

Portfolio Management Services

June 2023

(Data as on 31th May 2023)



**Aditya Birla Sun Life
AMC Ltd.**

(A part of Aditya Birla Capital Ltd.)



**ADITYA BIRLA
CAPITAL**

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Equity Outlook

Indian equities ended the month of May on a positive note, with the Nifty up 2.6%. Mid-cap and small-cap indices outperformed large-cap indices and were up 6% and 5%, respectively. FPIs bought US\$4.2 bn of Indian equities in the secondary market, whereas DIIs sold US\$406 mn. Other key developments in the month were: (1) the US Federal Reserve increased interest rates by 25 bps and hinted at a potential pause in the rate hike cycle, (2) the RBI notified the withdrawal of Rs2,000 denominated bank notes (introduced in November 2016), while they will continue to be legal tender, (3) the Indian Meteorological Department (IMD) retained its forecast of a normal south-west monsoon at 96% of the long-period average (LPA), (4) US lawmakers voted to raise the national borrowing limit to avert a catastrophic default.

High frequency indicators (like E-way bill, GST collection, loan growth, PMI) suggest healthy level of economic activity. India's CPI slid below the 5% mark for the first time in 2023 to touch 4.7% in April 2023. WPI based inflation for the month of April contracted by 0.9% compared to 1.3% in March 2023 primarily due to favorable base effects and continued softening in commodity prices. Meanwhile, IIP rose by 1.1% YoY in Mar'23, below Bloomberg consensus expectation of 3.2%. Manufacturing growth was sluggish at 0.5% YoY in Mar'23 while Electricity production declined by 1.6% YoY. Within Manufacturing, Consumer Durables output sustained its declining trend and was down by 8.4% YoY while Consumer Non-durables output declined by 3.1% YoY. The Gross GST revenue collected in the month of May, is Rs 1.57tn up 12% yoy Diesel & Petrol sales jump 9.3% & 10.3% respectively in May'23.

Overall growth momentum continued in Q4FY23 with Nifty 50 delivering 19% earnings growth. Amid a volatile global macro backdrop, India Inc provided some comfort as corporate earnings

- **BFSI** - Among the Financial companies, Strong core performance continued in Q4FY23, with strong loan growth, sharp margin expansion, and sustained improvement in asset quality. Credit offtake has been robust for the system, loan growth in Q4FY23 stood at 3% QoQ / 15% YoY (as per RBI data).
- **IT** - In Q4FY23, IT sector witnessed growth moderation, with revenue growth slowing down to 17% YoY (the slowest in last few quarters) and almost flat QoQ. This is because macro uncertainty leads to slower conversion of order book to revenues. Ebitda margins have remained flattish both YoY/QoQ.
- **Consumer** - Divergence between categories: Staples companies reported steady top-line performance; while most Consumer Discretionary names reported poor sets of results, on the back of slow consumer demand. Gross margins continue to improve sequentially with the easing of commodity inflation.
- **Cement** - Q4FY23 aggregate EBITDA was stable YoY, as sustained strong volume growth offset impact of YoY decline in unit EBITDA. Trend of QoQ uptick in unit EBITDA continued in Q4 with benefit of energy cost decline and Operating leverage.
- **Autos** - Auto volumes in Q4FY23 recovered across segments, supported by improvement in the supply of semiconductor chips and continuation of strong demand. Demand momentum sustained in PVs and CVs, while 2Ws and tractors saw good recovery.
- **Pharma/Chemicals** - Growth continues to be strong with multiples macro drivers in play, however supply side constraints and high volatility in raw material prices have kept margins under check.

Overall, at the portfolio level, we continue to remain invested into high quality businesses that have stood test of times and likely to come out stronger post crisis. We remain invested on high quality franchisees and expect these businesses to continue to deliver healthy earnings growth over the medium to long term.



