INVESTMENT STRATEGY

MUTUAL FUND PORTFOLIOS

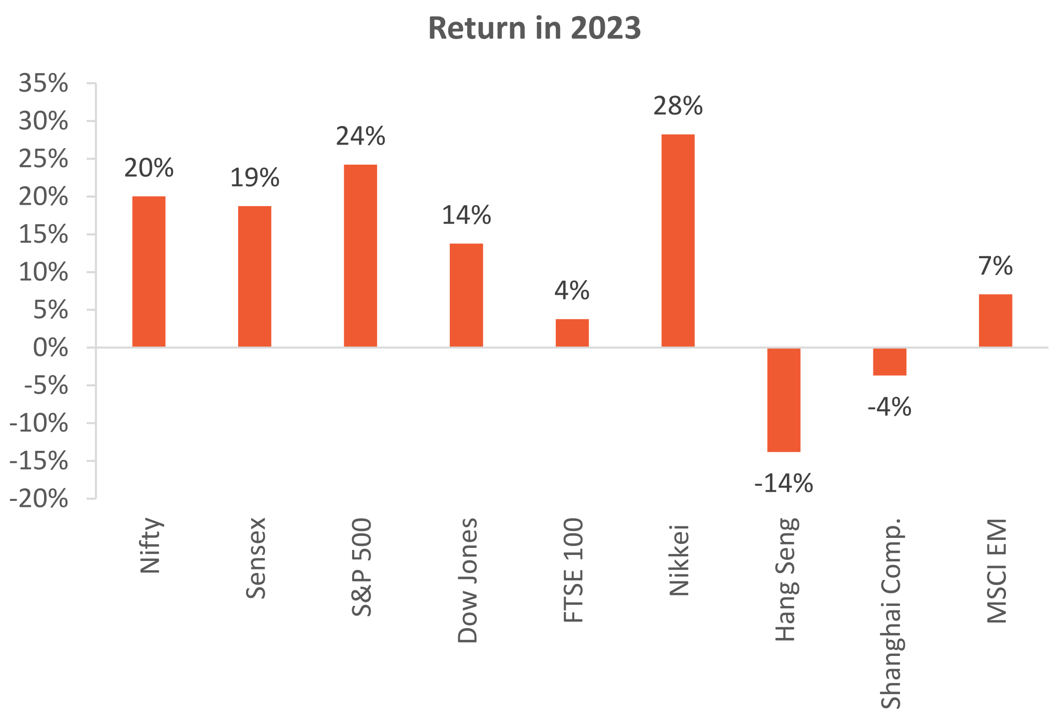
Feb 2024

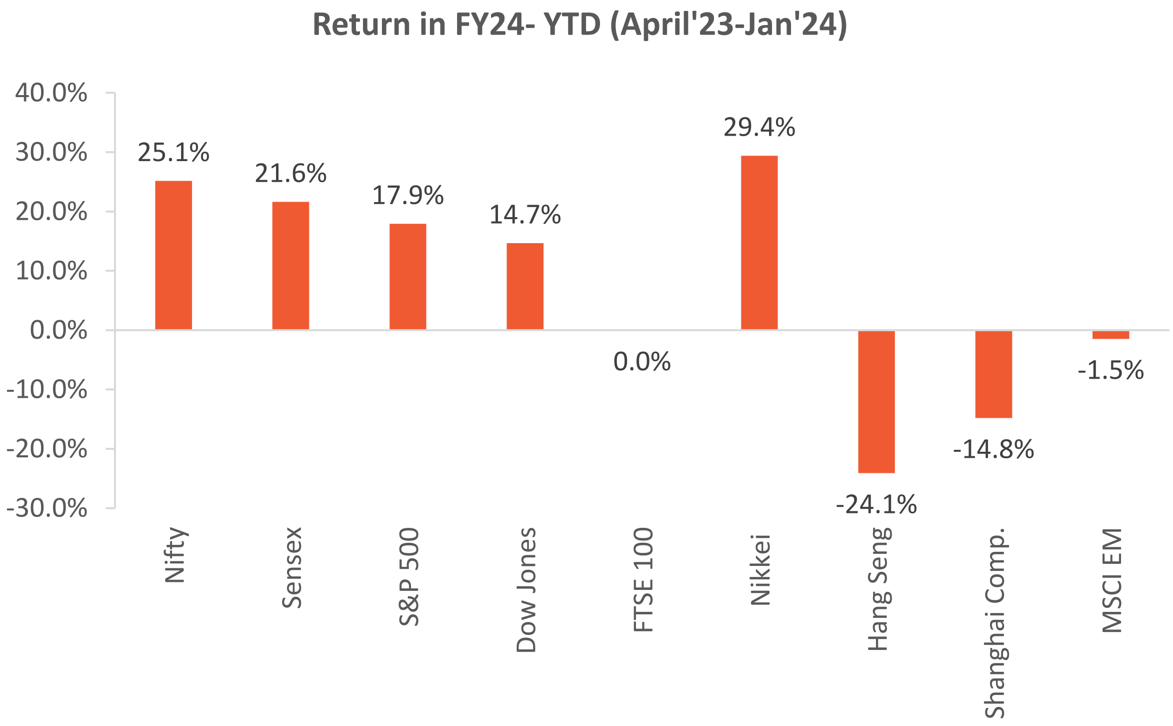
February 2024

Equity Market Outlook

2023 remained a remarkable year; Solid outperformance in FY24 YTD

- India remained one of the best markets in 2023 among global markets and outperformed most of its peers convincingly in FY24 YTD. Also, Sensex surpassed $4-trillion market cap mark in November 2023 and became fourth largest market of the world in January 2024.





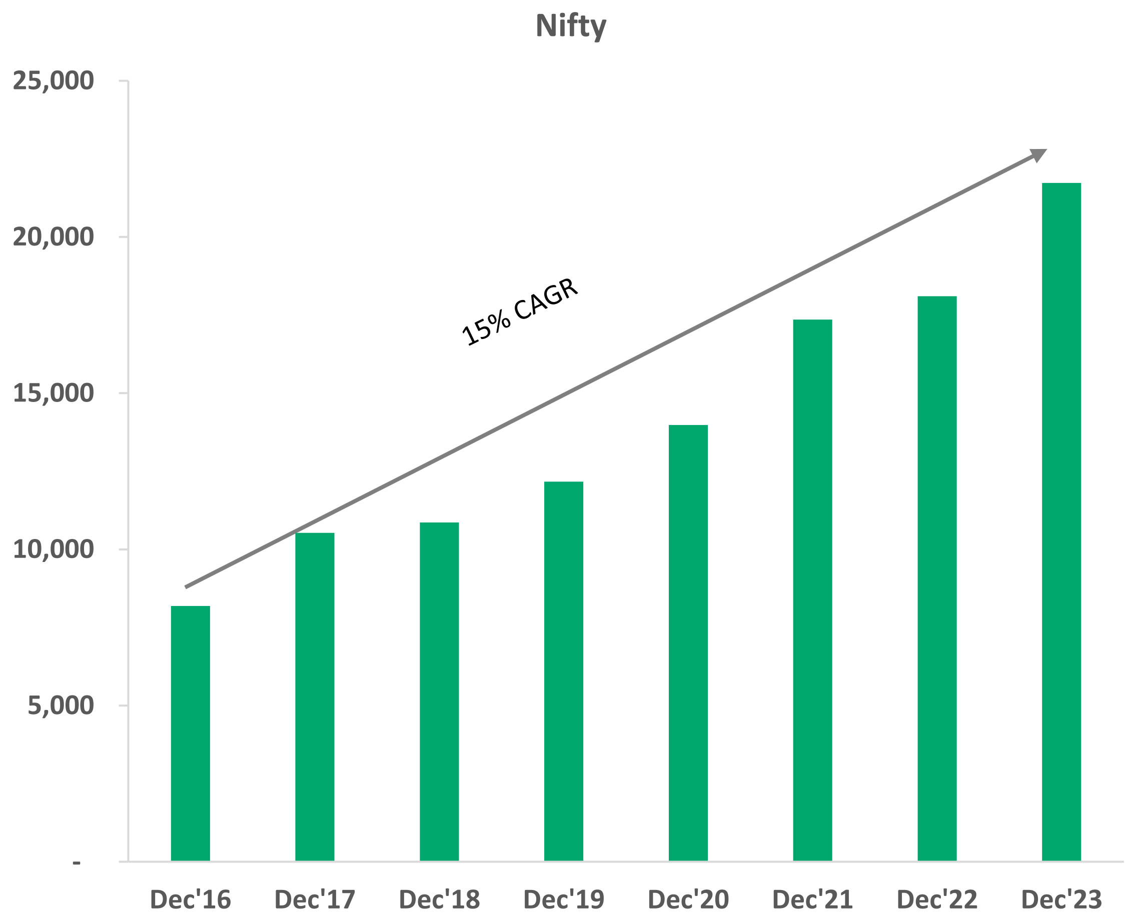
Source: Sharekhan Research

Nifty: Healthy Returns despite major events in India and Globally

CY2016-2023 (8 years): Nifty returns of 15 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 & a 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 trillion 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 trillion vis-à-vis five years back

