

INVESTMENT STRATEGY

MUTUAL FUND PORTFOLIOS

October 2023

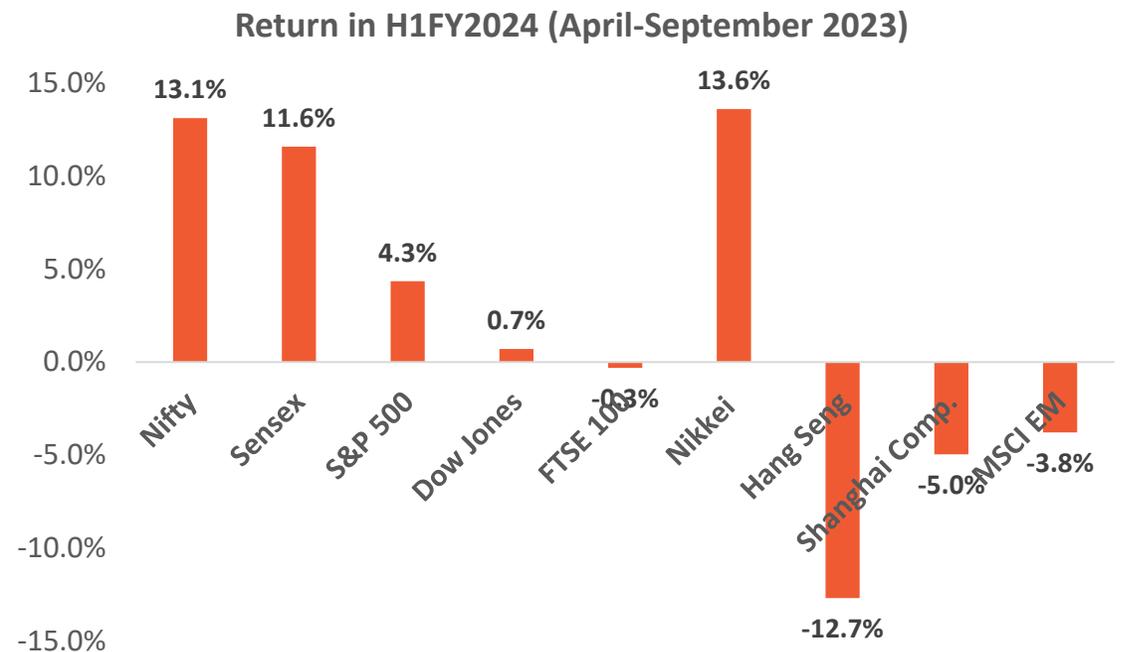
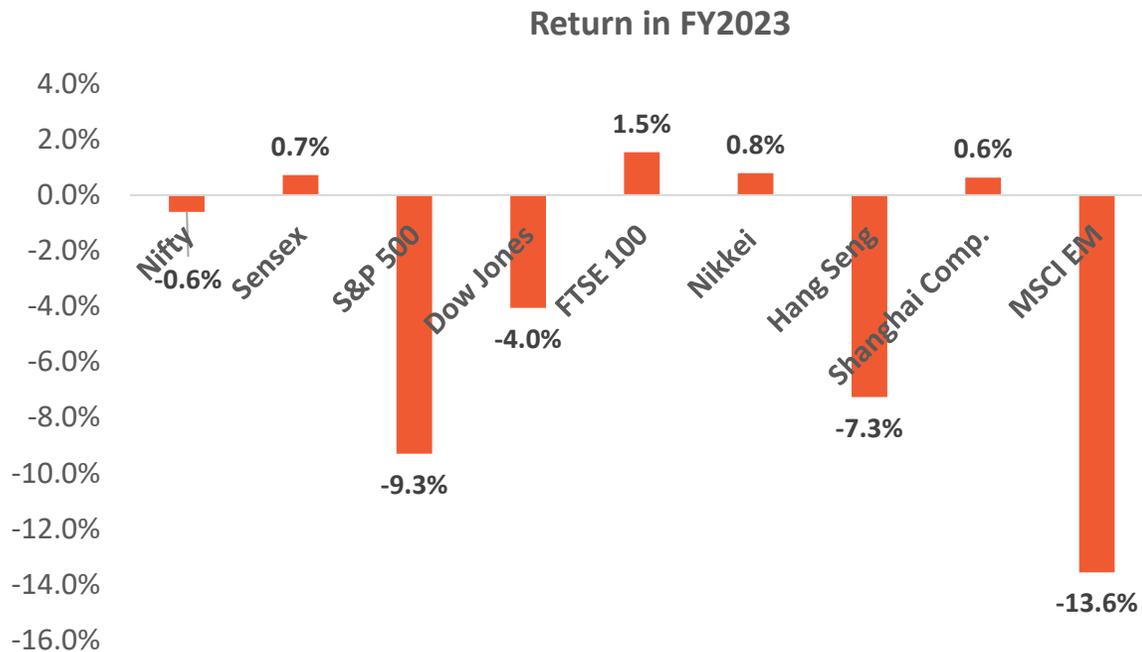


October 2023

Equity Market Outlook

Indian market remained resilient in Fiscal 2023; New high registered in 1HFY2024

- India remained one of the best among global markets and outperformed most of its peers convincingly in FY2023 and FY2024 YTD

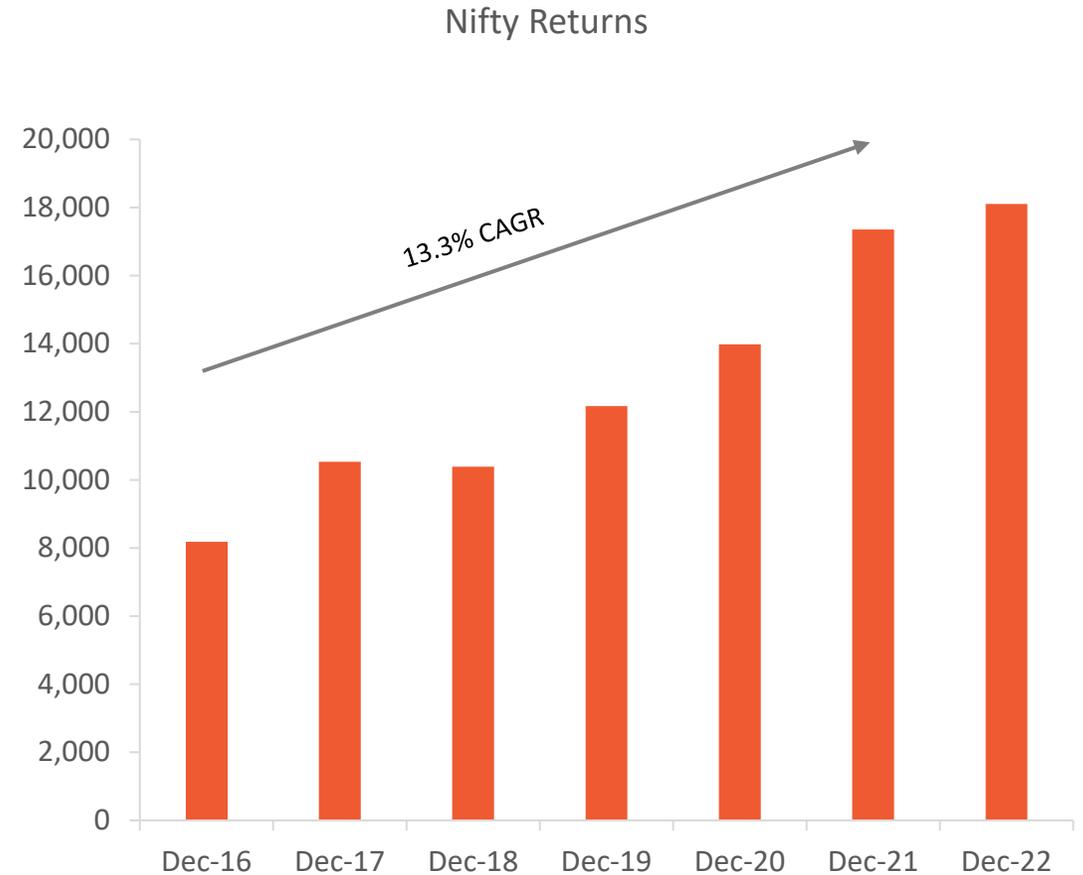


Source: Sharekhan Research

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

Major events include:

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



Source: Bloomberg, Sharekhan Research



Indian Economy

Primed for multi-year upcycle



Real Estate – Coming out of a slumber

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



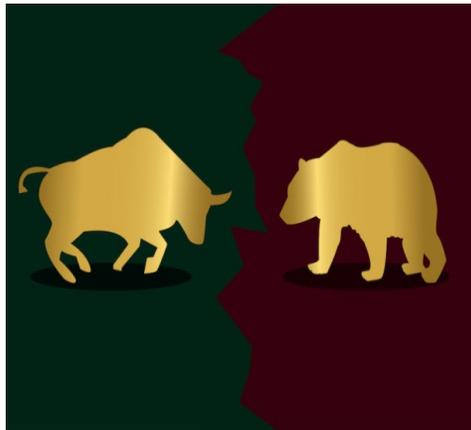
Infrastructure spending – Focus area for policy makers