Core Equity Portfolio

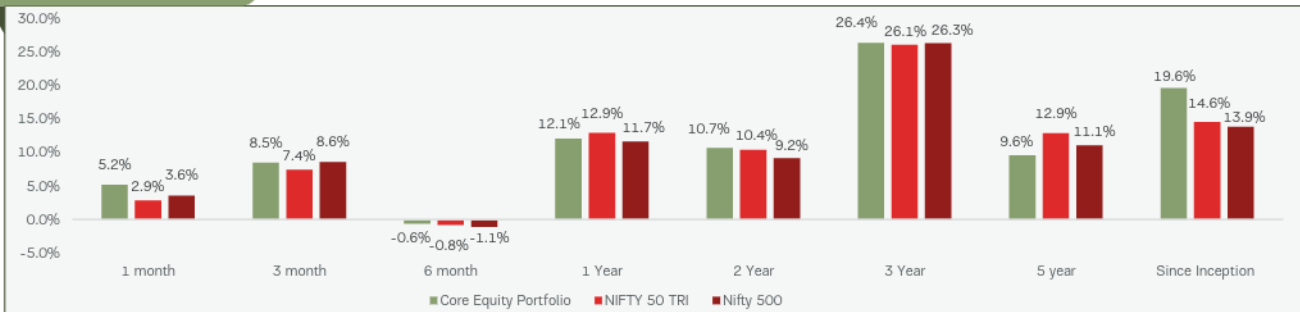
Investment Theme

The strategy aims to invest in businesses having sustainable growth over long-term in select industries, which endeavors to make up for most of the GDP growth patterns. It is a Multicap portfolio unconstrained by any market segments.

Fund Details

Structure: Discretionary PMS | **Strategy Name:** Core Equity Portfolio | **Benchmark:** Nifty 50 TRI |
Fund Inception Date: August 24, 2007 | **Fund Manager:** Dhaval Mehta

Performance



Performance as on May 31, 2023 / Source: ABSLAMC Internal Research

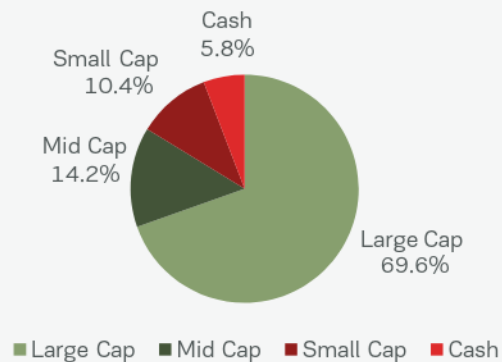
Disclaimer: Past performance of any product does not indicate its future performance. The returns of investment approaches are calculated using TWRR method and considers all inflows and outflows and market value of entire portfolio for computation of performance. It is calculated net of all expenses and fees. Investment approach level performance reported above is not verified by SEBI.

Risk Ratios

Standard Deviation	15.64%
Sharpe Ratio	1.27
Beta	0.93
Portfolio Turnover (%)	0.47

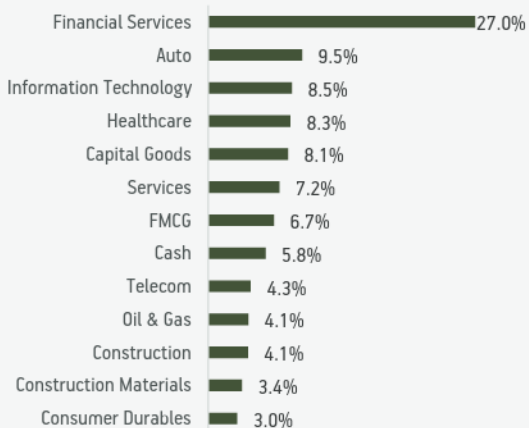
Above Ratios are 3 year ratios calculated on annualised basis

Market Capitalisation



Source: AMFI / As on May 31, 2023

Sector Allocation



Portfolio data as on May 31, 2023

Top 10 Portfolio Holdings

Companies	% to Net Assets
ICICI Bank Ltd	6.7%
Bajaj Finserv Ltd	5.1%
Sun Pharma. Industries Ltd	4.9%
HDFC Bank Ltd	4.6%
Infosys Ltd	4.5%
Interglobe Aviation Ltd	4.3%
State Bank of India	4.2%
Bharti Airtel Ltd	4.1%
Reliance Industries Ltd	4.1%
Larsen & Toubro Ltd	4.1%

Select Sector Portfolio

Investment Theme

The strategy aims to invest in companies of high quality with consistency in growth, high ROE, low leverage & high potential for growth. It is predominantly Small & Midcap oriented portfolio.

