INVESTMENT STRATEGY

MUTUAL FUND PORTFOLIOS

March 2023

March 2023

Market Outlook

"It's the Annual Sale in Equity Markets Again"

Global Banking Turmoil

Fallout of aggressive rate hikes!

Barring 2008 GFC, market delivered positive return in all periods hit by global banking/financial crisis

Cause	High deficit due to rise in oil and rupee depreciation	Thailand crisis impacting East and South East Asia	Subprime crisis and Lehman brothers fallout
	1991	1997	2008
	Economic Crisis India	Asian Financial Crisis	Global Financial Crisis
Return	80%	14%	-51%

Cause	Unwinding of QE Programme by Fed	Fiscal policy normalization after economy reopening	High interest rate and asset-liability mismatch
	2013	2022	2023
	Taper Tantrum	Record high inflation and policy tightening	SVB Fallout
Return	7%	4%	??

Since liberalization, domestic market delivered positive return all years (barring 2008) affected by global financial issues, while volatility has been high within that year….

Source: Sharekhan Research

SVB collapse, not same as 2008!

A flow chart of fallouts of Lehman Brothers and SVB

Lehman Bro (LB)	SVB
US housing boom made LB to grow its real estate exposure sharply	Accumulated huge deposits (low cost) from tech start ups during COVID
Acquired five mortgage lenders in 2003-2004 in pursuit of high growth	Absence of healthy credit growth led SVB to park it in govt bonds (low yielded)
In 2007, its exposure towards subprime doubled in one year to US$ 111 bn	Rising interest rates in the USA caused sharp fall in bonds value
Aggressive exposure in subprime led leverage ratio to record high at 30x in 2007	Further, dry up funding for start ups led them to withdraw deposits
As real estate bubble busts in USA, MBS value fell sharply and led collapse of LB	Short on cash led to asset liability mismatch and collapse of SVB

SVB or the issue with other banks is more of side effect of aggressive rate hikes and asset liability mismatch rather than investment in risky instruments backed by weak collaterals in 2008.

- While the flow-chart shows asset liability mis-match was common for both collapses, LB was primarily on account of aggressive focus on real estate subprime and SVB saga happened due to lack of business diversification beyond start-ups.
- The current environment with strong job data and economic strength, we do not expect any crisis like sub-prime in the near term.

Unlike 2008, the regulator is able to revive banks with credit limits and is not required to infuse fresh equity capital or use taxpayers' money to bailout the banks

Banking turmoil spreading to Europe

- Credit Suisse has been already under stress and the US banking issues along with its own announcement of financial reporting for 2021-22 led to stock plummeting further. Sentiments also dragged down other banking stocks across Europe. Swiss Central Bank stepped in to provide credit limit to Credit Suisse and control the situation.

- ECB has announced another 50 bps hike post Credit Suisse issues and it shows that it is not concerned about the stability in the banking system in Europe.

Global large banks are placed better than last GFC..

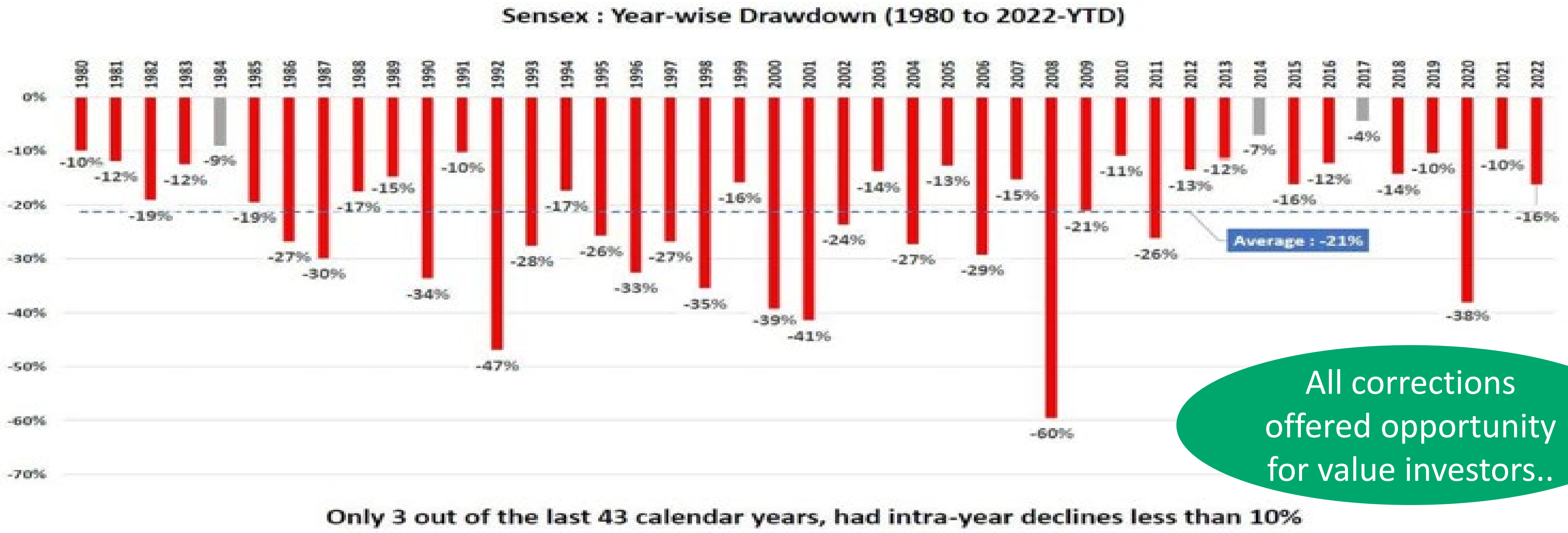
- An analysis of key balance sheet of top 10 USA and European banks shows that global banks are now better placed than 2008 global financial crisis time as most banks maintain significantly higher than required CET 1 ratio.
- Further, leverage ratio of most banks are reasonably below 20x vis-à-vis 30.7x of Lehman Brothers in 2007. This also offers comfort against any possible collapse of any large bank in current scenario.

Global Banks ($ bn)	Total Assets	Leverage Ratio	CET 1 Ratio
JP Morgan Chase	3,666	12.6	13.2%
Bank of America	3,051	12.5	11.2%
Citi Bank	2,417	13.3	13.0%
Wells Fargo	1,881	11.7	10.6%
Goldman Sachs	1,442	12.3	15.1%
HSBC	2,966	15.9	14.2%
Barclays (bn pounds)	1,513	22.3	13.9%
Deutsche Bank (bn Euros)	1,337	21.6	13.4%
UBS	1,104	19.4	14.2%
Credit Suisse (CHF bn)	531	11.8	14.1%

Source: Companies, Sharekhan Research *Req CET 1 in the USA is 9.2%. Leverage Ratio= Total Assets/shareholders fund*

Market volatility: 10-20% temporary fall almost all years since 1980..

- While historical trends shows that the domestic market delivered positive return almost all years being affected by global financial/banking headwinds, it has equally been quite volatile within the years as shown in the below chart.
- The market usually witnessed steep correction in most years (since 1980), but has bounced back convincingly and rewarded patient and value investors.

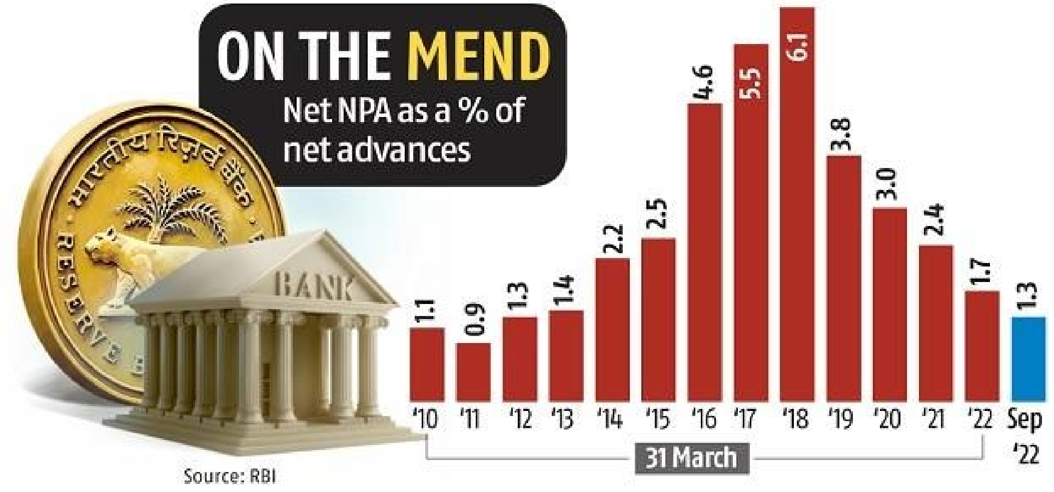


All corrections offered opportunity for value investors..