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

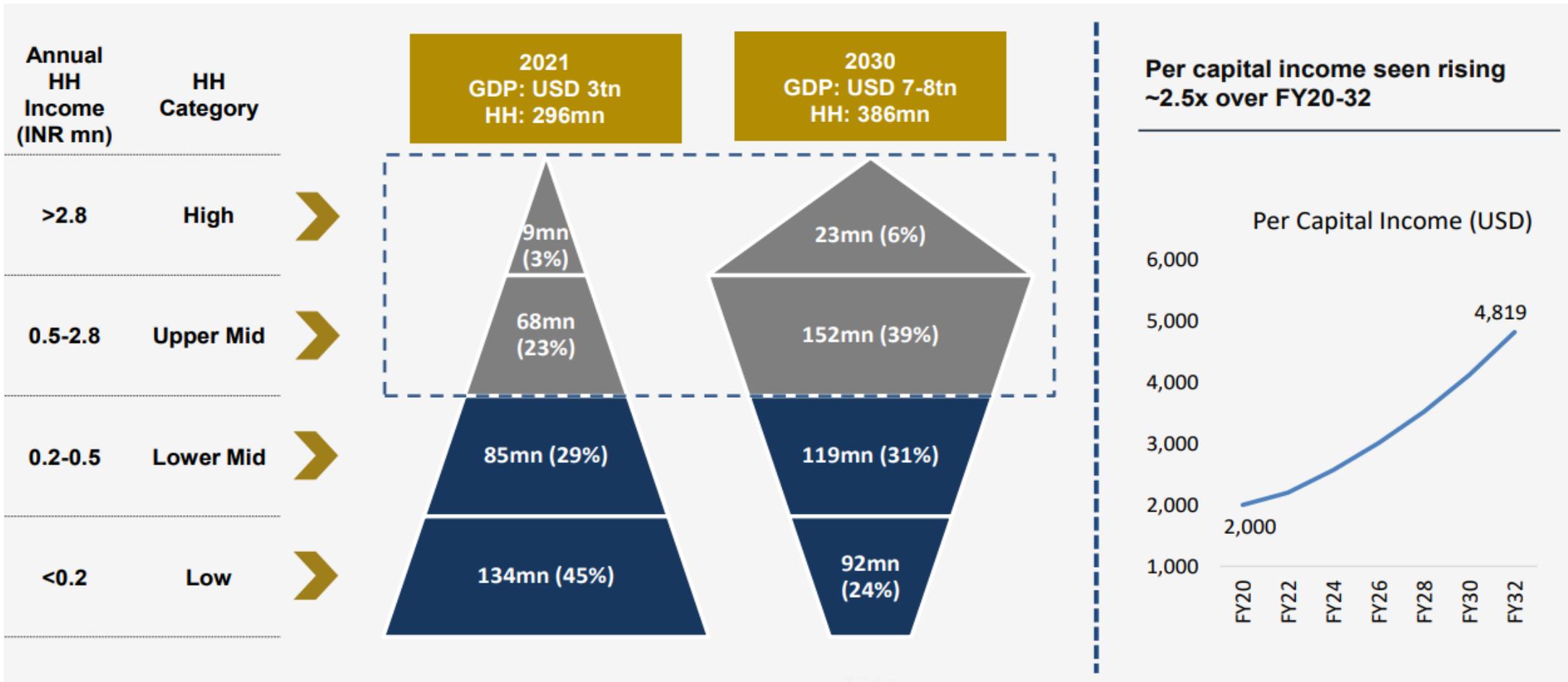


Corporate Capex – Set for an expansion spree

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



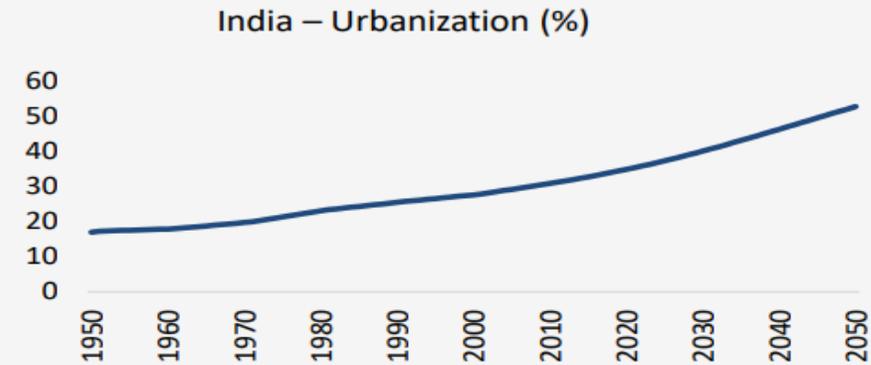
Real Estate: Potential demand of 8-9 crore new houses over the next decade



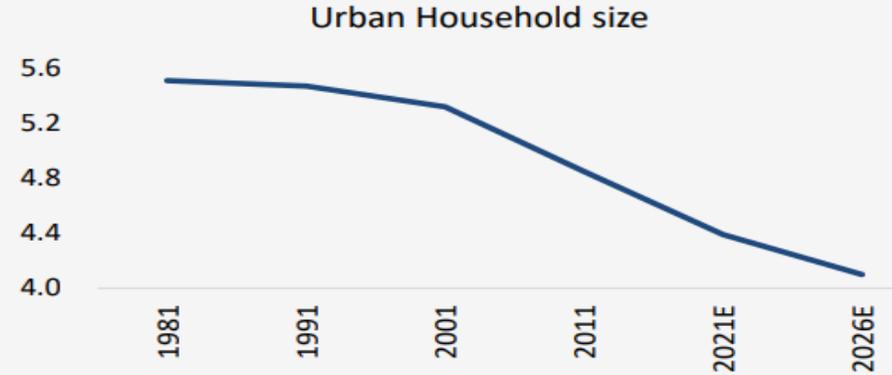
Source: Macrotech Developers; Sharekhan Research, HH - Households

Real Estate: Key factors supporting sustainability of the real estate upcycle

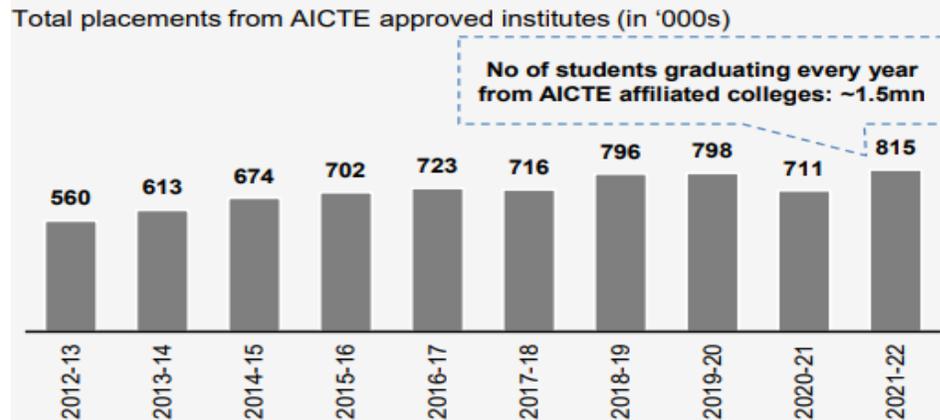
Rapid urbanization to create need for quality urban housing



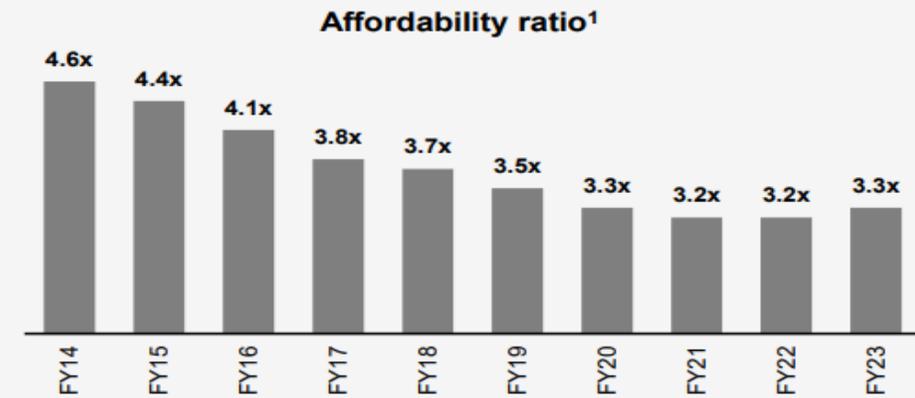
Family nuclearization



Large no of educated workforce added every year



Improved affordability to support demand

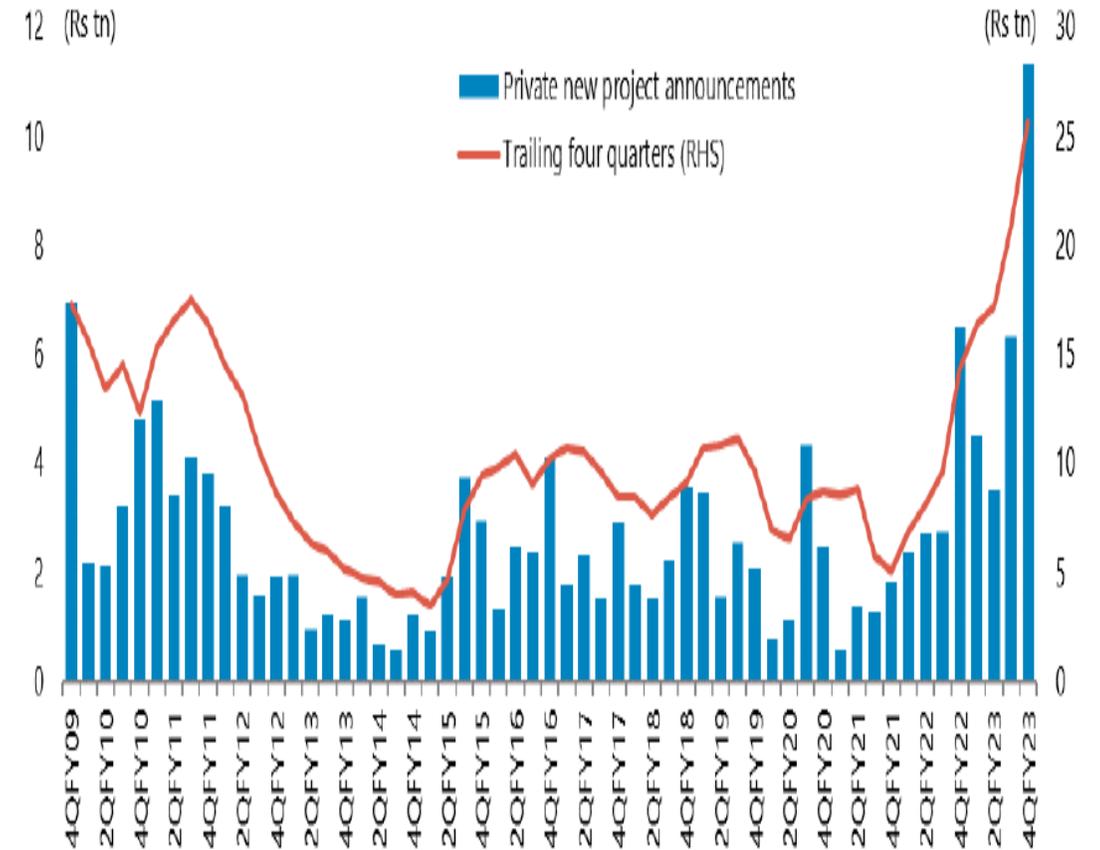
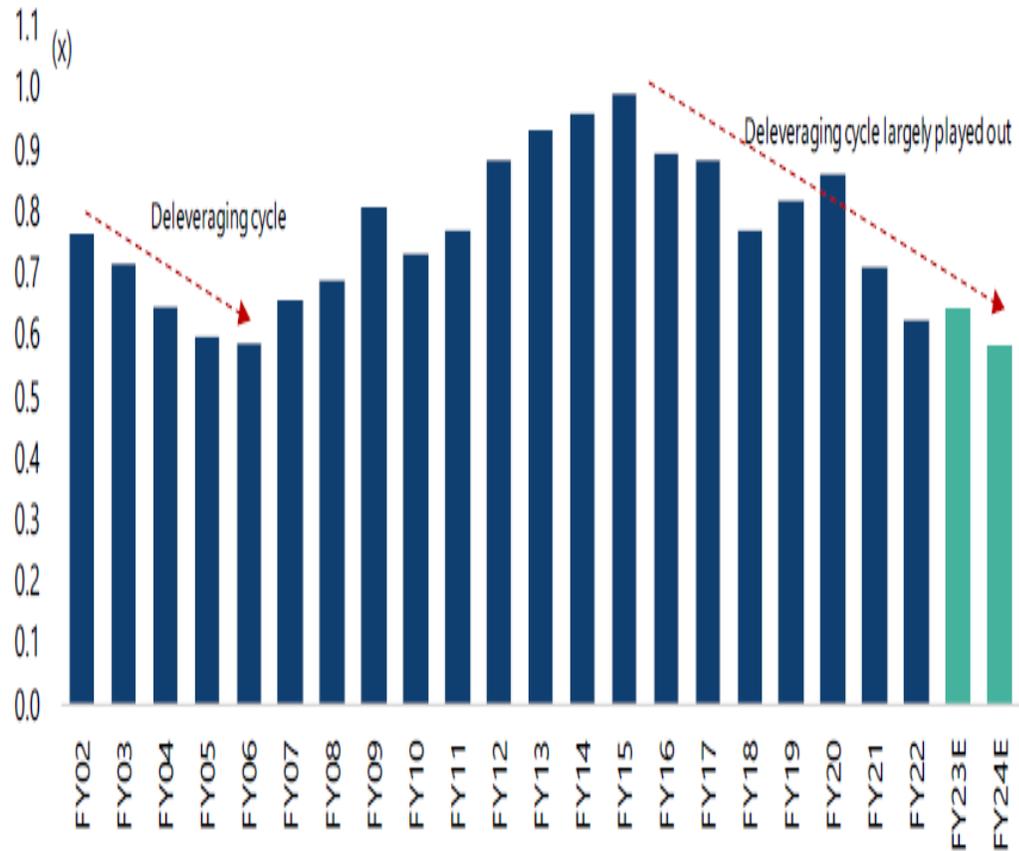