Fund Details

Structure: Discretionary PMS | **Strategy Name:** Select Sector Portfolio | **Benchmark:** BSE 500 TRI |
Fund Inception Date: October 6, 2009 | **Fund Manager:** Sameer Narayan, Dhaval Mehta

Performance



Performance as on May 31, 2023 / Source: ABSLAMC Internal Research

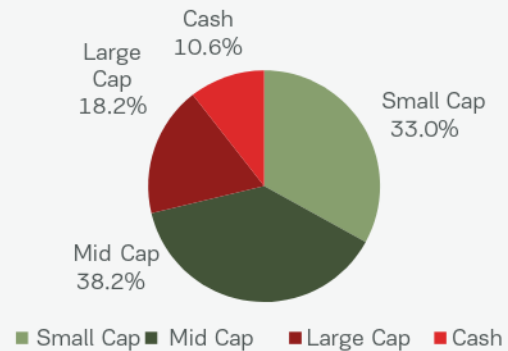
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Risk Ratios

Standard Deviation	16.47%
Sharpe Ratio	1.84
Beta	0.93
Portfolio Turnover (%)	0.49

Above ratios are 3 year ratios calculated on annualised basis

Market Capitalisation



Source: AMFI / As on May 31, 2023

Sector Allocation



Portfolio data as on May 31, 2023

Top 10 Portfolio Holdings

Companies	% to Net Assets
ICICI Bank Ltd	5.2%
Persistent Systems Ltd	5.2%
Lumax Industries Ltd	4.2%
Federal Bank Ltd	3.9%
Dalmia Bharat Limited	3.8%
Triveni Turbine Ltd	3.6%
Polycab India Ltd.	3.5%
360 ONE WAM LIMITED	3.4%
ION EXCHANGE INDIA LTD	3.2%
Gateway Rail Freight Ltd	2.9%

India Special Opportunities Portfolio

Investment Theme

The strategy aims to invest in companies that are primed to benefit from the following catalysts - Micro turnaround, Macro Turnaround, Management Change, Deleveraging, Demerger, Mid to Largecap potential and Secular growth companies.

Fund Details

Structure: Discretionary PMS | **Strategy Name:** India Special Opportunities Portfolio | **Benchmark:** BSE 500 TRI | **Fund Inception Date:** June 14, 2018 | **Fund Manager:** Sameer Narayan, Dhaval Mehta & Salvin Shah

Performance



Performance as on May 31, 2023 / Source: ABSLAMC Internal Research

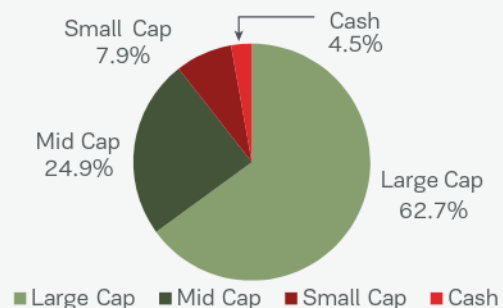
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Risk Ratios

Standard Deviation	14.40%
Sharpe Ratio	1.55
Beta	0.88
Portfolio Turnover (%)	0.65

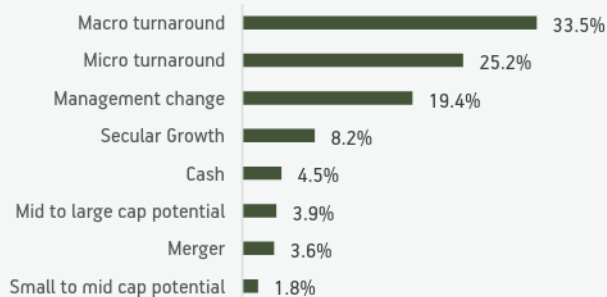
Above Ratios are 3 year ratios calculated on annualised basis