Source: Industry Reports, Sharekhan Research

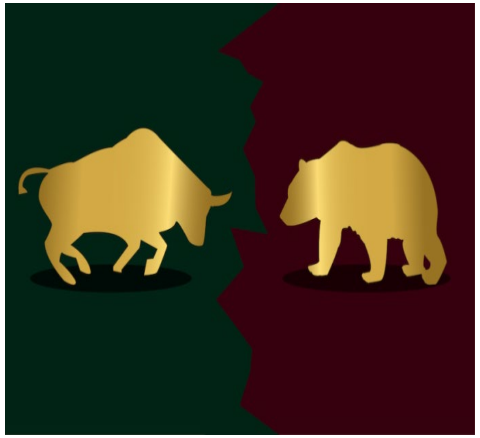
It could be a blessing in disguise for India, once dust gets settled

- Recent softening of the US Dollar and bond yields indicates that the US Federal Reserve might not be as aggressive as being anticipated in the beginning of March.
- Any clarity about pivoting of interest rate cycle in the US may bode well for India for FII flows as the recent correction in India makes risk reward favourable.
- Indian financial system especially banks continue to reflect strength in terms of superior asset quality and credit cost vis-à-vis global banks.
- Non-food credit growth has picked up in the past few quarters and boost core operating income of banks.



India’s growth story intact!

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



Real Estate – Coming out of a slumber

Early signs of a strong revival in property cycle; driven by a time correction in prices, low interest rates and need to have bigger houses. Real estate has positive impact on many industries (such as steel, cement & other related sectors) and generates employment across income strata.

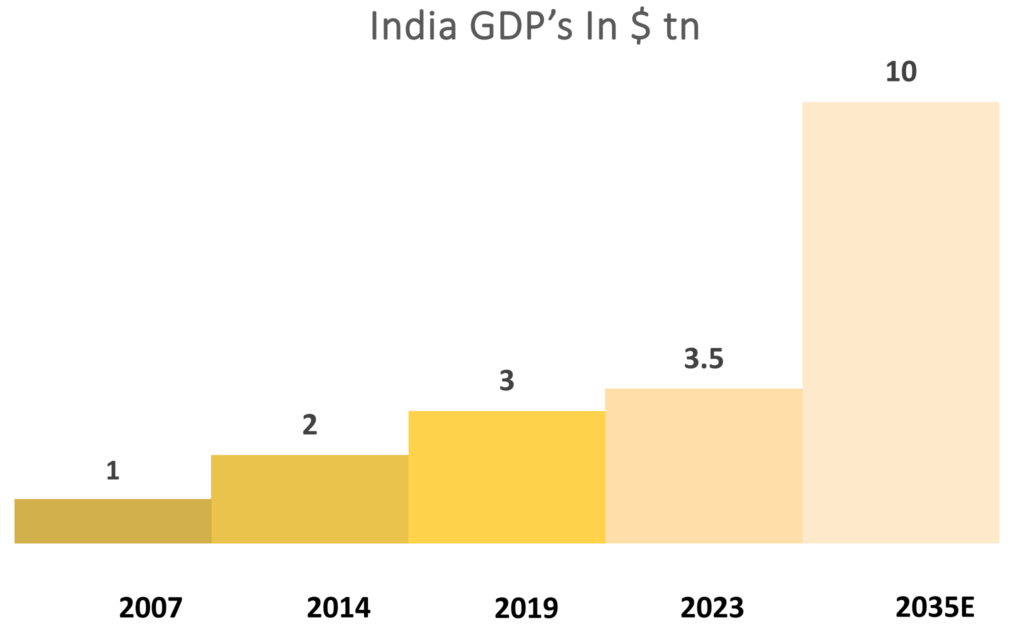
Infrastructure spending – Focus area for policy makers

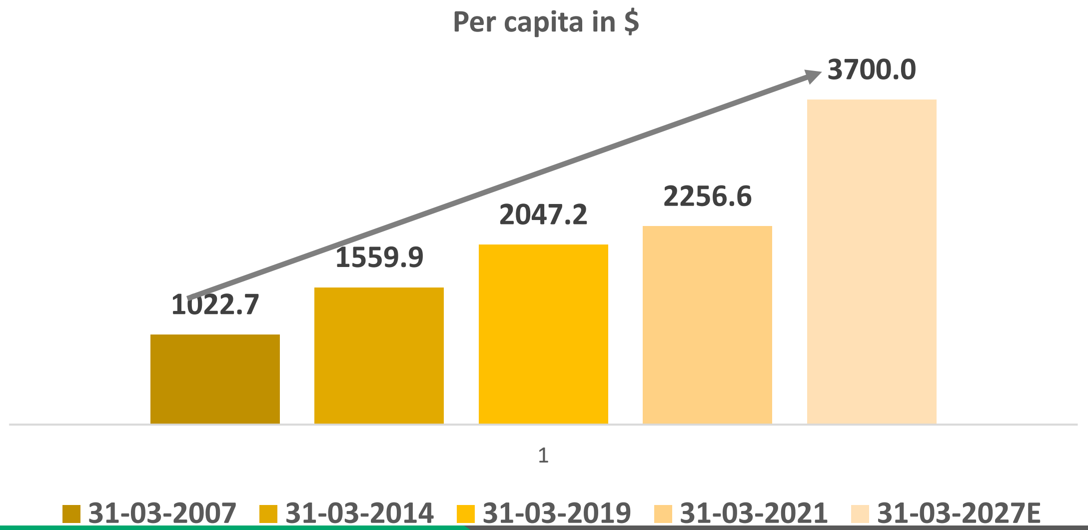
Budgetary allocation for capex has gone up substantially. Also, the government looking at innovative ways like Nation Asset Monetisation Plan to support its ambitious target set under National Infrastructure Pipeline (NIP).

Corporate Capex – Set for an expansion spree

Many large corporates have set out on an capacity expansion (including core sectors). Banks in better health now and capitalised to support credit growth in the economy.

India's Towards $10 Trillion Economy

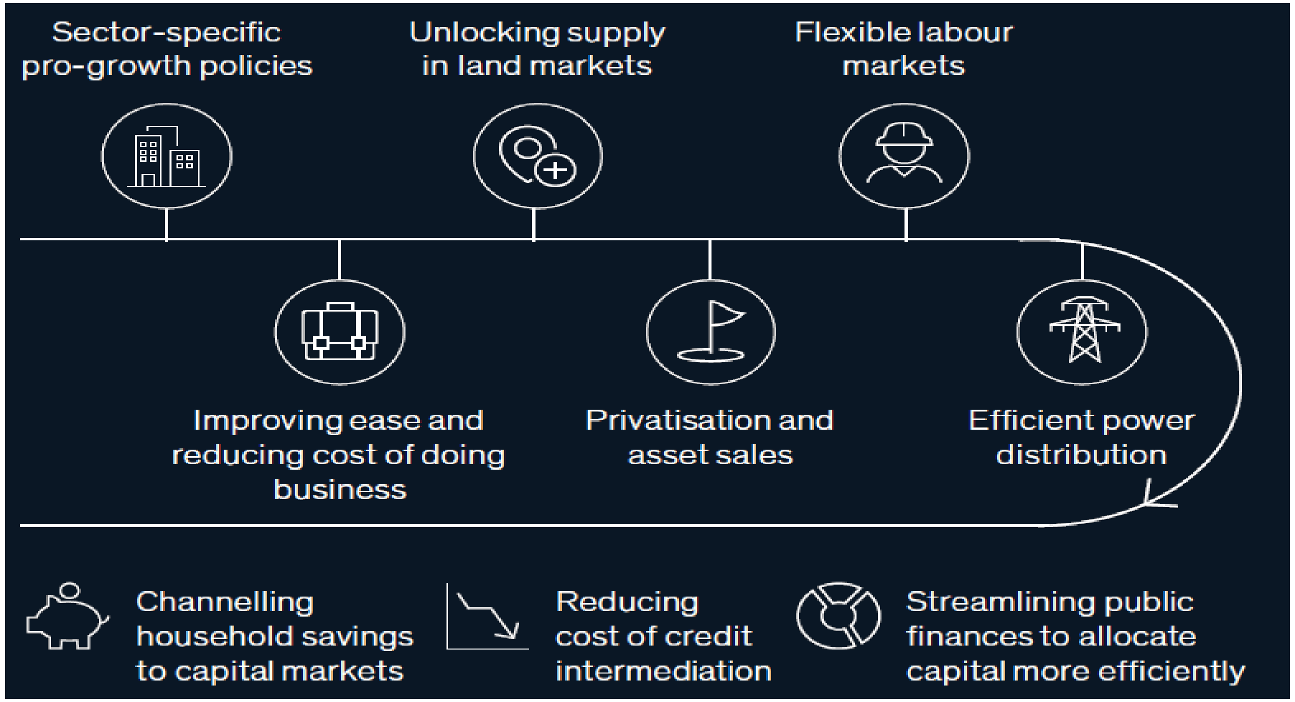




It took India 60 years since Independence to become one trillion-dollar economy, but the next trillion dollars was added only in 7 years. The 3rd trillion was added in just 5 years in 2019.

*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



Source: Industry reports and RBI

India's 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 (Aug'22)

Morgan Stanley | RESEARCH

IDEA

August 9, 2022 05:40 PM GMT

Asia Economics | Asia Pacific

The Viewpoint: Why India is best placed to generate domestic demand alpha

Our view remains that India is best positioned within Asia to deliver domestic demand alpha. Its cyclical recovery will be sustained by structural factors. Over 2022-23, India's growth will average 7%, the strongest among the largest economies, contributing 28% and 22% to Asian and global growth.