Source: Macrotech Developers; Sharekhan Research, #1-Affordability index is the ratio of property price to annual income

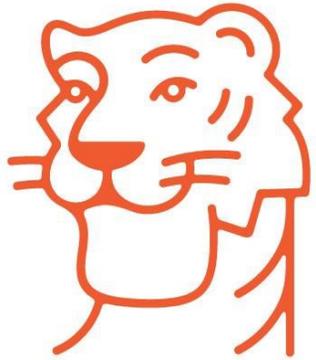
Private Sector Investment Cycle: On a cusp of a multi-year upcycle

Record new projects of over Rs. 25 trillion by the private sector reflect confidence on the growth outlook

Private sector deleveraging and bank balance sheet back in shape to support expansion plans



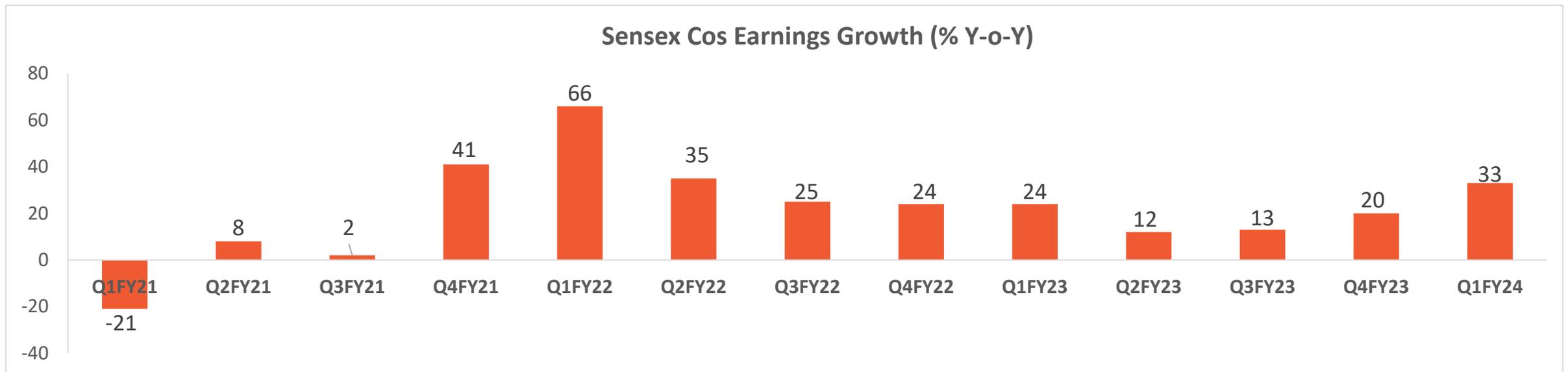
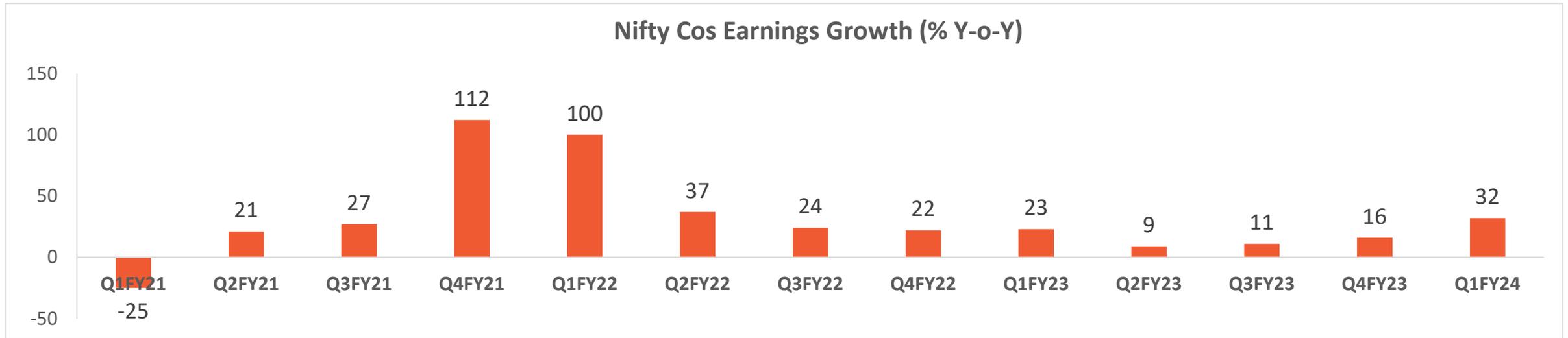
Source: Sharekhan Research



Corporate Earnings

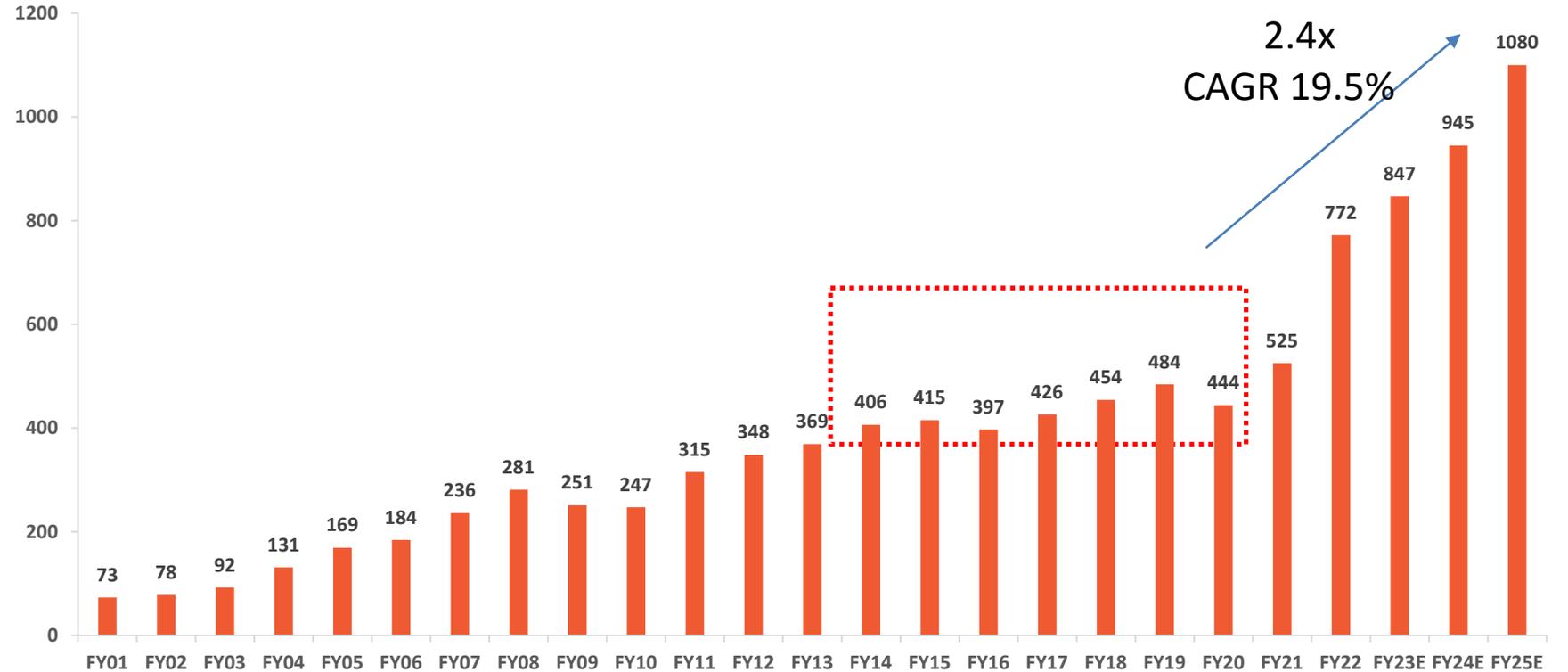
Double-digit earnings despite rate hikes

Nifty and Sensex: Strong earnings growth for 12 quarters now!



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).

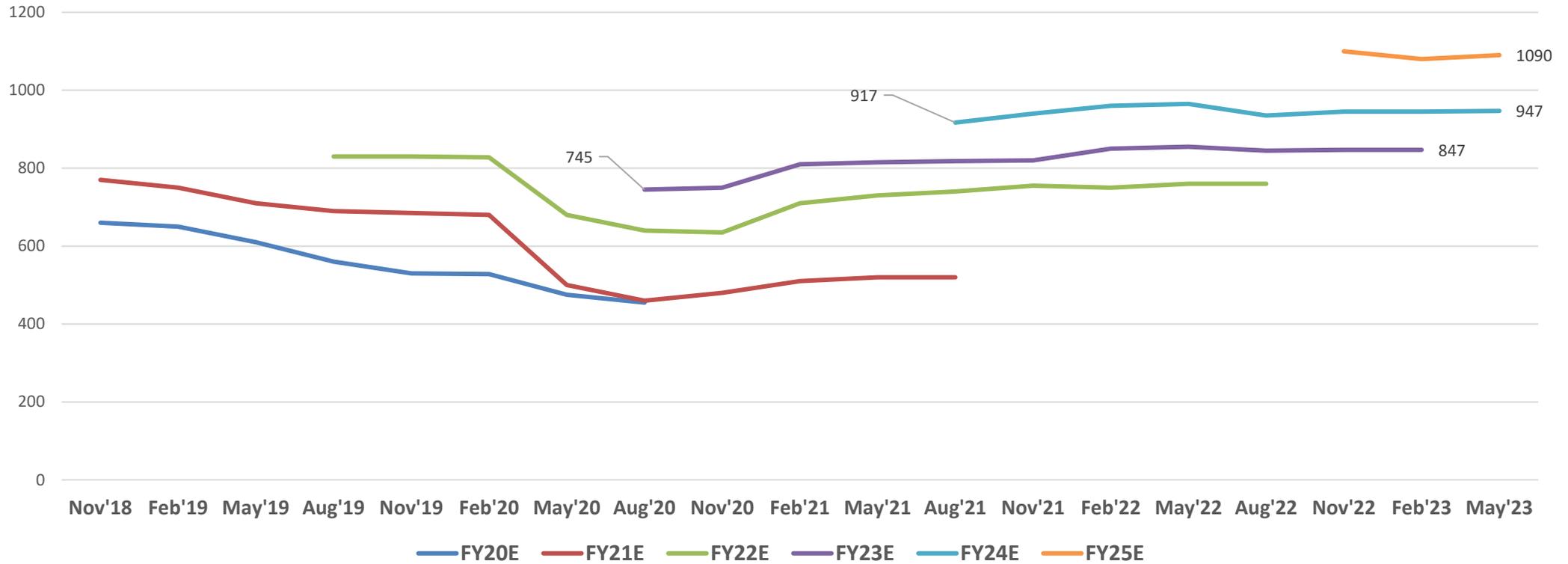


Source: Company; Sharekhan Research

Consensus earnings estimates stable despite macro headwinds

As per Consensus estimates, Nifty earnings have 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 the recent period