Market Capitalisation

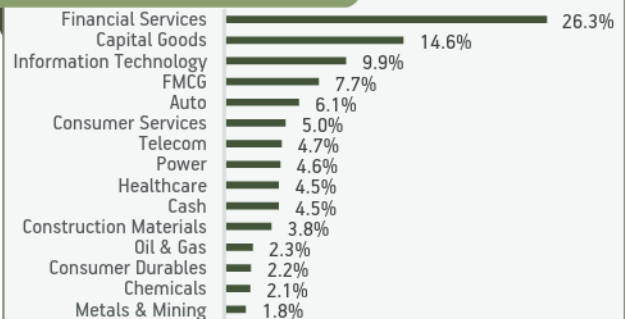


Source: AMFI / As on May 31, 2023

Catalyst Allocation



Sector Allocation



Portfolio data as on May 31, 2023

Top 10 Portfolio Holdings

Companies	% to Net Assets
Axis Bank Ltd	5.8%
Persistent Systems Ltd	5.4%
ICICI Bank Ltd	5.2%
ITC Ltd	4.8%
Bharat Dynamics Ltd	4.6%

Companies	% to Net Assets
Bharti Airtel Ltd	4.5%
Bank Of Baroda	4.0%
Trent Ltd	3.9%
AIA Engineering Ltd	3.8%
Kotak Mahindra Bank Ltd	3.6%

Innovation

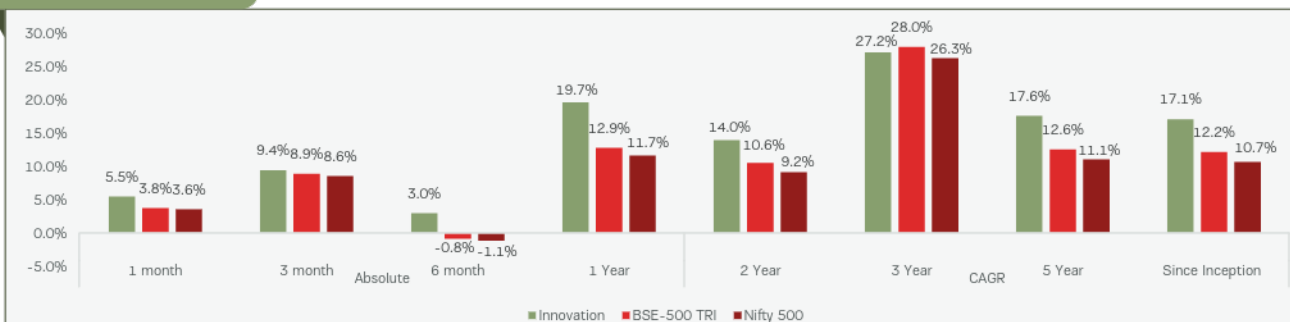
Investment Theme

The strategy aims to invest in companies which are beneficiaries of the fast changing landscape across industries (innovation led) and companies that have a scalability in the form of market size over the next decade (secular growers).

Fund Details

Structure: Discretionary PMS | **Strategy Name:** Innovation | **Benchmark:** BSE 500 TRI
Fund Inception Date: April 24, 2018 | **Fund Manager:** Salvin Shah

Performance



Performance as on May 31, 2023 / Source: ABSLAMC Internal Research

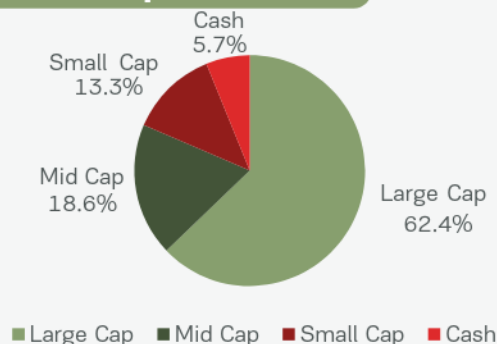
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Risk Ratios

Standard Deviation	13.98%
Sharpe Ratio	1.48
Beta	0.89
Portfolio Turnover (%)	0.12

