

November 24, 2023

Equity Market

Update

Nifty 50 Index declined by 2.8% during the month of October. Middle East crisis leading to crude jumping weighed on investor minds. The Mid-cap Index fell 4.1% while the Small-cap Index declined 0.8%.

Globally, most of the markets declined, with South Korea, Thailand and the Philippines declining 7.6%, 6.1% and 5.5%, respectively. On an overall basis, global risk assets have stayed under pressure over the past three months, reeling under the pressure of rising yields.

Overall, Nifty witnessed a correction of around 7% from the highs in the month of September till the lows in October.

The global crude oil prices declined by around 10% in last one month, even as the threat of supply side disruptions from the Israel- Hamas conflict remained.

Net FII (Foreign Institutional Investors) flows into equities were negative for October (-USD2.6Bn, following -USD1.8 Bn in September 2023). DIIs (Domestic Institutional Investors) remained net buyers of Indian equities (+USD3.4 Bn, from +USD2.6 Bn from last month). YTD, FPI net buying stands at USD12.1 Bn, while DIIs have bought stocks worth USD19 Bn.

Mid and small caps continued to be preferred over large caps given these companies are most domestic focused vs large caps which have a global exposure, wherein the outlook is not as bright.

Outlook

Overall domestic demand and activity levels remain healthy. Headline inflation will start coming down as government measures to bring down food inflation start to show an impact. Core inflation has been coming down, albeit a little slowly. Global growth continues to be mixed and needs to be monitored closely for any spill-over to India.

Key risk for India in the short term will be macro conditions on the global front. This might be triggered by higher inflation print in US and protracted slowdown in Chinese consumption. On the domestic front, weak monsoons and higher food inflation may lead to some impact in the rural economy and overall domestic demand in the near-term. However, given pre-election year, govt. spending should offset any slowdown.

Overall, the outlook for earnings growth remain strong with earnings CAGR of 18% over next two years. The Nifty 50 index is currently trading at a FY25 (1.5 year forward) P/E ratio of 17.5x with EPS of ₹ 1100 for FY25. While valuation looks marginally higher when compared to historical average, markets have traded at even higher valuation levels historically.

Investors should continue to with their regular investment while lumpsum investment should be made at every minor corrections.

Indian equity markets have shown remarkable resilience as reflected from the recovery from any market fall in last few quarters. Given sustained earnings growth trajectory, buy on dips remain a better allocation strategy.

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Debt Market

Update

Through the month of October, Indian bond yields surged higher amidst the continued rise in US bond yields. Indian 10- year yields moved up by 13 bps to end at 7.35% vs 7.22% a month ago.

Corporate bond yields rose in tandem, with the shorter-end of the curve rising faster than the longer-end. Credit spreads narrowed on the shorter-end of the yield curve.

The threat of RBI conducting Open market sales of government securities led to yields moving up over the last month. However, the core message from the MPC statement is probably RBI's intent to align CPI closer to the midpoint of 4%. Liquidity management continues to remain the primary tool in this objective, while the lag effects of prior actions work its way through the economy.

Yields remained high for a significant part of the month, tracking intermittent spikes in US Treasury yields due to expectations that Fed will keep interest rates high for longer, US inflation data cues, a strong dollar index, and upbeat private jobs data

CPI inflation for the month of October 2023 came in lower and on expected lines at 4.87% as compared to 5.02% in September. Food and beverage inflation was stable at 6.24% in October, as compared with 6.3% in September. Core inflation eased to 4.62% from 4.97% a month ago. Sequentially, food prices rose by 3.3% largely due to the sharp rise in Onion prices.

The latest print however does not change the medium-term outlook with headline CPI inflation likely be in the range of 5.0%-5.5% in H2FY24. It is also unlikely to have any major impact in bond yields or on equity markets. While volatile food prices is a concern, fall in global crude oil prices and expectations of no further rate hike by U.S. Fed provides RBI comfort to maintain status quo on rates for the foreseeable future.

Outlook

While the RBI has indicated the possibility of OMO sales through the auction method, small ticket sales on the NDS have been conducted to ensure liquidity remain comfortable.

High frequency indicators continue to provide evidence of a healthy growth trend even as the impact of both global and domestic monetary tightening should be felt with a lag. Government finances both at the central and state level continue to show a positive trend alongside higher capital expenditure.

The demand- supply dynamics continue to remain broadly supportive, even if the RBI were to carry out OMO sales. At the same time, the challenging ask of aligning CPI to the midpoint amidst a relatively better growth outlook and continuing external uncertainties warrants a directionally cautious duration stance for a while.

While the yield curve in the 2 – 5 years segment is offering attractive nominal yields; given that we have seen some correction in longer end bonds one can look to play duration in this segment on a tactical basis.

Inclusion of Indian Government Bonds in J.P. Morgan global bond indices has improved the outlook for debt markets across the yield curve.

Accrual funds like medium term funds have even become even more attractive for core debt allocation. Investors may put lumpsum amount at current levels as upside risk in yields have gone away with the recent global bond index inclusion.