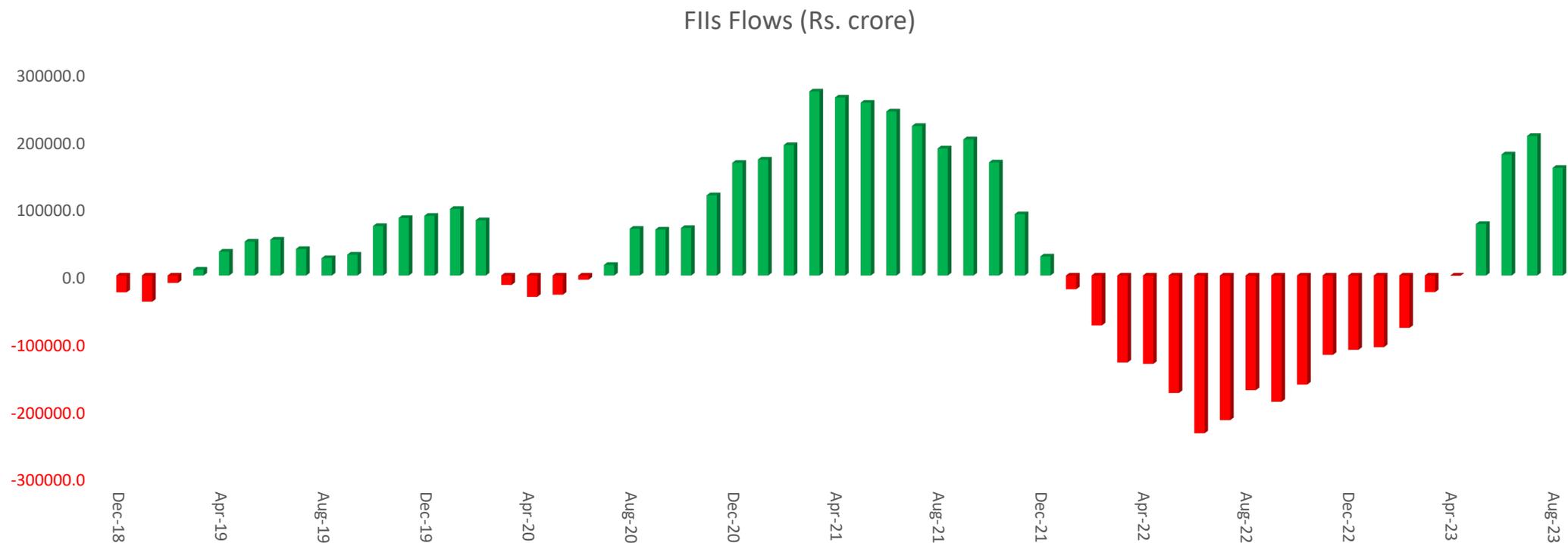


India Equity

Can't be ignored by serious investors anymore

FII Flows: Can be volatile and unpredictable, but 12-month rolling trend is a good indicator

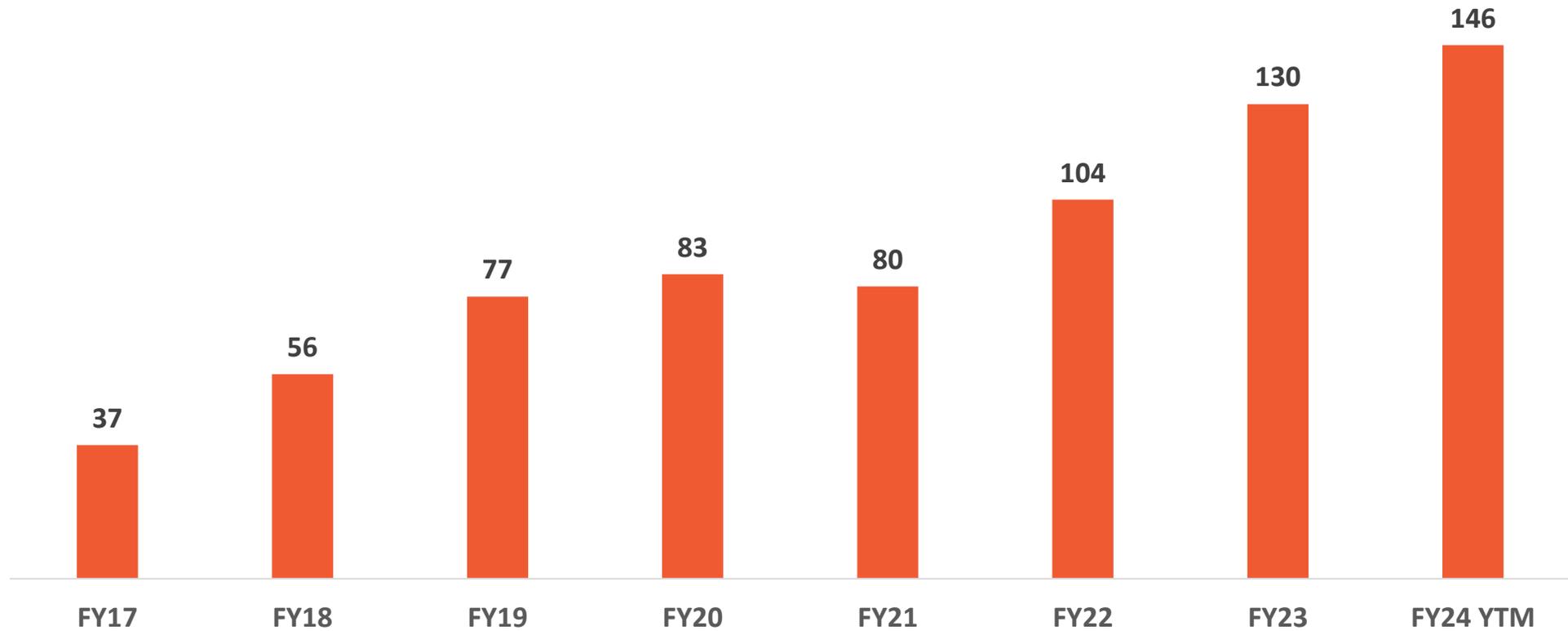
- Weekly or monthly trend in FII flows can be very volatile and unpredictable.
- However, on a 12-month rolling basis, FII flows into India have turned positive in May 2023 after a long gap since December 2021. This gives some sense of a trend for the next few months.



Source: Bloomberg, Sharekhan Research

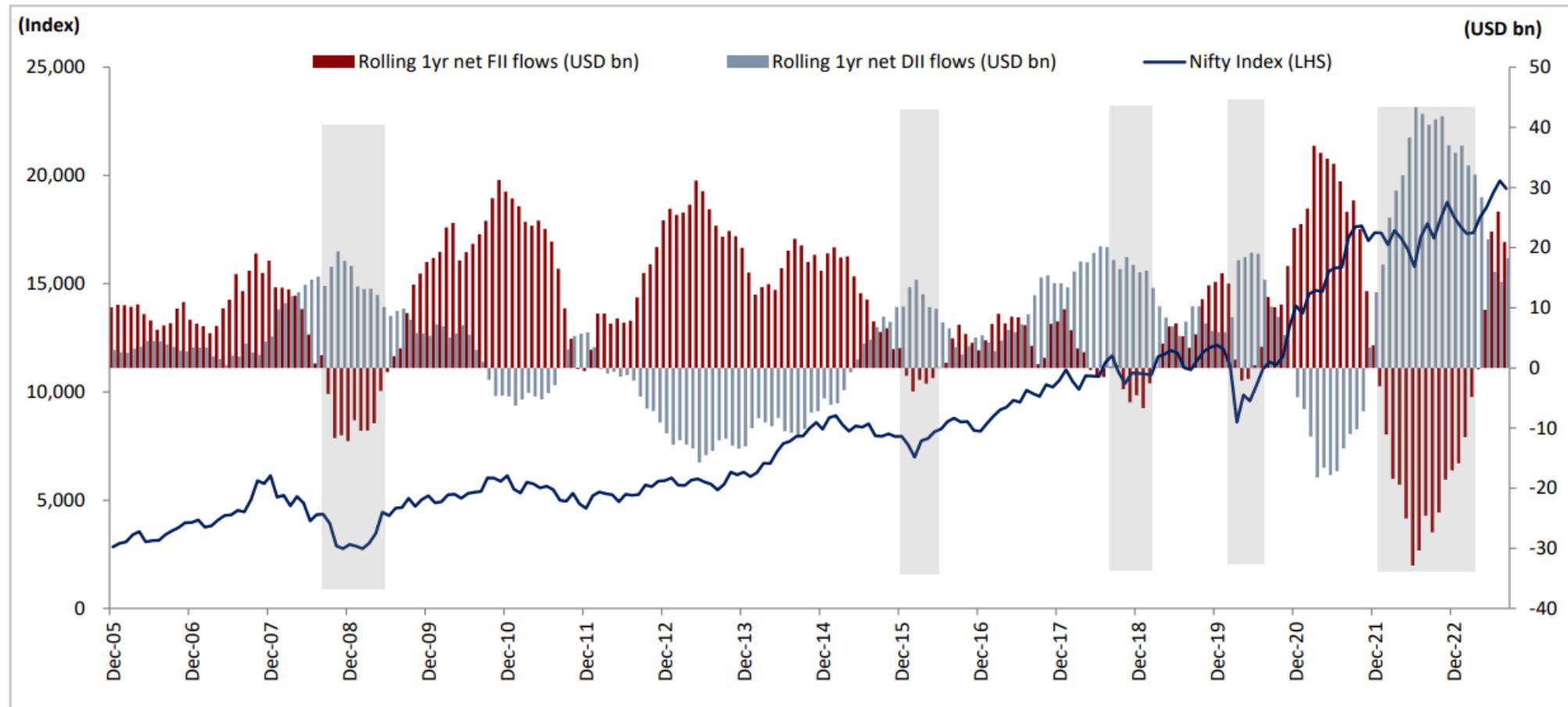
Domestic SIP inflows: Emerged as a key source of retail inflows in equities

Avg. Monthly SIP Flows (Rs billion)



Source: AMFI, Sharekhan Research

Resultantly domestic investors are becoming more relevant in Indian markets



Source: AMFI, Sharekhan Research

India: Fastest growing large economy globally in CY2023/CY2024

(Real GDP, annual percent change)	PROJECTIONS		
	2022	2023	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: Ahead of its emerging market peers

India's ranking is ahead of its emerging market peers for the sixth consecutive month

Launched in September 2019, Mint's Emerging Markets Tracker provides a summary of economic activity across 10 large emerging markets* based on seven high-frequency indicators. With a composite score of 73, India topped the EM league table in August. China and Mexico were second and third, respectively.



TOP COUNTRIES

1 INDIA topped the league table for the sixth straight month with the highest real GDP growth in the June quarter and PMI reading exceeding peers'.

