October 6, 2021

Equity Market

Update

Indian equity markets continued to scale new highs in September 2021 with benchmark headline indices touching a new all-time high after being range bound in the last four to five months. Midcaps and small caps staged a comeback after a brief period of underperformance.

Indian markets have been one of the best performing markets this calendar year and are up 25% YTD CY21. They have deftly climbed the wall of worry be it the second Covid-19 wave in India in April-May 2021 or the third wave expectations during August-September 2021.

A confluence of many fundamental factors led to the recent rally. First and foremost, equity as an asset class is being widely and rightly recognised as an asset, generating inflation beating returns or real returns over a long period of time and is indeed very much liquid in nature; the there is no alternative (TINA) factor is at play. Secondly, with the increase in pace of digitisation, a set of efficiencies has creeped into organisations as well as the economy, indicating better corporate earnings/GDP growth. Thirdly, with new age technology platforms, the reach of equities has increased with a record number of demat accounts being opened over the last 18 months, indicating enhanced retail participation. Higher pace of vaccination and pro-growth policy measures from government like PLI scheme also helped market sentiments.

India has been the preferred destination of foreign investors with inflows touching an all-time high, signifying an improvement in market sentiment. We believe it will continue, going forward, as well. FPIs were net buyers in the current year 2021 with total inflows at ₹ 95000 crore within which equity allocation was at ₹ 64000 crore.

Outlook

We remain optimistic on the Indian equity market, in general, and believe the structural rally will continue amid intermittent periods of consolidation.

Key factors to driver market higher:

- TINA factor: Equity being widely recognised as an asset generating inflation beating returns or real returns over a long period of time
- Increased pace of vaccination (~69% of eligible population vaccinated with first dose and ~25% of eligible population fully vaccinated)
- National asset monetisation pipeline, robust tax collection in H1FY22 provide much needed financial muscle for the government to expedite spend on capex & infrastructure, which has a ripple effect on the economy
- Real estate and allied sectors looking better
- Start-up unicorns getting listed in India, thereby expanding the market valuations at the blended level
- Corporate earnings have been nearly stagnant in the recent past. We are on the cusp of high double digit growth trajectory (>26%) over FY21-23E

However, given the significant rally across sectors and broader markets, it is better to adopt a "buy on dips" allocation strategy. Buy on dip allocation strategy warrants additional investment at every small correction of 200-400 points on headline Nifty 50 index, apart from a regular SIP.

Far more money has been lost by investors trying to anticipate corrections than lost in the corrections themselves. – Renowned Global Investor, Peter Lynch

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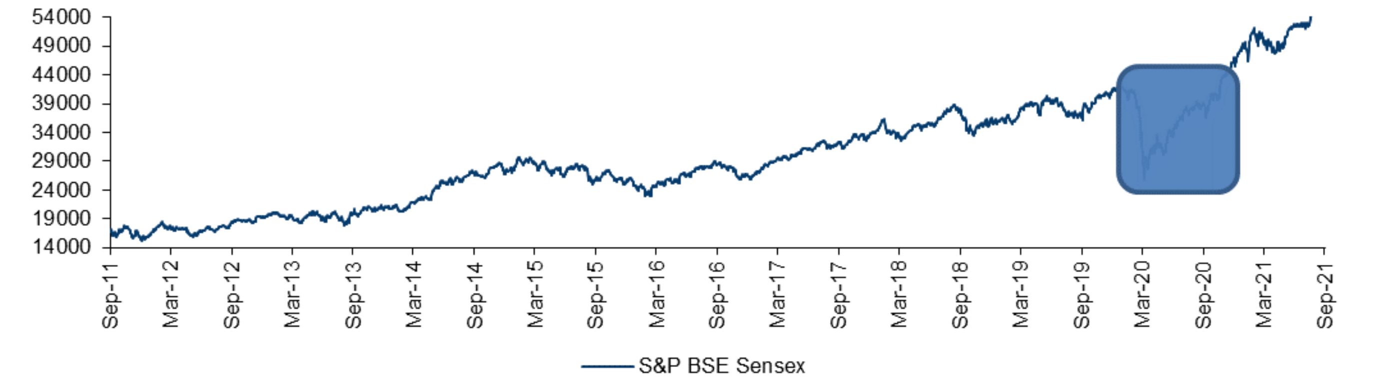
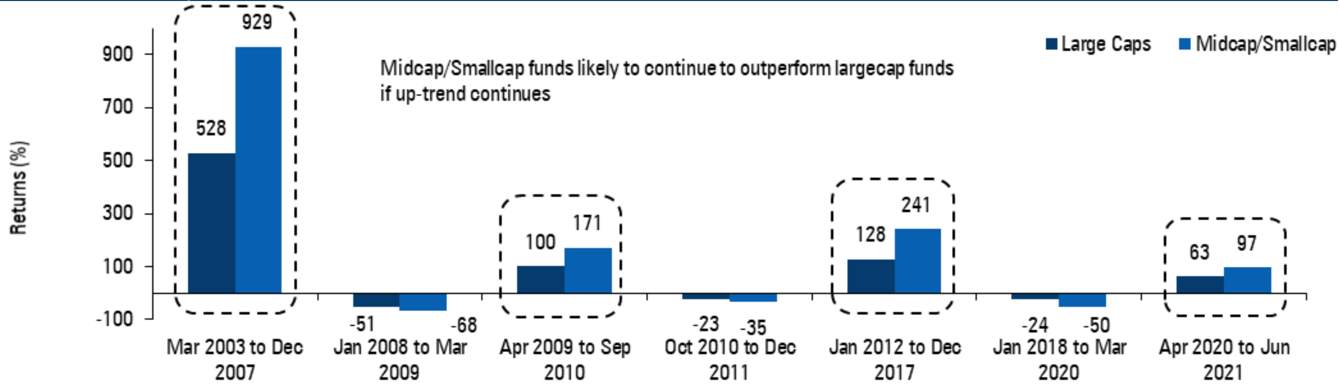
Wealth created by following larger trend