Industry Synopsis

The month of October 2023 saw the AUM of the MF industry saw a marginal rise to all-time high at ₹46.7 lakh crore as compared to ₹46.6 lakh crore in September 2023.

Inflows (Ex-NFOs) came in higher at ₹17000 in October 2023 as compared to ₹11600 crore in September 2023. Total inflow including NFOs in October was ₹20000 Vs ₹14100 crore in September.

Inflows recovered in October after witnessing marginal moderation in September as investors put in higher amount during the correction witnessed during the month of October. Midcap and smallcap category continue to witness higher flows. Smallcap: ₹ 3400 crore vs ₹2700 crore, Midcap: ₹2400 crore vs ₹2000 crore. Largecap funds which saw outflows since last four months, witnessed inflows of ₹724 crore during October 2023.

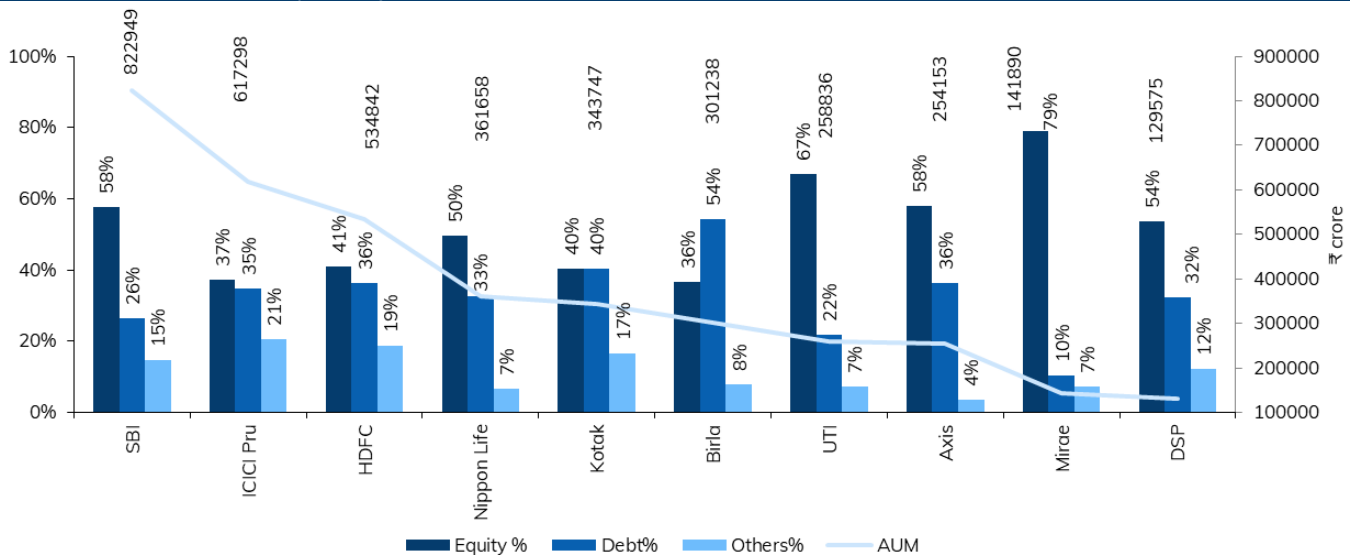
SIP inflows continue to rise. At ₹16928 in October Vs ₹16420 crore in September 2023.

ETFs saw higher inflows at ₹4769 crore in the month of October 2023 as compared to ₹32000 crore in September 2023.

Debt funds witnessed inflows across categories like corporate bond funds, short duration funds, Gilt funds etc. as yield levels become attractive post the recent rise due to global sell-off.

Inflows came in higher in the month of October after lower flows in September as investors put in higher amount during market fall in the month of October

Exhibit 1: Total AUM, break-up of major AMCs



Source: ACE MF. Data as on month-end Oct 2023

Exhibit 2: AUM growth highest in Small cap category in last 1 year

Category	Oct-23	Oct-22	Growth
Small Cap Fund	1,99,445	1,26,096	58%
Multi Cap Fund	94,285	65,286	44%
Mid Cap Fund	2,41,299	1,82,767	32%
Sectoral/Thematic Funds	2,18,455	1,67,805	30%
Value Fund/Contra Fund	1,14,601	88,992	29%
Large & Mid Cap Fund	1,59,852	1,26,797	26%
Flexi Cap Fund	2,85,762	2,48,853	15%
ELSS	1,75,139	1,55,115	13%
Large Cap Fund	2,60,808	2,44,691	7%
Focused Fund	1,11,308	1,05,641	5%

Source: ACE MF

Exhibit 3: Investors refrain from redeeming when market fell in Oct

Month	Gross Purchase	Redemption	Net Flows
Oct-23	40809	23847	16,962
Sep-23	39652	28064	11,588
Aug-23	39821	24577	15,244
Jul-23	35026	30411	4,615
Jun-23	35004	29404	5,600
May-23	30635	27569	3,066
Apr-23	23789	18921	4,868
Mar-23	34800	18107	16,693
Feb-23	27428	16790	10,638
Jan-23	28229	16887	11,342

Source: ACE MF

Equity funds: Pharma funds outperformed, smallcap & midcap funds continue to perform

Pharma funds made a strong comeback outperforming its peers sector funds as well as diversified funds in last one month as most of the stocks bounced back from the lows after having underperformed.