2 CHINA climbed two places despite slowdown fears. Inflation remained under control and though lower-than-expected, GDP growth was among the best.

3 MEXICO jumped three spots to the third in August, with a relatively controlled drop in its currency, and inflation, too, in check.

mint

Country	Composite index score, August 2023	Real GDP growth (y-o-y, in %)	PMI manufacturing	Export growth (y-o-y, in %)	CPI inflation (y-o-y, in %)	Import cover (no. of months)	Exchange rate movement** (m-o-m, in %)	Stock market capitalization** (m-o-m, in %)
INDIA	73	7.8	58.6	-6.8	6.8	11.0	-0.8	0.8
CHINA	60	6.3	49.7	-9.6	0.1	15.1	-0.8	-2.4
MEXICO	53	3.6	51.2	2.2	4.6	4.1	-0.5	-2.2
BRAZIL	51	3.4	50.1	1.4	4.6	17.0	-2.2	-3.5
INDONESIA	46	5.2	53.9	-21.0	3.3	7.5	-1.4	1.2
THAILAND	43	1.8	48.9	-6.3	0.9	8.7	-1.2	0.5
TURKEY	41	3.8	49.0	1.6	58.9	2.5	-1.5	19.7
PHILIPPINES	41	4.3	49.7	-0.8	5.3	9.5	-2.5	-4.7
MALAYSIA	39	2.9	47.8	-18.5	2.0	5.3	-0.5	2.6

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 (November 2022)

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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The Washington Post (April 2023)

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 2023)



Jefferies - Greed & Fear Strategy

Jefferies

GREED & FEAR

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5 May 2022

A hapless Powell and a resilient Modi

Delhi

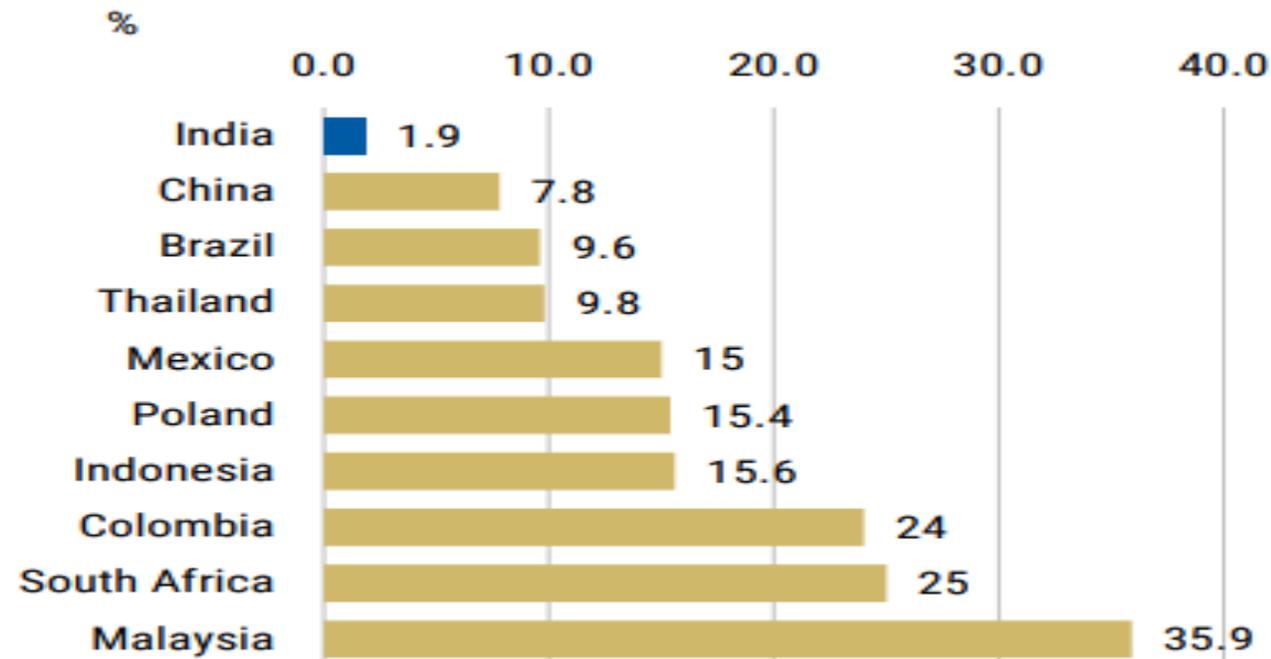
The reality of stagflation was the title of the most recent *Asia Maxima* (see [Asia Maxima 2022 - The reality of stagflation](#), 5 April 2022). That reality has certainly been confirmed by the latest US data both as regards inflation and wage growth. US headline PCE inflation rose from 6.3% YoY in 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 USD25-30 billion

India is going to join the index with 1% weight 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) of \$25-30 billion that will keep the Indian Rupee stable and low cost of funding for India.

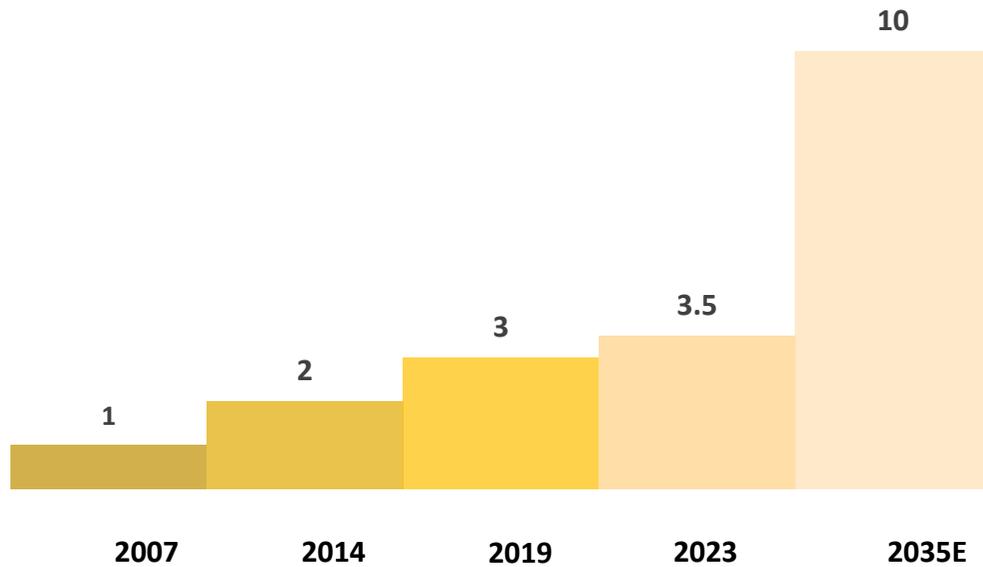
India has the lowest foreign ownership of government bonds among major EM countries



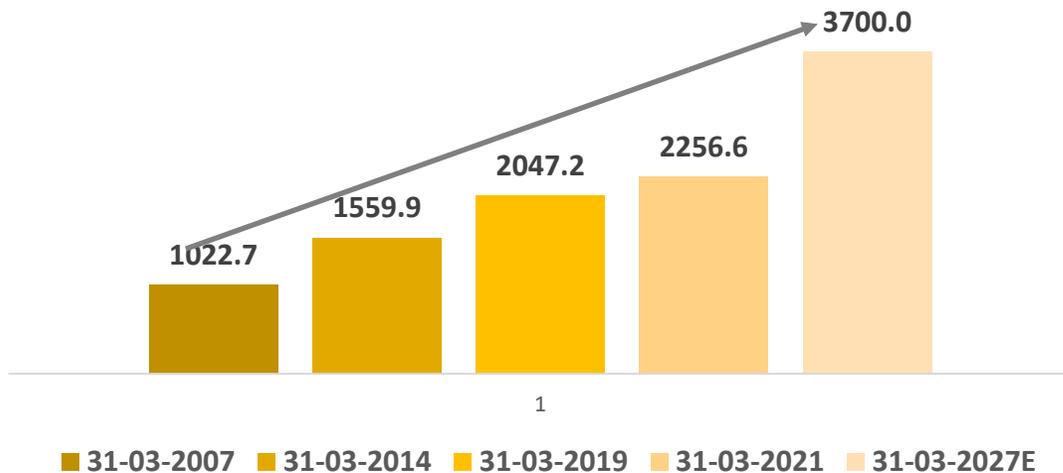
Source: Industry Report

India moving towards becoming a \$10 trillion economy

India GDP's in USD trillion



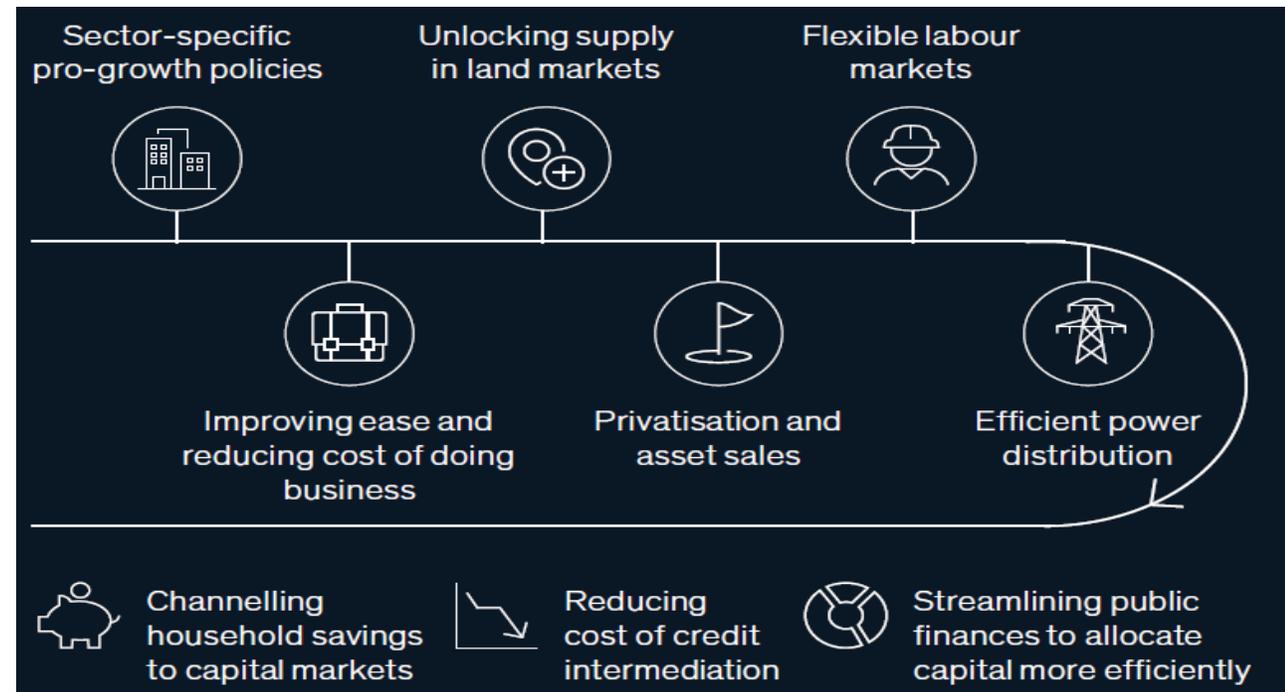
Per capita in \$



It took India 60 years since its independence to become a one trillion-dollar economy, but the second trillion was added only in seven years and the third trillion was added in just five years in 2019.