- We have been constructive on India's outlook, both from a cyclical and structural perspective, for some time. The recent strong run of data increases our confidence that India is well positioned to deliver domestic demand alpha, which will be particularly important as DM growth weakness percolates into Asia's external demand.
- The key change in India's structural story lies in the clear shift in the policy focus towards lifting the productive capacity of the economy. Policymakers have taken up a series of reforms which will catalyse an upswing in the private capex cycle, helping to unleash a powerful productivity dynamic, leading to the onset of a virtuous cycle.
- Cyclically, the economy is lifting off after a prolonged period of adjustment. The corporate sector has delevered and the balance sheets of the financial sector have also been cleaned up. This backdrop of healthy

MORGAN STANLEY ASIA LIMITED
Chetan Ahya
CHIEF ASIA ECONOMIST
Chetan.Ahya@morganstanley.com +852 2239-7812
Derrick Y Kam
ECONOMIST
Derrick.Kam@morganstanley.com +852 2239-7826
Qiusha Peng
ECONOMIST
Qiusha.Peng@morganstanley.com +852 3963-0376
Jonathan Cheung
ECONOMIST
Jonathan.Cheung@morganstanley.com +852 2848-5652

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.

MORGAN STANLEY INDIA COMPANY PRIVATE LIMITED+
Ridham Desai
EQUITY STRATEGIST
Ridham.Desai@morganstanley.com +91 22 6118-2222
Girish Achhipalia
EQUITY ANALYST
Girish.Achhipalia@morganstanley.com +91 22 6118-2243
MORGAN STANLEY ASIA LIMITED+
Chetan Ahya
CHIEF ASIA ECONOMIST
Chetan.Ahya@morganstanley.com +852 2239-7812
MORGAN STANLEY INDIA COMPANY PRIVATE LIMITED+
Sameer Baisiwala, CFA
EQUITY ANALYST
Sameer.Baisiwala@morganstanley.com +91 22 6118-2214
Upasana Chachra
CHIEF INDIA ECONOMIST
Upasana.Chachra@morganstanley.com +91 22 6118-2246
Rahul Gupta
EQUITY ANALYST

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

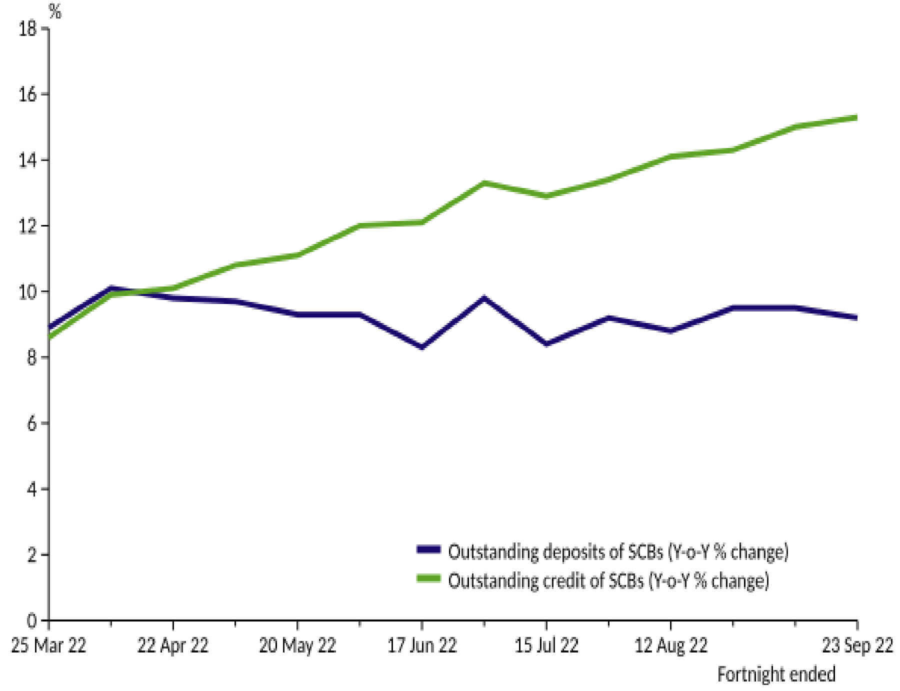
Delhi

The reality of stagflation was the title of the most recent *Asia Maxima* (see *Asia Maxima 2Q22 – 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).

Indian Economy: Robust credit growth indicates growth momentum

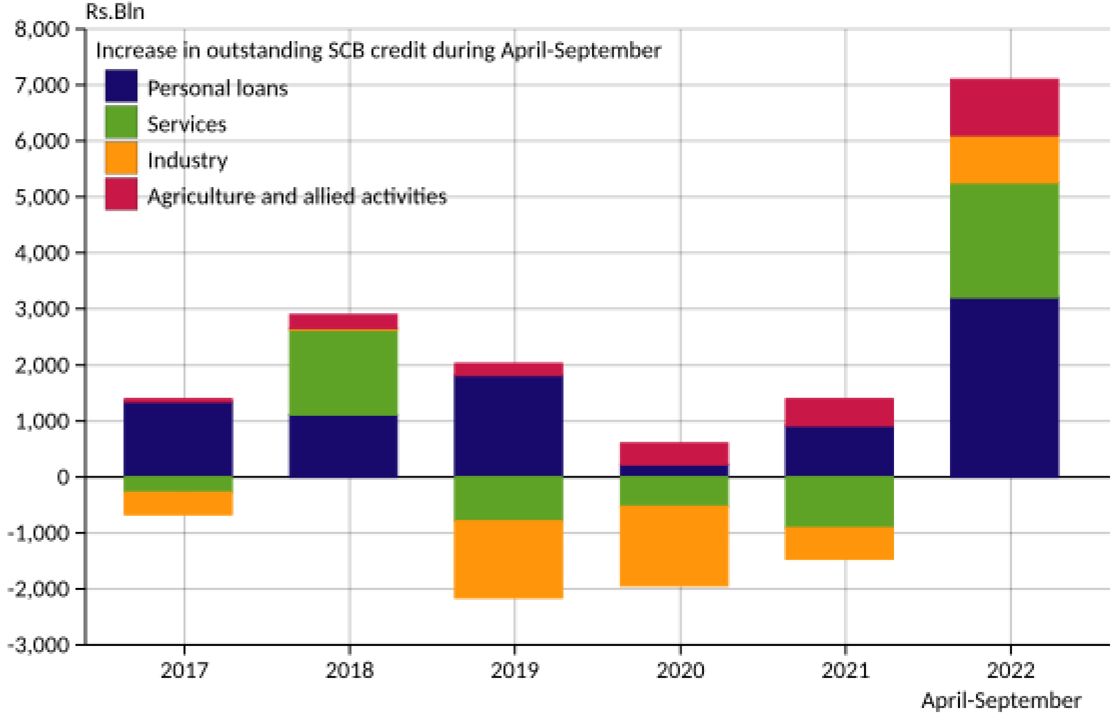
- Improved asset quality of banks along with pick up in economic activities with revival in corporate capex led sharp recovery in credit growth from the beginning of current fiscal.
- Credit growth has started outpacing deposit growth for last couple of months, which essentially a good sign for economy. However, banks may have to put strong efforts to mobilize low-cost liquidity or deposit going forward.

Deposit growth steady; credit growth races ahead



Centre for Monitoring Indian Economy Pvt. Ltd., 14 Oct 2022

Pickup in bank credit offtake across all segments



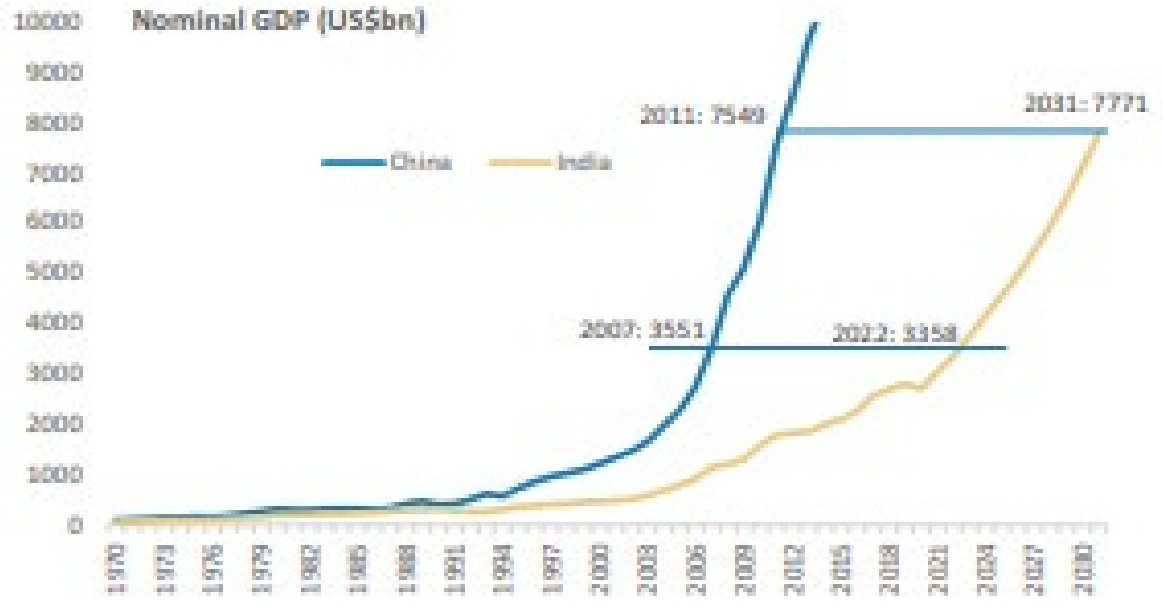
Centre for Monitoring Indian Economy Pvt. Ltd., 15 Nov 2022

Source: CMIE; Sharekhan Research

India's next decade resembles to China's 2007-2011 makeover..