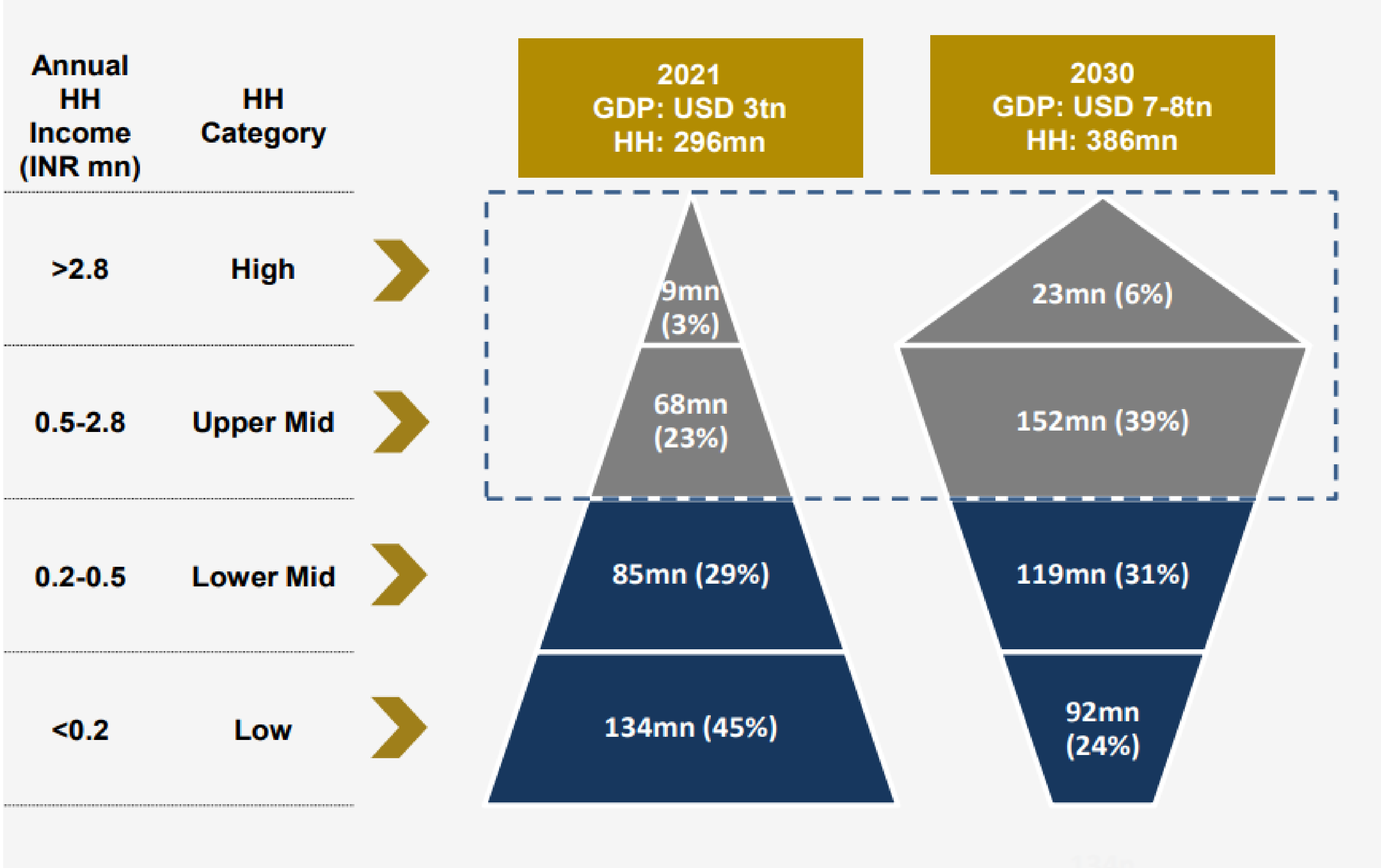
Real Estate set to grow ~2x faster than Indian Economy

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

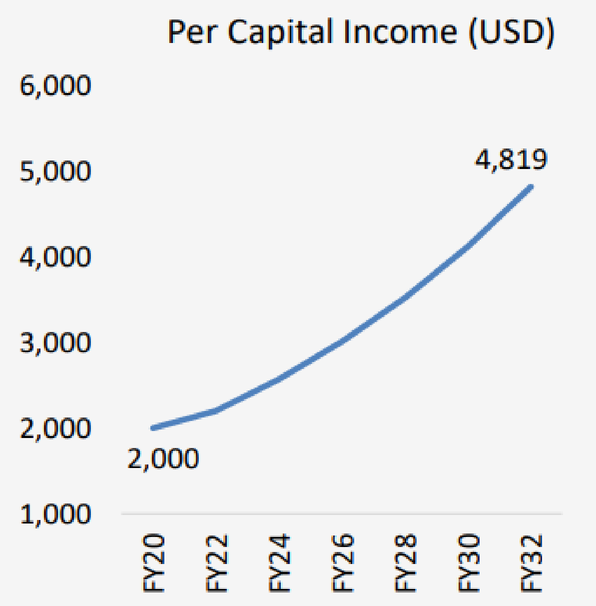
GDP Growth	USD ~3tn FY22	USD ~7-8tn FY31	~2.5x FY22-31
Real Estate Contribution to GDP	6-7% FY22	13-15% FY31	Doubling of contribution FY22-31
Real Estate Industry Size	USD 200bn FY22	USD ~1tn FY31	~5x (20% CAGR) FY22-31

Source: Macrotech Developers; Sharekhan Research

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



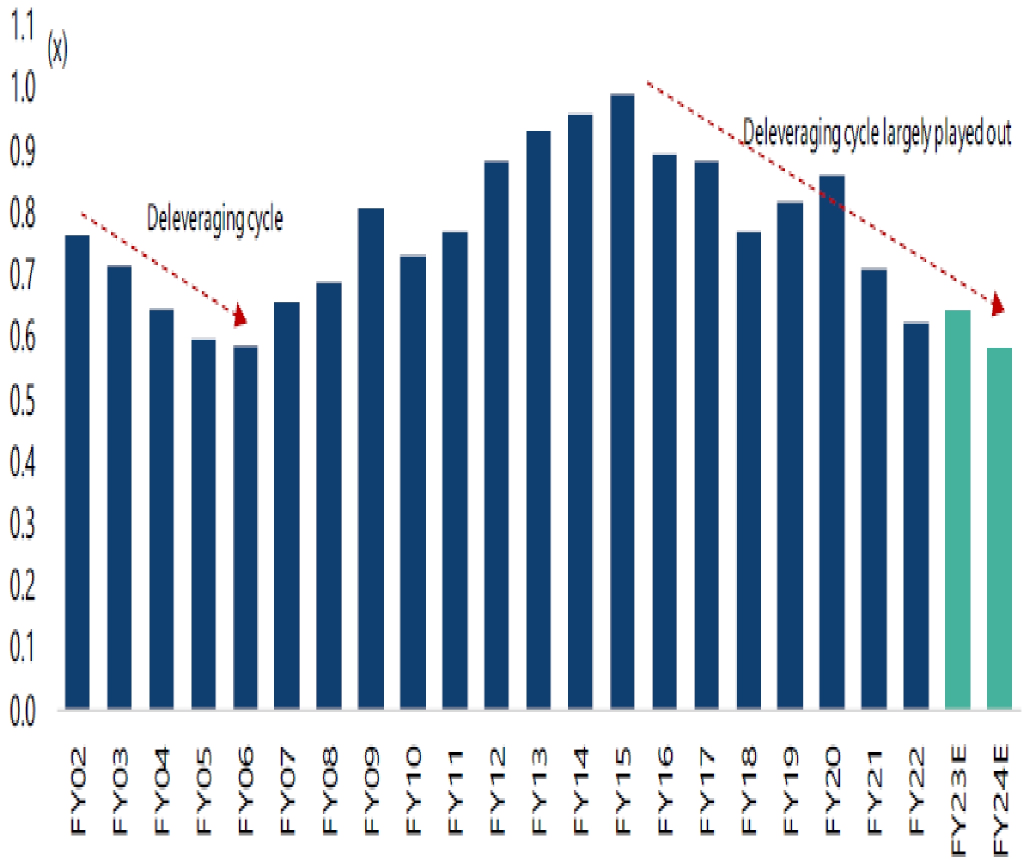
Per capital income seen rising ~2.5x over FY20-32