*According to a report by the Centre for Economics and Business Research (CEBR), **India will become USD10 trillion economy by 2035.***

Amrit Kaal: Envisioning India @2047





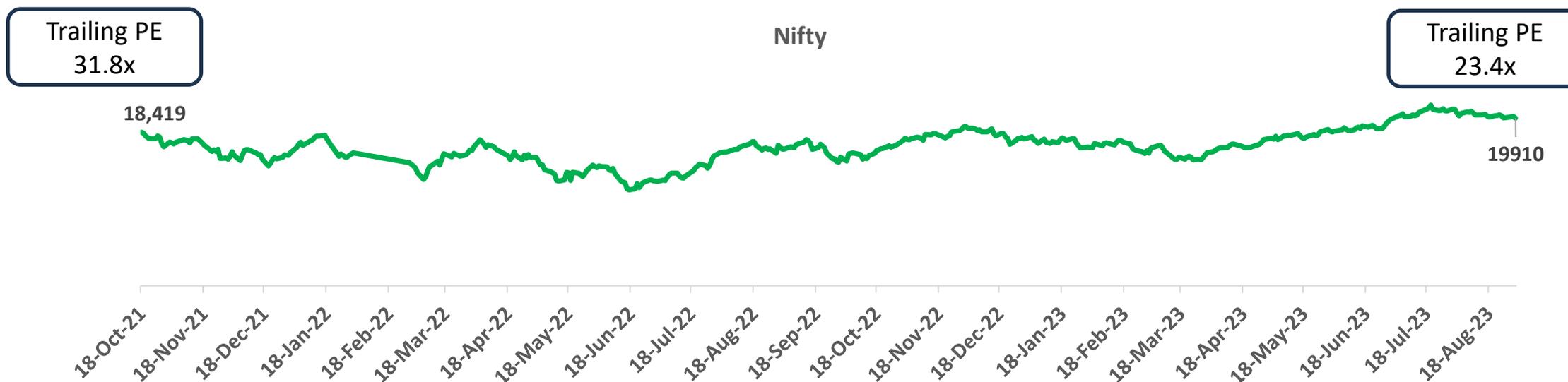
Valuation

Turned reasonable post time correction

Nifty at a new high, but valuations nowhere close to all-time high

	Oct-21	July-23	
Nifty EPS (Rs.)	582	820	↑
GST Collections (Rs. billion)	1300	1651	↑
Credit Growth (%)	6.3	15.5	↑
Manufacturing PMI	55.9	57.7	↑
Services PMI	58.4	58.5	↑

	Oct-21	July-23	
CPI (%)	4.48	4.81	↑
WPI (%)	13.83	-4.12	↓
10-year G-Sec Yields (%)	6.4	7.15	↑
Brent Crude (\$/bbl)	84.4	84	↔
Fiscal Deficit (%)	6.4	6.4	↔

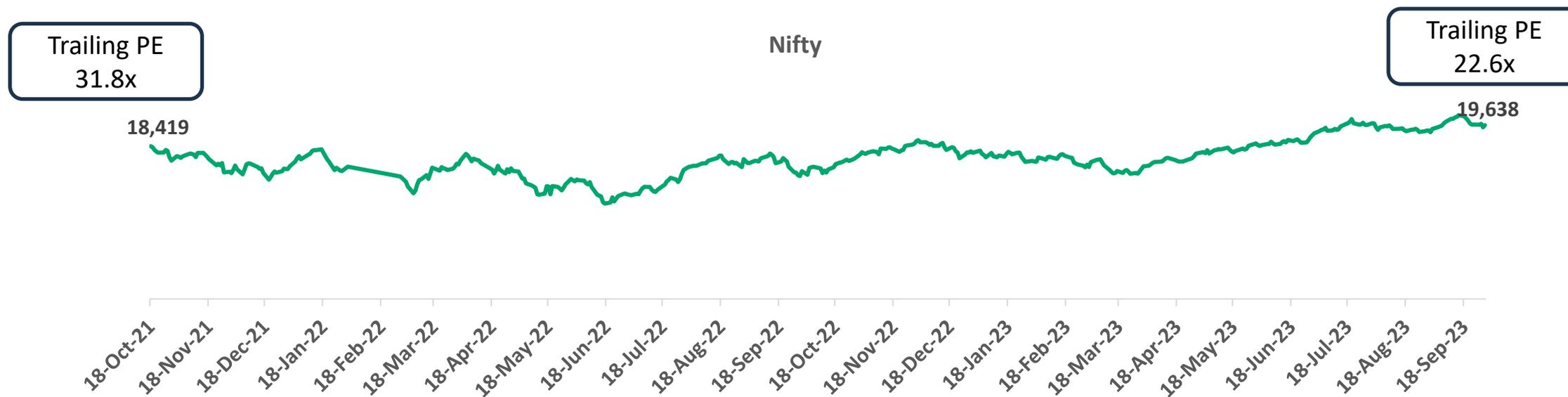


Source: Bloomberg, Sharekhan Research

Nifty at a new high, but valuations nowhere close to all-time high

	Oct-21	Sept-23	
Nifty EPS (Rs.)	582	820	↑
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CPI (%)	4.48	6.83	↑
WPI (%)	13.83	-0.52	↓
10-year G-Sec Yields (%)	6.4	7.21	↑
Brent Crude (\$/bbl)	84.4	92	↔
Fiscal Deficit (%)	6.4	6.4	↔

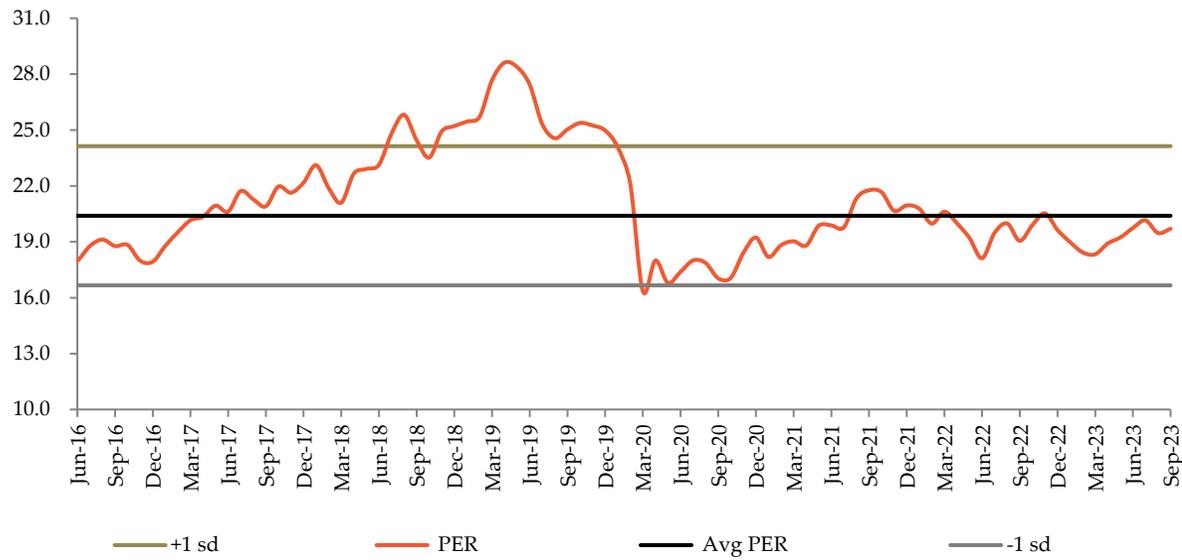


Source: Bloomberg, Sharekhan Research

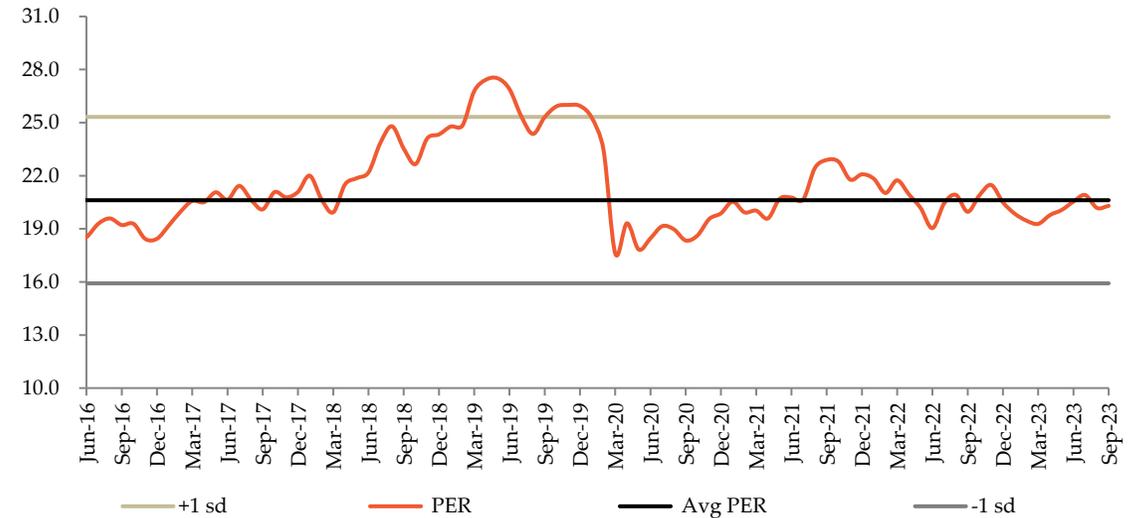
Valuation: Not che-ap anymore, but valuation nowhere close to all-time high levels

- Nifty trades at 20.7x and 18.2x its FY2024E and FY2025E earnings, respectively, which is broadly in line with its long-term average multiples.

