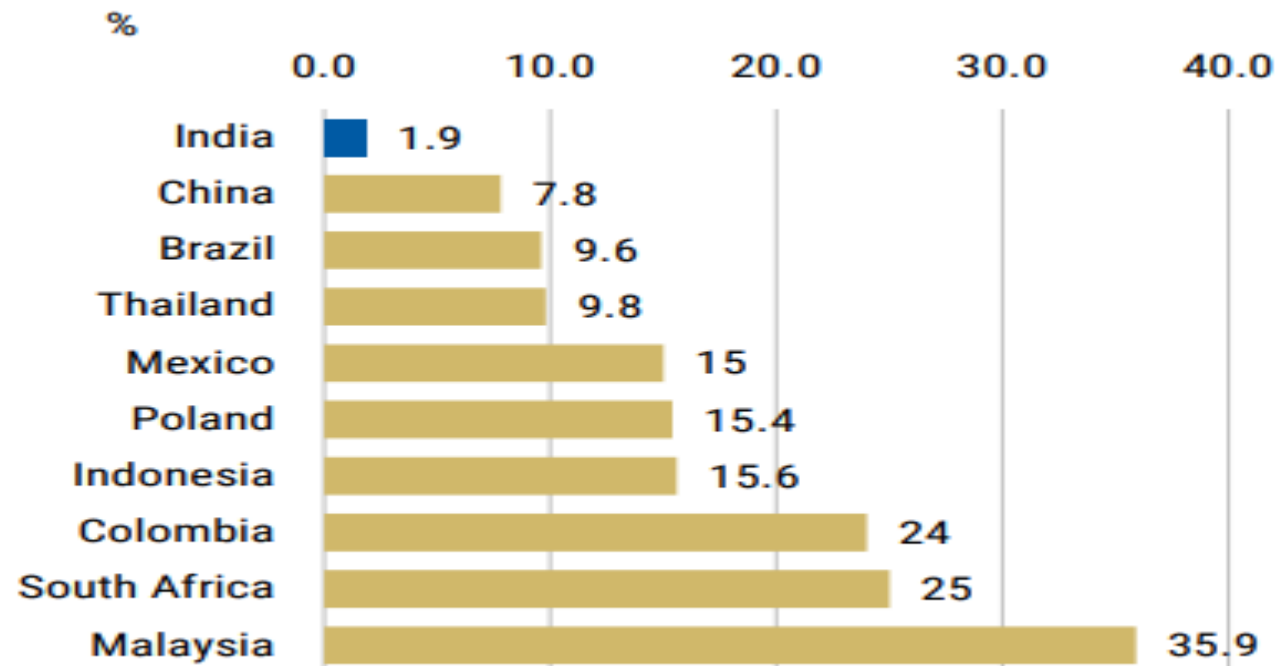
Delhi

The reality of stagflation was the title of the most recent *Asia Maxima* (see [Asia Maxima 2022 – The reality of stagflation](#), 5 April 2022). That reality has certainly been confirmed by the latest US data both as regards inflation and wage growth. US headline PCE inflation rose from 6.3% YoY in February to 6.6% YoY in March, the highest level since January 1982. While core PCE inflation was 5.2% YoY in March, though down marginally from 5.3% YoY in February, the highest level since April 1983 (see Exhibit 1). As for wage growth, the US employment cost index (ECI) rose by 1.4% QoQ and 4.5% YoY in 1Q22, the highest growth since the data series began in 2001, while the sub-index for private sector wages and salaries rose by a record 5.0% YoY in both 4Q21 and 1Q22 (see Exhibit 2).

## Bond's inclusion in GBI-EM to ensure whopping inflows of US\$ 25-30 bn

- India is set to join the index with 1% in June 2024. The weight will increase by 1% each month until 10% in April 2025. India will be the second biggest EM country in the index, after China.
- **Notably, this is likely to ensure India to see foreign inflows (into debt) in the range of US\$ 25-30 bn. This will result in a stable INR and low cost of funding for India.**

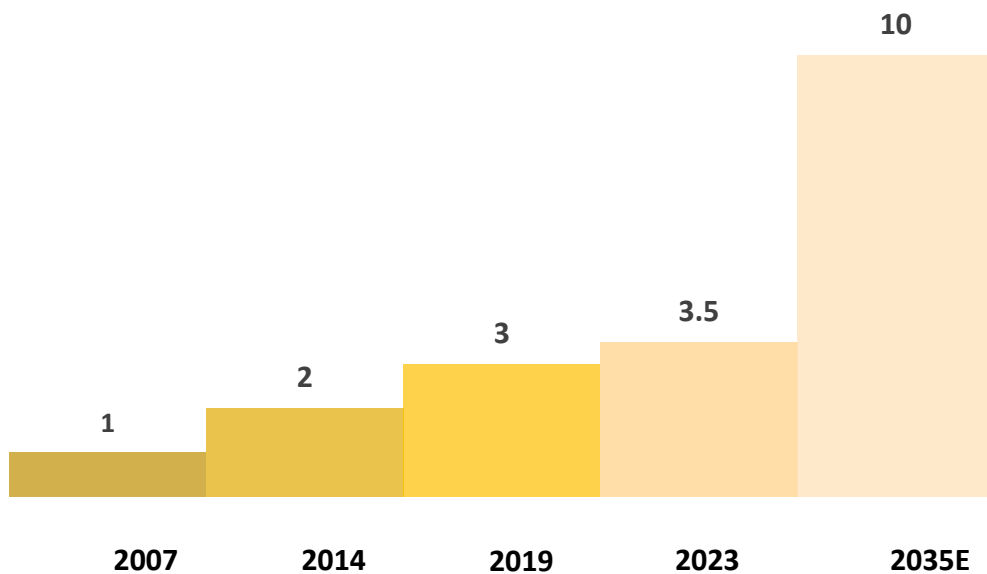
India has the lowest foreign ownership of government bonds among major EM countries



