

# EQUITY OUTLOOK

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Equity markets continued their impressive climb in 2024 so far, with almost all equity indices at All Time Highs, or close to All Time Highs (ATH). While current set of investors, that have large exposures to equities can celebrate and bask in these returns, the reality is that for most Indian equity households, equity is still significantly under-penetrated. In our report – Are Indians making their Money work? (link - <https://tinyurl.com/mrywrujv>) we have analysed how Indian household savings has been allocated, and while there has been a growing trend towards greater financialization of savings and embracing of equity markets, the numbers are still very small. Less than 5% of overall household wealth is in equity markets, a far cry from many developed markets, as the report outlines. We also outline within the report that even if the proportion allocated to financial assets (including fixed deposit, cash etc) gets reallocated to equities, fixed income mutual fund, gold – there can be meaningful improvement in overall returns to the household. We strongly urge the reader to go through the report to gain multiple insights, so as to have a prudent asset allocation framework.

Given that equity markets are at ATH, there is generally a tendency to be wary of further investment. Reality is that markets tend to be ATH at different points in time, more often than what is generally perceived. Between 2005 to 2023, markets are at ATH or close to ATH almost for more than 1000 trading days (out of total 5000 trading days). More often than not, investing in the past at various ATH has actually been rewarding, even as memories keep gravitating towards investing in peak of 2008. In the investment journey, drawdowns (or falls from ATH) are part and parcel of market and cannot be washed away. However, purely obsessing on such a possibility distracts the investor from a holistic approach to asset allocation and the need for various assets including equities for their long-term objectives. To help with these behavioural constructs, SEBI has created categories and solutions including asset allocation solutions like (Balanced Advantage Funds/ Multi Asset Allocation funds) or the simple design of Systematic Investment Plans.

Overall market volatility has been low since 2020, where even a small correction has been vociferously bought. This has been in an environment with significant geo-political developments and global macro uncertainties. One shouldn't be lulled into thinking that such a low volatile environment can prevail for ever. Similarly, it may be naïve to extrapolate near-term past track record of various asset class and securities' performance. There are enough studies to show that category toppers in various mutual fund categories keep changing almost on an annual basis. Given this, to take a forward looking construct on positioning, the factsheet becomes a very useful tool to go under the hood of various portfolios.

To help investors in this endeavour, Aditya Birla Sun Life Mutual Fund is happy to share the consolidated Top 75 positions of entire fund house in this factsheet. Across fund houses, we have seen that Top 75 positions account for about 80% of total corpus of fund house. Thus, focus on these stocks gives an understanding of broader processes, philosophy of fund house.

## Top 75 Stocks held by Aditya Birla Sun Life AMC Limited in Active Equity Schemes (Excluding Arbitrage & Passive Schemes)

Rank	Stock Name	GICS Sector	No. of Shares (in million)			Value of Holdings (in Rs. Cr)			% of Equity Holdings in Active Scheme.		
			30/09/23	30/04/24	Change	30/09/23	30/04/24	Change	30/09/23	30/04/24	Change
1	ICICI Bank Ltd	Financials	82.5	71.4	▼ -11.1	7,855	8,209	▲ 354	6.7%	6.0%	▼ -0.7%
2	HDFC Bank Ltd	Financials	49.9	48.6	▼ -1.3	7,615	7,386	▼ -229	6.5%	5.4%	▼ -1.1%
3	Infosys Ltd	Information Technology	39.7	40.9	▲ 1.2	5,695	5,807	▲ 112	4.9%	4.2%	▼ -0.7%
4	Reliance Industries Ltd	Energy	15.6	18.4	▲ 2.8	3,657	5,389	▲ 1,732	3.1%	3.9%	▲ 0.8%
5	Bharti Airtel Ltd	Communication Services	34.2	30.9	▼ -3.3	3,172	4,092	▲ 920	2.7%	3.0%	▲ 0.3%
6	Larsen & Toubro Ltd	Industrials	9.2	11.2	▲ 2.0	2,768	4,034	▲ 1,266	2.4%	2.9%	▲ 0.5%
7	State Bank of India	Financials	49.4	41.9	▼ -7.5	2,958	3,464	▲ 506	2.5%	2.5%	▲ 0.0%
8	Axis Bank Ltd	Financials	29.2	26.9	▼ -2.3	3,024	3,138	▲ 114	2.6%	2.3%	▼ -0.3%
9	Sun Pharmaceutical Industries Ltd	Health Care	21.6	20.4	▼ -1.2	2,508	3,070	▲ 562	2.1%	2.2%	▲ 0.1%
10	Mahindra & Mahindra Ltd	Consumer Discretionary	11.2	10.6	▼ -0.6	1,733	2,288	▲ 555	1.5%	1.7%	▲ 0.2%
11	NTPC Ltd	Utilities	52.3	62.8	▲ 10.5	1,283	2,281	▲ 998	1.1%	1.7%	▲ 0.6%
12	Maruti Suzuki India Ltd	Consumer Discretionary	1.0	1.6	▲ 0.6	1,030	2,044	▲ 1,014	0.9%	1.5%	▲ 0.6%
13	HCL Technologies Ltd	Information Technology	15.2	14.3	▼ -0.9	1,881	1,960	▲ 79	1.6%	1.4%	▼ -0.2%
14	Bajaj Finance Ltd	Financials	2.7	2.8	▲ 0.1	2,134	1,944	▼ -190	1.8%	1.4%	▼ -0.4%
15	ITC Ltd	Consumer Staples	28.7	38.4	▲ 9.7	1,274	1,671	▲ 397	1.1%	1.2%	▲ 0.1%
16	Tata Motors Ltd	Consumer Discretionary	18.9	16.5	▼ -2.4	1,189	1,666	▲ 477	1.0%	1.2%	▲ 0.2%
17	United Spirits Ltd	Consumer Staples	14.2	12.9	▼ -1.3	1,435	1,515	▲ 80	1.2%	1.1%	▼ -0.1%
18	Shriram Finance Ltd	Financials	2.9	5.4	▲ 2.5	553	1,368	▲ 815	0.5%	1.0%	▲ 0.5%