One-year forward P/E chart of Nifty

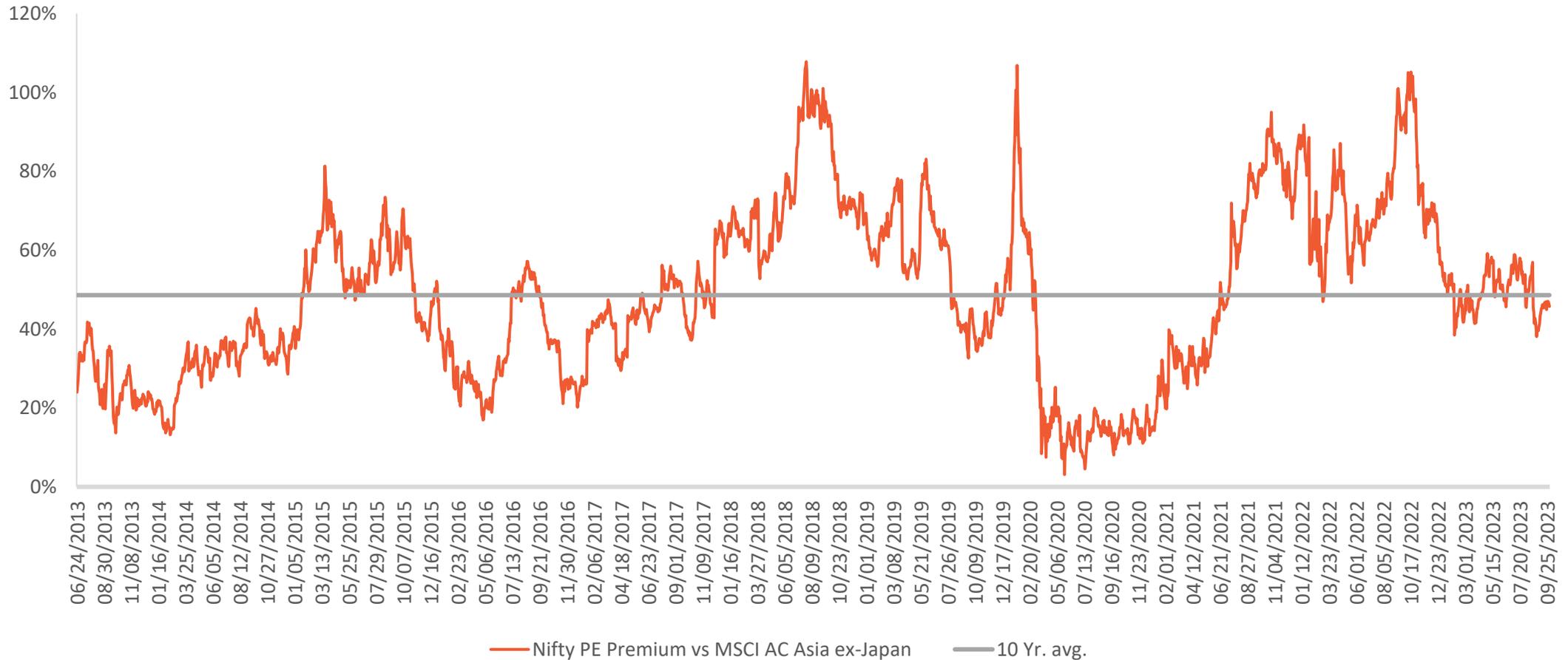


One-year forward P/E chart of Sensex



Source: Bloomberg; Sharekhan Research

Nifty P/E premium to MSCI AC Asia (ex-Japan) trades below historical average



Source: Sharekhan Research

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

- An analysis of the last five general elections since 1999 indicates that Nifty has gained significantly four times out of five times in the preceding year of the election.
- Hence, if history repeats, 2023 will see a sharp uptick in the 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 the possible outcome of 2024 General Elections, as these nine states altogether account for 21% of the total Lok Sabha seats.

Nifty's performance a year before General Elections 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%

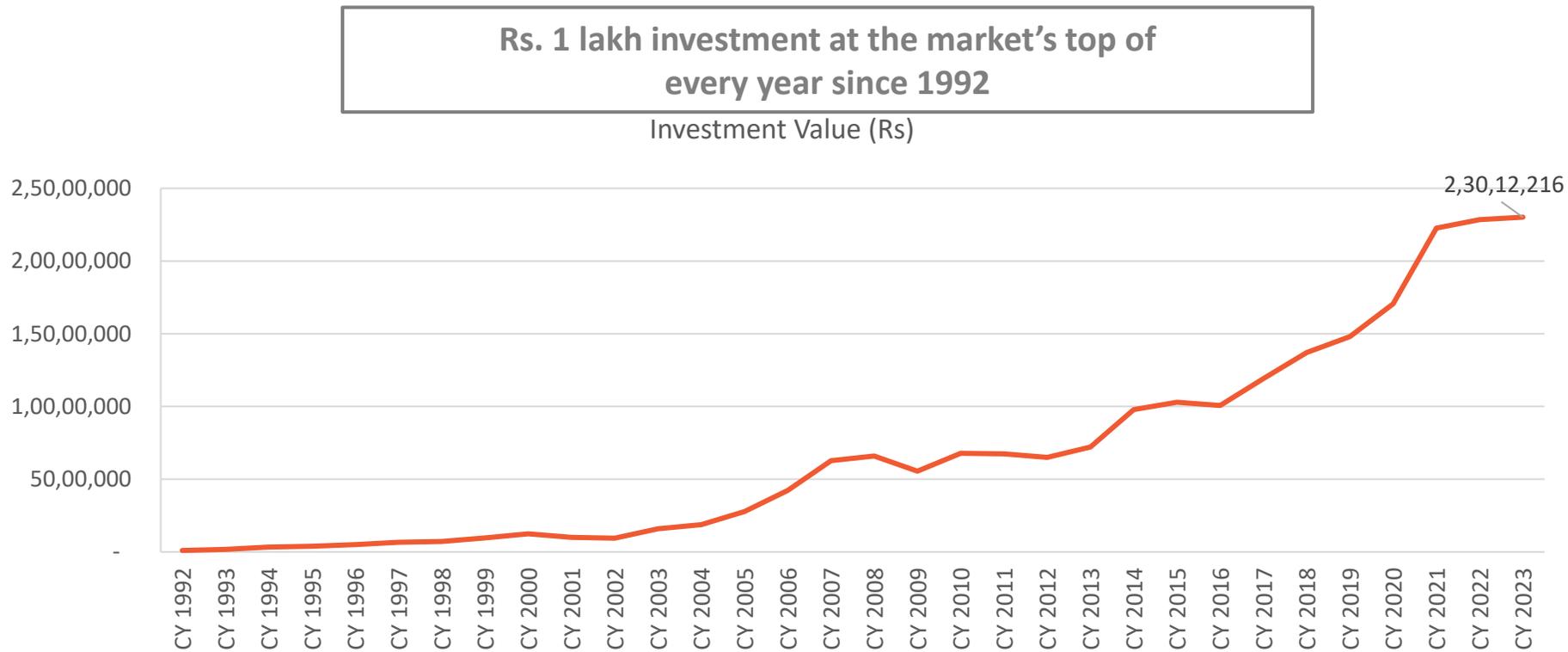
Nine states going for Assembly Elections in 2023

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

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, his/her investment would have become **Rs. 2.3 crore** – reflecting a **CAGR return of little over 11%**.
- It is important to invest in a 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 shown resilience amid a slew of negative changes in the macro environment domestically and globally. It started with the US Federal Reserve indicating a prolonged phase of high interest rates contrary to consensus expectations of a rate cut by mid-CY2024. Moreover, the rise in risk aversion is reflected in surging crude prices and firming up of USD.
- Domestically, uneven monsoons are likely to keep rural demand weak and opinion polls suggest a muted performance of BJP in most of the five states. Despite the headwinds, Nifty is standing tall at 19,800 level and outperformed most major equity markets globally.
- Markets do tend to give regular corrections of 5-8%, which turn out to be a buying opportunity in the hindsight. This time is no different.
- Hence, investors should focus on the **BIG PICTURE** of the multi-year growth upcycle in the Indian economy and corporate earnings rather than get bogged down by near-term challenges.
- So, stay invested in the right quality of stocks and do not miss out the opportunity to make handsome returns over the next 2-5 years.
- It is the time spent in the market that is important than timing the market. This clearly reflects in the study done in the past 30 years, where returns would have been healthy even if investors would have put money on the day of yearly market peak level.

DEBT/ FIXED INCOME UPDATE & OUTLOOK

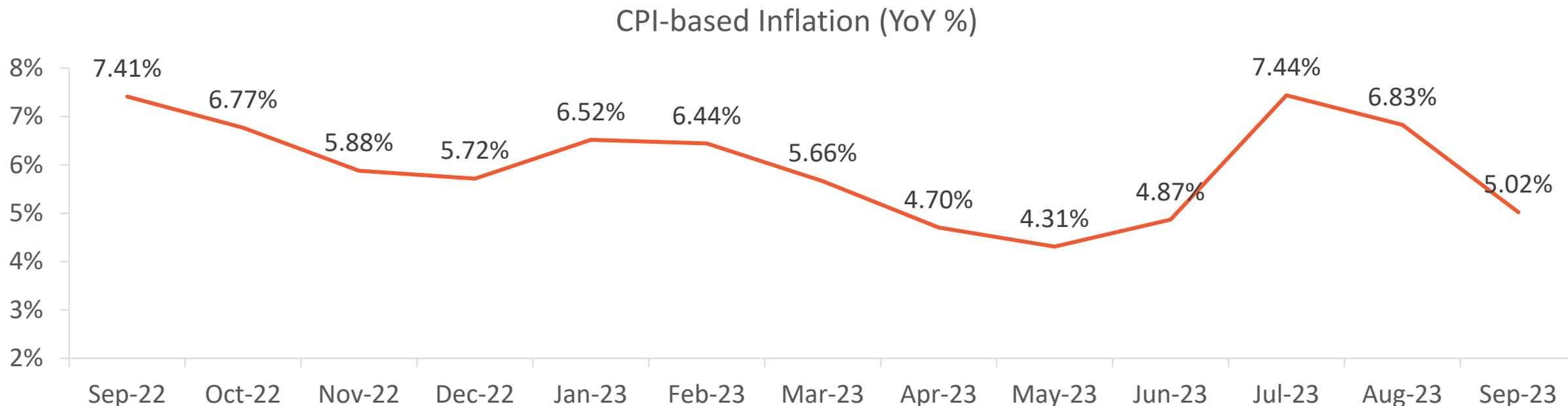
RBI monetary policy: RBI to keep liquidity conditions tight

In line with expectations, the MPC committee has unanimously decided to maintain the repo rate at 6.5%. The MPC also decided to stay focused on the withdrawal of accommodation to ensure that inflation progressively aligns with the target. The policy tone sounded hawkish due to inflation concerns and the RBI's intention to keep liquidity conditions tight.

Key Highlights

- The MPC has unanimously decided to keep the policy repo rate unchanged at 6.50% for the fourth 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.
- On the demand front, urban consumption continued to perform well, while rural demand is showing signs of revival. The RBI has retained its GDP forecast for FY2024 at 6.5% with Q2 at 6.5%, Q3 at 6%, and Q4 at 5.7%. GDP growth for FY2025 is projected at 6.6%. Geopolitical tensions, volatile financial markets, energy prices, and climate shocks pose risk to the growth outlook.
- The RBI has retained its CPI projections at 5.4% for FY2024 with Q2 at 6.4%, Q3 at 5.6%, and Q4 at 5.2%. The RBI has revised its Q2 projections at 6.4% from earlier projections of 6.2% due to spike in food inflation in July and August. The RBI predicts inflation to moderate in the coming months as it has reduced Q3 projections to 5.6% from earlier projections of 5.7%.
- The RBI had implemented an I-CRR of 10%, which impounded about Rs. 1.1 lakh crore from the banking system. The I-CRR was reviewed and discontinued in a phase manner, ending October 7, 2023. A pickup in government spending and the withdrawal of I-CRR can increase systematic liquidity. The government hinted that the RBI could opt for an open market operation (OMO) to manage liquidity.

Consumer Price Index (CPI) Inflation



- CPI inflation further eased to 5.02% in September 2023 compared to 6.83% in the previous month. Inflation is now below the RBI's upper band tolerance level of 6% after a gap of two months. This ease in inflation was aided by a drop in food inflation from 9.67% in August to 6.56% in September, and this was primarily due to lower vegetable prices.
- Food and beverages, which have the highest weight of 54.2% in CPI, eased to 6.3% compared to 9.19% in the previous month. The ease in inflation was primarily due to a sharp drop in vegetable prices.
- Among food items, cereals, pulses, and spices continue with double-digit growth of 10.95%, 16.38%, and 23.06%, respectively. Inflation in the miscellaneous segment, which has the weightage of 27% in the CPI basket, remained stable at 4.77% in September 2023 compared to the previous month.