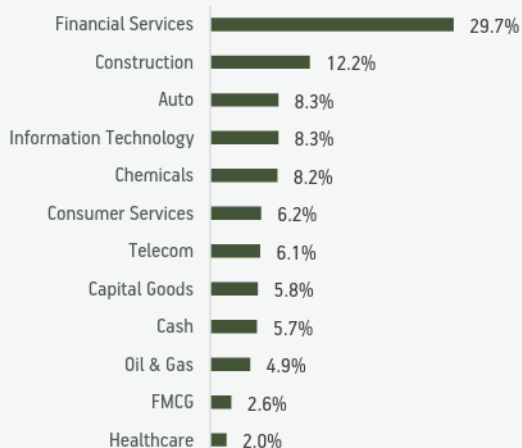
Above ratios are 3 year ratios calculated on annualised basis

Market Capitalisation



Source: AMFI / As on May 31, 2023

Sector Allocation



Portfolio data as on May 31, 2023

Top 10 Portfolio Holdings

Companies	% to Net Assets
ICICI Bank Ltd	9.0%
HDFC Bank Ltd	7.0%
ION EXCHANGE INDIA LTD	6.3%
Persistent Systems Ltd	6.3%
Trent Ltd	6.2%
Bajaj Finance Ltd	6.0%
Bharti Airtel Ltd	5.9%
Larsen & Toubro Ltd	5.9%
PI Industries Ltd	5.6%
Reliance Industries Ltd	4.9%

Top 200 CEP

Investment Theme

The strategy aims to invest in companies that consistently create value through favourable industry operating conditions. It is predominantly a Large Cap oriented portfolio.

Fund Details

Structure: Discretionary PMS | **Strategy Name:** Top 200 CEP | **Benchmark:** Nifty 50 TRI |
Fund Inception Date: July 27, 2015 | **Fund Manager:** Salvin Shah

Performance



Performance as on May 31, 2023 / Source: ABSLAMC Internal Research

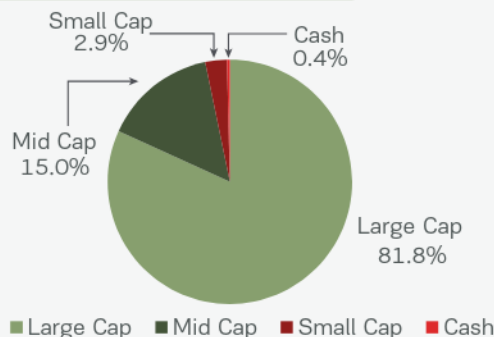
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Risk Ratios

Standard Deviation	13.61%
Sharpe Ratio	1.27
Beta	0.85
Portfolio Turnover (%)	0.26

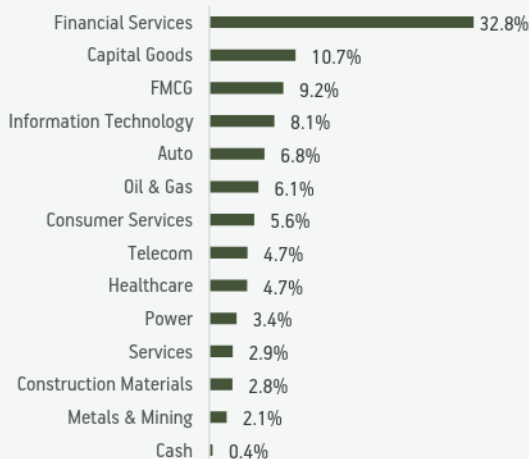
Above ratios are 3 year ratios calculated on annualised basis

Market Capitalisation



Source: AMFI / As on May 31, 2023

Sector Allocation



Portfolio data as on May 31, 2023

Top 10 Portfolio Holdings

Companies	% to Net Assets
HDFC Bank Ltd	6.7%
ICICI Bank Ltd	6.4%
Cummins India Ltd	5.6%
Trent Ltd	5.6%
ABB India Ltd	5.0%
Infosys Ltd	4.7%
Bajaj Finance Ltd	4.6%
Bharti Airtel Ltd	4.6%
Axis Bank Ltd	4.0%
ITC Ltd	3.9%