Exhibit 1: Removing Covid-19 related fall and recovery makes Sensex trend line smooth like before



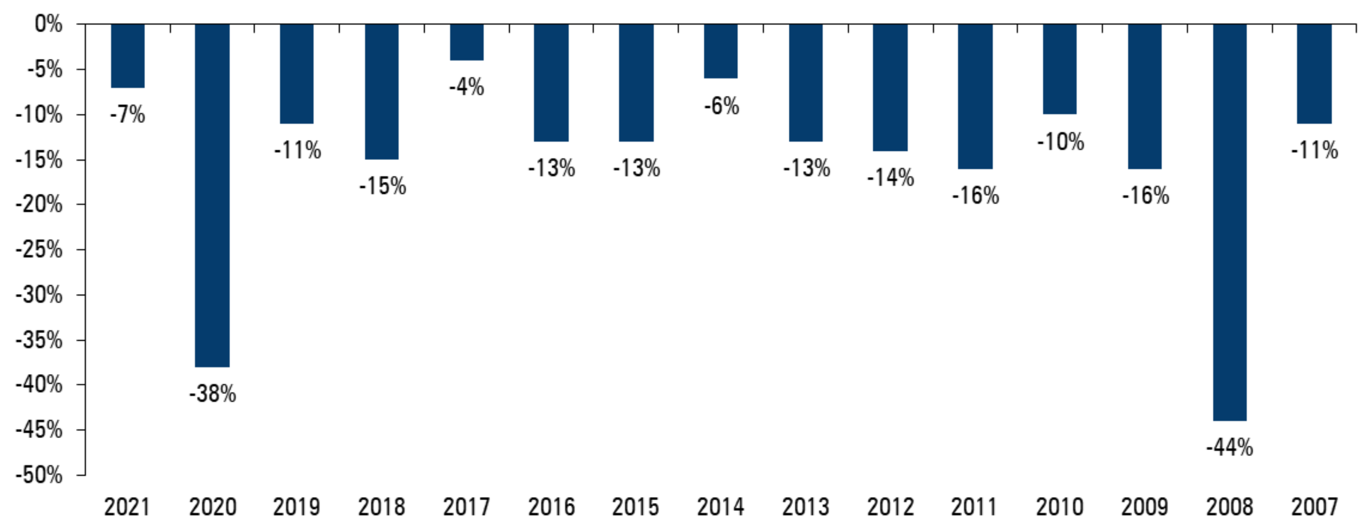
Source: Bloomberg

Exhibit 2: In most up market cycles, midcap/small cap funds have outperformed significantly, especially after previous underperformance cycle



Source: ACE MF

Exhibit 3: Equity markets witness 10-15% fall almost every year. Follow larger trend, invest regularly but be prepared for intermittent falls. Utilising these regular corrections to put lumpsum can enhance portfolio return



Source: Bloomberg. Data: Fall from the recent highs in BSE Sensex

Debt Market

Update

The Indian debt market has been under pressure in the last few months on higher inflation print, rising global commodity prices and expectation of some rationalisation of the current surplus liquidity, leading to a rise in yields across market segments.

The global economic recovery post reopening of economic activity as vaccination drives gather pace globally is the primary reason for the rise in prices. The recently announced fiscal stimulus programme by the US boosting infrastructure, consumer spending and healthy demand traction in countries like China for various commodities aided the overall prospects of almost all commodities. Crude oil prices have almost doubled from the lows of last year and are trading above US$80 per barrel.

Indian bond markets have fared far better compared to their global peers in terms of a rise in bond yields. Assurance from RBI Governor on OMOs and ensuring smooth passage of government borrowing helped market sentiments

CPI Inflation for August declined further to 5.3% compared to 5.6% in July 2021. Inflation print has now declined 100 bps in two months from 6.3% in June 2021 to the latest print being 5.3%. While the recent inflation print has moved up higher, some of the rise may be transitory and the central bank may look through such a temporary rise. The pendulum of inflation-growth dynamic still remains tilted towards supporting growth. However, the widespread rise in many commodity prices has infused renewed inflationary concerns.

The Reserve Bank of India has been at the forefront in the last few months to support economic growth by ensuring ample liquidity and thereby supporting bond market so far. RBI has made its intention clear to flatten the yield curve. The central bank has already started to suck out excess liquidity in a measured manner. Market participants are in a wait and watch mode, particularly amid volatile global bond markets.

Currently, the yield curve is quite steep with very high term premium indicating higher yields as duration increases, especially above 10-year period. The same makes some allocation case for investment into 20-30 year G-Sec securities in a staggered manner.

Outlook

RBI continued to maintain its accommodative liquidity stance although some discussion revolved around liquidity rollback within MPC as indicated by the minutes of the recent RBI policy meeting.

In its calibrated approach towards flattening the yield curve and absorbing surplus liquidity, RBI in its recent policy meeting announced higher liquidity absorption through its variable rate reverse repo (VRRR) auctions as liquidity remained in surplus at above ₹ 8 lakh crore. It announced it would absorb up to ₹ 4 lakh crore from the current ₹ 2 lakh crore. Accordingly, short term yield moved up in last few months. The yield movement, however, remained well behaved with very little impact on market sentiments.

With RBI's liquidity supportive stance along with growth concern, bond yields may remain range bound. Investors may avoid higher maturity funds and are better-off investing in accrual funds like medium term funds with higher YTMs

The inflation projection by RBI has been revised upwards by around 20-30 bps in the next few quarters and FY22 but remains well within the 6.0% limit. Given RBI's focus on growth, inflation does not seem to be an area of concern in the immediate future in terms of changing their policy stance.