Index of Industrial Production (IIP)

IIP growth moved up sharply to 10.3% in August 2023 compared to 6% in July 2023 and 3.8% in June 2023. All segments are contributing to this overall growth, but the major uptick was in electricity growth.

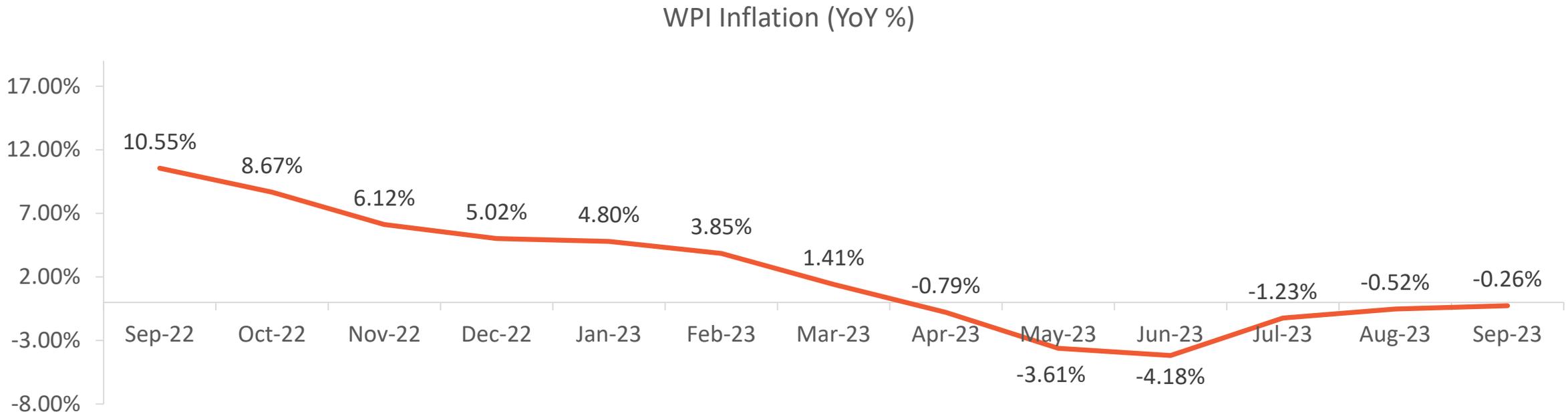
- **Mining:** The mining activity is on an upward trend from the last five months and moved to 12.3% in August 2023 compared to 10.7% in the previous month. The activity remained stable on m-o-m growth and the recent uptick was due to a favourable base effect.
- **Manufacturing:** It has the highest weightage of (77.6%) in the IIP. The output grew by 9.3% in August 2023 as compared to the previous month. Growth in the manufacture of pharmaceuticals, medicinal chemical, and botanical products (16.8%) and manufacture of fabricated metal products (22.4%) attributed to this IIP growth. Out of 23 industries, seven have recorded negative growth, eight reported double-digit growth, and the remaining registered positive growth. The maximum contraction was in the manufacture of wearing apparel (-17.1%) and furniture (-23.8%).
- **Electricity:** The electricity output has reported a positive trend from the last four months and grew by 15.3% in August 2023 compared to 8% growth in the previous month and 1.4% growth in the corresponding month of last year.

GROWTH IN SECTORAL			
	Jun-23	Jul-23	Aug-23
MINING	7.6%	10.7%	12.3%
MANUFACTURING	3.1%	5.0%	9.3%
ELECTRICITY	4.2%	8.0%	15.3%
GENERAL	3.8%	6.0%	10.3%
GROWTH IN USE-BASED CLASSIFICATION			
PRIMARY GOODS	5.3%	7.6%	12.4%
CAPITAL GOODS	2.0%	4.5%	12.6%
INTERMEDIATE GOODS	4.6%	2.4%	6.5%
INFRASTRUCTURE/ CONSTRUCTION GOODS	12.9%	12.4%	14.9%
CONSUMER DURABLES	-6.7%	-2.6%	5.7%
CONSUMER NON-DURABLES	0.3%	7.9%	9.0%

Source: MOSPI, Sharekhan Research

Industrial activity further improved in August 2023 as compared to the previous month. Consumption demand is likely to improve in the upcoming festive season, however inflation uncertainties could pose a risk for demand in consumption. External demand is likely to remain weak and could affect overall IIP growth.

Wholesale Price Index (WPI) Inflation



- WPI inflation is witnessing a negative trend from the last six months, but the speed of contraction is slowing down from the last four months. WPI inflation stood at -0.26% in September 2023 compared to the previous month inflation of -0.52% and now it is close to the positive territory.
- Inflation in primary articles, which has 22.6% weight in the WPI basket, has a positive trend from last three months and moved to 3.7% in September 2023 as compared to 6.34% growth in August 2023.
- Food inflation slowed during September to 3.35% compared to 10.6% in the previous month. The easing of vegetable inflation to -15% after surging 48.39% in the previous month aided to ease the overall food inflation. Food inflation eased to 1.54% in September as compared to 5.62% in the previous month.
- The contraction in fuel and power and manufactured products was slower in September at -3.35% and -1.34%, respectively, compared to -6.03% and -2.37%, respectively, in the previous months.

Liquidity: RBI to keep liquidity conditions tight

- The average call money rate has been hovering above the repo rate as the average liquidity started shrinking at the beginning of October as compared to average liquidity of previous months.
- The banking system's liquidity moved to neutral from the beginning of the month and, as a result, overnight call rates rose above the repo rate. With call money rates firming, banks are also borrowing from MSF window to fulfill liquidity requirements. The yield curve witnessed mild inversion due to tight liquidity conditions.

Bond prices and other updates

- The 10-year benchmark bond yield remained elevated following the hawkish policy tone of the RBI, sharp rise in U.S. bond yields, and elevated crude oil prices. Although the RBI has kept the repo rate and policy stance unchanged, the bond market witnessed sell-off in reaction to the central bank's hint of OMO sales to mop up excess liquidity.
- The announcement of market borrowing calendar for H2FY2024 was on expected lines and does not affect the yield curve movement. However, the government has introduced bonds with ultra long duration of 50 years.
- The RBI has kept the repo rate unchanged at 6.5% and the policy stance unchanged as withdrawal of accommodation to ensure that the inflation progressively aligns with the target. The policy tone sounded hawkish due to inflation concerns and the RBI's intention to keep the liquidity conditions tight.
- The RBI has retained its GDP projection for FY2024 at 6.5%, but geopolitical tensions, volatile financial markets, energy prices, and climate shocks could pose a risk to the growth outlook.
- The RBI has retained its CPI inflation projections at 5.4% for FY2024 and revised its Q2 projections at 6.4% from earlier projections of 6.2%. The RBI predicts inflation to moderate in the coming months as it has reduced Q3 projections to 5.6% from earlier projections of 5.7%.
- The pick-up in government spending and withdrawal of I-CRR can increase the banking system's liquidity, but the RBI could opt for open market operations (OMO) to manage excess liquidity and keep liquidity conditions tight.

U.S. bond yields, inflation uncertainties, and crude prices to drive bond yields in the near term

- On expected lines, the monetary policy review was status quo on policy rates and stance. However, the RBI revised its Q2 inflation projections to 6.4% from earlier expectations of 6.2% and retained its GDP projections at 6.5%. The policy tone sounded hawkish due to inflation concerns and RBI's stance on managing liquidity conditions.
- Headline inflation eased to 5.02% in September 2023 compared to 6.8% in the previous month. Inflation is now below the RBI's upper band tolerance level of 6% after a gap of two months. The softening of inflation was largely on account of waning food inflation. However, uneven monsoons and elevated crude oil prices pose an upside risk to inflation. Considering the underlying inflationary risk, the RBI would prefer to keep liquidity conditions tight.
- India's inclusion in JP Morgan's emerging market index from June 2024 is good for bond yields and currency in the medium to long term. The staggered 10% weightage for India to attract inflows of around \$30 billion. While this would be favourable for Indian bond yields in the long term, US bond yields, inflation uncertainties, and crude oil prices are expected to drive bond yield trends in the near term.

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 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 (Rs. crore)	YTM Sept- 23 (%)	Macaulay Duration in years	Performance			
				6 Months	1 Year	2 Years	3 Years
ICICI Prudential Long-Term Bond Fund – Growth	653	7.5	7.5	2.3	6.4	3.3	2.6
Aditya Birla Sun Life G-Sec Fund - Reg – Growth	1460	7.4	6.2	2.1	6.5	3.5	3.8
Kotak Gilt Fund – Growth	2709	7.7	5.8	2.4	6.4	3.4	4.1
Bandhan Bond Fund - Income Plan - Reg – Growth	491	7.4	2.6	1.4	5.6	2.4	2.5
(Performance as on October 11, 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
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
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
Aditya Birla Sun Life	Aditya Birla Sun Life 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 regular income amount at any time	Dividend frequency is at the discretion of the fund house
Taxation	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
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 the manufacturing theme	Very High
Franklin India Opportunities Fund	The 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
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		
Edelweiss Flexi Cap Fund	To generate long-term capital appreciation from a diversified portfolio that dynamically invests in equity and equity-related securities of companies across various market capitalisation	Very High
HDFC Flexi Cap Fund	To generate capital appreciation/income from a portfolio, predominantly invested in equity and equity-related instruments	Very High

Scheme Name	Category	Corpus (In crs.)	1 Year	3 Years	5 Years
ICICI Prudential Manufacturing Fund - Reg - Growth	Thematic	1,387	33.5	32.8	--
Franklin India Opportunities Fund - Growth	Thematic	1,401	34.8	28	18.8
UTI Transportation and Logistics Fund - Growth	Thematic	2,398	23.7	26.3	13.5
ICICI Prudential Infrastructure Fund - Growth	Sectoral-Infra	3,230	37.9	46	22.8
HDFC Flexi Cap Fund - Growth	Flexi Cap	39,794	25.4	32.2	18.1
Franklin India Flexi Cap Fund - Growth	Flexi Cap	12,141	23.5	28.1	17.1
(Performance as on October 11, 2023)					

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 the growth story through thematic and sectoral schemes.

MUTUAL FUND MODEL PORTFOLIOS | Go Global Basket

Scheme Name	International Allocation as per Aug-23 Portfolio	Objective	Riskometer
International Schemes			
Motilal Oswal S&P 500 Index Fund	100%	The Scheme seeks investment return that corresponds to the performance of S&P 500 Index subject to tracking error	Very High
Motilal Oswal Nasdaq 100 Fund of Fund	100%	Investing in units of Motilal Oswal Nasdaq 100 ETF	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	15%	Investing in diversified portfolio comprising primarily of MNC companies.	Very High

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 Name	Corpus (In crs.)	1 Year	3 Years	5 Years
International Schemes				
ICICI Prudential US Bluechip Equity Fund - Growth	2,692	28.4	13.2	13.6
Motilal Oswal S&P 500 Index Fund(MOFSP500) - Reg - Growth	2,743	22.7	12.8	--
Motilal Oswal Nasdaq 100 FOF - Reg - Growth	3,967	40	12.7	--
MF Schemes with International Allocation				
Axis Growth Opportunities Fund - Reg - Growth	9,779	19.9	23.9	--
SBI Magnum Global Fund - Growth	6,319	18.4	21.6	16.7
(Performance as on October 11, 2023)				

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