Banking funds after having performed well, have seen some underperformance in last few months as investors booked profit.

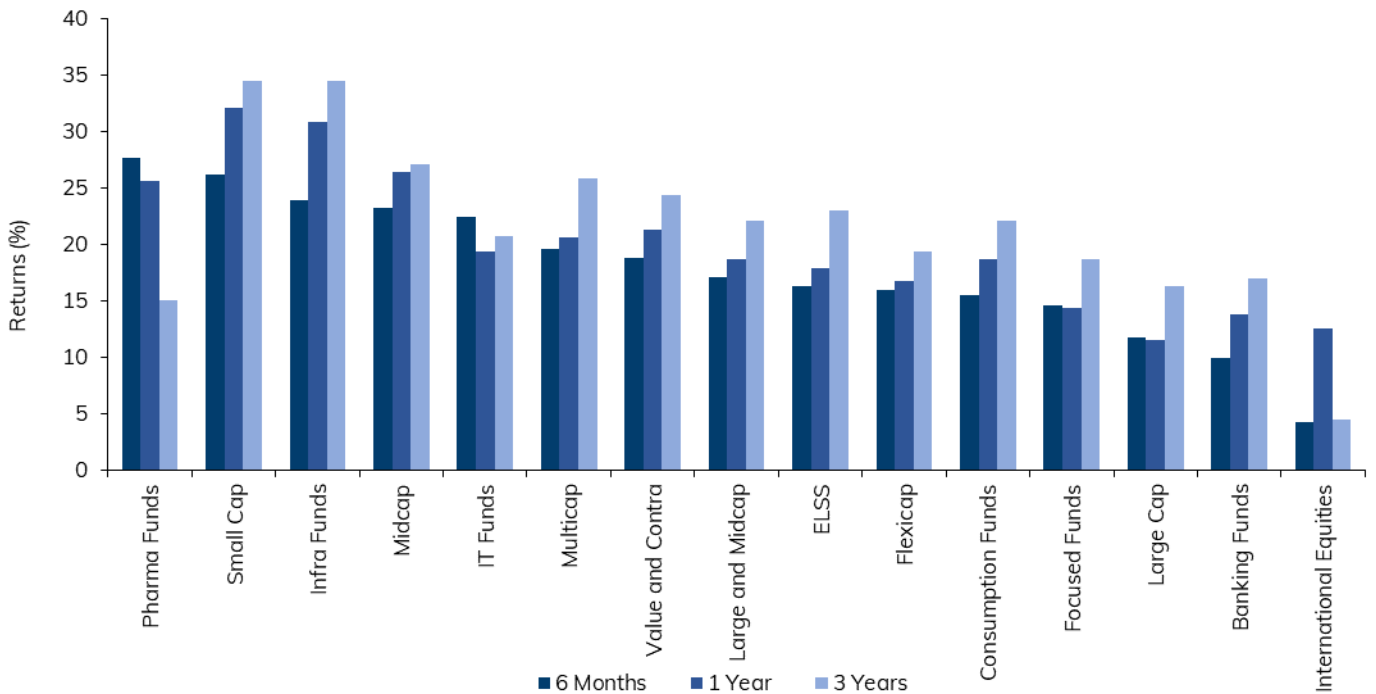
Small cap funds continue to perform well and have outperformed in the recent rally from the lows in March 2023. There was a minor correction in the month of October which smallcap stocks underperforming. However it bounced back sharply post that.

Infrastructure funds have seen significant outperformance in last one/two year as cyclical sectors outperform from capex related expenditure driven by Government spending.

Global funds have seen a comeback in performance in last one month as global markets recover after having underperformed. Expectation of peak in interest rates in by U.S. Federal Reserve led to investors interest coming back to markets.

Sector rotation has been happening sharply in the last few quarters. Investors should be extra vigilant while taking exposure to sector funds

Exhibit 4: Pharma funds outperformed significantly in last two months. Small cap/Midcap funds continue to outperform.



Source: ACE MF. Category average returns as on 21st, Nov 2023.

Exchange traded funds (ETFs)

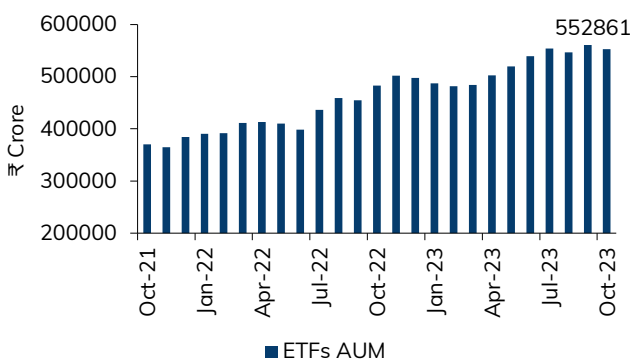
ETFs have already taken the world by storm, with assets under management (AUM) in such funds already surpassing that in traditional mutual funds in many countries. Passive funds emerged in the US more than two decades ago. The first modern day exchange traded fund (ETF) S&P SPDR (Spiders) started trading in the US in 1993. The market for ETFs has grown tremendously since then. Today, more than 2,000 ETFs are listed in the US. In India, the ETF landscape has gained traction since 2015 and has not only become much bigger but also more diverse. AUM for ETFs has grown from ~₹ 5400 crore in December 2014 to ₹ 5.6 lakh crore currently. While growth in ETF is driven by institutional flows led by EPFO in Nifty 50 and BSE Sensex ETF along with CPSE ETFs, inflows from individual investors have also started gaining traction.