- Despite having similar population size, global investors tend to give more importance to China due to its 5x of economy size compared to India.
- In the coming decade, as India's economy transforms, it will be increasingly relevant for global investors in a similar way that China is today.

	China		India	
US$bn	2007	2011	2022	2031E
Nominal GDP	3551	7549	3358	7771
GDP per capita (US$)	2688	5596	2393	5140
Private consumption	1292	2636	1987	4468
Investment (GCF)	1438	3523	1026	2681
Exports	1353	2100	674	1880



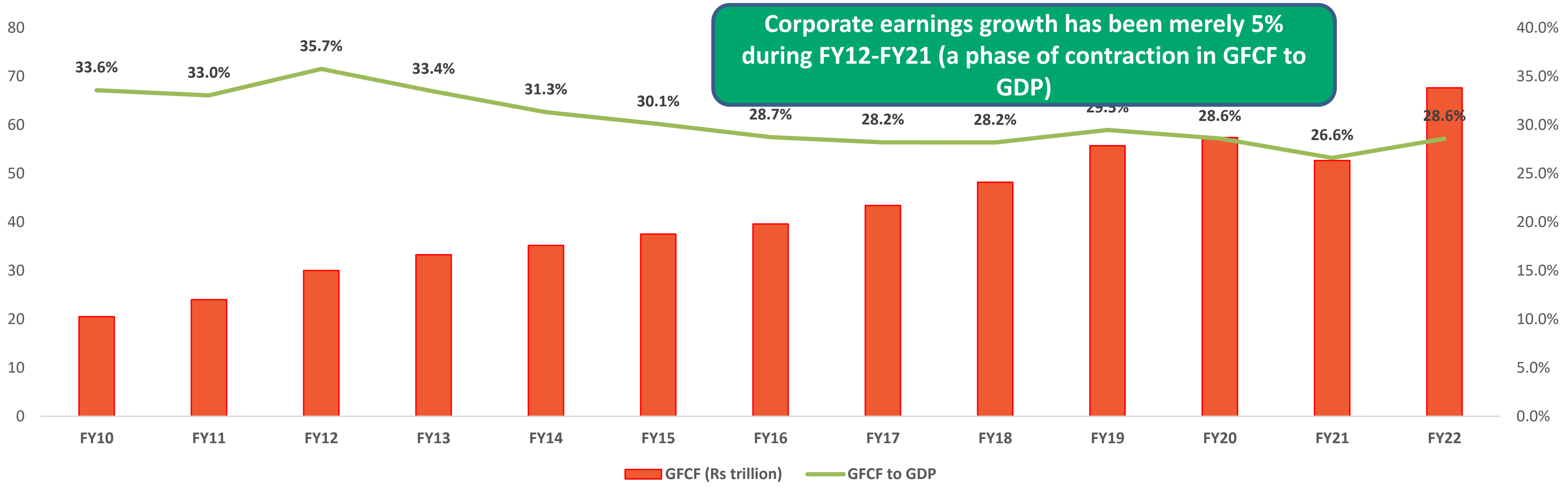
Source: *Industry Reports, Sharekhan Research*

Corporate Earnings – Strong economic outlook to result in solid growth in corp. earnings

Likely Improvement in GFCF to aid corporate earnings

- India is on the cusp of witnessing a sharp improvement in Gross Fixed Capital Formation (GFCF) hereon after seeing sluggish investment cycle for the past 10 years.
- Notably, GFCF to GDP has contracted from 33-35% during FY11-12 to 27% in FY21 and 29% in FY22.

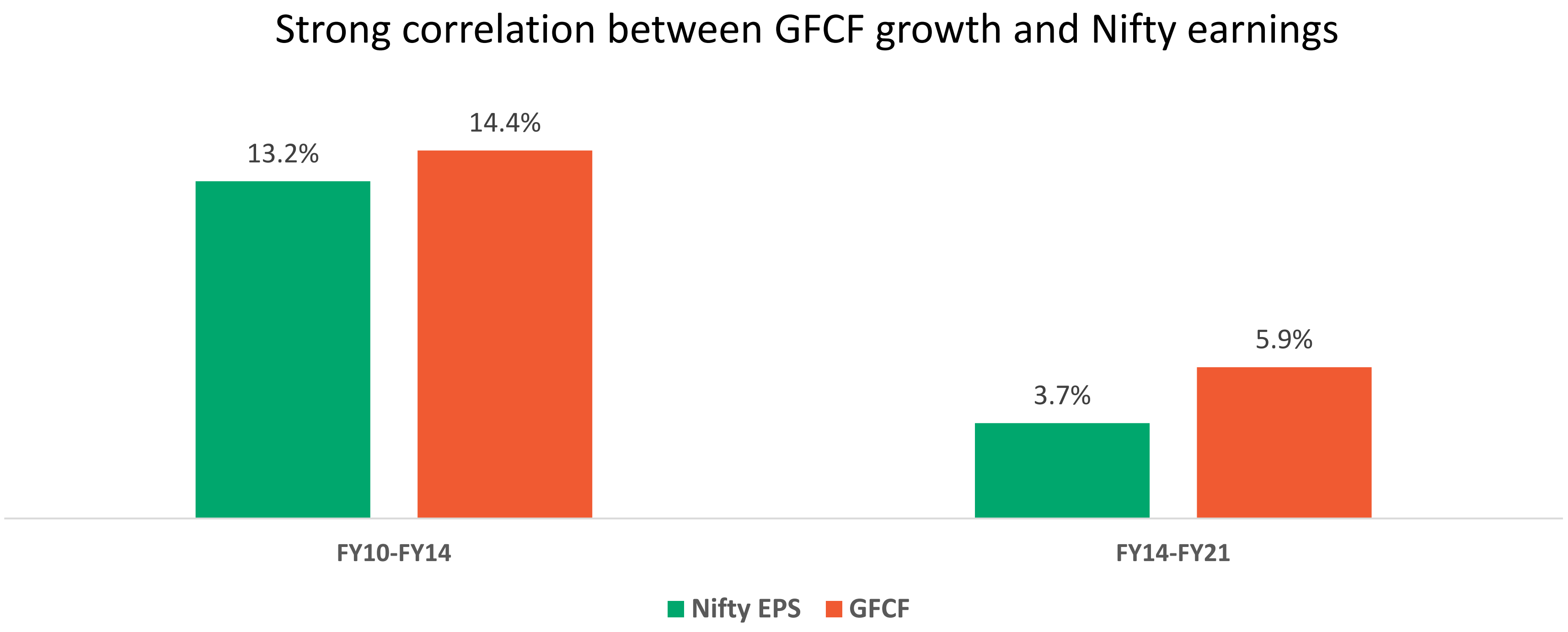
GFCF as % of GDP witnessed continued deceleration led by absence of solid capex