The bond market continues to be in a wait and watch mode as supply pressure remains, particularly at the longer end of the yield curve. Government borrowing in FY22 is at ~₹ 22 lakh crore, including borrowings of state governments.

Yields of AAA-rated corporates have fallen significantly and are trading at extremely lower levels. With the gross YTM of corporate bond funds around 5.5%, the attractiveness reduces significantly. Good quality medium term funds offer better risk adjusted returns.

Industry Synopsis

The mutual fund industry AUM continued its rising trajectory and rose by 3.6% in August 2021 to ₹ 36.6 lakh crore compared to ₹ 35.3 lakh crore in July 2021.

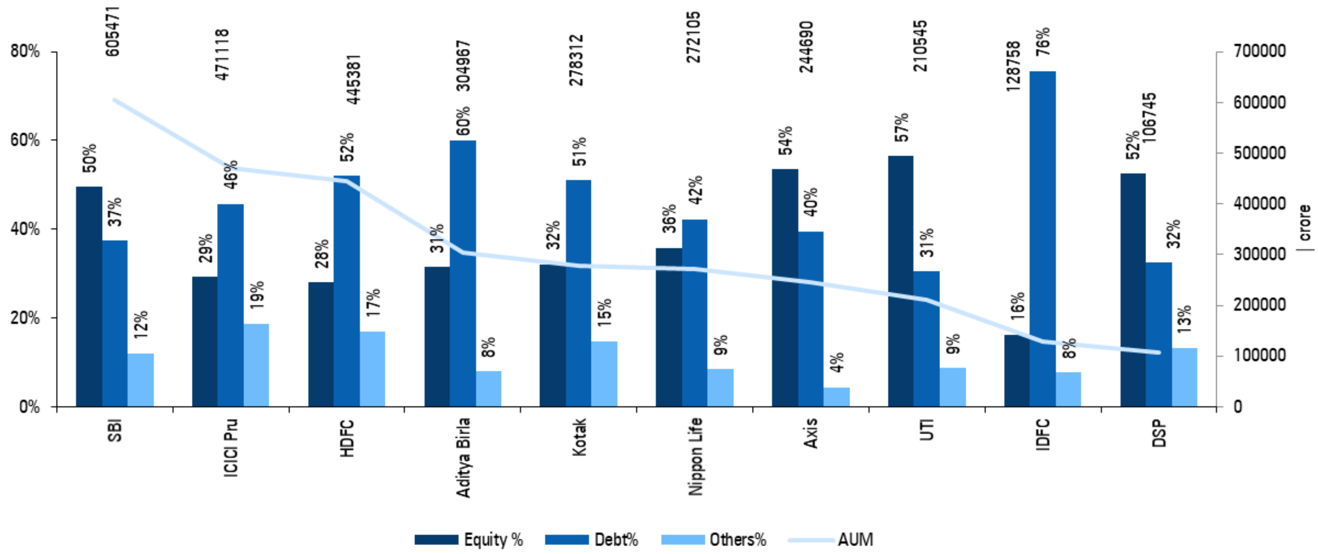
AUM of open ended equity funds is now at ₹ 12.3 lakh crore as on August 2021 compared to ₹ 11.7 lakh crore in July 2021.

Inflows into equity funds continued with inflows during August at ₹ 8666 crore against ₹ 22500 crore in July. Inflows in the last two months were dominated by NFOs. In July, NFOs collected fresh money of ₹ 13700 crore while in August inflows through NFOs were ₹ 6863 crore. Excluding NFO flows, inflows declined sharply during August with inflows at ₹ 1800 crore compared to ₹ 8900 crore in July 2021.

In debt funds, outflows were seen in lower maturity funds like liquid, overnight and low duration funds while all other category of funds witnessed inflows. Floating rate funds have been witnessing higher inflows in the last few months as investors prefer to avoid any interest rate risk in higher duration funds.

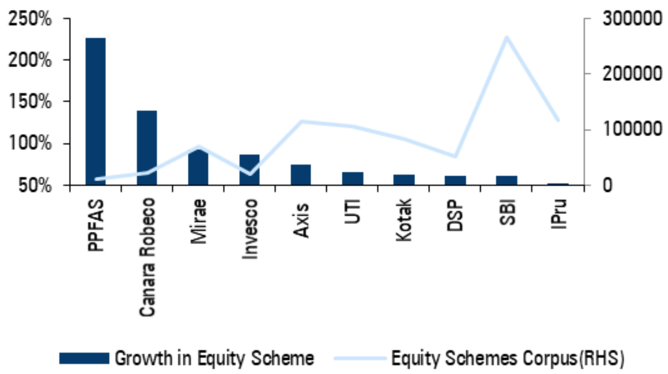
Balanced advantage funds saw significantly higher inflows at ₹ 16500 crore on the back of NFO inflow dominated by SBI Balanced Advantage Fund NFO.

Exhibit 4: Total AUM, break-up of major AMCs



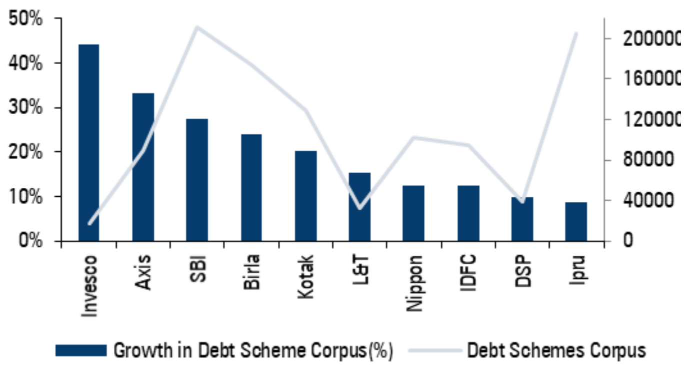
Source: ACE MF. Data as on month-end August 2021

Exhibit 5: PPFAS, Canara Robeco, Mirae, Invesco, Axis witness highest growth in equity schemes in last one year



Source: ACE MF. Data as of June 2021. YoY growth in last one year.