This trend of allocation towards ETF is increasing and is likely to gain further traction. The ETF market is expected to grow on the back of continued thrust from the government and rising acceptance of such products as an investment vehicle by the retail segment.

ETFs are best placed from an asset allocation perspective as they do not carry any stock selection risk. Indian equity ETF market has grown with many categories of ETFs now available in large cap, midcap, thematic segments.

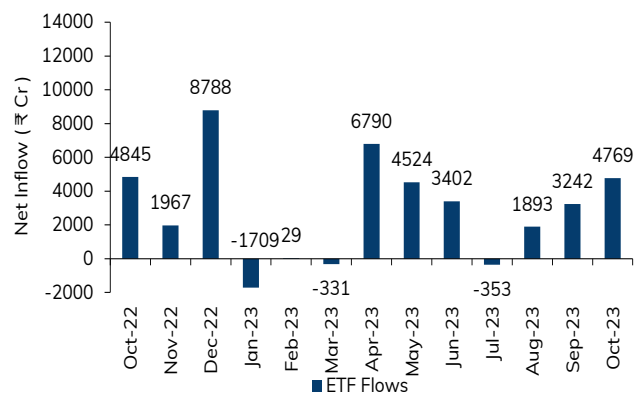
ETFs have a number of attractive features. Usually, they have much lower fees and can be bought and sold during the day as opposed to mutual funds that usually execute at the close. Earlier, there was primarily the Nifty or Sensex ETF but now there are many ETFs in the large cap space like Nifty Next 50 ETF. Similarly, in midcaps, Nifty Midcap 100 ETF and Nifty Midcap 150 ETF are available to take exposure to midcaps. Many thematic ETFs are also available like banking ETFs and Nasdaq 100 ETFs.

Exhibit 5: Rise in market leads to ETF AUM at ₹ 5.6 lakh crore



Source: AMFI

Exhibit 6: ETFs inflows recovered in last months



Source: AMFI

Different category of investment options available under ETFs

Exhibit 7: Currently around 40 categories of ETFs available in Indian market

Nos.	Types of ETFs	Name of ETF	AUM (Cr)
I Largecap oriented ETFs			
1	Nifty 50 ETF	Most AMCs 13641 (Highest- Nippon AMC)	
2	Sensex ETF	Most AMCs	695 (Highest-LIC MF)
3	Nifty 50 Equal Weight ETF	DSP Nifty 50 Equal Weight ETF	70
4	BSE 100 ETF	SBI-ETF BSE 100	7
5	Nifty 100 ETF	LIC MF ETF-Nifty 100	612
		Nippon ETF Nifty 100	190
		ICICI Pru Nifty 100 ETF	54
		HDFC Nifty 100 ETF	8
6	Nifty 100 Low Vol 30 ETF	ICICI Pru Nifty 100 Low Volatility 30 ETF	1935
		HDFC NIFTY100 Low Volatility 30 ETF	6
		Kotak Nifty 100 Low Volatility 30 ETF	6
7	S&P BSE Low Volatility ETF	Motilal Oswal S&P BSE Low Volatility ETF	17
8	Nifty Alpha Low Vol 30 ETF	ICICI Pru Alpha Low Vol 30 ETF	475
9	NIFTY100 Quality 30 ETF	HDFC NIFTY100 Quality 30 ETF	9
10	Nifty 200 Quality 30 ETF	SBI Nifty 200 Quality 30 ETF	48
		Aditya Birla SL Nifty 200 Quality 30 ETF	11
11	S&P BSE Quality ETF	Motilal Oswal S&P BSE Quality ETF	7
12	Nifty 200 Momentum 30 ETF	Motilal Oswal Nifty 200 Momentum 30 ETF	23
		Aditya Birla SL Nifty 200 Momentum 30 ETF	13
		HDFC NIFTY200 Momentum 30 ETF	7
		ICICI Pru Nifty 200 Momentum 30 ETF	9
13	Nifty Next 50 ETF	Nippon India ETF Junior BeES	3194
		SBI-ETF Nifty Next 50	1491
		UTI-Nifty Next 50 ETF	1296
		ICICI Pru Nifty Next 50 ETF	362
		Mirae Asset Nifty Next 50 ETF	122
		Aditya Birla SL Nifty Next 50 ETF	77
		HDFC NIFTY Next 50 ETF	10
14	Sensex Next 50 ETF	Nippon India ETF Sensex Next 50	25
		SBI-ETF Sensex Next 50	10
		UTI S&P BSE Sensex Next 50 ETF	6
15	Nifty 50 Value 20 ETF(NV20)	ICICI Pru Nifty50 Value 20 ETF	78
		Nippon India ETF Nifty 50 Value 20	84
		Kotak Nifty 50 Value 20 ETF	45
		HDFC NIFTY50 Value 20 ETF	16
16	Nifty Dividend Opportunities 50 ETF	Nippon India ETF Dividend Opportunities 50	25
17	NIFTY Growth Sectors 15 ETF	HDFC NIFTY Growth Sectors 15 ETF	8
II Midcap Oriented ETFs			
18	Nifty Midcap 50 ETF	Kotak Nifty Midcap 50 ETF	13
19	Midcap 100 ETF	Motilal Oswal Nifty Midcap 100 ETF	356
20	Nifty Midcap 150	Nippon India ETF Nifty Midcap 150	942
		Mirae Asset Nifty Midcap 150 ETF	388
		ICICI Pru Midcap 150 ETF	195
		HDFC NIFTY Midcap 150 ETF	5
21	Midcap Select ETF	ICICI Pru S&P BSE Midcap Select ETF	30
22	Nifty Midcap 150 Quality 50 ETF	DSP Nifty Midcap 150 Quality 50 ETF	73
III Multicap Oriented ETFs			
23	S&P BSE 500 ETF	ICICI Pru S&P BSE 500 ETF	108
		HDFC S&P BSE 500 ETF	5
24	Nifty Alpha 50 ETF	Kotak Nifty Alpha 50 ETF	72
IV Sectors/Thematic/ Global ETFs			
25	Banking ETF	Nippon India ETF Bank BeES	6188
		Kotak Nifty Bank ETF	4581
		SBI Nifty Bank ETF	4451
		ICICI Pru Nifty Bank ETF	3353
		UTI Nifty Bank ETF	3127
		Aditya Birla SL Nifty Bank ETF	3055
		HDFC NIFTY Bank ETF	2334
		Axis NIFTY Bank ETF	168
		DSP Nifty Bank ETF	93
		Edelweiss ETF - Nifty Bank	2
26	PSU Bank ETF	Nippon India ETF Nifty PSU Bank BeES	1342
		Kotak Nifty PSU Bank ETF	1103
		ICICI Pru Nifty PSU Bank ETF	16
		DSP Nifty PSU Bank ETF	11

