

# Moderate Equity Portfolio – April 2019

## Portfolio Commentary

The portfolio outperformed the benchmark by 274 bps as NIFTY ended up by more than 7.5% compared to last month and broader market also performed well. The market had decent run up in March on the back of FPI inflows of over INR 40,102 cr during the month and INR 50,348 cr in quarter ending March. FPI inflow in March was highest in last 24 months. The overseas inflows has increased to emerging markets including India on the back of extremely dovish stance by FED as market expects easy monetary policy with no interest hike in 2019 due to fear of declining US and global growth in 2019. The abating tensions between US and China on trade front also helped the sentiments along with higher expectation of NDA government returning back to power during forthcoming general elections in India. However risks remain on slowing global growth, pending trade agreement between US and China, rising crude price on the back of OPEC production cut and US sanctions on Iran, Indo-Pak tensions, forthcoming general elections, fiscal concerns and pending Br-exit. Still US FED indications for easy monetary policy and continued slowdown in Europe, China and Japan provide more opportunity to emerging markets including India receiving more fund flows as higher growth differential with developed economies keep these markets attractive. As the global growth is expected to slow down the Indian economy may also be impacted to some extent still it is expected to be fastest growing large economy in the world.

The market are expected to remain cautious during the Q2 of CY2019 on the back of forthcoming general elections, concerns on fiscal deficit, pending US China trade agreement, Br-exit, volatile crude prices with upside bias amid OPEC production cut and Iran sanctions. The India will still be fastest growing major economy in the world amid global slowdown fears and should result into higher foreign investors inflows. The domestic investors equity flows has slowed down a bit in last few months but expected to resume post general elections if stable government is elected. The corporate results for March quarter are expected to be good as banking sector is expected to show further improvement both in asset quality and profitability amid improving liquidity conditions and declining interest yields with recovering rupee providing some relief to the corporate in general. During Q2 of 2019 one need to be cautious however number of opportunities will be available for long term investors with reasonable valuations in quality stocks amid higher volatility. The stocks in capital goods, consumption, infrastructure and rural theme besides IT and Pharma are expected to perform better and corporate banking stocks should surprise the markets on positive side going forward as the NPA cycle seems to be near its end with stronger bank balance sheets and healthy provisioning. The portfolio stocks generally performed in line with market as IDFC First Bank, L&T Finance holdings, Indian Hotels, SBI, Reliance Inds, ACC, ICICI Bank, Tata Power, NLC India and Yes Bank all ended up by more than 10% while NTPC declined by more than 4%. The earnings are expected to be better in March quarter and improve further during FY2019-20 and should drive the markets going forward. We expect equity market to be positive in medium to long term and outperform various other asset classes however return expectations has to be muted. We are holding around 13% cash in the portfolio.

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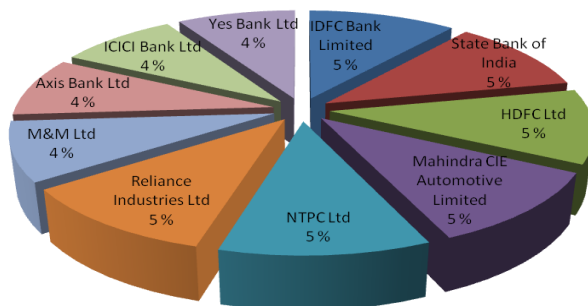
## Portfolio Snapshot

<b>Portfolio</b>	<b>Moderate</b>
<b>Objective</b>	Capital Appreciation
<b>Relative Risk Profile</b>	Medium
<b>Time Horizon</b>	Long
<b>Focus</b>	Growth Stocks
<b>Benchmark</b>	BSE 200

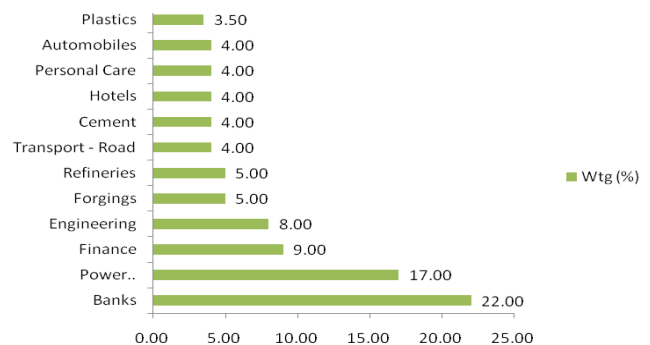
## Portfolio Strategy

This portfolio will invest predominantly in large and midcap companies. The focus will be on stock selection upcoming businesses and in high growth sectors. The portfolio will be managed with lower portfolio turnover and it may also take small exposure to cash or short term debt, whenever felt necessary.

## Top 10 Equity Holdings



## Sector Holdings (%)



## Portfolio Performance (%)

Portfolio	1 Month	3 Months	6 Months	1 Yr (XIRR)	3 Yrs (Annualized)	S.I (Absolute)
Moderate	10.30	6.42	10.43	8.52	14.78	144.31
S&P BSE 200	7.56	5.46	6.17	10.45	12.37	121.50

Note: Performance of scheme is calculated for live accounts only

## Concentration Analysis

Portfolio	Top 10 Holdings	Top 15 Holdings	Scrp with Highest Exposure	Total No. of Scrips
Moderate	46.00%	66.00%	5.00%	21

Portfolio returns are absolute (point to point) and net of all fees and charges calculated on weighted average method. The above returns are calculated on NAV basis and are based on the closing market prices as on 31<sup>st</sup> March 2019. Individual returns and holdings of Clients under the Portfolio may vary significantly from the performance and holdings of the Model Portfolio given above. Past performance may or may not be sustained in future. Please refer to the disclosure document for further information. \* Inception Date: 29/12/2009

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