Exhibit 6: In debt, Invesco, Axis, SBI, Birla see highest AUM growth in last one year among major AMCs



Source: ACE MF. Data as of June 2021. YoY growth in last one year.

Category Analysis

Equity Funds

The rally in the equity markets has been well diversified with sector rotation in play in the last few months.

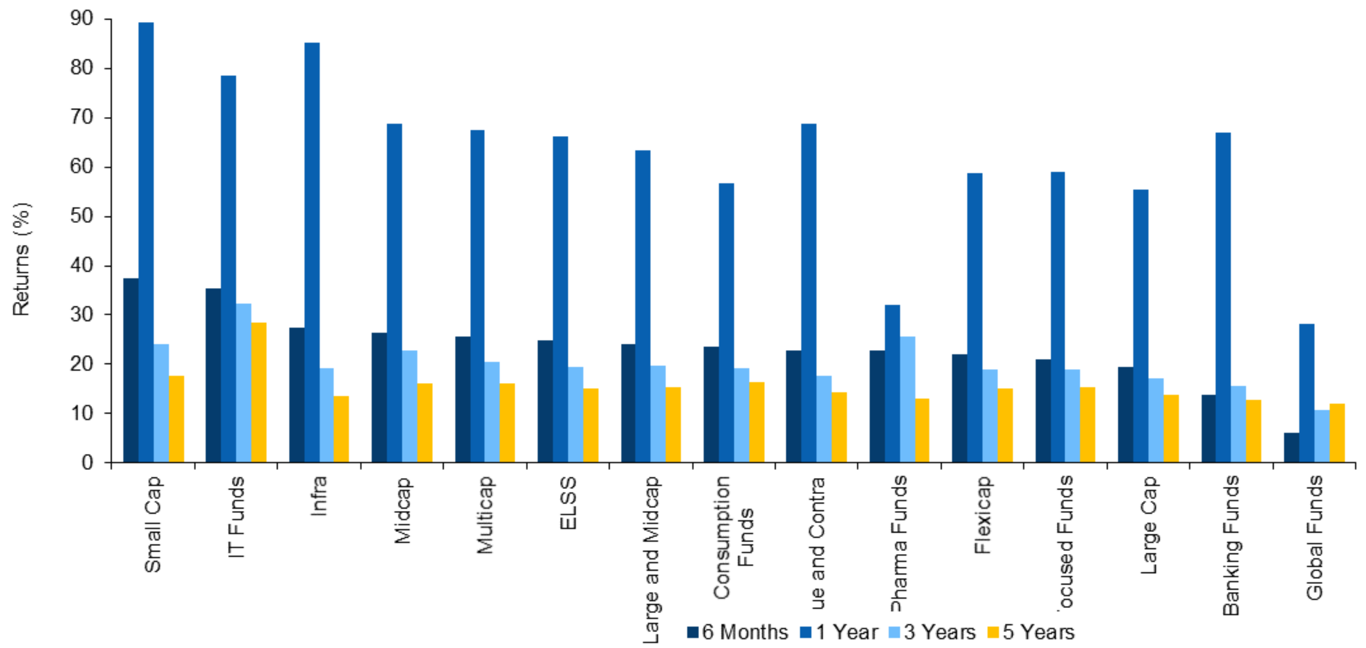
Small cap funds staged a comeback after a brief period of underperformance. Small cap funds have been consistent outperformers since the market recovery post the Covid-19 pandemic induced fall last year. Midcaps also followed small cap funds and have outperformed other categories.

IT funds have been consistent outperformers in the last two to three years as the growth outlook improved for the sector in the post Covid world resulting in a valuation re-rating of most stocks. The sectors or segments like infrastructure, PSUs, which lagged behind in the early part of the rally, have started to gain traction, indicating the healthy trend of sector rotation.

Global funds have underperformed significantly in the last few months.

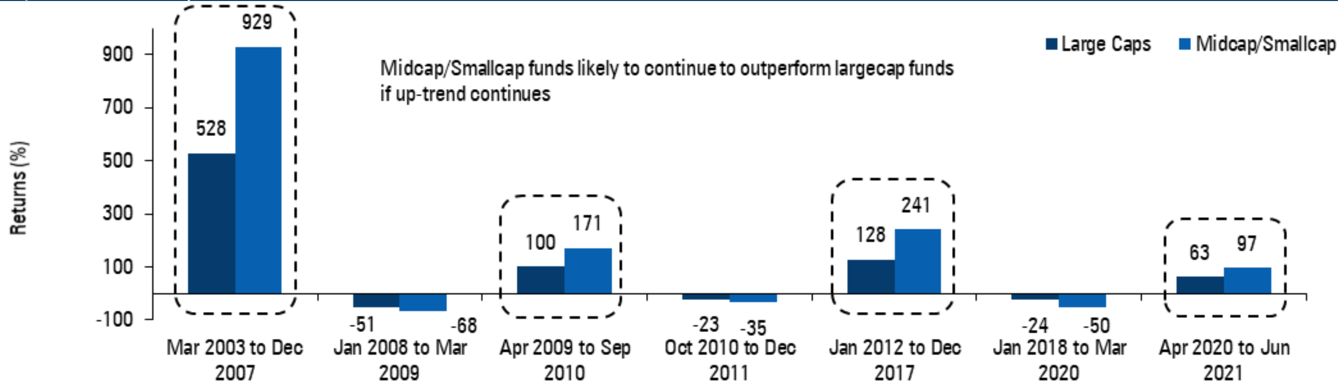
While remaining constructive on midcap and small cap funds, multicap and flexicap funds are better placed for most investors in current environment where midcap and small cap funds have already outperformed significantly.