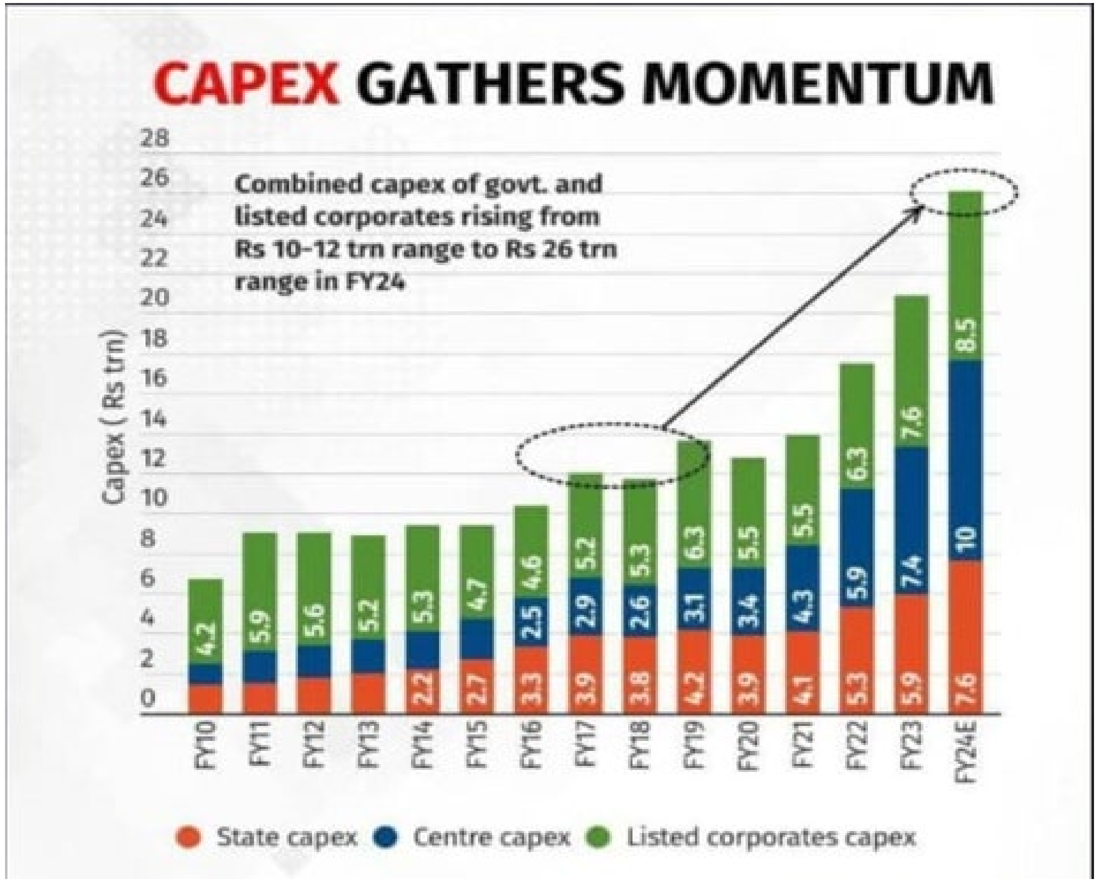


Source: Macrotech Developers; Sharekhan Research, HH - Households

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





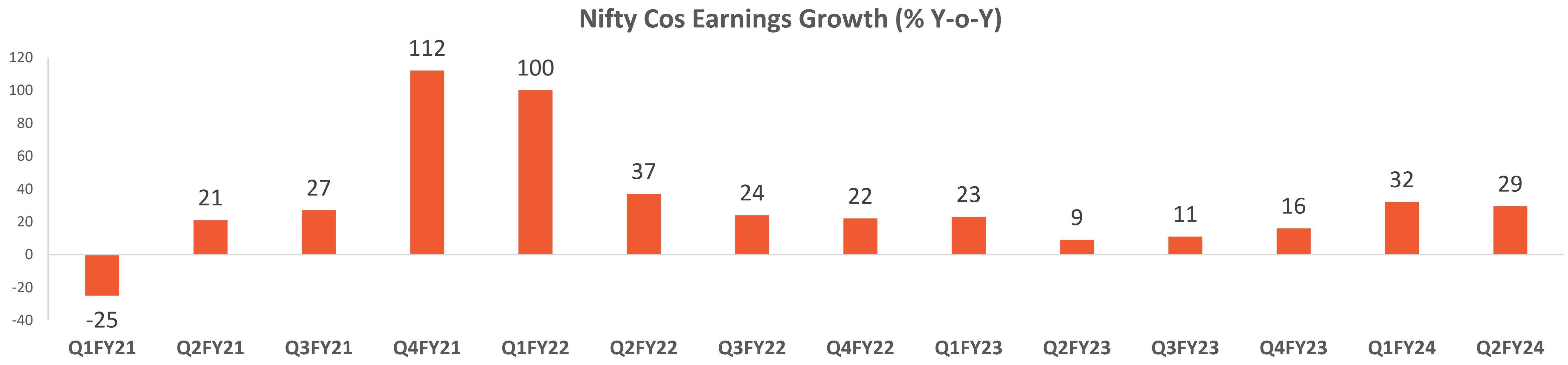
Source: Industry Reports, Sharekhan Research

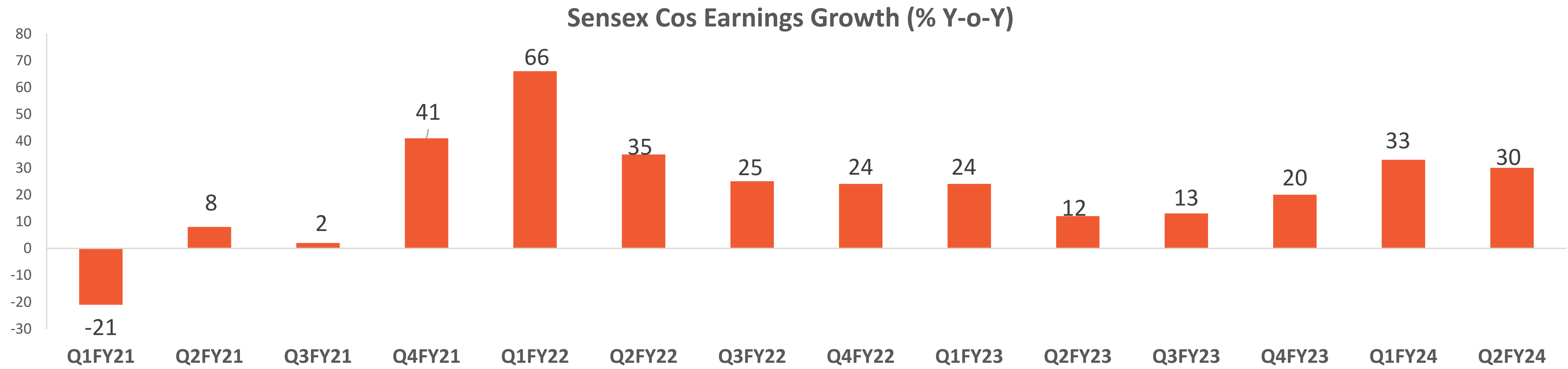
Sharekhan by BNP PARIBAS

Corporate Earnings

Double-digit earnings despite rate hikes

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

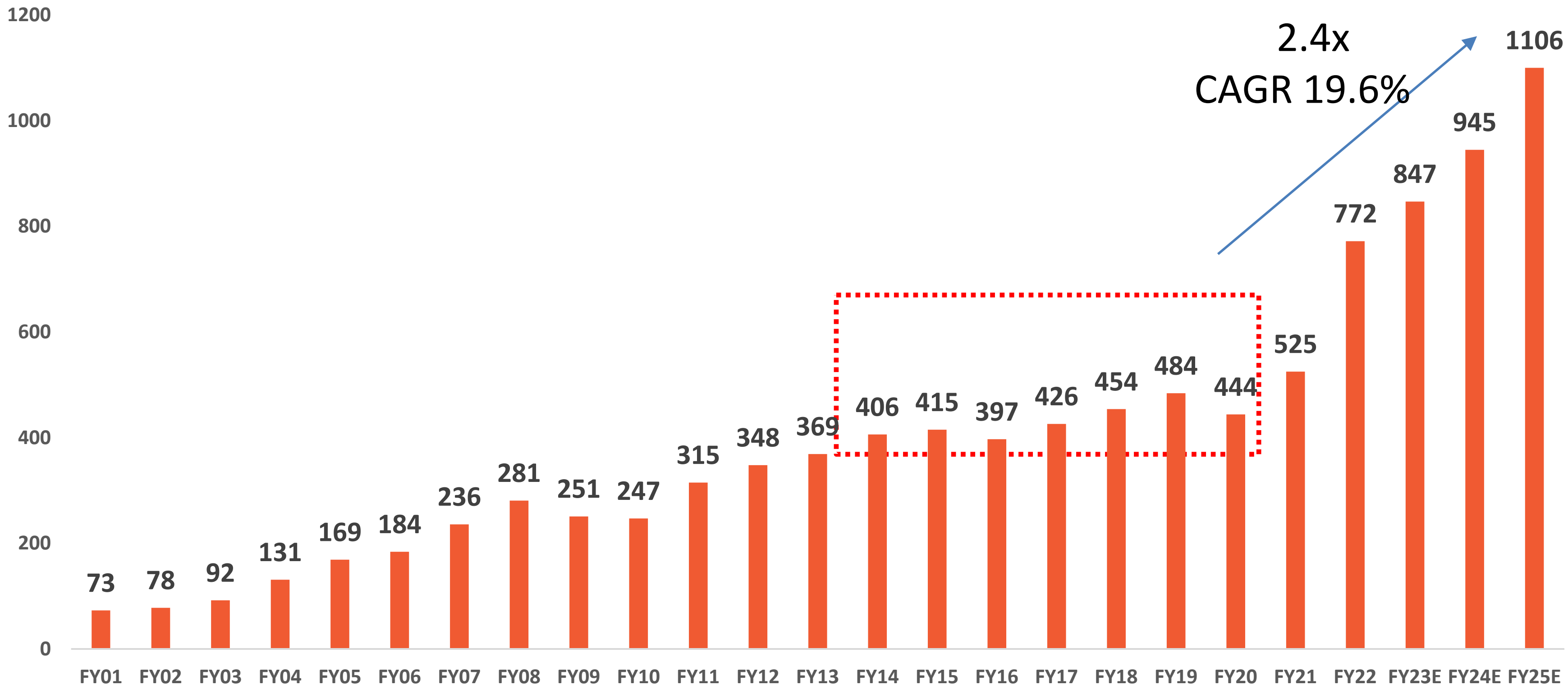




Sharekhan by BNP PARIBAS

Corporate Earnings: Nifty EPS on a high growth trajectory

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



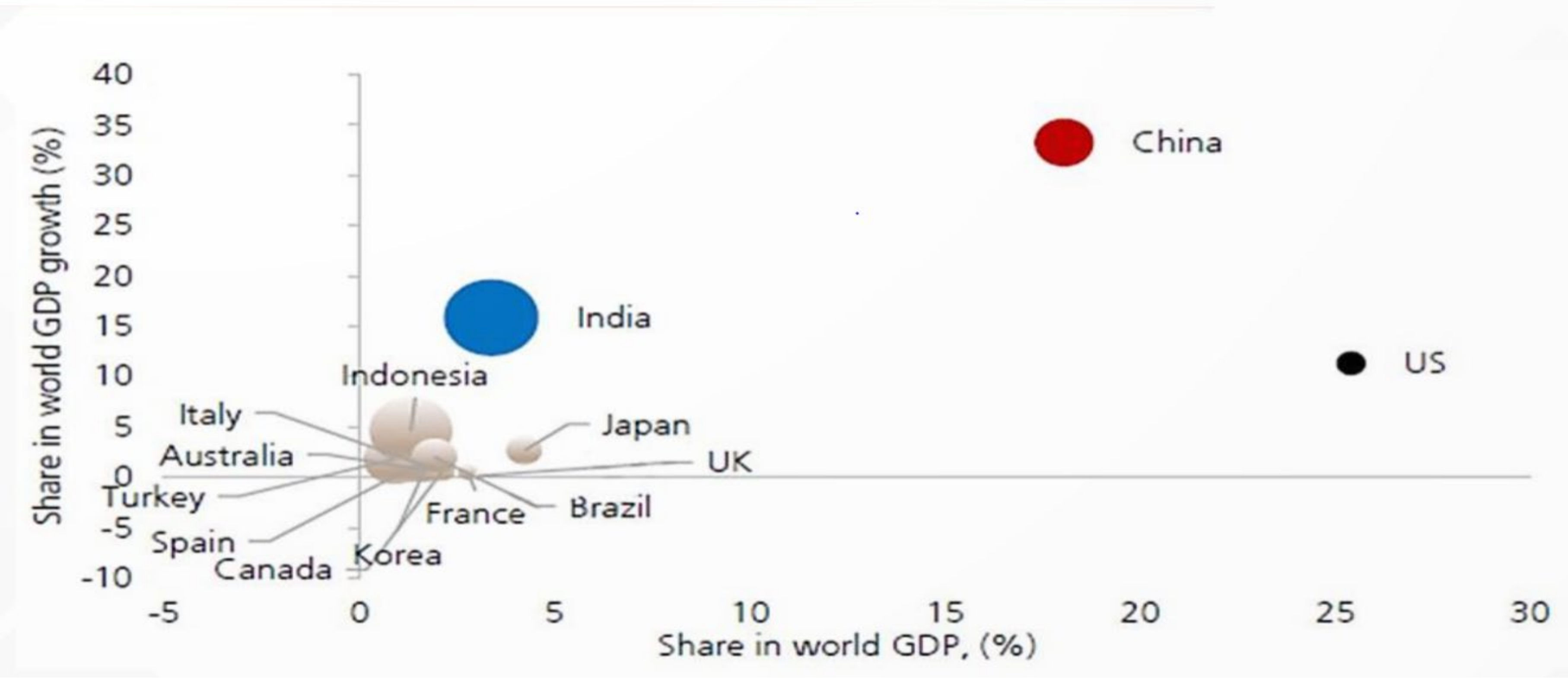
Source: Company; Sharekhan Research

India Equity

Can't be ignored by serious investors anymore

India's share to world GDP growth at 15%: The second best and can not be ignored..