Source: RBI, Sharekhan Research

Strong correlation between GFCF growth and Nifty earnings

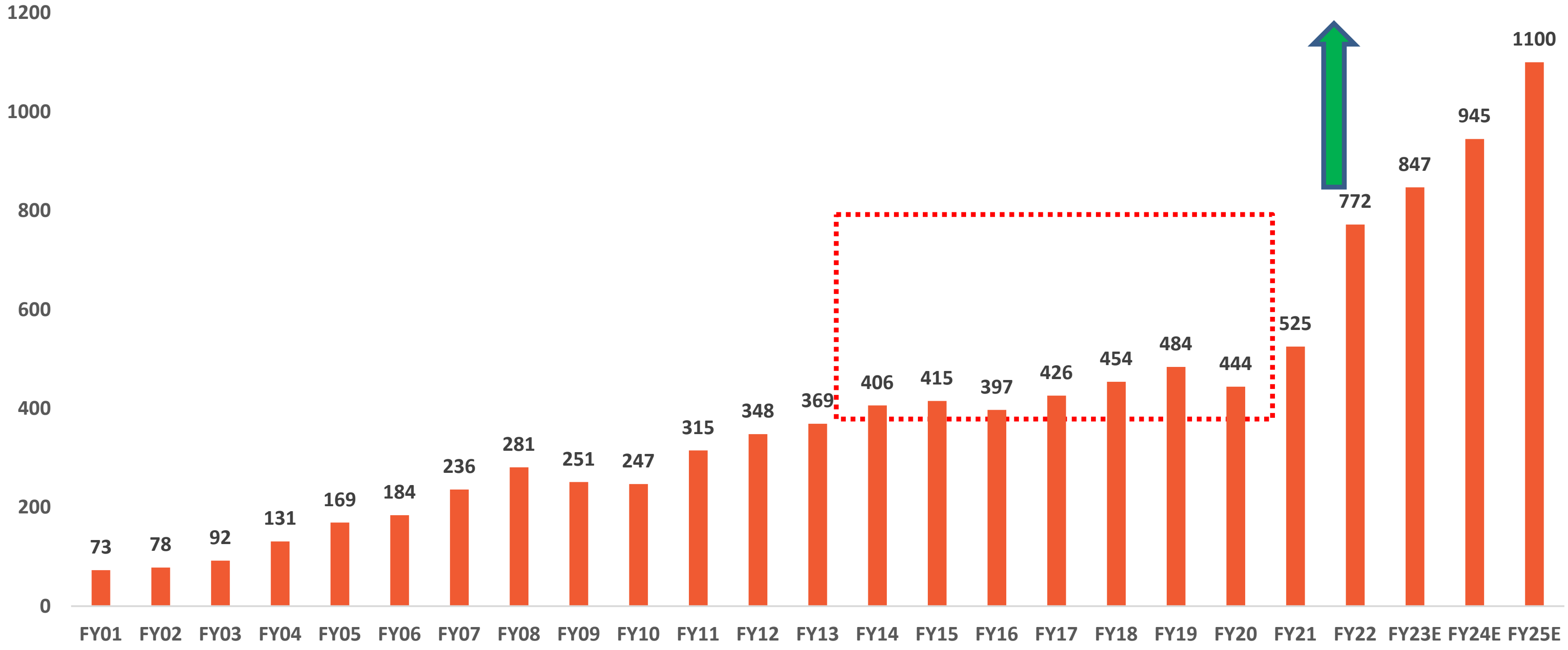
- There is a strong correlation between GFCF and corporate earnings growth as the latter tends to mirror growth in the former.
- Therefore, ongoing earnings recovery seen in corporate earnings (Nifty reported over 20% earnings growth in eight out of last nine quarters) is expected to sustain.



Source: RBI, Sharekhan Research

Corporate Earnings: Nifty EPS on a high growth trajectory

Nifty EPS: Consensus estimates suggest a strong growth during FY2022 to FY2025 after a long period of muted growth in earnings of Nifty companies (FY2014-2020).



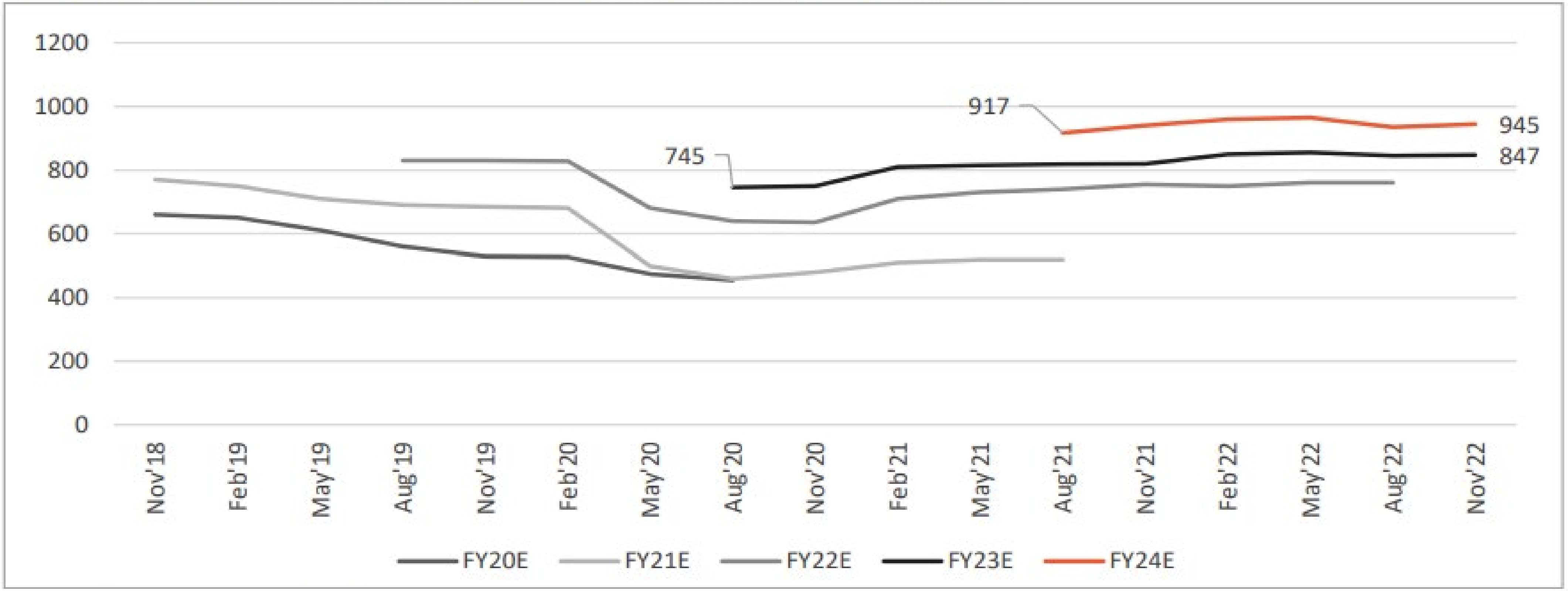
Source: Company; Sharekhan Research

Sharekhan by BNP PARIBAS

Consensus earnings estimates stable despite macro headwinds

Consensus estimate Nifty earnings has been quite steady over the past couple of quarters led by improved visibility of corporate earnings despite near term headwinds

Summary of movement of Nifty earnings forecast: Looks steady in recent period



Source: Bloomberg, Sharekhan Research

Valuations turn reasonable

FII Flows: Valuation readjustment done

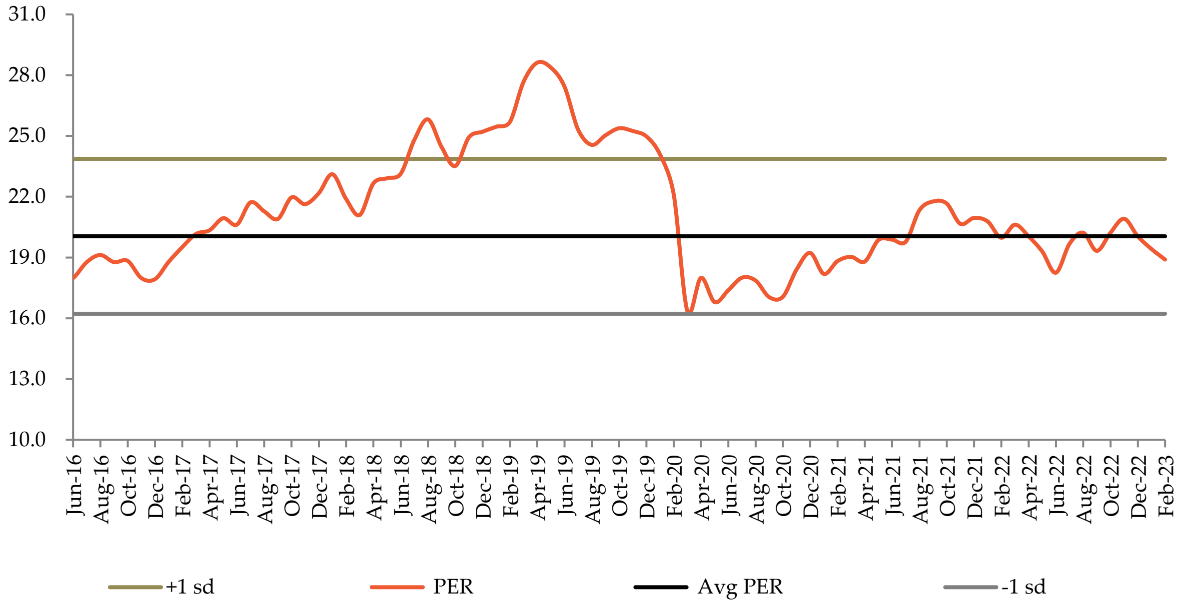
Post the sharp appreciation in the Chinese equity market and correction in India, the valuation premium has come down to long term average level of 110-115%, which is in line with 10-year average premium India has commanded over the Chinese equity market.