Exhibit 7: Midcap/small cap funds remain outperforming category. Infrastructure funds bounce back sharply in last few months while IT funds remain consistent outperformers



Source: CRISIL. Category average returns as on September 30, 2021. Returns above one year are CAGR returns

Exhibit 8: In most up market cycles, midcap/small cap funds have outperformed significantly, especially after previous underperformance cycle



Source: ACE MF

Equity funds

Equity funds have been witnessing consistent inflows in the last few months since March 2021. After record inflows in July, inflows moderated but remained healthy on the back of NFOs. Inflows in the last six months since March till August 2021 were at ₹ 60000 crore. Equity funds had witnessed outflows of ₹ 47000 crore from July 2020 till February 2021.

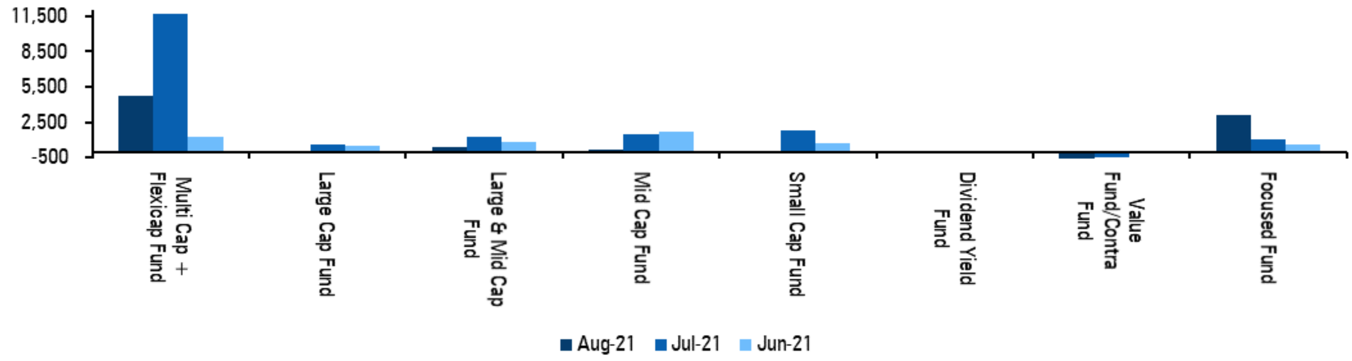
As equity markets were on an upward trajectory in CY20, post Covid-19 pandemic induced fall in March 2020, investors turned cautious and were redeeming from equity funds at every higher level. Since the rally was sharp and market sentiment was weak, investors chose to sit on the sidelines.

As equity markets continue to scale new highs and remained stable at higher levels, confidence of retail investors returned strongly. While flexicap/multicap funds continued to receive major inflows, midcap and small cap funds have been witnessing higher inflows in the last few months.

We believe that as equity markets have been stabilising now post one year of Covid-19 pandemic induced volatility, inflows will be more structural from here-on and the same will provide domestic liquidity support for equity markets

SIP flows continued to gain traction and are rising every month. SIP inflows in August 2021 came in at all-time high at ₹ 9923 crore compared to ₹ 9609 crore in July 2021. In February-March 2020, SIP inflows were at ₹ 8600 crore, declined to a run rate of ₹ 7800 crore post-Covid, then saw a sharp rise in the last seven months (January: ₹ 8000 crore, February-March: ₹ 8350 crore, April: ₹ 8600 crore, May: ₹ 8800 crore, June: ₹ 9155 crore, July: ₹ 9600 crore, August: ₹ 9900 crore).

Exhibit 9: Monthly flows: Flexicap funds receive higher inflows on the back of higher inflows in NFOs



Source: Amfi

Exhibit 10: While flexicap, large cap category remains dominant, AUM of midcap funds gaining pace as well

Euuity Oriented Category	Inflow/(Outflow) during August 2021	AUM
Multi Cap +Flexicap Fund	4,723	2,34,451
Large Cap Fund	(79)	2,12,473
Large & Mid Cap Fund	451	96,660
Mid Cap Fund	162	1,46,627
Small Cap Fund	(163)	93,677
Dividend Yield Fund	5	9,164
Value Fund/Contra Fund	(613)	73,613
Focused Fund	3,072	89,404
Sectoral/Thematic Funds	1,885	1,31,122
ELSS	(779)	1,45,951
Flexi Cap Fund	4,741	2,07,661

Source: Amfi

Exchange traded funds (ETFs)

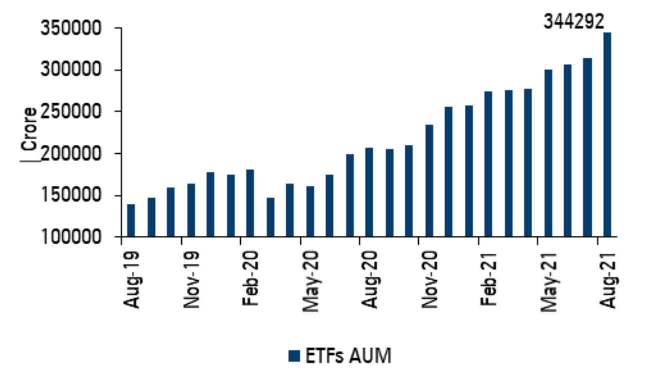
ETFs have already taken the world by storm, with assets under management (AUM) in such funds already surpassing that of traditional mutual funds in many countries. Passive funds emerged in the US more than two decades ago. The first modern day exchange traded fund (ETF) S&P SPDR (Spiders) started trading 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 around ₹ 3.5 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 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 segment.