- Various economic reforms resulting in India's healthy GDP growth made India to contribute 15% of global incremental GDP growth, which is the second best in the world.
- This certainly augurs well for India in terms of attracting more FIIs flows.



Source: Industry Report, Sharekhan Research

India is fueled with high power among emerging nations..

India scores the best among key emerging nations based on October 2023 data. India scores better in most parameters vis-à-vis key emerging nations including China, Brazin, Indonesia, among others.

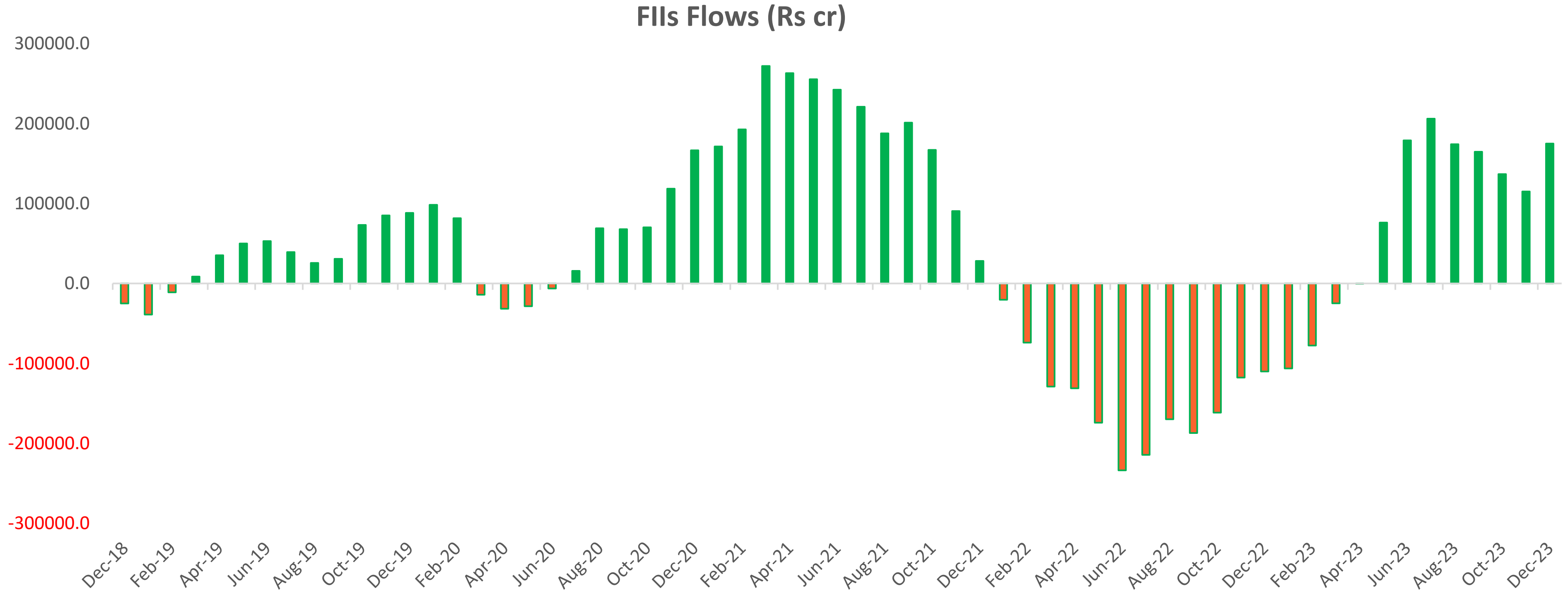
EM Countries	Composite Index Score, Oct-23	Real GDP Growth (YoY, in %)	PMI Manufacturing	Export Growth (YoY, in %)	CPI Inflation (YoY, in %)	Import Cover (No. of Months)	Exchange Rate Movement** (MoM, in %)
India	89	7.8	55.5	12.7	4.9	16.8	-0.2
Philippines	64	5.9	52.4	-6.3	4.9	9.3	0
Brazil	58	3.4	48.6	9.5	4.8	18.3	-2.3
China	56	4.9	49.5	-7.9	0.2	10.6	-0.1
Malaysia	45	3.3	46.8	-4.1	1.9	9.6	-1.4
Indonesia	44	4.9	51.5	-10.4	2.6	2.7	-2.5
Turkey	42	3.8	48.4	7.4	61.4	8.5	-3.1
Thailand	34	1.5	47.5	2.2	0.3	5.3	-1.7
Mexico	34	3.3	52.1	-5.1	4.3	7.3	-4.3

Source: Industry Report, Sharekhan Research

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.

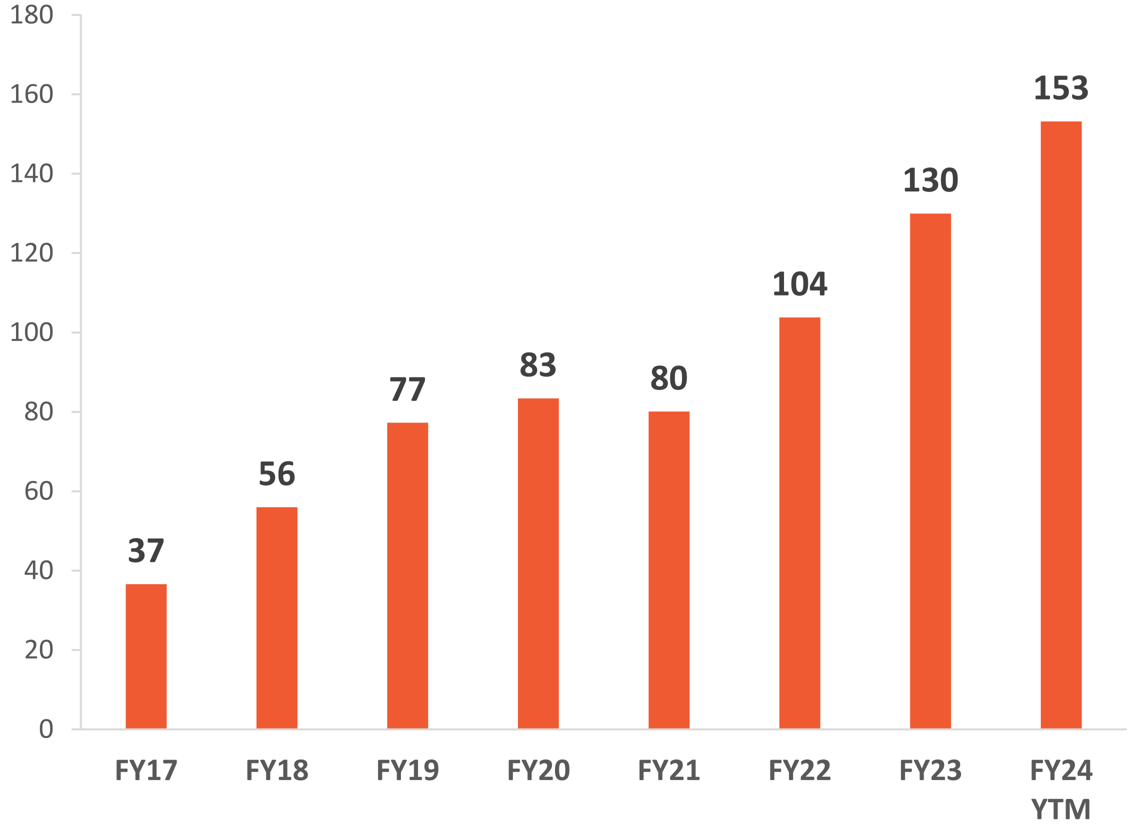
However, on a 12-month rolling basis, FII flows into India has turned positive in May 2023 after a long gap since December 2021. This gives some sense of trend for the next couple of months.



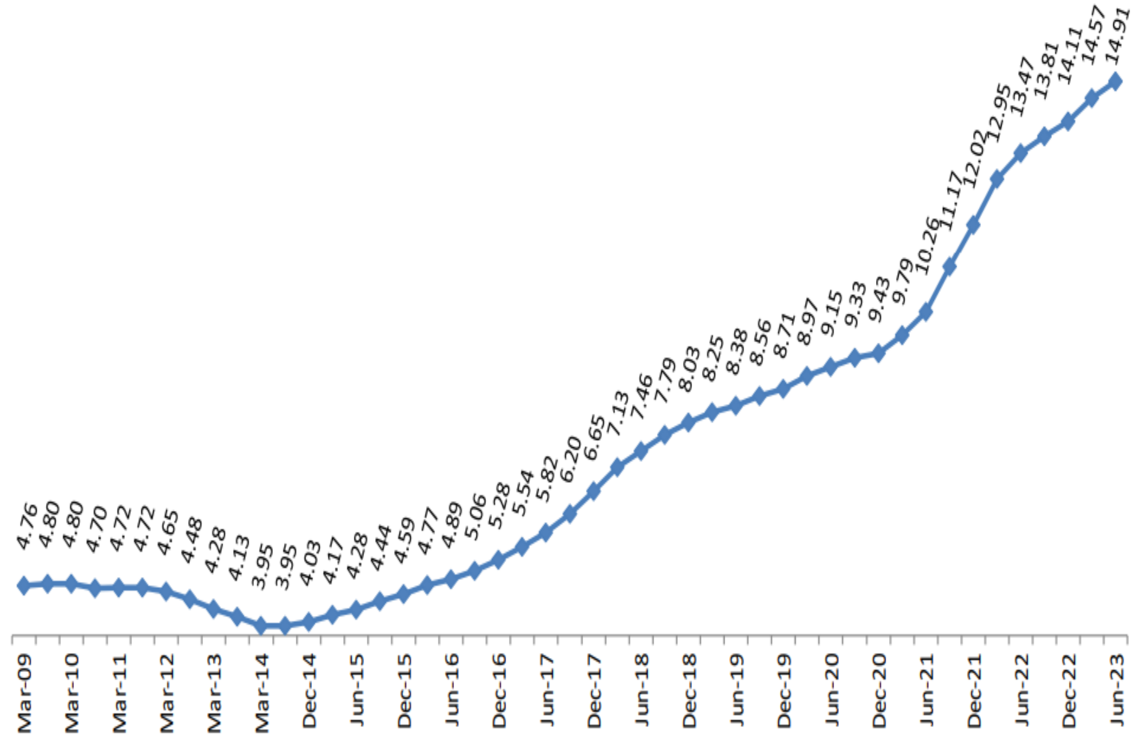
Source: Bloomberg, Sharekhan Research

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

Avg. Monthly SIP Flows (Rs bn)