Source: Sharekhan Research

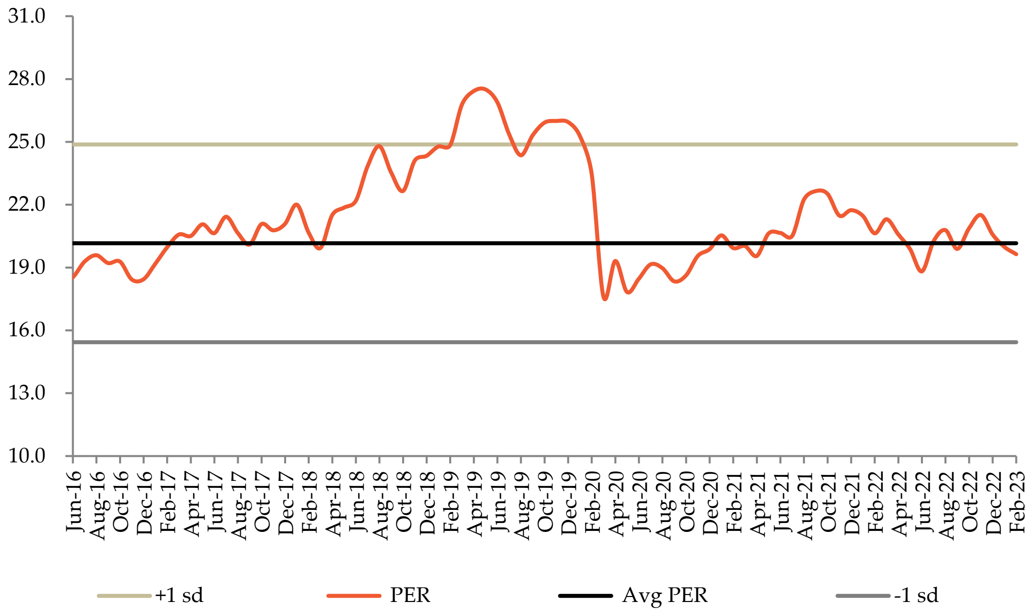
Valuation: Reasonable also on absolute basis now

- Nifty trades at 18.3x and 16.0x of FY24E and FY25E earnings, respectively, which is in line with long term average multiples and not expensive anymore.

One-year forward PE chart of Nifty



One-year forward PE chart of Sensex



Source: Bloomberg; Sharekhan Research

Elections: Historically Nifty has witnessed solid gain in preceding year of general election

- An analysis of the past five general elections from 1999 shows that Nifty has gained substantially four times out of five elections in preceding year of election.
- Hence, if history repeats, 2023 will see sharp uptick in market ahead of May 2024 general elections.
- Additionally, nine states will see assembly elections in 2023, which in our view, could offer a glimpse of possible outcome of the 2024 general election as these nine states altogether account for 21% of total Lok Sabha seats.

Nifty performance one year before general election since 1999

Election Year	Nifty Level	Preceding Year	Nifty Level	% Gain/Loss
3rd September 1999	1413	3rd September 1998	846	67%
19th April 2004	1844	19th April 2003	941	96%
15th April 2009	3484	15th April 2008	4880	-29%
4th April 2014	6694	4th April 2013	5575	20%
11th April 2019	11597	11th April 2018	10417	11%

Nine states going for assembly election in 2023

States	Currently Ruled By	No of MPs
Rajasthan	INC	25
Madhya Pradesh	NDA	29
Karnataka	NDA	28
Chhattisgarh	INC	11
Telangana	BRS	17
Meghalaya	NDA	2
Nagaland	NDPP	1
Tripura	NDA	2
Mizoram	MNF	1
Total		**116**
% of General Election Seats		**21%**

Source: Sharekhan Research

Stay invested, but in right quality stocks

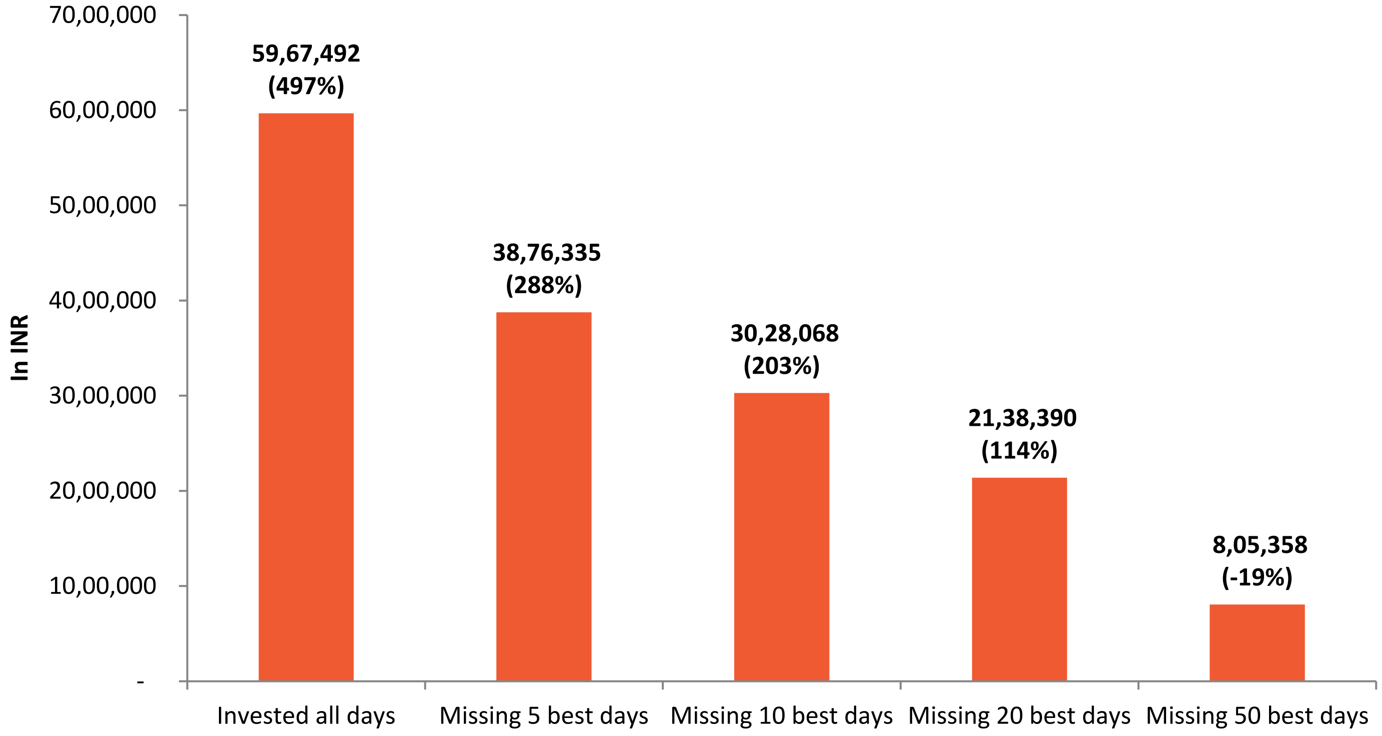
Don't time the market; missing out on few good days seriously impacts returns

- If you miss even a few of the best days, it can significantly impact returns on your portfolio.
- Portfolio value would have reduced almost to half i.e. Rs. 30.28 lakh instead of Rs. 59.67 lakh if investor misses out on 10 best days in an attempt to time the market.
- But quality of stocks does matter. Staying invested in low-quality stocks; speculative, event-based stories, momentum stocks could actually hurt your portfolio.

So stay invested, but in right quality stocks

….. missing out on few days can be very costly

Growth of Rs. 10 lakh invested on January 1, 2009



Source: Sharekhan Research

***Rs. 10 lakh invested on January 1, 2009 in Index**

Despite concerns, equity gives healthy returns - better than other asset classes

Sensex moved up from 16,500 level at end of 2011 to 58,254 level by the end of 2021 – returns of **13.4% CAGR** in the past one decade, despite the following:

- Hurdles on the way; many domestic and global concerns hurting economy & sentiments.
- Weak growth in corporate earnings in the period of FY2014 to FY2020.
- Unpredictable global inflows and phases of strong selling pressure.

So stay invested but in right quality stocks!

….. Concerns will also remain but markets still gives handsome returns

Year	Major Issues
2011	Black Monday; high retail inflation
2012	Policy paralysis + QE withdrawal; India among fragile 5
2013	Natural disasters; Uttarakhand floods, earthquakes
2014	Devaluation of yuan; drought
2015	Bank NPAs AQR; second consecutive year of drought
2016	Brexit; Demonetisation
2017	Dokalam Crisis; GST implementation disruption
2018	IL&FS crisis; hikes in interest rates
2019	DHFL fiasco, surgical strikes
2020	Pandemic; lockdowns
2022	Russia-Ukraine War

Source: Sharekhan Research

Time spent in the market is far more important than timing the market

- The benchmark indices, Nifty/Sensex, have been largely stuck in a broad range for the past 12-15 months due to concerns related to inflation, aggressive interest rate hikes and other global uncertainties. In this period, the corporate earnings continue to be healthy despite margin pressure and slowdown in global trade.