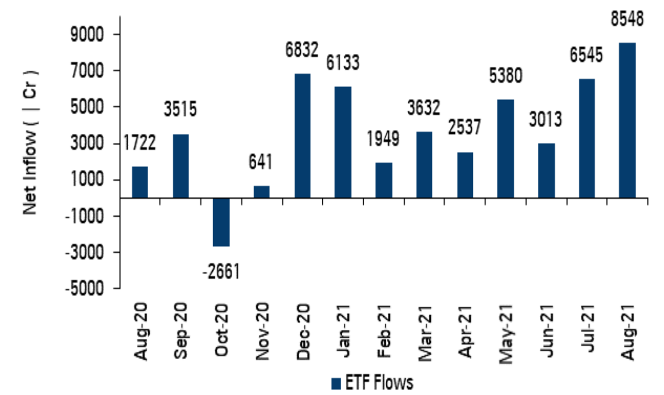
ETFs have a number of attractive features. Usually they have much lower fees and can be bought and sold during the day as opposed to mutual funds that usually execute at the close. Earlier, there was primarily Nifty or Sensex ETF but now there are many ETFs in the large cap space like Nifty Next 50 ETF. 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 11: ETF AUM at around ₹ 3.5 lakh crore



Source: Amfi

Exhibit 12: ETFs continue to witness consistent inflows dominated by institutional flows



Source: Amfi

Different category of investment options available under ETFs

Exhibit 13: There are currently around 30 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	4093 (Highest- Nippon AMC)
2	Sensex ETF	Most AMCs	524 (Highest-LIC MF)
3	BSE 100 ETF	SBI-ETF BSE 100	6
4	Nifty 100 ETF	LIC MF ETF-Nifty 100	487
		Nippon ETF Nifty 100	170
		ICICI Pru Nifty 100 ETF	28
5	Nifty 100 Quality 30 ETF	Edelweiss ETF - Nifty 100 Quality 30	12
6	Nifty 200 Quality 30 ETF	SBI ETF Quality	28
7	Nifty Low Vol 30 ETF	ICICI Pru Nifty Low Vol 30 ETF	517
8	Nifty Alpha Low Vol 30 ETF	ICICI Pru Alpha Low Vol 30 ETF	83
9	Nifty Next 50 ETF	Nippon India ETF Junior BeES	2061
		SBI-ETF Nifty Next 50	949
		UTI-Nifty Next 50 ETF	580
		ICICI Pru Nifty Next 50 ETF	225
		Aditya Birla SL Nifty Next 50 ETF	105
		Mirae Asset Nifty Next 50 ETF	78
10	Sensex Next 50 ETF	Nippon India ETF Sensex Next 50	18
		UTI S&P BSE Sensex Next 50 ETF	3
		SBI-ETF Sensex Next 50	6
11	NV 20 ETF	Nippon India ETF NV20	40
		Kotak NV 20 ETF	28
		ICICI Pru NV20 ETF	20
12	Nifty Dividend Opportunities 50 ETF	Nippon India ETF Dividend Opportunities	3
II	**Midcap Oriented ETFs**		
13	Midcap 100 ETF	Motilal Oswal Midcap 100 ETF	74
14	Nifty Midcap 150	Nippon India ETF Nifty Midcap 150	418
		ICICI Pru Midcap 150 ETF	92
15	Midcap Select ETF	ICICI Prudential Midcap Select ETF	30
III	**Multicap Oriented ETFs**		
16	S&P BSE 500 ETF	ICICI Pru S&P BSE 500 ETF	65
IV	**Sectors/Thematic ETFs**		
17	Banking ETF	Nippon India ETF Bank BeES	9359
		Kotak Banking ETF	7289
		SBI-ETF Nifty Bank	5070
		ICICI Pru Bank ETF	2627
		HDFC Banking ETF	170
		Aditya Birla SL Banking ETF	127
		Axis Banking ETF	48
		UTI Bank ETF	25
		Edelweiss ETF - Nifty Bank	1
18	PSU Bank ETF	Nippon India ETF PSU Bank BeES	235
		Kotak PSU Bank ETF	130
19	Private Bank ETF	ICICI Pru Pvt Banks ETF	2469
		Tata Nifty Pvt Bank ETF	13
		SBI-ETF Nifty Pvt Bank	4
20	IT ETF	ICICI Pru IT ETF	2928
		Nippon India ETF Nifty IT	1104
		SBI-ETF IT	886
		Kotak IT ETF	3
		Axis Technology ETF	22
21	Pharma/Healthcare	Axis Healthcare ETF	21
		Nippon India Nifty Pharma ETF	54
22	Nifty India Consumption ETF	Nippon India ETF Nifty Consumption	25
23	Nifty Infrastructure ETF	Nippon India ETF Infra BeES	28
24	Nifty 100 ESG Sector Leaders ETF	Mirae Asset ESG Sector Leaders ETF	170
25	Nifty 50 Shariah ETF	Nippon India ETF Shariah BeES	13
26	Global ETF	Motilal Oswal Nasdaq 100 ETF	5125
		Mirae Asset NYSE FANG+ETF	1126
		Nippon India ETF Hang Seng BeES	81
27	CPSE ETF	CPSE ETF	14400
28	BHARAT 22 ETF	BHARAT 22 ETF	7582
V	**Commodities: Gold ETFs**		
29	Gold ETF	Most AMCs	6006 (Highest-Nippon AMC)
VI	**Debt ETFs**		
30	BHARAT Bond ETF - April 2023		4493
	BHARAT Bond ETF - April 2025		8392
	BHARAT Bond ETF - April 2030		12196
	BHARAT Bond ETF - April 2031		10045
	Nippon India ETF Nifty CPSE Bond Plus SDL - 2024 Maturity		1622
	Nippon India ETF Nifty SDL - 2026 Maturity		1727
	LIC MF G-Sec LT ETF-(G)		718
	Axis AAA Bond Plus SDL ETF - 2026 Maturity		324
	Motilal Oswal 5 Year G-Sec ETF		37
	Nippon India ETF Long Term Gilt		14
	Nippon India ETF 5 Year Gilt		3
	SBI-ETF 10 Year Gilt		3

Source: ACE MF. AUM as on August 2021. In Sensex and Nifty ETFs, SBI and UTI AMC has higher AUM but dominated by institutional flows.