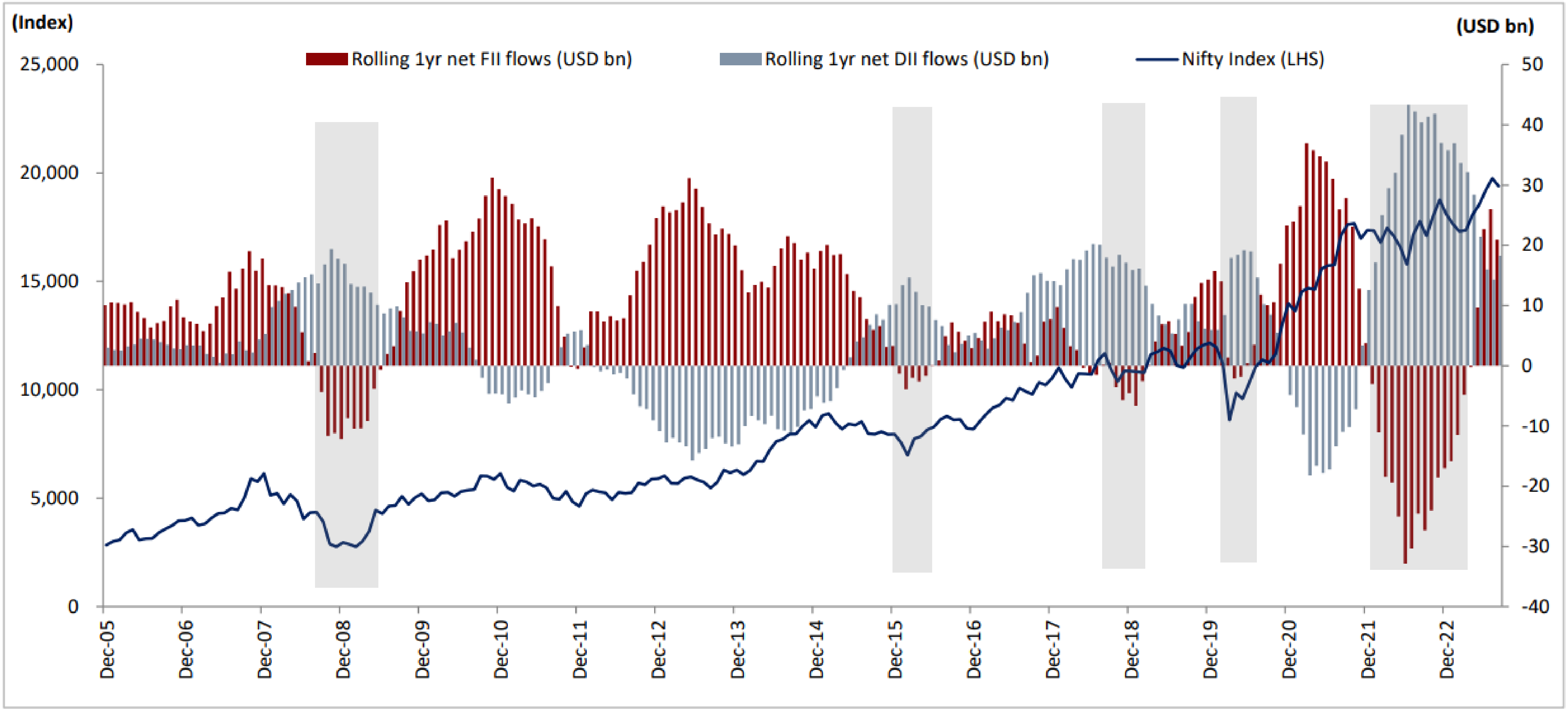


MF Industry witnessed more than 3.5x increase in no of folios since 2014 (in cr)



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	PROJECTIONS 2024
World Output	3.5	3.0	2.9
Advanced Economies	2.6	1.5	1.4
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
Emerging Market and Developing Economies	4.1	4.0	4.0
Emerging and Developing Asia	4.5	5.2	4.8
China	3.0	5.0	4.2
India	7.2	6.3	6.3
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
Memorandum			
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

Morgan Stanley- Asia Economics (Nov'22)

Morgan Stanley | RESEARCH

BLUEPAPER

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.

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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)

Jefferies – Greed & Fear Strategy

Jefferies GREED & FEAR

Christopher Wood * christopher.wood@jefferies.com +852 3743 8746

5 May 2022

A hapless Powell and a resilient Modi

Delhi

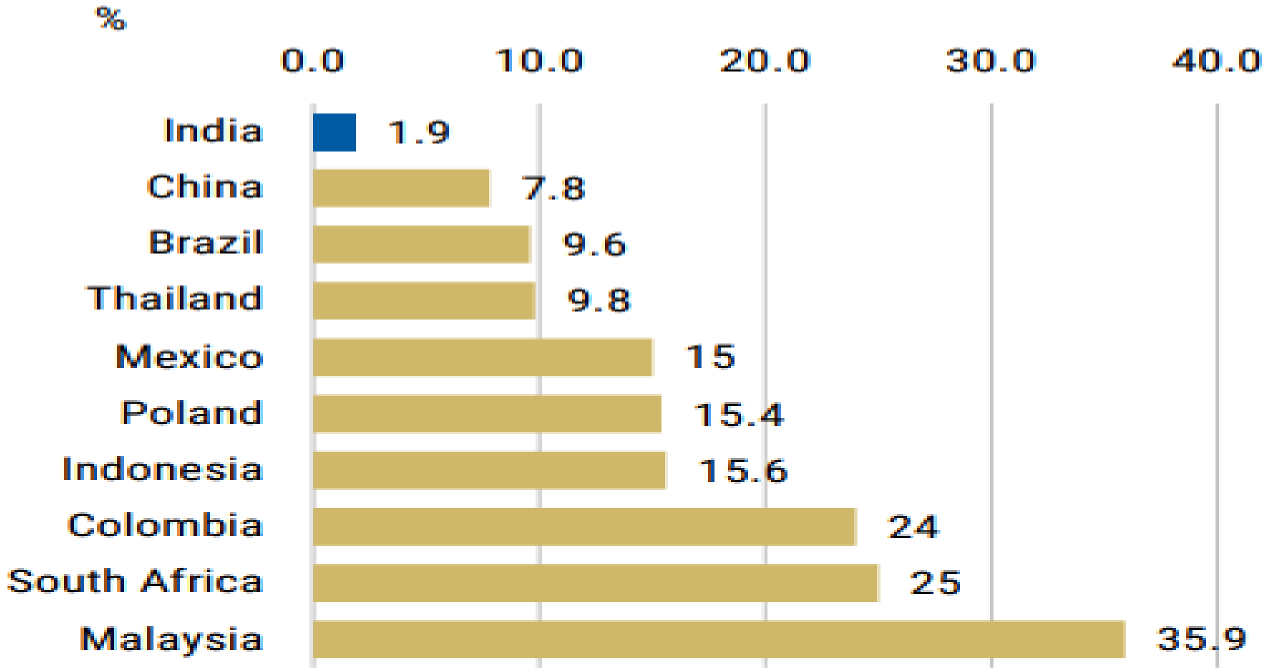
The reality of stagflation was the title of the most recent *Asia Maxima* (see Asia Maxima 2022 – The reality of stagflation, 5 April 2022). That reality has certainly been confirmed by the latest US data both as regards inflation and wage growth. US headline PCE inflation rose from 6.3% YoY in February 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).

Sharekhan by BNP PARIBAS

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

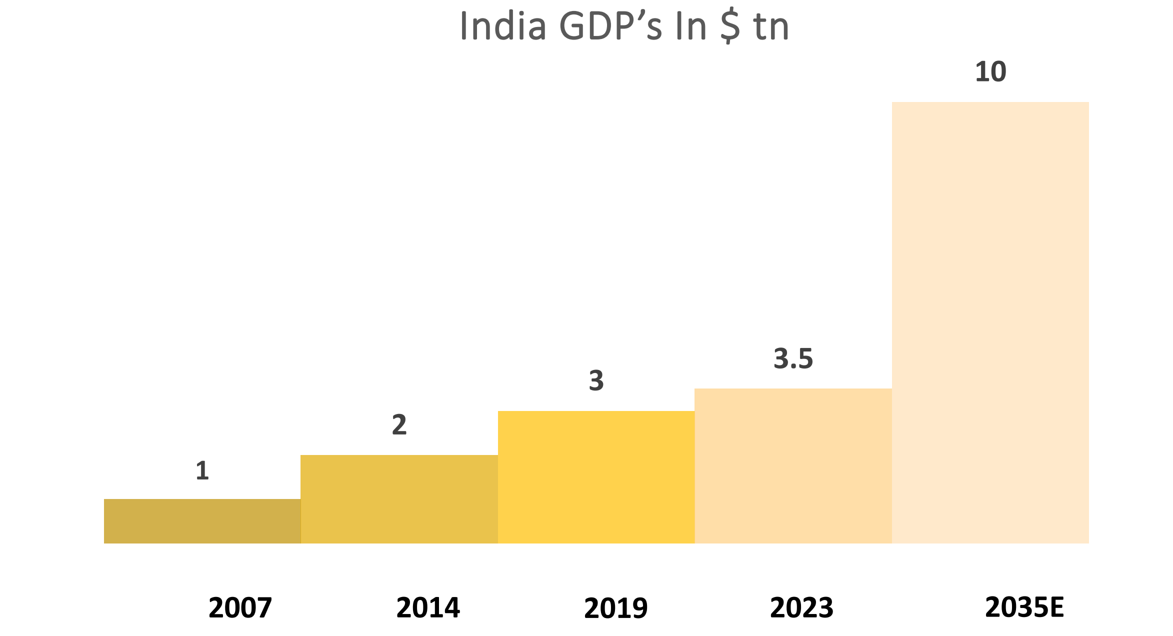
- India is to join the index with 1% in June 2024. The weight will increase by 1% each month until 10% in April 2025. India will be the second biggest EM country in the index, after China.
- **Notably, this is likely to ensure India to see foreign inflows (into debt) in the range of US$ 25-30 bn. This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