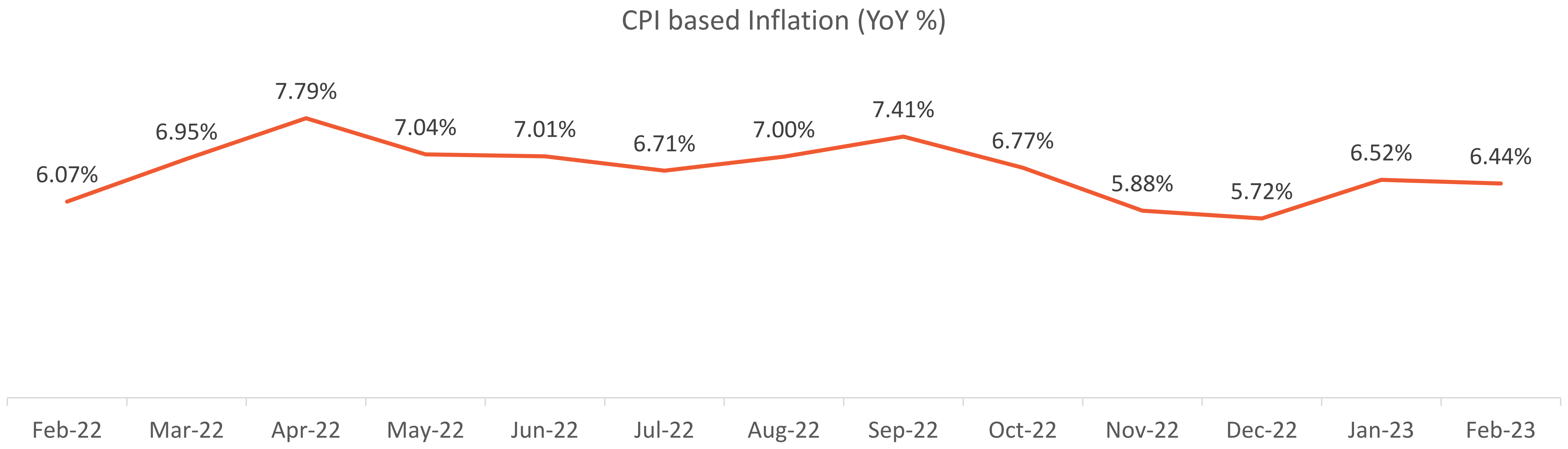
- Increasing trend in earnings along with range-bound indices have resulted in a healthy correction in valuation multiples. Nifty is not expensive anymore and at around 18x one year forward earnings is trading below the last five year average PE multiples. However, the correction in the broader market has been more severe and caused lot of damage in investor portfolios.

- From an investor's point of view, the volatile phase would offer attractive buying opportunities. Keep in mind the **BIG PICTURE** of multi-year growth upcycle in Indian economy & corporate earnings rather than get bogged down by near-term challenges

- The empirical data shows that trying to time the market is not practically viable and actually has an adverse impact on long term returns of portfolio. So, do not try to time the market; stay invested in right-quality stocks for handsome gains in the next 2-3 years

DEBT/ FIXED INCOME UPDATE & OUTLOOK

Consumer Price Index (CPI) Inflation



After the downward trajectory from last three months the CPI inflation moved above the RBI's upper band tolerance level to 6.52% in Jan-23. The food and beverages are contributing to the CPI inflation.

- Food & Beverages, which have the highest weight of 54.2% in CPI has moved up marginally to 6.26% in Feb-23 compared to 6.19% in the previous month. The inflation in cereals & products, milk & products and spices are contributing to the food & beverages inflation.
- The downward trajectory of vegetables inflation continued for the fourth consecutive month and helps to protect the upward move of headline inflation. The double digit inflation continued in spices, cereals and products but the inflation in oils & fats, vegetables, sugar and confectionery helps to ease overall food and beverages inflation.

Index of Industrial Production (IIP)

The IIP growth improved during the month of Jan-23 to 5.2% as compared to growth of 4.7% in the previous month. The broad expansion across sectors contributed to the overall growth.

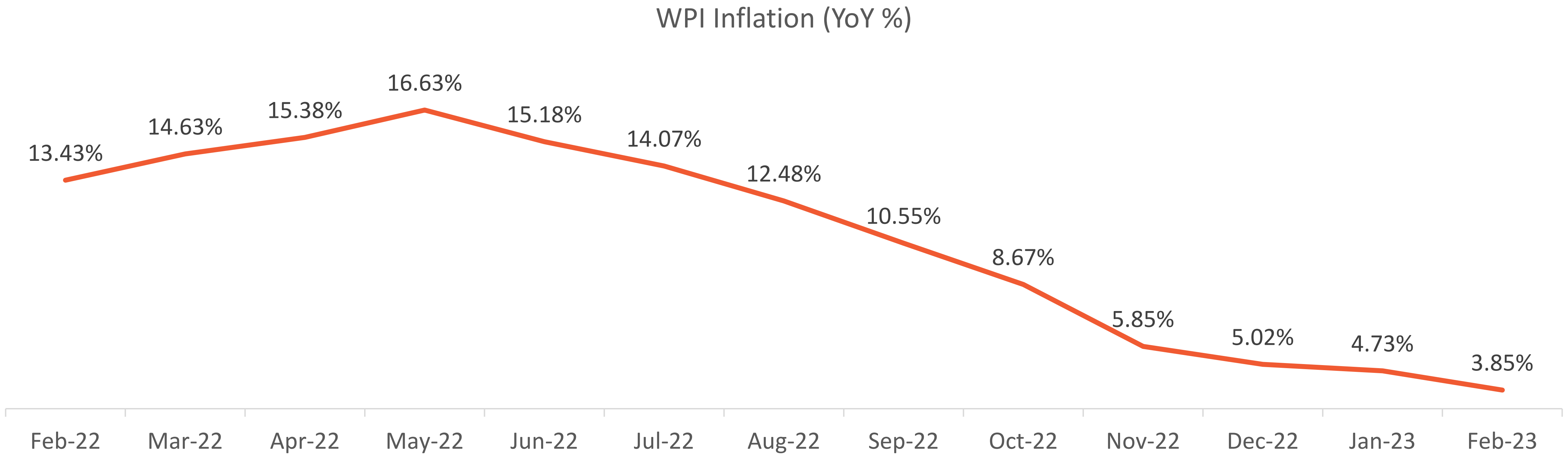
- **Mining:-** Activity continued to register a healthy growth of 8.8% in Jan-23 and is in expansionary zone from last three months.
- **Manufacturing:-** It has the highest weightage of (77.6%) in the IIP. The output remain moderated to 3.7% in Jan-23 as compared to previous month. Out of 23 industries, only 4 have recorded double digit growth and remaining are in single digit or in negative growth. The highest contraction were in manufacture of computers, electronics & optical products (-30%), manufacture of wearing apparel (-22%) & manufacture of tobacco products (-15%).
- **Electricity:-** The output registered the growth of 13% in January 2023 and continued to register a double digit growth from last three months. The electricity was grew by 0.9% in the corresponding month of last year.

GROWTH IN SECTORAL			
	Nov-22	Dec-22	Jan-23
MINING	9.7%	10.0%	8.8%
MANUFACTURING	6.4%	3.1%	3.7%
ELECTRICITY	12.7%	10.4%	12.7%
GENERAL	7.3%	4.7%	5.2%
GROWTH IN USE-BASED CLASSIFICATION			
PRIMARY GOODS	4.8%	8.4%	9.6%
CAPITAL GOODS	21.6%	7.8%	11.0%
INTERMEDIATE GOODS	3.3%	0.6%	0.1%
INFRASTRUCTURE/ CONSTRUCTION GOODS	13.2%	9.1%	8.1%
CONSUMER DURABLES	5.3%	-11.0%	-7.5%
CONSUMER NON-DURABLES	9.1%	7.6%	6.2%

Source: MOSPI, Sharekhan Research

The industrial activity will continue to get support from urban and rural demand, credit growth, gains in consumer & business optimism and capital expenditure from the government but the Weakening of external demand and global uncertainties could impact the industrial production.

Wholesale Price Index (WPI) Inflation



The WPI inflation has been in a downward trend from last eight months and further eased to 3.85% in Feb-23 compared to 4.73% in the previous month. The WPI inflation declined to 25 month low and this can be attributed to the inflation in manufactured products.

- Inflation in primary articles which has the weight of 22.6% in the WPI basket eased marginally to 3.28% in Feb-23 compared to 3.88% in the previous month owing to easing of inflation in non-food articles.
- The food inflation is in upward trend from last two months and moved to 3.81% in Feb-23 compared to 2.38% in Jan-23. The inflation in milk and fruits are contributing to the inflation but the easing of inflation in vegetables (-21.5%), potato (-14) & onion (-40%) helps to ease the upward pressure in inflation.

Debt Market Wrap

Liquidity: System liquidity in surplus despite year end pressure

- The interbank call money rate remained elevated at 5.75% as on March 13, 2023 compared to previous month. The tight system liquidity and the hawkish policy stance by RBI kept the rates at elevated level.

- The banking system liquidity continue to remain tight for Feb-23. The liquidity remained at Rs.0.51 lakh crores on March 9, 2023 as compared to average liquidity of Rs.0.32 lakh crores in the previous month. During the month of Feb-23, the liquidity ranged between Rs.0.10 lakh crores to Rs.0.72 lakh crores.

Bond prices & other updates

- The new 10-year 7.26% 2033 G-Sec yield settled at 7.43% as on March 9, 2023 and remained at elevated levels owing to tight liquidity conditions and rate hike expectation.

- The yield curve flattened further on account of a sharper rise in short-tenor bond yields compared to long end of the curve owing to tightening of banking system liquidity.

- The CPI inflation moderately ease to 6.44% in Feb-23 but remained above the RBI's upper band tolerance level of 6%. This is the second consecutive month with CPI inflation remained above the RBI's upper band tolerance level.