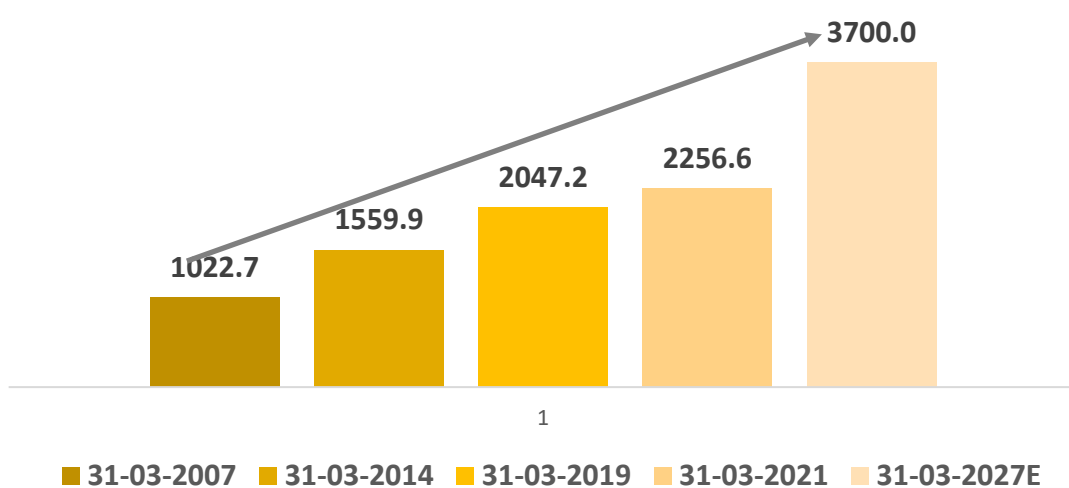
Source: Industry Report

# India's Towards \$10 Trillion Economy

India GDP's In \$ tn



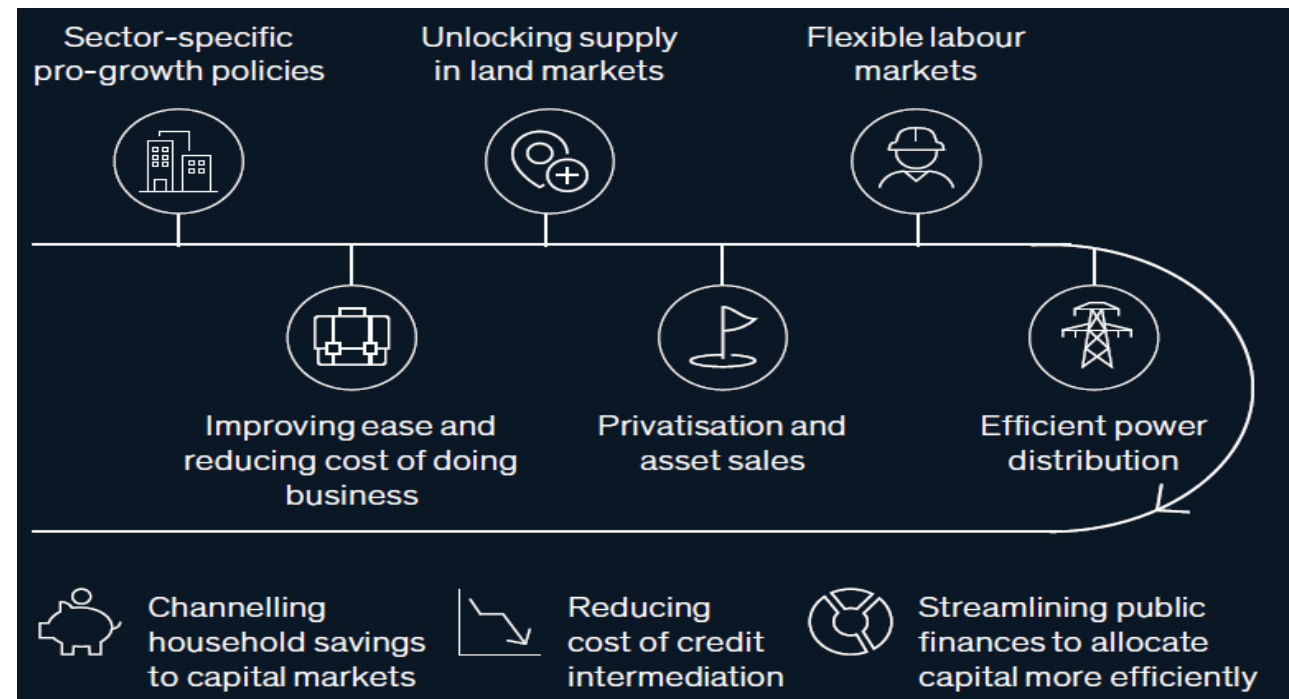
Per capita in \$



*It took India 60 years since Independence to become one trillion-dollar economy, but the next trillion dollars was added only in 7 years. The 3rd trillion was added in just 5 years in 2019.*

*According to the report of the Centre for Economics and Business Research (CEBR), **India will become a \$10-trillion economy by 2035.***

## Amrit Kaal: Envisioning India @2047





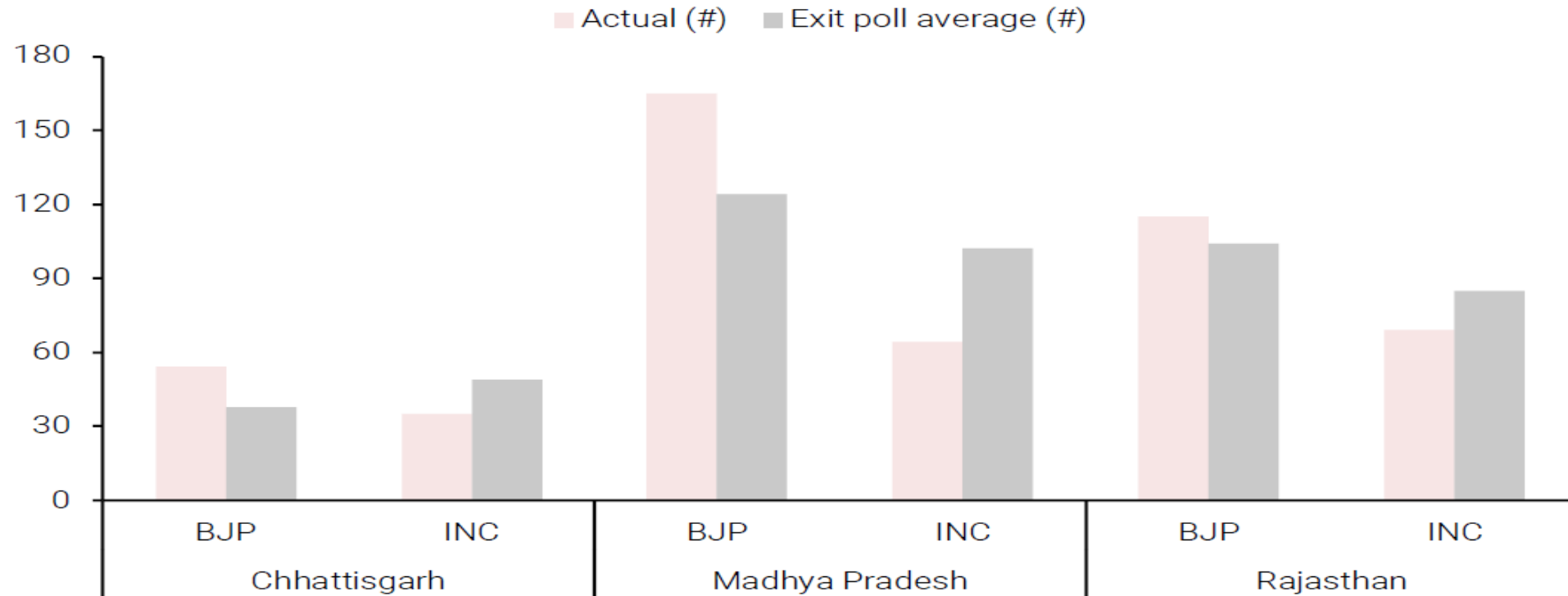
# Market Strategy

## *General Elections 2024*



## Surprise victory of BJP in 3 out of 4 states election

- A better-than-expected outcome in the recent state election versus the exit polls , where the BJP has won in three states with comfortable margins, augurs well for the Indian equity market. The election result outcome would abate street fears of higher populist measures and compromising on growth. The margin of victory of the BJP in the three states namely MP, Rajasthan and Chhattisgarh stands at 8.2%, 2.2% and 4.2%, respectively.