27	Private Bank ETF	ICICI Pru Nifty Private Bank ETF	2082
		HDFC Nifty Private Bank ETF	329
		SBI Nifty Private Bank ETF	267
		Tata Nifty Pvt Bank ETF	10
28	Financial Services ETF	Mirae Asset Nifty Financial Services ETF	259
29	Nifty Financial Services Ex-Bank	ICICI Pru Nifty Financial Services Ex-Bank ETF	44
30	Nifty IT ETF	Nippon India ETF Nifty IT	1604
		ICICI Pru Nifty IT ETF	388
		Axis NIFTY IT ETF	171
		Aditya Birla SL Nifty IT ETF	134
		Kotak Nifty IT ETF	94
		SBI-ETF IT	68
		Tata Nifty India Digital ETF	53
		HDFC NIFTY IT ETF	47
31	Pharma/Healthcare	Nippon India Nifty Pharma ETF	297
		ICICI Pru Nifty Healthcare ETF	80
		Aditya Birla SL Nifty Healthcare ETF	32
		Axis NIFTY Healthcare ETF	14
		Motilal Oswal S&P BSE Healthcare ETF	7
32	Nifty India Consumption ETF	Nippon India ETF Nifty Consumption	45
		ICICI Pru Nifty Consumption ETF	43
		Axis NIFTY India Consumption ETF	12
		SBI Nifty Consumption ETF	9
		Kotak NIFTY India Consumption ETF	1
33	Nifty Infrastructure ETF	ICICI Pru Nifty Infrastructure ETF	91
		Nippon India ETF Nifty Infrastructure BeES	43
34	Nifty 100 ESG Sector Leaders ETF	Mirae Asset Nifty 100 ESG Sector Leaders ETF	138
35	Nifty 50 Shariah ETF	Nippon India ETF Nifty 50 Shariah BeES	18
36	Global ETF	Motilal Oswal Nasdaq 100 ETF	6616
		Motilal Oswal NASDAQ Q 50 ETF	22
		Mirae Asset NYSE FANG+ ETF	1643
		Mirae Asset S&P 500 Top 50 ETF	449
		Nippon India ETF Hang Seng BeES	201
		Mirae Asset Hang Seng TECH ETF	208
37	CPSE ETF	CPSE ETF	22537
38	BHARAT 22 ETF	BHARAT 22 ETF	11404
√	Commodities: Gold ETFs		
39	Gold ETF	Most AMCs	7613 (Highest-Nippon AMC)
40	Silver ETF	ICICI Prudential Silver ETF	769
		Nippon India Silver ETF	767
		Aditya Birla Sunlife Silver ETF	254
		HDFC Silver ETF	95
		UTI Silver ETF	40
		DSP Silver ETF	40
		Axis Silver ETF	36
		Kotak Silver ETF	18
		Mirae Asset Silver ETF	13
√	Debt ETFs		
41	BHARAT Bond ETF - April 2025		12659
	BHARAT Bond ETF - April 2030		17775
	BHARAT Bond ETF - April 2031		12997
	BHARAT Bond ETF - April 2032		10439
	BHARAT Bond ETF - April 2033		5339
	Nippon India ETF Nifty SDL Apr 2026 Top 20 Equal Weight		7486
	Nippon India ETF Nifty 1D Rate Liquid BeES		8956
	ICICI Pru S&P BSE Liquid Rate ETF		3315
	SBI Nifty 10 yr Benchmark G-Sec ETF		2712
	Nippon India ETF Nifty CPSE Bond Plus SDL Sep 2024 50:50		1810
	Nippon India ETF Nifty 8-13 yr G-Sec Long Term Gilt		1355
	Axis Nifty AAA Bond Plus SDL Apr 2026 50:50 ETF		1490
	LIC MF Nifty 8-13 yr G-Sec ETF		1040
	DSP NIFTY 1D Rate Liquid ETF		583
	ICICI Pru Nifty 10 yr Benchmark G-Sec ETF		472
	Mirae Asset Nifty 8-13 yr G-Sec ETF		76
	Motilal Oswal Nifty 5 Year Benchmark G-Sec ETF		58
	Aditya Birla SL CRISIL Liquid Overnight ETF		55
	ICICI Pru Nifty 5 yr Benchmark G-SEC ETF		101
	Nippon India ETF Nifty 5 yr Benchmark G-Sec		123
	Kotak Nifty 1D Rate Liquid ETF		74
	Mirae Asset Nifty 1D Rate Liquid ETF		60