- Looking ahead, a favourable base and healthy production could help to ease overall inflation. However, the potential upside risk of adverse climate conditions could affect inflation.

Debt Market Outlook

The upward pressure on yield continue

- In the last monetary policy, the RBI hiked the repo rate by 25 bps, citing concerns over sticky inflations and leaving the door open for further rate hikes. The probability of further rate hikes after retail inflation spiked above 6% for Jan-23 and Feb-23.

- 10-year bond yields rose by 13 bps to 7.43% on March 9, 2023 compared to previous month. The tight liquidity conditions and rate hike expectations kept short-term yields high and narrowed the spread between short end and long end curve.

- The yield curve flattened further on account of a sharper rise in short-tenor bond yields compared to long end of the curve and this provides an opportunity to invest in short end of the curve.

Strategy: The bond yields are likely to remain at elevated levels as the CPI inflation is above the RBI's upper band tolerance level for second consecutive months. Currently the yields are at attractive level and this provides good opportunity for the investment. Investors should increase exposure to credit opportunity, duration funds and the target maturity funds.

Target Maturity Funds

Scheme Name	Maturity Year	YTM (Feb-23)	Exp Ratio (%)	AUM (Crs)	Riskometer
Edelweiss CRISIL PSU Plus SDL 50: 50 Oct 2025 Index Fund - Reg - Growth	2025	7.73%	0.36%	842	Low to Moderate
Aditya Birla Sun Life Nifty SDL Plus PSU Bond Sep 2026 60:40 Index Fund - Reg - Growth	2026	7.74%	0.36%	9,348	Low to Moderate
Edelweiss Nifty PSU Bond Plus SDL Apr 2026 50:50 Index Fund - Reg - Growth	2026	7.74%	0.33%	9,371	Low to Moderate
Bandhan Crisil IBX Gilt April 2026 Index Fund - Reg – Growth	2026	7.49%	0.40%	463	Moderate
Bandhan CRISIL IBX Gilt June 2027 Index Fund - Reg - Growth	2027	7.53%	0.41%	7,967	Moderate

MUTUAL FUND MODEL PORTFOLIOS

MUTUAL FUND MODEL PORTFOLIOS | AGGRESSIVE PORTFOLIO

AMC	SCHEME NAME
LARGE CAP	
Canara	Canara Robeco Bluechip Equity Fund
Kotak	Kotak Bluechip Fund
Nippon	Nippon India Large Cap
Mirae	Mirae Asset Large Cap Fund
ICICI	ICICI Prudential Bluechip Fund
MID CAP	
Kotak	Kotak Emerging Equity Fund
Nippon	Nippon India Growth Fund
ISBI	SBI Magnum Mid Cap Fund
Baroda BNP	Baroda BNP Paribas Mid Cap Fund
Mirae	Mirae Asset Mid Cap Fund
Small CAP	
Edelweiss	Edelweiss Small Cap Fund
ICICI	ICICI Prudential SmallCap Fund
Kotak	Kotak Small Cap Fund
Nippon	Nippon India Small Cap Fund
SBI	SBI Small Cap Fund
Flexi Cap	
ABSL	Aditya Birla Sun Life Flexi Cap Fund
HDFC	HDFC FlexiCap Fund
Canara	Canara Robeco Flexi Cap Fund
SBI	SBI Flexicap Fund
Franklin	Franklin India Flexi Cap Fund

Portfolio Composition

Large Cap 50%	Mid & Small Cap 20%	Multi / Flexi Cap 30%

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	
Canara	Canara Robeco Bluechip Equity Fund
Kotak	Kotak Bluechip Fund
Nippon	Nippon India Large Cap
Mirae	Mirae Asset Large Cap Fund
ICICI	ICICI Prudential Bluechip Fund
MID CAP	
Kotak	Kotak Emerging Equity Fund
Nippon	Nippon India Growth Fund
ISBI	SBI Magnum Mid Cap Fund
Baroda BNP	Baroda BNP Paribas Mid Cap Fund
Mirae	Mirae Asset Mid Cap Fund
Small CAP	
Edelweiss	Edelweiss Small Cap Fund
ICICI	ICICI Prudential SmallCap Fund
Kotak	Kotak Small Cap Fund
Nippon	Nippon India Small Cap Fund
SBI	SBI Small Cap Fund
Dynamic bond/Target Maturity/Credit Opportunity	
ICICI	ICICI Prudential All Seasons Bond Fund - Reg - Growth
Edelweiss	Edelweiss Nifty PSU Bond Plus SDL Apr 2026 50:50 Index Fund - Reg - Growth
HDFC	HDFC Credit Risk Debt Fund - Reg - Growth

Portfolio Composition

Large Cap 40%	Target Maturity/Credit Opportunity & 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	
Aditya Birla Sun Life	Aditya Birla Sun Life Corporate Bond Fund
IDFC	IDFC Corporate Bond Fund
ICICI Prudential	ICICI Prudential Corporate Bond Fund
Kotak	Kotak Corporate Bond Fund
Debt Low Duration	
Axis	Aditya Birla Sun Life Low Duration Fund
ICICI	ICICI Prudential Savings Fund
HDFC	HDFC Low Duration Fund
Debt Short Duration	
Kotak	Kotak Bond Short Term Fund
SBI	SBI Short Term Debt Fund
HDFC	HDFC Short Term Fund
IDFC	IDFC Bond Fund - Short Term Plan
Dynamic Asset Allocation	
ICICI	ICICI Prudential Balanced Advantage Fund
Birla	Aditya Birla Sun Life Balanced Advantage Fund
Tata	Tata Balanced Advantage Fund
ICICI	ICICI Prudential Asset Allocator Fund
HDFC	HDFC Balanced Advantage Fund

Portfolio Composition

Corporate Bond 40%	Low & Short Duration 40%	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.

SCHEME SELECTION AND INVESTING

Funds we Like (click here)

SIP we Like (click here)

One Click SIP (click here)

Talk to your Investment Specialist or Mutual Fund Specialist

DISCLAIMER

This document is meant for sole use by the recipient and not for circulation. The information contained in this report is intended for general information purposes only. The information published should not be used as a substitute for any form of investment advertisement, investment advice or investment information. The information in this report has not been prepared taking into account specific investment objectives, financial situations and needs of any particular investor, and therefore may not be suitable for you. You should verify all scheme related information before relying on it. Further, the selection of the Mutual Funds for the purpose of including in the indicative portfolio does not in any way constitute any recommendation by Sharekhan Limited with respect to the prospects or performance of these Mutual Funds. We recommend investors to seek advice from professional financial advisors.

- Mutual funds, like securities investments, are subject to market and other risks and there can be no assurance that the objectives of any of the schemes of the Fund will be achieved. Please read the Offer Document carefully in its entirety prior to making an investment decision.
- The NAV of units issued under the Schemes of mutual funds can go up or down depending on the factors and forces affecting capital markets and may also be affected by changes in the general level of interest rates. The NAV of the units issued under the scheme may be affected, inter-alia by changes in the interest rates, trading volumes, settlement periods, transfer procedures and performance of individual securities. The NAV will inter-alia be exposed to Price / Interest Rate Risk and Credit Risk.
- Past performance of any scheme of the Mutual fund do not indicate the future performance of the Schemes of the Mutual Fund. Sharekhan shall not responsible or liable for any loss or shortfall incurred by the investors.
- Investors are not being offered any guaranteed or assured rate of return through this document.

Sharekhan and/or its associates receive commission for distribution of Mutual Funds from various Asset Management Companies (AMCs) and the details of the commission rates earned from various Mutual Fund houses are available on our website. Sharekhan or its associates may have received commission from AMCs whose funds are mentioned in the report during the period preceding twelve months from the date of this report for distribution of Mutual Funds. Sharekhan also provides stock broking services to institutional clients including AMCs and hence may have received brokerage for security transactions done by any of the above AMCs during the period preceding twelve months from the date of this report.

As per the Equity Linked Savings Scheme, 2005, investments made under the scheme qualify for tax benefits under Section 80C of Income Tax Act, 1961, and shall be locked-in for a period of 3 years from the date of allotment of units.

Sharekhan may offer or distribute Mutual Fund schemes of BNP Paribas Asset Management India Private Limited as both entities are part of the same group BNP Paribas SA.

Compliance Officer: Ms. Binkle Oza; Tel: 022-61169602; e-mail: complianceofficer@sharekhan.com Contact: myaccount@sharekhan.com

---

Registered Office: Sharekhan Limited, The Ruby, 18th Floor, 29 Senapati Bapat Marg, Dadar (West), Mumbai – 400 028, Maharashtra, INDIA, Tel: 022 – 67502000 / Fax – 022-24327343. Sharekhan Ltd.: SEBI Regn. Nos.: BSE / NSE / MSEI (CASH / F&O / CD) / MCX - Commodity: INZ000171337; DP: NSDL/CDSL-IN-DP-365-2018; PMS: INP000005786; Mutual Fund: ARN 20669; Research Analyst: INH000006183; For any complaints email at igc@sharekhan.com.Disclaimer: Client should read the Risk Disclosure Document issued by SEBI & relevant exchanges and the T&C on www.sharekhan.com; Investment in securities market are subject to market risks, read all the related documents carefully before investing.