Source: Industry Report

## Political uncertainties now out of window:

- The market is taking comfort from the resounding victory of BJP in three states with improved vote shares as compared to last states election.
- The states' election outcome remove political uncertainty in run up to general election in 2024, which augurs well for pro growth policy continuity and abate the concern around fiscal populists policy.
- BJP's victory in three states will help them retain all 7 Rajya Sabha seats in upcoming elections, augurs well for passing key bills in both the houses.

*Source: Industry Report*

## Encouraging Macro Data

- Macro prints remain healthy, GDP grew by 7.6% y-o-y versus 6.8% estimates, and higher than 6.2% in Q2FY23.
- India's GDP growth remains extremely strong. At 7.7% real growth in 1H, it is almost certain that the full-year growth will be revised upward once again, probably to 6.5-6.6%
- Industrial sector growth soared to a nine-quarter high of 13.2%YoY (vs. -0.5% in 2QFY23 and +5.5% in 1QFY24).
- Centre's direct tax collections rose 21.8% at Rs 9.57 lakh crore so far in FY2024. GST collection crossed Rs1.6 lakh crore in Nov 2023.
- Crude oil prices are down as uncertainty over OPEC+ supply cuts, demand growth weigh , positive for India
- India's investment rate rose to 32.9% of GDP in 2QFY24, better than 32.1% of GDP in Q2FY23
- Central And State Government Capex Touches New High, TTM basis crosses Rs15 tm in September 2023.

Source: Industry Report





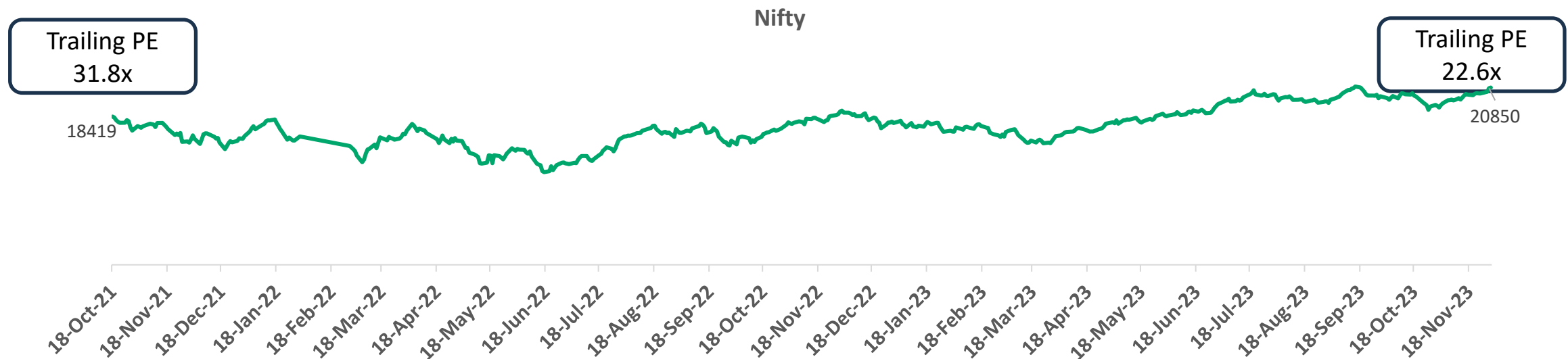
# Valuation

*Markets saw sharp upmove in FY24 YTD, but valuations are nowhere close to all time high level*

# Nifty witnessed sharp upmove in FY24 so far, but valuations nowhere close to all time high

	Oct-21	Nov-23	
Nifty EPS	582	910	↑
GST Collections (Rs. bn)	1300	1627	↑
Credit Growth (%)	6.3	15.5	↑
Manufacturing PMI	55.9	57.5	↑
Services PMI	58.4	61.0	↑

	Oct-21	Nov-23	
CPI (%)	4.48	5.02	↑
WPI (%)	13.83	-0.26	↓
10-year G-Sec Yields (%)	6.4	7.35	↑
Brent Crude (\$/bbl)	84.4	82.5	↓
Fiscal Deficit (%)	6.4	6.4	↔