Source: ACE MF. AUM as on September 2023. In Sensex and Nifty ETFs, SBI and UTI AMC has higher AUM but dominated by institutional flows.

Exhibit 8: Return of various category of ETFs

Name	1 Month	3 Months	6 Months	1 Year	3 Years	5 Years	10 Years
Largecap Oriented ETFs							
Nifty 50 ETF	1.4	2.2	9.5	10.1	16.7	14.5	13.9
Sensex ETF	1.0	1.3	7.8	9.3	15.9	14.7	13.8
Nifty 50 Equal Weight ETF	2.5	5.9	16.5	18.5	-	-	-
BSE 100 ETF	1.9	2.9	10.7	11.5	17.7	14.6	-
Nifty 100 ETF	1.8	2.7	10.1	8.6	15.9	13.6	13.7
Nifty 200 Quality 30 ETF	2.9	6.5	14.4	17.7	16.8	-	-
Nifty 100 Low Vol 30 ETF	3.2	4.6	15.4	18.5	17.2	14.9	-
Nifty Alpha Low Vol 30 ETF	5.2	8.0	18.5	22.3	19.1	-	-
Nifty Next 50 ETF	5.0	6.2	15.6	10.8	16.6	12.0	15.2
Sensex Next 50 ETF	4.5	7.4	18.8	20.3	22.1	-	-
Nifty 50 Value 20 ETF(NV20)	2.5	5.5	14.1	17.9	21.9	17.9	-
Nifty Dividend Opportunities 50 ETF	4.5	9.2	20.9	28.2	25.3	16.6	-
NIFTY Growth Sectors 15 ETF	2.1	3.9	12.8	16.7	-	-	-
Midcap Oriented ETFs							
Nifty Midcap 50 ETF	5.5	9.6	30.8	40.5	-	-	-
Midcap 100 ETF	5.1	9.9	29.2	36.2	30.9	19.7	19.2
Nifty Midcap 150 ETF	4.3	9.1	28.3	33.6	30.1	-	-
Midcap Select ETF	6.1	10.7	25.4	25.3	21.0	14.0	-
Nifty Midcap 150 Quality 50 ETF	2.6	5.2	18.2	18.4	-	-	-
Multicap Oriented ETFs							
S&P BSE 500 ETF	2.4	4.4	14.6	14.4	19.7	15.6	-
Nifty Alpha 50 ETF	5.6	13.6	35.8	26.9	-	-	-
Sector/Thematic/Global ETFs							
PSU Bank ETF	2.0	10.4	27.8	29.7	51.5	11.2	7.9
Nifty Bank ETF	-0.1	-0.7	-0.2	3.9	14.9	10.7	15.4
Nifty Pvt Bank ETF	-0.1	0.1	2.4	6.5	12.4	-	-
Nifty Financial Services ETF	0.1	0.2	1.4	4.4	-	-	-
Nifty IT ETF	3.2	5.1	15.7	12.3	16.6	-	-
Healthcare ETF	6.0	5.0	29.1	24.9	-	-	-
Nifty India Consumption ETF	3.0	6.0	14.6	14.7	18.5	13.6	-
Nifty Infrastructure ETF	3.8	7.0	20.2	22.3	23.6	15.9	11.1
Nifty 100 ESG Sector Leaders ETF	1.6	3.8	10.7	7.9	13.6	-	-
Nifty 50 Shariah ETF	2.1	4.0	13.3	7.1	12.6	13.3	12.5
Hang Seng ETF	4.0	2.0	-5.7	5.4	-7.0	-2.1	2.3
Hang Seng TECH ETF	10.9	3.5	6.6	13.2	-	-	-
Nasdaq 100 ETF	9.7	6.9	16.2	39.1	14.2	23.3	19.9
Nasdaq Q 50 ETF	8.0	0.1	1.7	3.2	-	-	-
NYSE FANG+ ETF	13.1	10.4	23.4	85.6	-	-	-
S&P 500 Top 50 ETF	8.4	5.5	13.1	30.0	-	-	-
CPSE ETF	6.4	19.7	34.9	50.1	46.6	18.0	-
Bharat 22 ETF	4.0	11.3	25.1	39.7	39.3	17.1	-
Commodities ETFs							
Gold ETF	0.9	4.7	1.3	15.0	5.8	13.5	7.0
Silver ETF	1.2	2.9	1.1	18.0	-	-	-