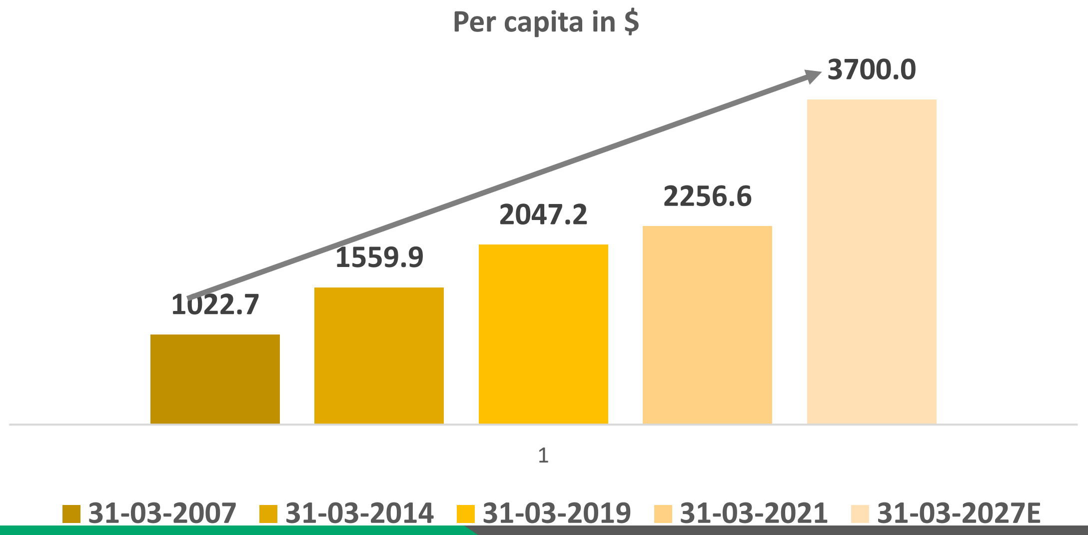
India has the lowest foreign ownership of government bonds among major EM countries



Source: Industry Report

India's Towards $10 Trillion Economy





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

Range Of GDP	Years To Reach	Touched Trillion $ In
To $1 Tn	60 Years	2007
From $1 Tn to $2 Tn	7 Years	2014
From $2 Tn to $3 Tn	5 Years	2019
From $3 Tn to $4 Tn	Touched $3.75tn in 4 years	?

Source: Industry reports and RBI

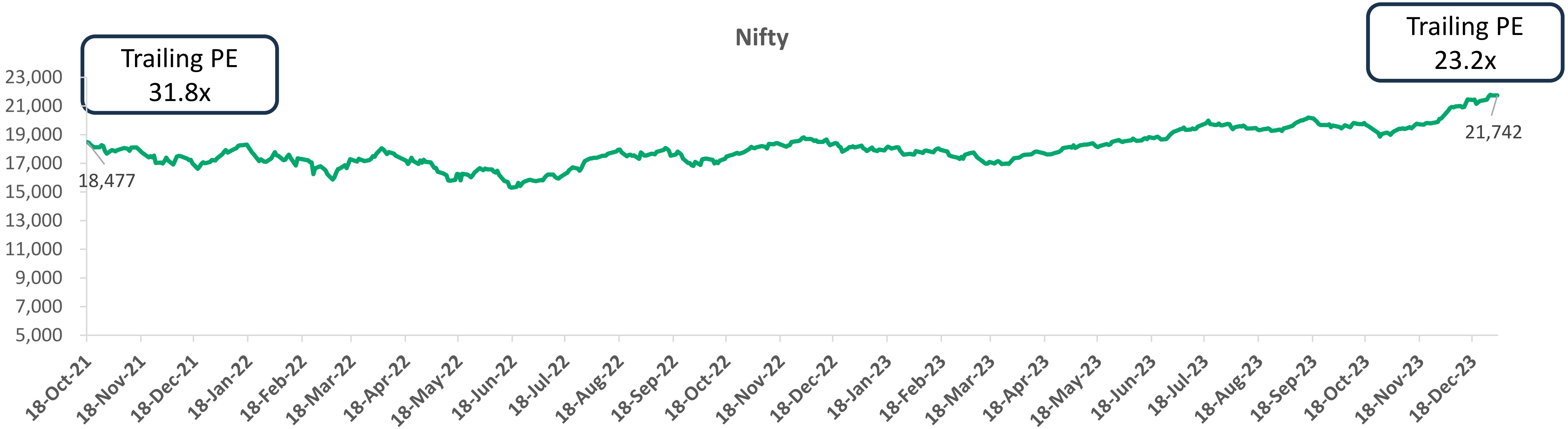
Valuation

Markets saw sharp upmove in FY24 YTD, but valuations still does not look to be out the whack

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

	Oct-21	Dec-23
Nifty EPS	582	910
GST Collections (Rs. bn)	1300	1645
Credit Growth (%)	6.3	15.5
Manufacturing PMI	55.9	57.5
Services PMI	58.4	61.0

	Oct-21	Dec-23
CPI (%)	4.48	5.55
WPI (%)	13.83	0.26
10-year G-Sec Yields (%)	6.4	7.20
Brent Crude ($/bbl)	84.4	77.0
Fiscal Deficit (%)	6.4	6.4



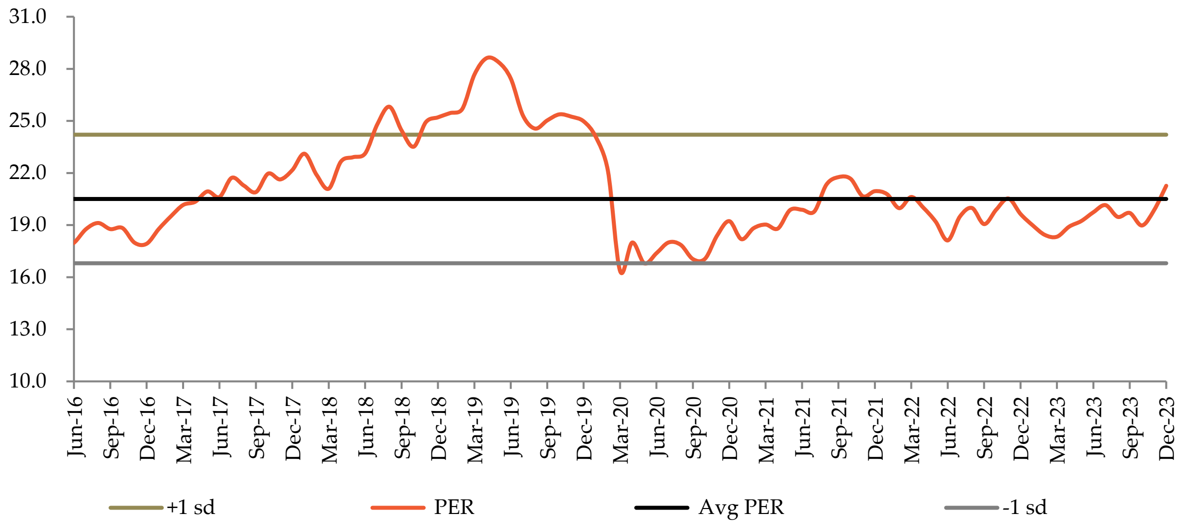
Source: Bloomberg, Sharekhan Research

Sharekhan by BNP PARIBAS

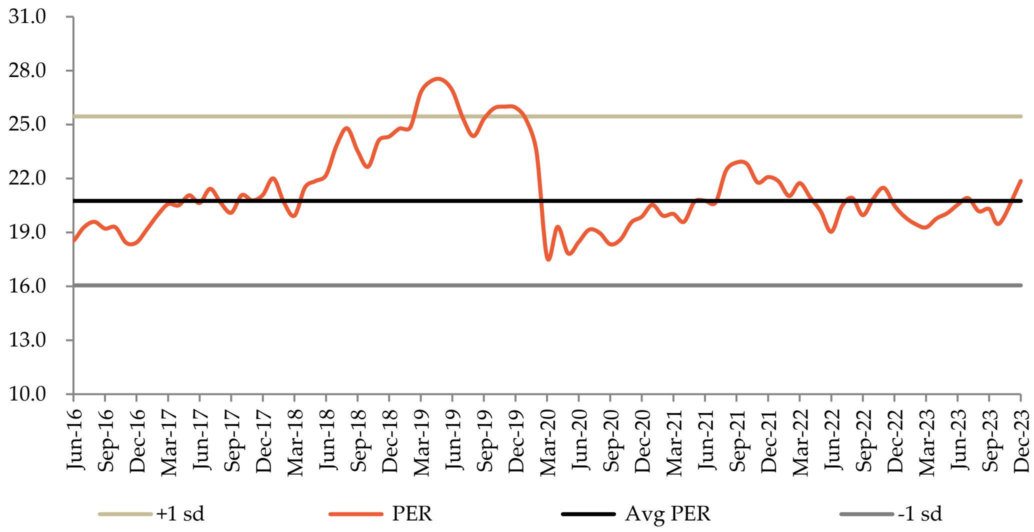
Valuation: Not cheap anymore; sound earnings outlook to aid premium valuations

- The Nifty trades at 22.9x and 20.1x of FY24E and FY25E earnings, respectively, which is a modest premium vis-a-vis long-term average multiples.