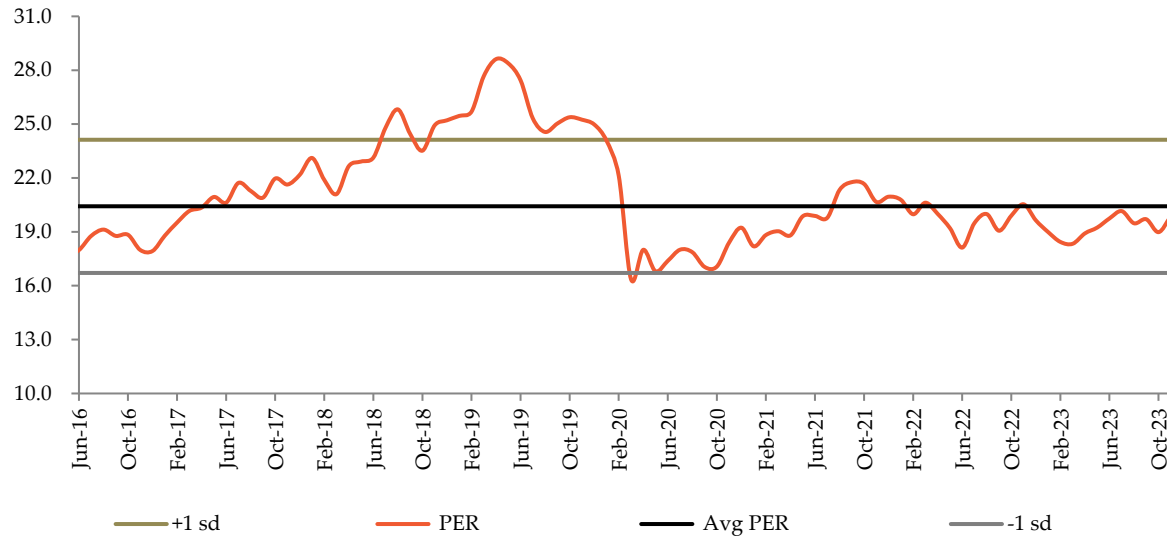


Source: Bloomberg, Sharekhan Research

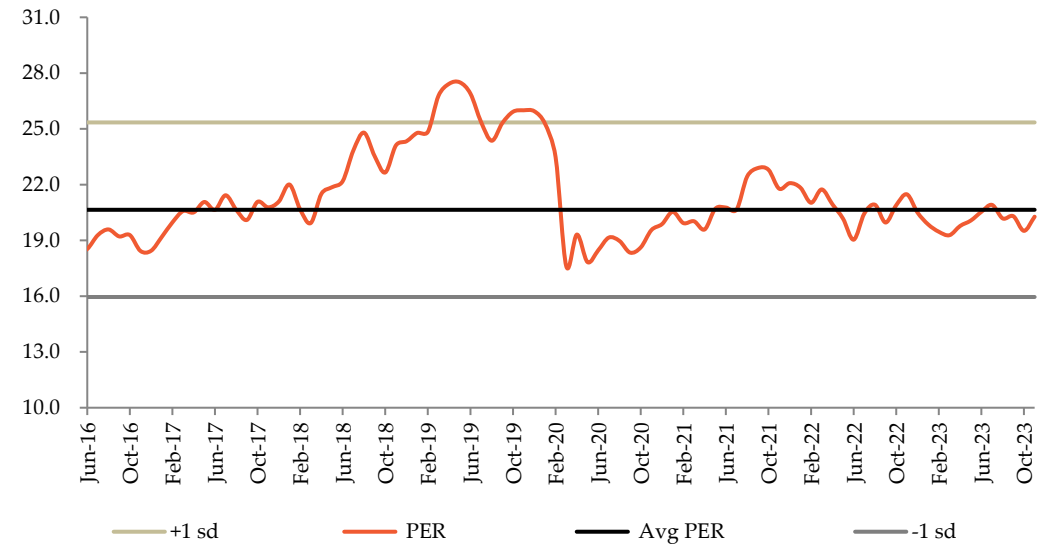
# Valuation: Not cheap anymore but valuation nowhere close to all high levels

- The Nifty trades at 21.3x and 18.6x of FY24E and FY25E earnings, respectively, which is broadly in line with long term average multiples.

One-year forward PE chart of Nifty

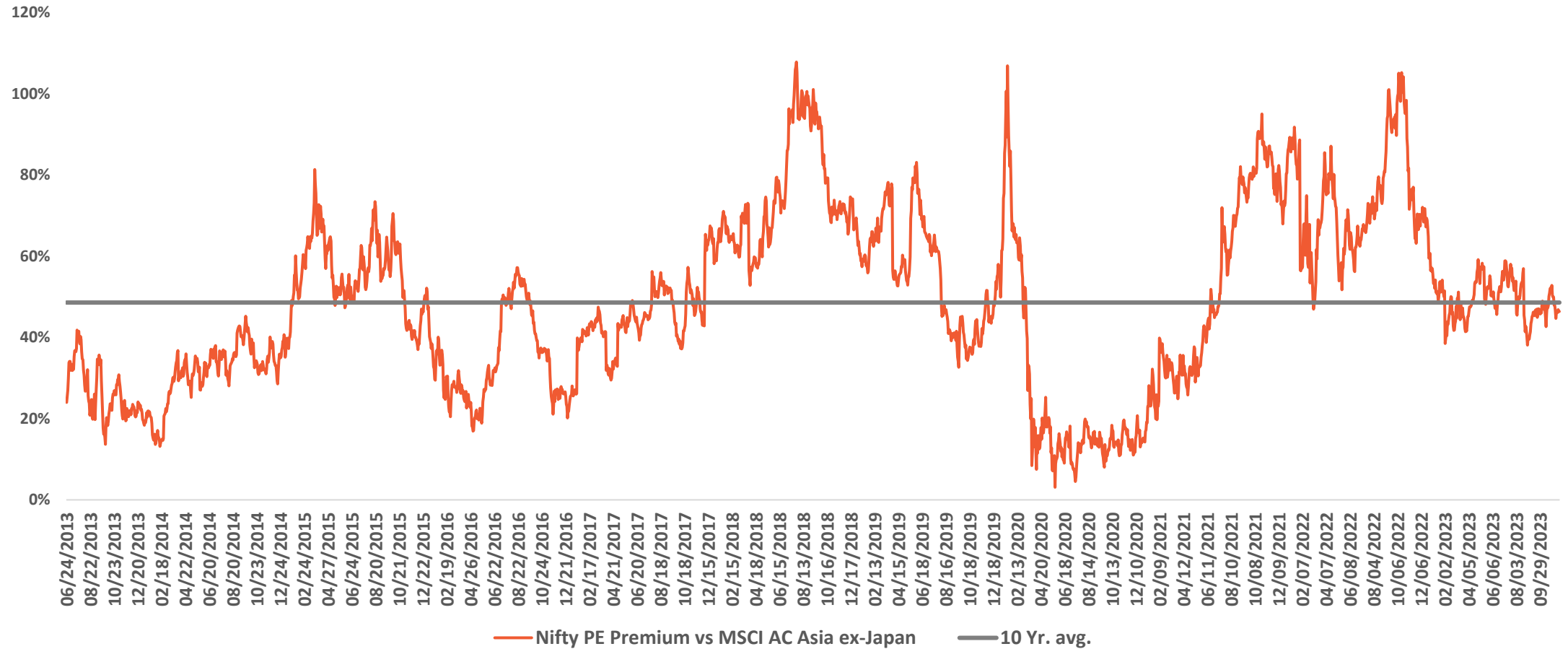


One-year forward PE chart of Sensex



Source: Bloomberg; Sharekhan Research

# Nifty PE premium to MSCI AC Asia (ex-Japan) trades below historical avg.



Source: Sharekhan Research

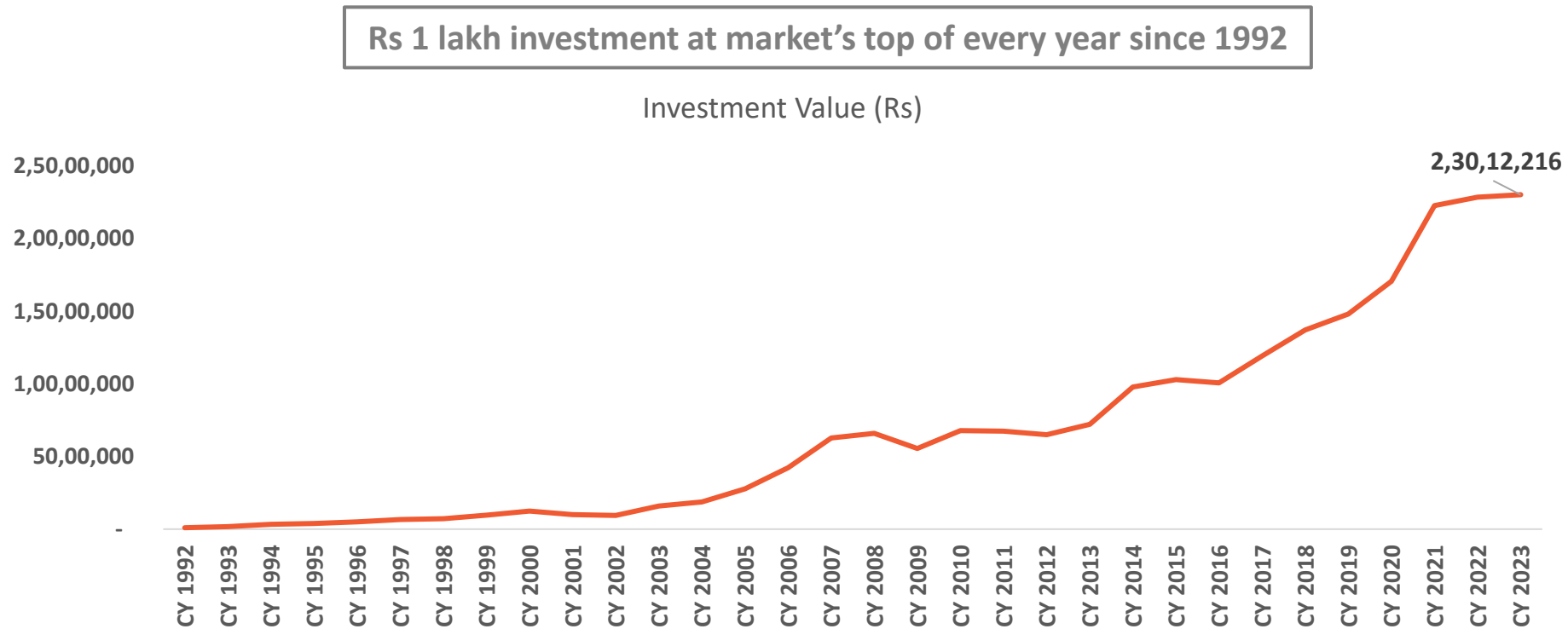
## Elections: Market mostly tends to do better in election years...