Exhibit 14: 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	5.9	12.4	20.3	54.4	16.8	16.1	14.4
Sensex ETF	5.8	13.0	19.2	52.8	17.5	16.8	14.7
BSE 100 ETF	6.1	12.2	20.8	55.0	16.4	15.9	-
Nifty 100 ETF	3.8	10.0	10.6	46.3	13.5	14.4	-
Nifty 100 Quality 30 ETF	7.9	12.7	22.6	48.7	15.6	14.0	-
Nifty 200 Quality 30 ETF	8.3	14.5	25.7	48.0	-	-	-
Nifty Low Vol 30 ETF	6.6	10.6	22.9	49.0	16.6	-	-
Nifty Alpha Low Vol 30 ETF	8.0	14.8	31.2	49.2	-	-	-
Nifty Next 50 ETF	8.6	12.2	26.7	57.2	13.9	14.4	16.1
Sensex Next 50 ETF	7.7	10.6	22.0	59.4	-	-	-
NV 20 ETF	4.8	13.4	23.4	61.5	20.4	20.6	-
Nifty Dividend Opportunities 50 ETF	5.5	13.2	24.4	56.2	13.7	14.9	-
Midcap Oriented ETFs							
Midcap 100 ETF	8.5	12.1	27.9	71.4	16.5	14.4	15.5
Nifty Midcap 150 ETF	7.7	11.4	26.3	69.3	-	-	-
Midcap Select ETF	7.6	14.3	24.1	62.3	15.0	13.5	-
Multicap Oriented ETFs							
S&P BSE 500 ETF	6.4	12.1	22.6	58.5	17.0	-	-
Sector/Thematic ETFs							
PSU Bank ETF	6.2	1.7	12.1	73.9	-7.5	-5.2	-2.3
Nifty Bank ETF	5.4	9.5	10.7	69.7	11.7	13.6	14.9
Nifty Pvt Bank ETF	6.4	8.7	7.8	60.0	-	-	-
IT ETF	6.8	25.2	37.6	-	-	-	-
Healthcare ETF	1.2	6.9	-	-	-	-	-
Nifty India Consumption ETF	9.6	15.0	24.5	42.2	13.4	13.8	-
Nifty Infrastructure ETF	8.0	12.5	20.2	54.3	15.6	11.9	6.4
Nifty 50 Shariah ETF	4.2	12.4	24.3	51.6	21.1	17.7	14.9
Hang Seng ETF	-3.7	-12.6	-11.7	3.3	0.2	5.4	9.6
Nasdaq 100 ETF	1.6	11.2	19.6	37.8	28.1	28.2	26.2
NYSE FANG+ETF	4.2	5.4	-	-	-	-	-
CPSE ETF	7.4	5.4	19.2	60.1	1.0	3.2	-
Bharat 22 ETF	8.4	10.6	19.5	71.9	5.8	-	-
Commodities ETFs							
Gold ETF	-30.8	-10.9	5.3	-11.3	13.5	6.9	4.3

Source: ACE MF. Return as on September 17, 2021

Hybrid funds

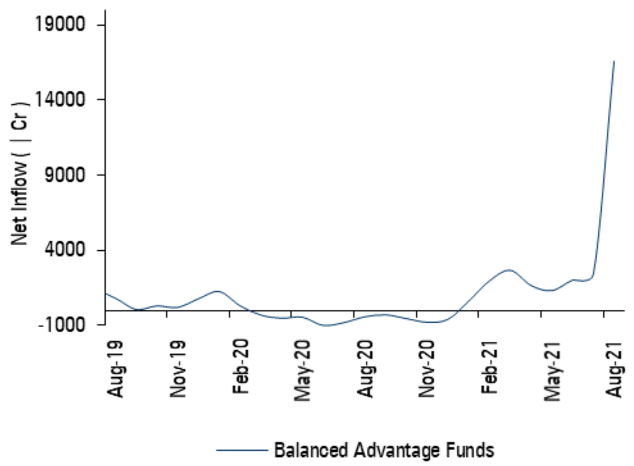
The hybrid funds category is dominated by aggressive hybrid funds (erstwhile balanced funds) and balanced advantage or dynamic asset allocation funds.

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

Balanced advantage funds or dynamic asset allocation category has been witnessing consistent inflows in the last six months as many investors prefer to invest in dynamically managed equity funds due to higher equity levels. The category has grown significantly over last few years. AUM of the category is at around ₹ 1.5 lakh crore as on August 2021.

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

Exhibit 15: SBI Balanced Advantage Fund NFO leads to significant jump in inflows in BAFs category