One-year forward PE chart of Nifty



One-year forward PE chart of Sensex

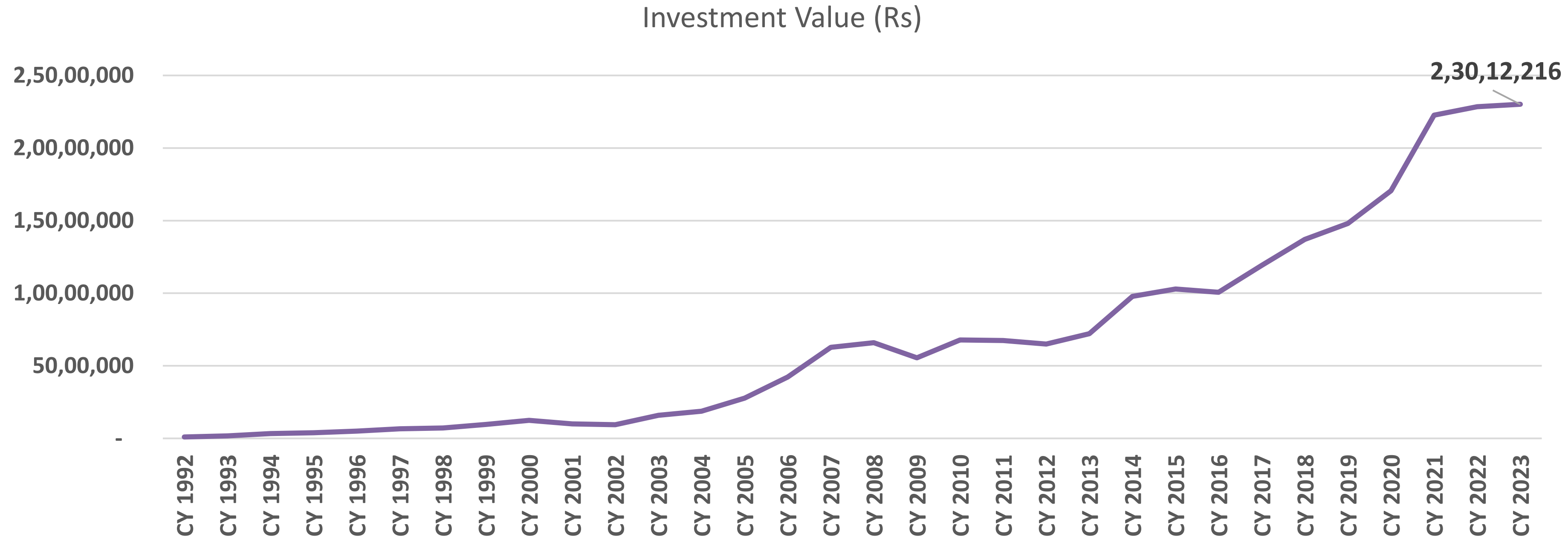


Source: Bloomberg; Sharekhan Research

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 little over 11%.**
- **It is important to invest in disciplined manner rather than try and time the markets.**

Rs 1 lakh investment at market's top of every year since 1992



Source: Sharekhan Research

Big Opportunity: Multi-year economic upcycle in India

- Benchmark indices have moved in a narrow range in the first seven weeks of year 2024. However, there has been sector rotation with some of the overvalued largecap stocks going through a corrective phase, but it has been made up by rally in IT services, pharma and heavyweight like Reliance Industries.
- The Q3FY24 quarterly result season has been a mixed bag. Though there is a healthy growth of 18% in Nifty companies, there are some signs of slowdown in urban demand lately. Rural demand environment also has not been lagging for past few years. However, earnings estimates for FY2025 and Fy2026 remain largely stable with consensus view of 15% compounded growth rate over he two years.
- Globally, cues are positive with most of the leading markets (including *S&P 500, Nasdaq, Euroxx 500, Japanse Topix*) hitting new high level which is a good technical indicator. The valuations are also not in overly exuberant according to us.
- More important from the near-term event perspective, investors should focus on the **BIG PICTURE** of multi-year growth upcycle in Indian economy & corporate earnings. Thus, 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.

DEBT/ FIXED INCOME UPDATE & OUTLOOK

Interim Budget Impact on the Debt Markets

- Sharp drop in the fiscal deficit at 5.1% for FY25 from 5.8% for FY24
- The government reiterated its commitment to bring down fiscal deficit to 4.5% of GDP by FY26
- The gross borrowing for FY25 projected to drop by 8% to Rs.14.13Lakh crore as compared to Rs.15.43 lakh crore borrowing for FY24
- The lower-than-expected market borrowing helps to ease the bond yields. The fiscal deficit target of 5.1% for FY25 and 4.5% for FY26 further supported to bond market rally.

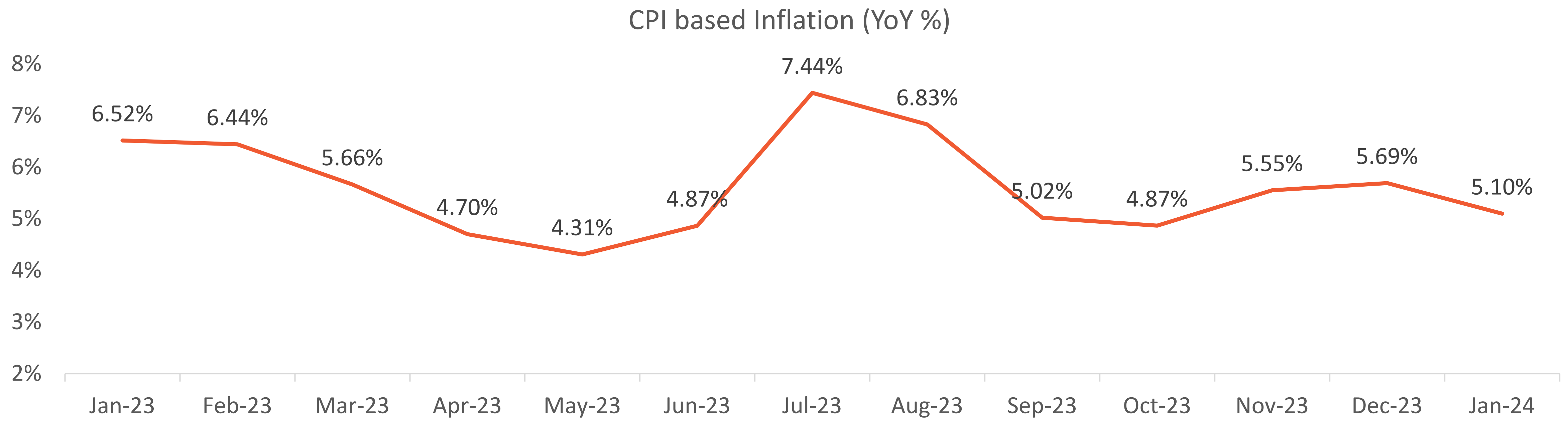
RBI monetary policy: The growth momentum to continue in FY25

The MPC committee has kept the repo rates unchanged at 6.5% and this is the sixth consecutive meeting with rate unchanged. The MPC also decided by majority of the member to remain focused on withdrawal of accommodation to ensure inflation progressively align to the target.

Key Highlights

- The MPC kept the policy Repo Rate unchanged at 6.50% for the sixth 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 of 6 members to remain focused on the withdrawal of accommodation to ensure that inflation progressively aligns to the target, while supporting growth.
- Growth momentum of FY24 continues in FY25 as the RBI's growth projection for FY25 is at 7%. The real GDP growth for FY25 is projected at 7% with Q1FY25 revised upward at 7.2% from earlier projections of 6.7%, Q2FY25 at 6.8% also revised upward from 6.5%, Q3FY25 at 7% up from 6.4% and Q4FY25 at 6.9%.
- The RBI has maintained its inflation projections for FY24 at 5.4% with Q4 projections down from 5.2% to 5%. The CPI for FY25 is projected at 4.5% with Q1FY25 revised down at 5% from earlier projections of 5.2%, maintained Q2FY25 projections at 4%, Q3FY25 projections revised down at 4.6% from 4.7% and Q4FY25 at 4.7%.

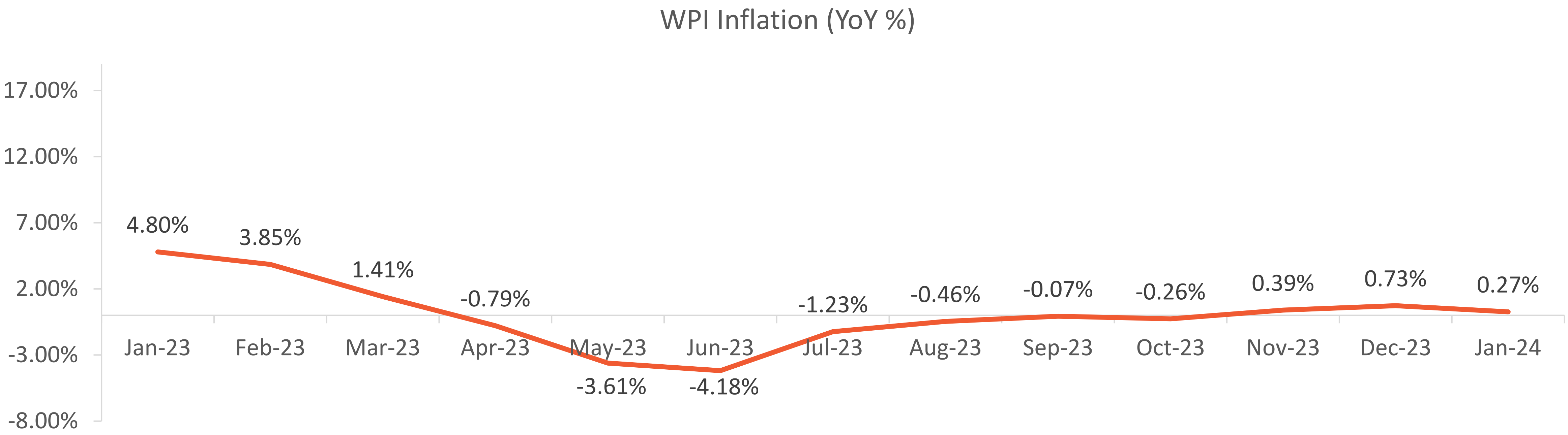
Consumer Price Index (CPI) Inflation



The headline inflation reverses the upward trajectory of last two months and moderated to 5.1% in Jan-24 compared to CPI inflation of 5.69% in the previous month. This moderation headline inflation is attributed to easing prices and favorable base effect. The core inflation is moderating and continued to remain below the RBI's target level of 4%.

- Food & Beverages, which have the highest weight of 54.2% in CPI rose to 7.58% in Jan-24 as compared to 8.7% in the previous month. The double-digit inflationary trend continues in pulses and spices. The inflation in vegetables continued to hover in double digits, with growth rates of 27.03%. The ongoing contraction in the oil and fats category provided a measure relief to the overall food inflation.
- The core inflation stayed below the RBI's target level of 4% for two consecutive months. The deflation in fuel and light category continued for the fourth consecutive month with a contraction of 0.6% in January 2024.

Wholesale Price Index (WPI) Inflation



The WPI inflation moderated to 0.27% in Jan-24 as compared to 0.73% in previous month and this moderation is attributed to the fall in manufactured products.