- Historical trend of last 11 general elections outcome since 1980 reflects that market has done well for investors irrespective of outcomes.
- Notably, Sensex has delivered average return of 14.3% in six months prior to general election outcome and delivered average return of 18.8% post six months of election outcome.

Year	Incumbent	Newly Elected	Results Date	Sensex Return	
				Six Months Prior to Result	Six Months post Result
1980	JP	INC	01-08-1980	0.5%	37.9%
1984	INC	INC	12-21-1984	12.5%	79.4%
1989	INC	Janata Dal	12-04-1989	0.1%	13.2%
1991	Janata Dal	INC	5-27-1991	2.6%	45.6%
1996	INC	United Front	5-23-1996	25.1%	-22.4%
1998	United Front	BJP	03-06-1998	-9.3%	-20.3%
1999	BJP	BJP	10-06-1999	31.6%	4.8%
2004	BJP	INC	5-13-2004	9.1%	31.0%
2009	INC	INC	5-18-2009	59.8%	15.7%
2014	INC	BJP	5-16-2014	15.7%	18.5%
2019	BJP	BJP	5-23-2019	9.8%	3.4%

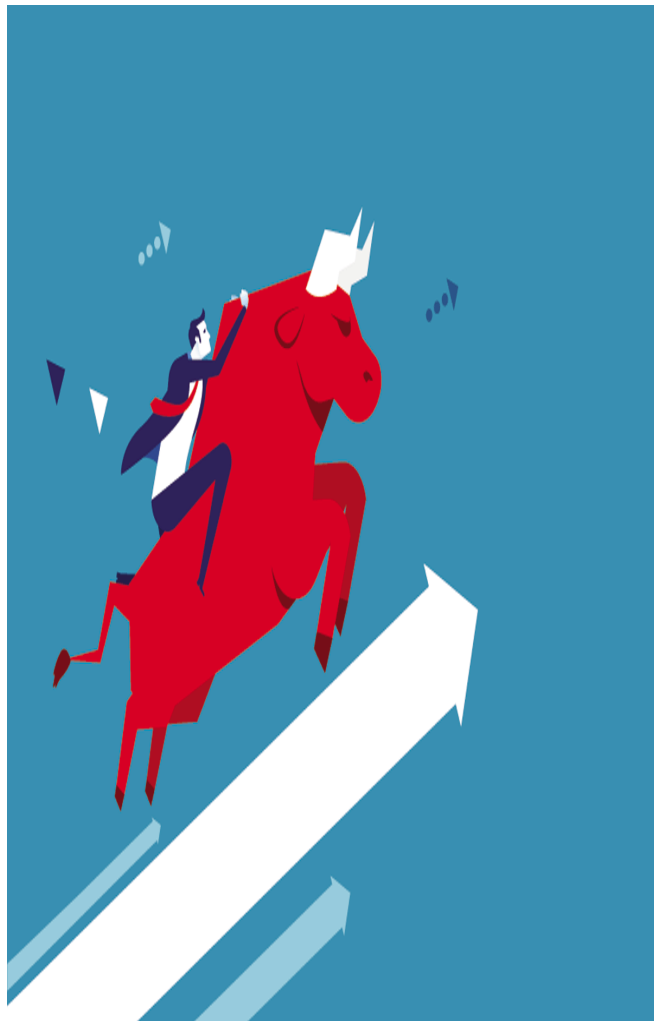
## Disciplined investment pays off irrespective of market levels...

- Our analysis shows that if an unfortunate investor had invested **Rs. 1 Lakh every year since 1992** at the Sensex's highest level in that year, her investment would have become **Rs 2.3 crore** -- reflecting a **CAGR return of a little over 11%**.
- It is important to invest in disciplined manner rather than try and time the markets.



Source: Sharekhan Research

# Big Opportunity: Multi-year economic upcycle in India



- The Indian equity market has touched new high level lately. The move has been swift and most investors sitting on the sidelines for lower levels have missed out the massive rally of 2,500 points in the Nifty.
- Once again, the market movement proves two things: 1) It is not practically possible to time the markets; 2) Nifty does go through a correction of 5-8% from recent peaks, which is usually an opportunity to Buy in hindsight.
- Coming to the reasons for the sharp rally, it could be attributed to improving global macros in terms of the US Federal Reserve turning dovish now. Domestically as well, economic data is healthy, but inflation is in control. Moreover, the recent state elections indicate high probability of political stability at national level now.
- More important from near-term events, investors should focus on the **BIG PICTURE** of a multi-year growth upcycle in the Indian economy & corporate earnings. So, stay invested in right quality of stocks and do not miss out the opportunity to make handsome returns over the next 2 -5 years.
- It is time spent in the market that is important than timing the market. This clearly reflects in the study done for past thirty years where the returns would have been healthy even if investor would have put money on a day of yearly market peak level.

# DEBT/ FIXED INCOME UPDATE & OUTLOOK



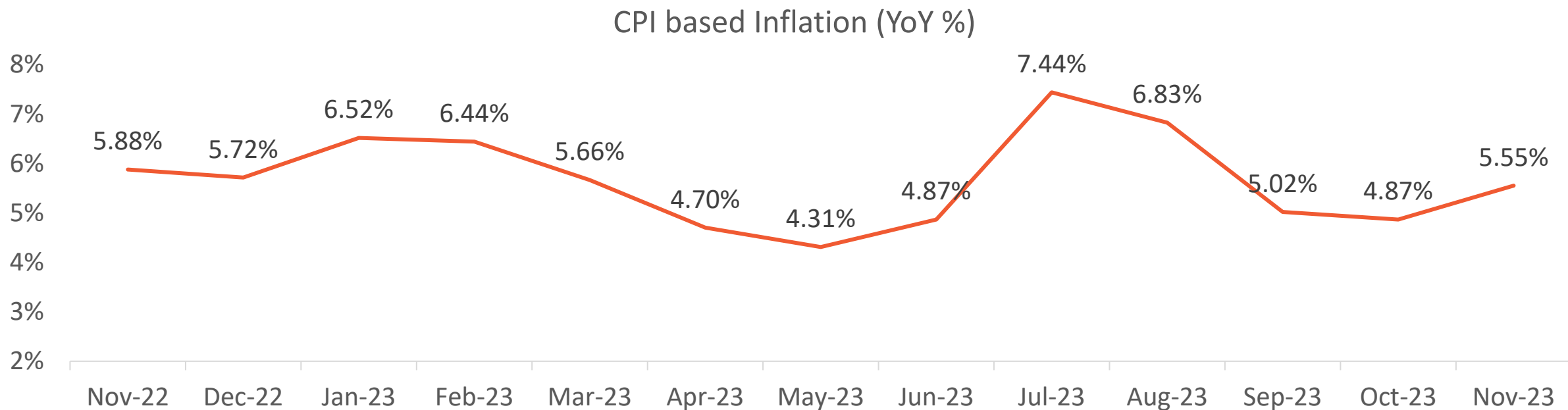
# RBI monetary policy: RBI to keep liquidity conditions tight

As expected, the MPC committee has unanimously voted to keep policy repo rate at 6.5% during the bi-monthly policy meeting in December. The MPC also decided to remain focus on withdrawal of accommodation to ensure that inflation progressively aligns to the target.