Source: Amfi

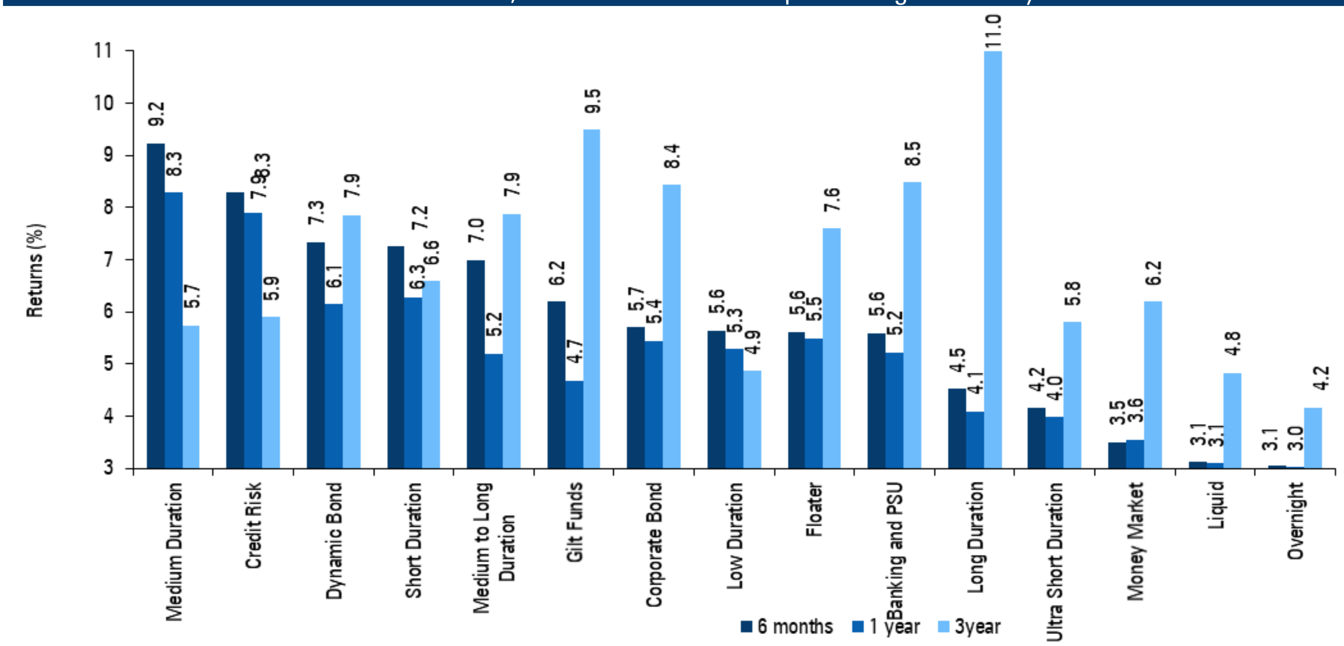
Exhibit 16: Balanced advantage funds continues to receive inflows

Hybrid Category	Inflow/(Outflow) during Aug 2021	AUM
Dynamic Asset Allocation/Balanced Advantage	16,571	1,41,493
Balanced Hybrid Fund/Aggressive Hybrid Fund	(561)	1,40,797
Arbitrage Fund	1,793	1,08,251
Conservative Hybrid Fund	11	17,378
Multi Asset Allocation	(49)	17,059
Equity Savings	941	13,136

Source: Amfi

Debt Funds

Exhibit 17: Accrual funds like credit risk funds, medium term funds outperforming since last year



Source: CRISIL. Category average annualised returns as on September 30, 2021

Mutual Fund Recommendation

Exhibit 18: Equity oriented funds

Category wise top picks	
Largecap Funds	Axis Bluechip Fund
	Canara Robeco Equity Bluechip Eq. Fund
	ICICI Prudential Bluechip Fund
	IDFC Large Cap Fund
Large and Midcap Funds	Invesco Growth Opportunity Fund
	Kotak Equity Opportunities Fund
	LIC Large and Midcap Fund
	SBI Large and Midcap Fund
Flexicap/Multicap Funds	Adity Birla Sunlife Flexi Cap Fund
	Axis Flexi Cap Fund
	Canara Robeco Flexi Cap Fund
	Invesco Multicap Fund
	Nippon Multicap Fund
	Parag Parikh Flexi Cap Equity
	UTI Flexi Cap Fund
Midcap Funds	Axis Midcap Fund
	DSP Midcap Fund
	ICICI Pru Midcap Fund
	Kotak Emerging Equity Fund
	Tata Midcap Fund
	UTI Midcap Fund
Smallcap Funds	Axis Smallcap Fund
	ICICI Pru Smallcap Fund
	Invesco Smallcap Fund
	Kotak Smallcap Fund
	Nippon Small Cap Fund
	SBI Smallcap Fund
Focus Funds	Axis Focused 25 Fund
	IDFC Focused Equity Fund
	SBI Focused Equity Fund
	Tata Focused Equity Fund
Value/Contra Funds	IDFC Sterling Value Fund
	Nippon India Value Fund
	SBI Contra Fund
ELSS	Axis Long Term Equity Fund
	Canara Robeco Equity Taxsaver Fund
	DSP Blackrock Tax Saver Fund
	IDFC Tax Advantage Fund
	Tata Tax Savings Fund
Balanced Advantage Funds	Aditya Birla SunLife Balanced Advantage Fund
	DSP Dynamic Asset Allocation Fund
	Edelweiss Balanced Advantage Fund
	ICICI Prudential Balanced Advantage Fund
	IDFC Dynamic Equity Fund
	Kotak Balanced Advantage Fund

Source: ICICI Direct Research

Exhibit 19: Debt funds

Category wise top picks	
Category	**Fund**
Overnight / Liquid / Ultra Short Term	Aditya Birla Sun Life Savings Fund
	HDFC Ultra Short Duration Fund
	SBI Magnum Ultra Short Duration Fund
Low Duration / Money Market	HDFC Low Duration Fund
	ICICI Prudential Savings Fund
	Kotak Low Duration Fund
Short Term	Aditya Birla Sun Life Short Term Fund
	HDFC Short Term Debt Fund
	Nippon India Short Term Fund
Medium Term	Axis Strategic Bond Fund
	HDFC Medium Term Debt Fund
	ICICI Prudential Medium Term Bond Fund
Medium to Long Term / Long Term	Aditya Birla Sun Life Income Fund
	ICICI Prudential Bond Fund
	IDFC Bond Fund - Income Plan
Dynamic Bond Fund	DSP Strategic Bond Fund
	IDFC Dynamic Bond Fund
	Kotak Dynamic Bond Fund
Corporate Bond	Aditya Birla SL Corporate Bond Fund
	HDFC Corporate Bond Fund
	IDFC Corporate Bond Fund
Credit Risk	-
	-
	-
Gilt	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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