- The Inflation in primary articles which has the weight of 22.6% in the WPI basket reverse its upward trajectory and grew by 3.8%in Jan-24 compared to growth of 5.8% in the previous month.
- The food inflation has also softened to 6.9% in Jan-24 as compared to 9.4% in the previous month and this can be attributed to the fall in prices of cereals, pulses and Fruits & Vegetables.
- The inflation in fuel and power and manufactured products is in contraction from more than eight months and the pace of contraction is reducing in fuel and power.

Index of Industrial Production (IIP)

The IIP grew by 3.8% in Dec-23 as compared to growth of 2.4% in the previous month. This growth in IIP can be attributed to the growth in manufacturing sector as it grew by 3.9% in Dec-23 as compared to growth of 1.2% in the previous month.

- **Mining:-** Activity further moderated to 5.1% in December 2023 as compared to 7% growth in previous month and growth of 13.1% in the month of October 2023.

- **Manufacturing:-** It has the highest weightage of (77.6%) in the IIP. The activity grew by 3.9% in Dec-23 as compared to 1.2% growth in the previous month. The growth in manufacturing is attributed to the favorable base effect and month on month growth in manufacturing activities. The growth in Manufacture of basic metals (7.3%) and Manufacture of coke and refined petroleum products (6.9%) are the major contributors to this overall growth while the major contraction was in Manufacture of wearing apparel (-10.3%) and Manufacture of computer, electronic and optical products (-5.2%). Out of 23 industries, only 12 have recorded positive growth and remaining are in contraction.

- **Electricity:-** The electricity output further moderated to 1.2% in Dec-23 after having double digit growth from Aug to Oct-23 and growth of 5.8% in the previous month. This moderation is attributed to unfavorable base effect and nominal growth in month on month.

GROWTH IN SECTORAL			
	Oct-23	Nov-23	Dec-23
MINING	13.1%	7.0%	5.1%
MANUFACTURING	10.2%	1.2%	3.9%
ELECTRICITY	20.4%	5.8%	1.2%
GENERAL	11.6%	2.4%	3.8%
GROWTH IN USE-BASED CLASSIFICATION			
PRIMARY GOODS	11.4%	8.5%	4.6%
CAPITAL GOODS	21.3%	-1.1%	3.2%
INTERMEDIATE GOODS	9.4%	3.1%	3.4%
INFRASTRUCTURE/ CONSTRUCTION GOODS	11.3%	1.7%	4.1%
CONSUMER DURABLES	15.9%	-5.5%	4.8%
CONSUMER NON-DURABLES	8.7%	-3.3%	2.1%

Source: MOSPI, Sharekhan Research

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.

Debt Market Wrap

Liquidity: The System liquidity to remain tight

- The deficit banking system liquidity kept the overnight rate above the repo rate of 6.5%.

- The banking system liquidity is in deficit and the RBI has taken various short term liquidity measures to cool down overnight rates. The system liquidity stood in deficit at Rs.-2.09 Lakh crore on February 2024, as compared to average liquidity of Rs.-2 Lakh Crs in Jan-24. The system liquidity average for 1st to 16th Feb-2024 is at Rs.-1.8 lakh crore which is lower than current deficit and reflecting the increasing system deficit trend during the month of February.

Bond prices & other updates

- The new 10-year 7.26% 2033 G-Sec yield settled at 7.10% on February 16, 2024 as compared to average yield of 7.21% during the month of Jan-24. The yield eased as compared to the previous month owing to moderating inflation and rate cut expectations.

- System liquidity is in deficit and kept the overnight rates at elevated level. The short-term measures taken by the RBI helps to cool down elevated yields. The system liquidity could remain tight in coming months and the RBI may come up with measures to ease the liquidity deficit.

- The RBI maintained status quo on policy rates and policy stance as “Withdrawal of accommodation” by majority of the members. The RBI maintained its CPI projections for FY24 at 5.4% while revised the Q4 projections at 5% from 5.2%. The CPI projections for FY25 is projected at 4.5% while revised the CPI projections for Q1FY25 and Q3FY25 to 5% and 4.6% from earlier expectation of 5.2% and 4.7%, respectively.

- Growth momentum would continue in FY25 as the RBI has kept the growth projections for FY25 at 7%. The growth projections revised upward for Q1 at 7.2% from 6.7%, Q2 at 6.8% from 6.5% and Q3 at 7% from 6.4%.

- CPI inflation reversed its upward trend and moderated to 5.1%. The core inflation moderated further and stays below the target level for two consecutive months. Moderation in global commodity prices helps to cool down core inflation.

Debt Market Outlook

The moderating global and domestic inflation could start rate cut cycle after first half of 2024

- The RBI in its recent policy kept the repo rate unchanged and maintained policy stance as withdrawal of accommodation. The RBI's CPI projections for FY25 is at 4.5% and this show the continued moderation in CPI inflation even as global factors and food inflation remain uncertain. The growth projections for FY25 is at 7% and revised growth projections upward for Q1 at 7.2% from 6.7%, Q2 at 6.8% from 6.5% and Q3 at 7% from 6.4%.

- The global rate cut cycle is expected to start in 2024 as the central banks gain more confidence on inflation moderation. Considering current CPI inflation trend and RBI CPI projection in its recent policy, the RBI is also expected to start the rate cut cycle after first half of 2024. The MPC committee could also change its policy stance of "withdrawal of accommodation" to "Neutral" before rate cut and maintain adequate system liquidity.

- The interim budget drop the fiscal deficit sharply at 5.1% for FY25 from 5.8% deficit of FY24. The government reiterated its commitment to bring down fiscal deficit to 4.5% by FY26. The government also bring down its market borrowing to Rs.14.13Lakh Crs for FY25. The drop in fiscal deficit and market borrowing further supported the bond yields rally.

- Considering current downward trajectory of inflation, the RBI CPI inflation projections at 4.5% for FY25, inclusion on Indian bond at JPMorgan index and expectation of rate cut, the bond yields could ease from current level in coming months, and this could provide good opportunity to go on long end of the curve.

Investment Strategy

- For the medium to long term, we have been advising to increase exposure to duration funds (5-10 years modified duration) including gilt funds. We are close to peak of interest rate upcycle and the policy rate cut cycle could start after first half of 2024. This would provide fairly decent high single-digit returns in the duration funds.

Gilt Funds

Gilt Schemesc	AUM (In Crs)	YTM Jan-24 (%)	Macaulay Duration (Years)	Performance			
				6 Months	1 Year	2 Years	3 Years
Bandhan Government Securities Fund Investment Plan - Reg - Growth	1500	7.4	11.27	6.1	10	5.5	5.3
Aditya Birla Sun Life GSec Fund - Reg - Growth	1435	7.3	8.34	4.9	8.9	5.4	5.5
ICICI Prudential Long Term Bond Fund - Growth	692	7.7	7.39	4.5	8.5	5.1	4.4
Kotak Gilt Fund - Growth	3044	7.7	5.71	4.2	8.3	5.7	5.1
(Performance as on 20 Feb 2024)							

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
Edelweiss	Edelweiss Mid Cap Fund
Mirae	Mirae Asset Mid Cap Fund
Small CAP	
ICICI	ICICI Prudential SmallCap Fund
HDFC	HDFC 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
LARGE CAP	
Kotak	Kotak Bluechip Fund
ICICI	ICICI Prudential Bluechip Fund
MID CAP	
Kotak	Kotak Emerging Equity Fund
Edelweiss	Edelweiss Mid Cap Fund
Mirae	Mirae Asset Mid Cap Fund
Small CAP	
ICICI	ICICI Prudential SmallCap Fund
HDFC	HDFC Small Cap Fund
Gilt & Dynamic bond	
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
Corporate Bond & Short Duration	
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
Gilt & Dynamic Bond	
Kotak	Kotak Gilt Fund – Growth
ICICI	ICICI Prudential All Seasons Bond Fund
Dynamic Asset Allocation	
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
Dynamic Asset Allocation	
ICICI Prudential	ICICI Prudential Balanced Advantage Fund - Reg - Growth
HDFC	HDFC Balanced Advantage Fund - Growth
Edelweiss	Edelweiss Balanced Advantage Fund - Growth
Equity Savings	
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
Withdrawal Amount	Regular income amount is Fixed	Dividend amount is not fixed
Flexibility	Investor can change in regular income amount at any time	Dividend frequency is at the discretion of the fund house
Taxation	Captail 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
Thematic Funds		
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
ICICI Prudential Pharma Healthcare and Diagnostics Fund	To generate long-term capital appreciation by creating a portfolio that is invested in Equity and Equity related securities of pharma, healthcare, hospitals, diagnostics, wellness and allied companies.	Very High
Sectoral Funds- Infrastructure		
ICICI Prudential Infrastructure Fund	Invest predominantly in equity and equity related securities of companies belonging to the infrastructure.	Very High
Flexi Cap Funds		
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

Scheme Name	Category	Corpus (In crs.)	1 Year	3 Years	5 Years
ICICI Prudential Manufacturing Fund - Reg – Growth	Thematic	2,709	60.6	29.9	25.2
UTI Transportation and Logistics Fund - Growth	Thematic	2,869	50.4	23.3	19.8
ICICI Prudential Pharma Healthcare and Diagnostics Fund - Reg - Growth	Thematic	3,567	62	20.5	25.8
ICICI Prudential Infrastructure Fund - Growth	Sectoral-Infra	4,574	61.4	38.8	29.3
HDFC Flexi Cap Fund - Growth	Flexi Cap	47,642	40.3	24.9	21.4
Franklin India Flexi Cap Fund - Growth	Flexi Cap	14,165	41.8	21.3	20.3
(Performance as on 20 Feb 2024)					

Portfolio Composition

Thematic/ Sectoral 80%	Flexi Cap 20%

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.

MUTUAL FUND MODEL PORTFOLIOS | Go Global Basket

Scheme Name	International Allocation as per Dec-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	2,949	17	12.7	15.6
Mirae Asset S&P 500 Top 50 ETF Fund of Fund - Reg – Growth	470	40.1	--	--
SBI International Access - US Equity FoF - Reg – Growth	832	23.9	--	--
MF Schemes with International Allocation				
Axis Growth Opportunities Fund - Reg - Growth	10,849	37.2	19	21.3
SBI Magnum Global Fund - Growth	6,515	22.3	16	16.6
(Performance as on 20 Feb 2024)				

Portfolio Composition

International 80%	MF Schemes with International allocation 20%

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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