## Key Highlights

- The MPC unanimously decided to keep the policy Repo Rate unchanged at 6.50% for the fifth consecutive meeting. Consequently, the Standing Deposit Facility (SDF) rate remains unchanged at 6.25% and the Marginal Standing Facility (MSF) rate and Bank Rate at 6.75%.
- The MPC also decided by a majority of 5 out of 6 members to remain focused on the withdrawal of accommodation to ensure that inflation progressively aligns to the target, while supporting growth.
- The RBI raised FY24 growth projections to 7% up from earlier expectations of 6.5%. after positive surprise observed in Q2 GDP growth, the RBI now anticipating a stronger growth in second half of FY24 with revised average growth rate of 6.25% compared to earlier expectations of 5.85%.
- Real GDP growth for FY24 is projected at 7% with Q3 at 6.5%, Q4 at 6% from earlier expectations of Q3 at 6% and Q4 at 5.7%. The real GDP projections for Q1 of FY25 revised to 6.7% from earlier expectations of 6.6%.
- The RBI has maintained its inflation projections for FY24 at 5.4%. The Governor acknowledged the volatility in food prices and increase in prices of key vegetables may push CPI inflation higher in the near term. On the positive side, global commodity prices and import depended food items have softened. Considering these factors with assumption of normal monsoon, The CPI inflation is projected at 5.4% for FY24 with Q3 at 5.6% and Q4 at 5.2%.
- The RBI had injected additional liquidity into the system to counter COVID-19 and persistent expanded balanced sheet for long period could create financial instability. It is worth noting that the RBI's balance sheet size has now moderated to 21.6% of GDP from the pandemic peak of 28.6% of GDP.

# Consumer Price Index (CPI) Inflation



CPI inflation rose to 3 months high of 5.55% in November 2023, reversing the downward trend seen in the previous three months. This is primarily due to spike in vegetable prices, cereals, pulses and spices. Even though the inflation rose compared to previous two months, but it is still below the RBI's tolerance level.

- Food & Beverages, which have the highest weight of 54.2% in the CPI rose to 8.02% in Nov-23 as compared to 6.2% in the previous month. There was a sharp uptick in the prices of key vegetables such as onions and tomatoes in November 2023 on tight supply and festive demand. The inflation of vegetables, pulses & spices kept the upward pressure on food & Beverage inflation.
- Among the food items, the fruits, vegetables, cereals, pulses and spices continue with double digit growth. The Inflation in the miscellaneous segment which has the weightage of 27% in CPI basket remained stable at 4.4% in Nov-23 compared to previous month.

# Index of Industrial Production (IIP)

The IIP growth accelerated to 16 months high of 11.7% on Oct-23 compared to 6.2% in the previous month and this is primarily due to low base effect. While the growth for the month was largely on account of a supportive base, the month on month growth is also better than previous month.

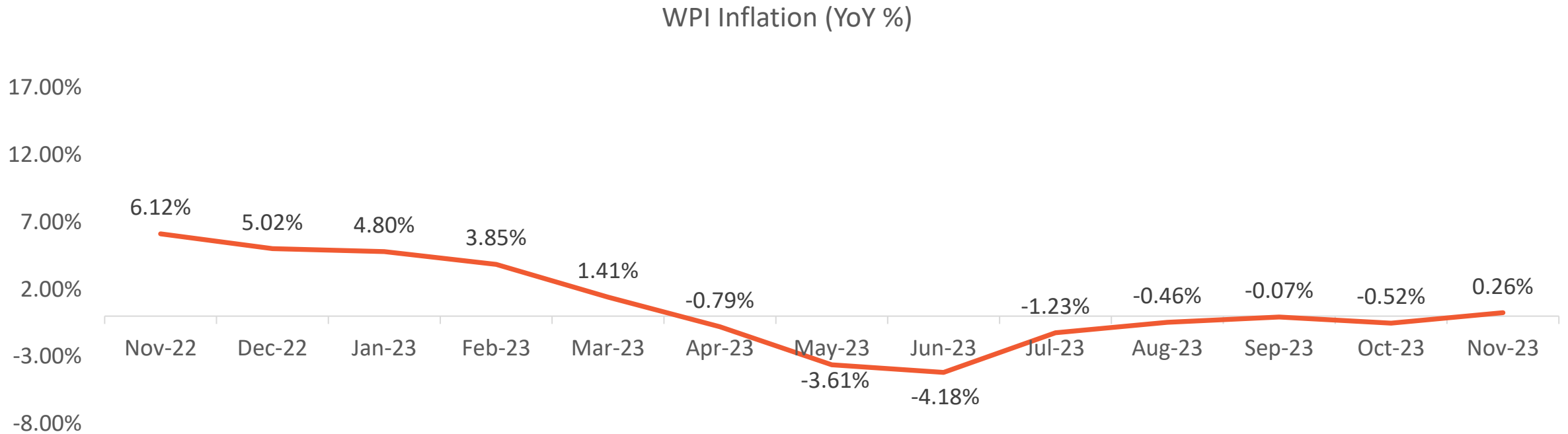
- **Mining:-** The mining activity is in upward trend from Apr-23 and is in double digit from last four months. The activity grew by 13.1% in Oct-23 compared to 11.5% in the previous month.
- **Manufacturing:-** It has the highest weightage of (77.6%) in the IIP. The activity grew by 10.4% in Oct-23 as compared to 4.9% in the previous month. the growth in manufacturing has been primarily driven by low base effect along with marginal improvement in momentum. The growth in Manufacture of basic metals (11.9%), Manufacture of machinery and equipment (26.1%) and Manufacture of motor vehicles, trailers and semi-trailers (24.4%) are contributing to the overall IIP growth. Out of 23 industries, 4 have recorded contraction, 11 are in double digit growth and the remaining are in positive growth. The manufacturing of chemicals and chemical products move to positive growth trajectory of 4.4% after having contraction from last five months.
- **Electricity:-** Electricity output is in positive trend from last six months and move sharply to 20.4% in Oct-23 compared to 9.9% in the previous month and growth of 1.2% in the corresponding month of last year.