Source: ACE MF. Return as on Nov 21, 2023

Hybrid funds

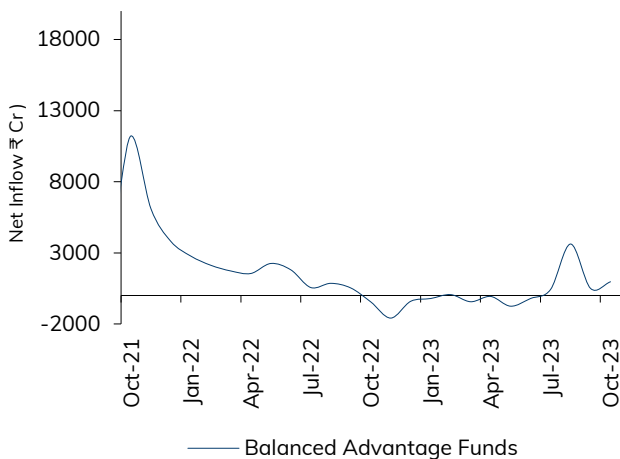
The hybrid funds category is dominated by aggressive hybrid funds (erstwhile balanced funds) and balanced advantage or dynamic asset allocation funds.

The trend of outflow continued in the aggressive hybrid category. The category has witnessed consistent outflows in the last many months.

Balanced Advantage Funds or Dynamic Asset Allocation category have been witnessing consistent inflows in the last few years as many investors prefer to invest in dynamically managed equity funds due to higher equity levels. The category has grown significantly over the last few years and AUM of the category is currently at ~₹ 2 lakh crore.

Arbitrage funds, as a category, have been popular among investors for parking money temporarily in a tax efficient manner.

Exhibit 9: Balanced advantage funds witnessed inflows in last 2 months



Source: AMFI

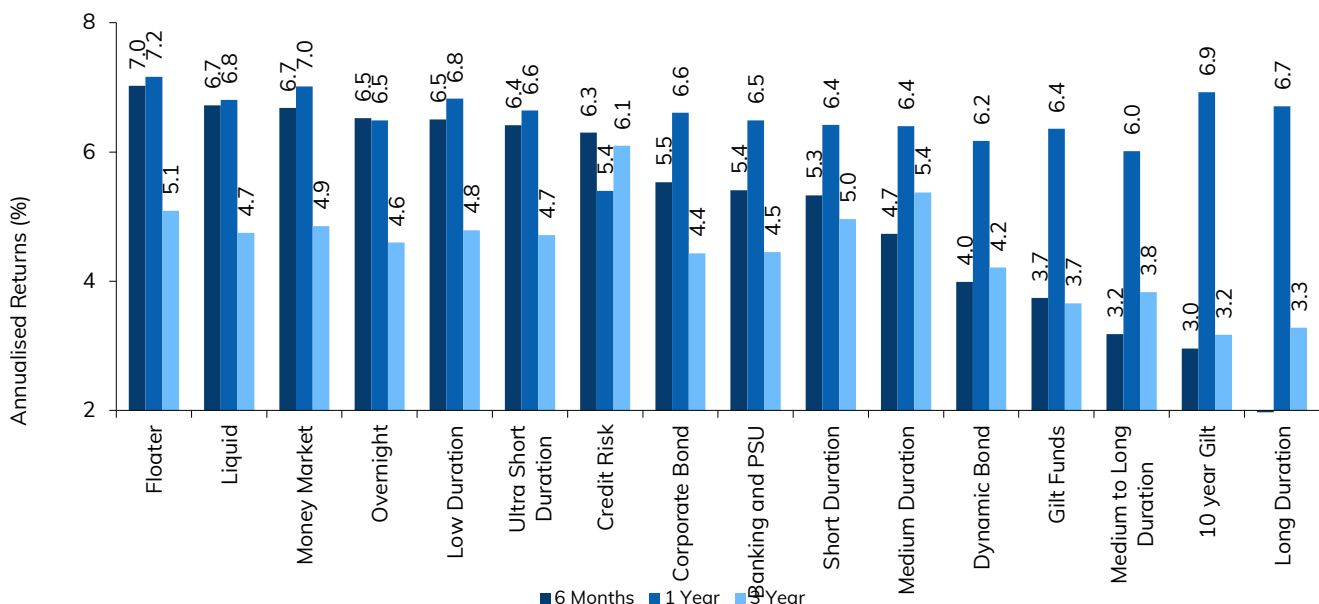
Exhibit 10: BAFs, aggressive hybrid funds remain major hybrid category