Nifty Next 100

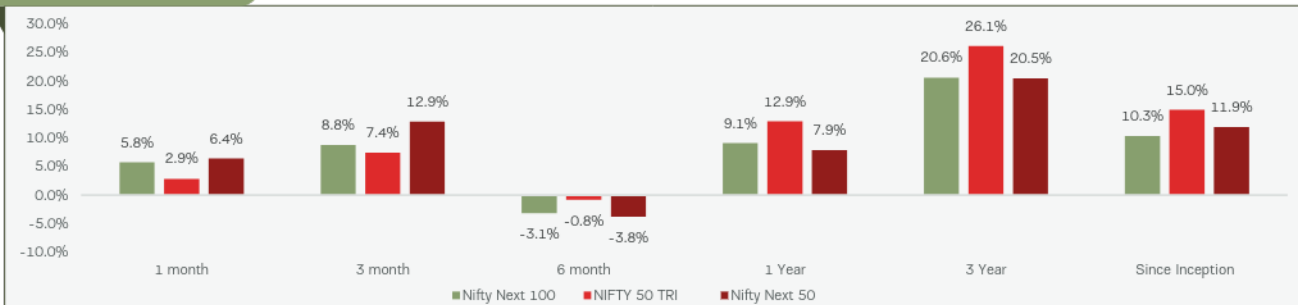
Investment Theme

The portfolio would primarily invest in Large & Mid caps. It captures a sweet spot between Large Caps and Mid Caps with a perfect balance of growth and quality. The strategy aims to invest predominantly in top 150 companies (excluding Nifty 50).

Fund Details

Structure: Discretionary PMS | **Strategy Name:** Nifty Next 100 | **Benchmark:** Nifty 50 TRI |
Fund Inception Date: September 27, 2019 | **Fund Manager:** Dhaval Mehta

Performance



Performance as on May 31, 2023 / Source: ABSLAMC Internal Research

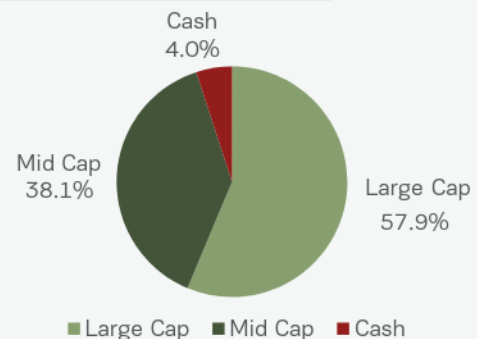
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Risk Ratios

Standard Deviation	16.49%
Sharpe Ratio	0.85
Beta	0.93
Portfolio Turnover (%)	0.60

Above ratios are 3 year ratios calculated on annualised basis

Market Capitalisation



Source: AMFI / As on May 31, 2023

Sector Allocation



Portfolio data as on May 31, 2023

Top 10 Portfolio Holdings

Companies	% to Net Assets
CG Power and Ind. Solutions Ltd	5.3%
Federal Bank Ltd	5.2%
Bajaj Finserv Ltd	5.1%
Ambuja Cements Ltd	5.0%
Interglobe Aviation Ltd	4.4%
Container Corp. of India Ltd	4.2%
Jindal Steel and Power Ltd	4.1%
Pidilite Industries Ltd	4.1%
Godrej Consumer Products Ltd	3.9%
Ashok Leyland Ltd	3.8%

Investment Style

Core Equity Portfolio			
	Growth	Blend	Value
Large Cap			
Mid & Small			

Select Sector Portfolio			
	Growth	Blend	Value
Large Cap			
Mid & Small			

India Special Opportunities Portfolio			
	Growth	Blend	Value
Large Cap			
Mid & Small			

Innovation			
	Growth	Blend	Value
Large Cap			
Mid & Small			

Top 200 CEP			
	Growth	Blend	Value
Large Cap			
Mid & Small			

Nifty Next 100			
	Growth	Blend	Value
Large Cap			
Mid & Small			

Risk Factors and Disclaimers

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