GROWTH IN SECTORAL			
	Aug-23	Sep-23	Oct-23
MINING	12.3%	11.5%	13.1%
MANUFACTURING	9.3%	4.9%	10.4%
ELECTRICITY	15.3%	9.9%	20.4%
GENERAL	10.3%	6.2%	11.7%
GROWTH IN USE-BASED CLASSIFICATION			
PRIMARY GOODS	12.4%	8.0%	11.4%
CAPITAL GOODS	13.1%	8.4%	22.6%
INTERMEDIATE GOODS	6.8%	6.1%	9.7%
INFRASTRUCTURE/ CONSTRUCTION GOODS	13.5%	8.9%	11.3%
CONSUMER DURABLES	5.8%	1.1%	15.9%
CONSUMER NON-DURABLES	9.6%	3.0%	8.6%

Source: MOSPI, Sharekhan Research

After moderation of industrial activities in the previous month, the activity grew by double digit at 11.7% in October 2023 compared to growth of 6.2% in the previous month. The increasing inflationary pressure and uncertain ruby output are headwinds for the consumption scenario. Additionally the weak global scenario also pose risk to the durable consumption recovery.

# Wholesale Price Index (WPI) Inflation



The WPI inflation move to positive trajectory after having contraction from last seven months even though the improvement is marginal. The WPI inflation grew by 0.26% in Nov-23 compared to contraction of -0.52% in the previous month.

- The Inflation in primary articles which has the weight of 22.6% in the WPI basket was in downward trajectory from last four months and now it has grown by 4.76% in Oct-23 and move to positive trajectory.
- Food inflation was in downward trajectory from last four months and in Oct-23 spike to 8.18% compared to 2.53% in the previous month. The recent spike attributed to the elevated prices in fruits and vegetables.
- Inflation in fuel and power and manufactured products is in contraction from more than six months and the pace of contraction is reducing in manufacturing products.

## Liquidity: RBI to keep liquidity conditions tight

- The average call money rate has been hovering above the repo rate as the liquidity conditions continue to remain tight for the month of December.
- Banking system liquidity continued to be neutral and as a result, the overnight call rates rose above the repo rate. System liquidity stood at Rs.0.44 Lakh crore on December 14, 2023 as compared to average liquidity of 0.73 Lakh crore in November 2023. The banking system liquidity average for December 1-14, 2023 is at Rs.0.22 lakh crore which is Rs.0.51 lakh crore lower than average liquidity of Rs. 0.73 lakh crore in Nov-23.

## Bond prices & other updates

- The 10-year 7.26% 2033 G-Sec yield settled at 7.26% on December 14, 2023 from peak level of 7.34% on December 23 owing to rate cut expectations from fed policy in year 2024.
- The MPC committee unanimously voted to keep repo rate unchanged at 6.5% for fifth consecutive meeting. The MPC also decided by a majority of 5 out of 6 members to remain focused on the withdrawal of accommodation.
- The RBI raised FY24 growth projections at 7% from earlier projections of 6.5% and now the RBI is anticipating a stronger growth in second half of FY24 with revised average growth of 6.25% compared to earlier expectations of 5.85%. The real GDP growth projections for Q3:FY24 at 6.5% and Q4:FY24 at 6% from earlier expectations of Q3 at 6% and Q4 at 5.7%.
- The RBI has maintained its CPI inflation projections at 5.4% for FY24. The governor acknowledged the volatility in food prices, and this may push near term inflation to higher level. On the positive side, the global commodity prices and import dependent food items prices have softened. Considering these factors and assumption of normal monsoon, the RBI maintained its CPI projections.

## The US bond yields and inflation uncertainties to drive the bond yields in near term

- CPI inflation rose to a three-months high of 5.6% in Nov-23 reversing downward trend of previous three months. This was mainly due to spike in vegetable, cereals, pulses and spices prices. Even though inflation reversed its downward trajectory, it is still hovering below the RBI's upper band tolerance level. The food inflation uncertainty and unfavorable base could further push inflation to higher in near term.
- The RBI in its recent monetary policy maintained its repo rate at 6.5% and upheld its stance at "withdrawal of accommodation" with 5:1 majority. The RBI raised FY24 growth projections to 7% from earlier projections of 6.5% and maintained its inflation projections at 5.4% for FY24. The policy wording sound less hawkish compared to previous policy. However, the governor emphasizes the need of additional data to decide on the future trajectory of the monetary policy.
- Considering revised growth projections, the domestic bond yields are likely driven by global yields i.e. US yield movements. The domestic conditions remain favorable to bond yields considering falling inflation as well as inclusion in JP morgan index.

## Investment Strategy

- For the medium to long term, we have been advising to increase exposure to duration funds (5-10 year modified duration) including gilt funds. We are close to the peak of the interest rate upcycle and the policy rate could come down by 100-150 bps in the next 18-24 months. This would provide fairly decent high single-digit returns in duration funds.

# Gilt Funds

Gilt Schemes	AUM (In crore)	YTM Nov-23 (%)	Macaulay Duration (Years)	Performance			
				6 Months	1 Year	2 Years	3 Years
Bandhan Government Securities Fund Investment Plan - Reg - Growth	1417	7.5	8.60	1.3	5.8	3.4	3.2
ICICI Prudential Long Term Bond Fund – Growth	649	7.6	7.44	1	5.8	3.1	2.5
Aditya Birla Sun Life GSec Fund - Reg – Growth	1644	7.5	7.30	1.9	6.1	3.8	3.9
Kotak Gilt Fund – Growth	2935	7.7	5.16	2.3	6.5	4.2	3.8

(Performance as on December 2023)

# MUTUAL FUND MODEL PORTFOLIOS



# MUTUAL FUND MODEL PORTFOLIOS | AGGRESSIVE PORTFOLIO

AMC	SCHEME NAME
LARGE CAP	
Kotak	Kotak Bluechip Fund
ICICI	ICICI Prudential Bluechip Fund
MID CAP	
Kotak	Kotak Emerging Equity Fund
SBI	SBI Magnum Mid Cap Fund
Mirae	Mirae Asset Mid Cap Fund
Small CAP	
ICICI	ICICI Prudential SmallCap Fund
Nippon	Nippon India Small Cap Fund
Flexi Cap	
HDFC	HDFC FlexiCap Fund
Franklin	Franklin India Flexi Cap Fund

## Portfolio Composition

Large Cap  
40%

Mid &  
Small Cap  
25%

Flexi Cap  
35%

Minimum time horizon: 5 years  
Review frequency: 6 months

### Aggressive Investor

*You are ready to take high risks, and very easily adapt when things don't go as you had planned, financially. Your objective is to get the highest return possible in the long term, and you accept the ups and downs along the way*

# MUTUAL FUND MODEL PORTFOLIOS | MODERATE PORTFOLIO

AMC	SCHEME NAME
<b>LARGE CAP</b>	
Kotak	Kotak Bluechip Fund
ICICI	ICICI Prudential Bluechip Fund
<b>MID CAP</b>	
Kotak	Kotak Emerging Equity Fund
SBI	SBI Magnum Mid Cap Fund
Mirae	Mirae Asset Mid Cap Fund
<b>Small CAP</b>	
ICICI	ICICI Prudential SmallCap Fund
Nippon	Nippon India Small Cap Fund
<b>Gilt &amp; Dynamic bond</b>	
Kotak	Kotak Gilt Fund – Growth
ICICI	ICICI Prudential All Seasons Bond Fund - Reg - Growth