Hybrid Category	Inflow/(Outflow) during Oct 2023	AUM
Dynamic Asset Allocation/Balanced Advantc	960	2,12,167
Balanced Hybrid Fund/Aggressive Hybrid Fu	167	1,71,658
Arbitrage Fund	5,523	1,12,248
Multi Asset Allocation	2,410	43,830
Conservative Hybrid Fund	(2)	25,265
Equity Savings	848	22,651

Source: AMFI

Debt Funds

Exhibit 11: With yields under pressure in last few months, durations funds underperform other categories



Source: CRISIL. Category average returns as on September 20, 2023.

Mutual Fund Recommendation

Exhibit 12: Equity oriented funds

Top Picks across category	
Largecap Funds	ICICI Prudential Bluechip Fund
	IDFC Large Cap Fund
	Kotak Bluechip Fund
	Mirae India Largecap Fund
Large and Midcap Funds	Nippon India Large Cap Fund
	HDFC Large and Midcap Fund
	ICICI Pru Large and Midcap Fund
	Kotak Equity Opportunities Fund
Flexicap/Multicap Funds	SBI Large and Midcap Fund
	Sundaram Large and Midcap Fund
	Aditya Birla Sunlife Flexi Cap Fund
	Axis Multicap Fund
Midcap Funds	Canara Robeco Flexi Cap Fund
	Franklin India Flexicap Fund
	HDFC Flexicap Fund
	HSBC Multicap Fund
Smallcap Funds	Motilal Oswal Flexicap Fund
	Nippon Multicap Fund
	Parag Parikh Flexi Cap Equity
	Quant Active Fund
Focus Funds	HDFC Midcap Opportunities Fund
	Kotak Emerging Equity Fund
	Motilal Oswal Midcap Fund
	Mirae Asset Midcap Fund
Value/Contra Funds	Nippon India Growth Fund
	Tata Midcap Fund
	Axis Smallcap Fund
	Franklin India Smaller Companies Fund
ELSS	HDFC Smallcap Fund
	ICICI Pru Smallcap Fund
	Invesco Smallcap Fund
	Nippon Small Cap Fund
Balanced Advantage Funds	IIFL Focused Equity Fund
	SBI Focused Equity Fund
	Tata Focused Equity Fund
	ICICI Pru Value Discovery Fund
Balanced Advantage Funds	Nippon India Value Fund
	SBI Contra Fund
	UTI Value Opportunities Fund
	Canara Robeco Equity Taxsaver Fund
Balanced Advantage Funds	Franklin India Taxshiled Fund
	HDFC Taxsaver Fund
	ICICI Pru LT Equity Fund (Tax Saving)
	IDFC Tax Advantage Fund
Balanced Advantage Funds	SBI Long Term Equity Fund
	Aditya Birla SunLife Balanced Advantage Fund
	Bandhan Balanced Advantage Fund
	Baroda BNP Paribas Balanced Advantage Fund
Balanced Advantage Funds	DSP Dynamic Asset Allocation Fund
	Edelweiss Balanced Advantage Fund
	HDFC Balanced Advantage Fund
	ICICI Prudential Balanced Advantage Fund
Balanced Advantage Funds	Kotak Balanced Advantage Fund
	Nippon India Balanced Advantage Fund
	Sundaram Balanced Advantage Fund

Source: ICICI Direct Research

Exhibit 13: Debt funds

Top Picks across category	
Category	Fund
Overnight / Liquid / Ultra Short	Aditya Birla Sun Life Savings Fund
	HDFC Ultra Short Duration Fund
	ICICI Pru Ultra Short Duration Fund
	SBI Magnum Ultra Short Duration Fund
Low Duration / Money Market	Aditya Birla Sun Life Money Manager Fund
	ICICI Prudential Savings Fund
Short Term	Kotak Low Duration Fund
	Aditya Birla Sun Life Short Term Fund
	HDFC Short Term Debt Fund
Medium Term	ICICI Prudential Short Term Fund
	Nippon India Short Term Fund
	Axis Strategic Bond Fund
	HDFC Medium Term Debt Fund
Medium to Long Term / Long Term	CI Prudential Medium Term Bond Fund
	Aditya Birla Sun Life Income Fund
	ICICI Prudential Bond Fund
Dynamic Bond Fund	IDFC Bond Fund - Income Plan
	ICICI Prudential All Seasons Bond Fund
	IDFC Dynamic Bond Fund
Corporate Bond	Kotak Dynamic Bond Fund
	Aditya Birla SL Corporate Bond Fund
	HDFC Corporate Bond Fund
	IDFC Corporate Bond Fund
Gilt	L&T Triple Ace Bond Fund
	Aditya Birla Sun Life G-Sec Fund
	IDFC G-Sec Fund - Investment Plan
	SBI Magnum Gilt Fund

Source: ICICI Direct Research



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