## Portfolio Composition

Large  
Cap  
40%

Gilt & Dynamic  
Bond  
40%

Mid &  
Small  
Cap  
20%

Minimum Time Horizon: 3 years  
Review Frequency: 12 months

### **Moderate Investor**

*You are an average risk taker, and try to adapt when things don't go as you had planned, financially. Your long term objective is to get a better return than a Fixed Deposit, net of tax, even if the short term performance could sometime be below expectations*

# MUTUAL FUND MODEL PORTFOLIOS | CONSERVATIVE PORTFOLIO

AMC	SCHEME NAME
<b>Corporate Bond &amp; Short Duration</b>	
Aditya Birla Sun Life	Aditya Birla Sun Life Corporate Bond Fund
ICICI Prudential	ICICI Prudential Corporate Bond Fund
Kotak	Kotak Bond Short Term Fund
HDFC	HDFC Short Term Fund
<b>Gilt &amp; Dynamic Bond</b>	
Kotak	Kotak Gilt Fund – Growth
ICICI	ICICI Prudential All Seasons Bond Fund
<b>Dynamic Asset Allocation</b>	
ICICI	ICICI Prudential Balanced Advantage Fund
Edelweiss	Edelweiss Balanced Advantage Fund

## Portfolio Composition

Corporate  
Bond &  
Short  
Duration  
50%

Gilt &  
Dynamic  
Bond  
30%

Dynamic  
Asset  
Allocation  
20%

Minimum Time Horizon: 3 years  
Review Frequency: 12 months

### **Conservative Investor**

*You are unwilling to take risks, and get very uneasy when things don't go as you had planned, financially. Your long term objective is to try to get a slightly better return than a fixed deposit, net of tax.*

# MUTUAL FUND MODEL PORTFOLIOS | Regular Income Basket

AMC	SCHEME NAME
<b>Dynamic Asset Allocation</b>	
ICICI Prudential	ICICI Prudential Balanced Advantage Fund - Reg - Growth
Aditya Birla Sun Life	Aditya Birla Sun Life Balanced Advantage Fund - Growth
Edelweiss	Edelweiss Balanced Advantage Fund - Growth
<b>Equity Savings</b>	
Mirae Asset	Mirae Asset Equity Savings Fund - Reg - Growth
HDFC	HDFC Equity Savings Fund - Growth

Reasons to select SWP option than dividend option to get regular income		
	SWP	Dividend
<b>Withdrawal Amount</b>	Regular income amount is Fixed	Dividend amount is not fixed
<b>Flexibility</b>	Investor can change in regular income amount at any time	Dividend frequency is at the discretion of the fund house
<b>Taxation</b>	Capital gains on investments withdrawn are taxed as per equity taxation	Tax as per income slab for dividend income

## Portfolio Composition

**Dynamic Asset Allocation**  
70%

**Equity Savings**  
30%

Minimum Time Horizon: More than 5 years  
Review Frequency: 12 months

### Investor

*You are investing lumpsum amount and want regular income from investment. You are ready to take some risk.*

# MUTUAL FUND MODEL PORTFOLIOS | Build India Basket

SCHEME NAME	Objective	Riskometer
<b>Thematic Funds</b>		
UTI Transportation and Logistics Fund	Invest predominantly in equity and equity related securities of companies engaged in the transportation and logistics sector	Very High
ICICI Prudential Manufacturing Fund	Invest predominantly in equity and equity related securities of companies engaged in manufacturing theme	Very High
Franklin India Opportunities Fund	Portfolio presently offers "Make in India, Digitalization and Energy Transition" themes in which opportunities are being created by special situation arising from factors such as government policy changes or sector level disruption due to technology, among others.	Very High
<b>Sectoral Funds- Infrastructure</b>		
ICICI Prudential Infrastructure Fund	Invest predominantly in equity and equity related securities of companies belonging to the infrastructure.	Very High
<b>Flexi Cap Funds</b>		
Franklin India Flexi Cap Fund	The investment objective of this scheme is to provide growth of capital plus regular dividend through a diversified portfolio of equities, fixed income securities and money market instruments.	Very High
HDFC Flexi Cap Fund	To generate capital appreciation / income from a portfolio, predominantly invested in equity & equity related instruments	Very High

## Portfolio Composition

### Thematic/Sectoral Funds

Minimum Time Horizon: 5 years  
Review Frequency: 12 months

### Investor

*You are ready to take high risk and want to participate in growth story through thematic and sectoral schemes.*

Scheme Name	Category	Corpus (In crs.)	1 Year	3 Years	5 Years
ICICI Prudential Manufacturing Fund - Reg - Growth	Thematic	1,815	35.6	29.9	20.6
Franklin India Opportunities Fund - Growth	Thematic	1,786	42.6	25.6	20.8
UTI Transportation and Logistics Fund - Growth	Thematic	2,596	31.8	24.4	14.5
ICICI Prudential Infrastructure Fund - Growth	Sectoral-Infra	3,693	36.2	39.2	24.1
HDFC Flexi Cap Fund - Growth	Flexi Cap	42,271	24.1	27.5	19
Franklin India Flexi Cap Fund - Growth	Flexi Cap	12,802	22.2	23.8	17.7
<b>(Performance as on 12 Dec 2023)</b>					

# MUTUAL FUND MODEL PORTFOLIOS | Go Global Basket

Scheme Name	International Allocation as per Nov-23 Portfolio	Objective	Riskometer		
International Schemes					
Mirae Asset S&P 500 Top 50 ETF FOF	100%	The investment objective of the scheme is to generate returns, before expenses, that are commensurate with the performance of the S&P 500 Top 50 Total Return Index, subject to tracking error and forex Movement	Very High		
SBI International Access - US Equity FoF	100%	The scheme seeks to provide long term capital appreciation by investing in units of one or more mutual fund schemes / ETF, which are domiciled overseas and predominantly invest in US markets	Very High		
ICICI Prudential US Bluechip Equity Fund	100%	Investing predominantly in securities of large cap companies listed in the United States of America.	Very High		
MF Schemes with International Allocation					
Axis Growth Opportunities Fund - Reg – Growth	17%	Investing in a diversified portfolio of Equity & Equity Related Instruments both in India as well as overseas	Very High		
SBI Magnum Global Fund - Growth	16%	Investing in diversified portfolio comprising primarily of MNC companies.	Very High		
Scheme Name		Corpus (In crs.)	1 Year	3 Years	5 Years
International Schemes					
ICICI Prudential US Bluechip Equity Fund – Growth		2,807	20.7	12.4	15.7
Mirae Asset S&P 500 Top 50 ETF Fund of Fund - Reg – Growth		444	29.1	--	--
SBI International Access - US Equity FoF - Reg – Growth		791	17.3	--	--
MF Schemes with International Allocation					
Axis Growth Opportunities Fund - Reg - Growth		10,396	24.3	20	19.4
SBI Magnum Global Fund - Growth		6,346	15.2	16.9	15.1
(Performance as on 12 Dec 2023)					

## Portfolio Composition

### International Funds

Minimum Time Horizon: 5 years  
Review Frequency: 12 months

### Investor

You are ready to take high risk and want to invest in international schemes.

# SCHEME SELECTION AND INVESTING

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