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			30/09/23	30/04/24	Change	30/09/23	30/04/24	Change	30/09/23	30/04/24	Change
19	SBI Life Insurance Ltd	Financials	7.5	9.0	▲ 1.5	986	1,288	▲ 302	0.8%	0.9%	▲ 0.1%
20	Voltas Ltd	Industrials	4.4	8.7	▲ 4.3	380	1,281	▲ 901	0.3%	0.9%	▲ 0.6%
21	Fortis Healthcare Ltd	Health Care	33.1	27.6	▼ -5.5	1,124	1,212	▲ 88	1.0%	0.9%	▼ -0.1%
22	Zomato Ltd	Consumer Discretionary	18.5	62.2	▲ 43.7	188	1,201	▲ 1,013	0.2%	0.9%	▲ 0.7%
23	Titan Company Ltd	Consumer Discretionary	3.4	3.2	▼ -0.2	1,066	1,158	▲ 92	0.9%	0.8%	▼ -0.1%
24	Ultratech Cement Ltd	Materials	1.4	1.2	▼ -0.2	1,120	1,147	▲ 27	1.0%	0.8%	▼ -0.2%
25	Whirlpool of India Ltd	Consumer Discretionary	2.3	7.6	▲ 5.3	367	1,144	▲ 777	0.3%	0.8%	▲ 0.5%
26	Cholamandalam Investment & Finance Company	Financials	8.9	9.6	▲ 0.7	1,083	1,144	▲ 61	0.9%	0.8%	▼ -0.1%
27	Coforge Ltd	Information Technology	2.6	2.2	▼ -0.4	1,347	1,125	▼ -222	1.2%	0.8%	▼ -0.4%
28	Interglobe Aviation Ltd	Industrials	2.2	2.6	▲ 0.4	534	1,033	▲ 499	0.5%	0.8%	▲ 0.3%
29	Hindalco Industries Ltd	Materials	11.5	15.9	▲ 4.4	567	1,022	▲ 455	0.5%	0.7%	▲ 0.2%
30	Apollo Hospital Enterprise Ltd	Health Care	2.2	1.7	▼ -0.5	1,117	1,001	▼ -116	1.0%	0.7%	▼ -0.3%
31	Oil & Natural Gas Corporation Ltd	Energy	8.7	35.3	▲ 26.6	167	998	▲ 831	0.1%	0.7%	▲ 0.6%
32	Godrej Consumer Products Ltd	Consumer Staples	4.3	7.6	▲ 3.3	428	922	▲ 494	0.4%	0.7%	▲ 0.3%
33	IndusInd Bank Ltd	Financials	5.4	6.0	▲ 0.6	775	908	▲ 133	0.7%	0.7%	▲ 0.0%
34	AU Small Finance Bank Ltd	Financials	1.7	13.9	▲ 12.2	123	879	▲ 756	0.1%	0.6%	▲ 0.5%
35	Tata Consultancy Services Ltd	Information Technology	2.3	2.3	▲ 0.0	823	872	▲ 49	0.7%	0.6%	▼ -0.1%
36	Container Corporation of India Ltd	Industrials	5.7	8.2	▲ 2.5	405	847	▲ 442	0.3%	0.6%	▲ 0.3%
37	DLF Ltd	Real Estate	7.7	9.1	▲ 1.4	407	812	▲ 405	0.3%	0.6%	▲ 0.3%
38	Honeywell Automation India Ltd	Information Technology	0.3	0.2	▼ -0.1	1,097	807	▼ -290	0.9%	0.6%	▼ -0.3%
39	Radico Khaitan Ltd	Consumer Staples	4.5	4.6	▲ 0.1	540	805	▲ 265	0.5%	0.6%	▲ 0.1%
40	Tata Steel Ltd	Materials	82.3	47.2	▼ -35.1	1,061	779	▼ -282	0.9%	0.6%	▼ -0.3%
41	Bharat Electronics Ltd	Industrials	48.1	33.3	▼ -14.8	665	778	▲ 113	0.6%	0.6%	▲ 0.0%
42	LTI Mindtree	Information Technology	1.7	1.6	▼ -0.1	869	767	▼ -102	0.7%	0.6%	▼ -0.1%
43	Kotak Mahindra Bank Ltd	Financials	3.7	4.7	▲ 1.0	642	763	▲ 121	0.6%	0.6%	▲ 0.0%
44	Bharat Forge Ltd	Consumer Discretionary	7.6	5.8	▼ -1.8	827	741	▼ -86	0.7%	0.5%	▼ -0.2%
45	Century Textiles & Industries Ltd	Materials	5.2	3.6	▼ -1.6	583	719	▲ 136	0.5%	0.5%	▲ 0.0%
46	Tata Consumer Products Ltd	Consumer Staples	6.6	6.4	▼ -0.2	580	715	▲ 135	0.5%	0.5%	▲ 0.0%
47	Cummins India Ltd	Industrials	2.1	2.1	▲ 0.0	361	700	▲ 339	0.3%	0.5%	▲ 0.2%
48	Avenue Supermarts Ltd	Consumer Staples	0.3	1.5	▲ 1.2	111	699	▲ 588	0.1%	0.5%	▲ 0.4%
49	Ambuja Cement Ltd	Materials	7.0	11.1	▲ 4.1	298	685	▲ 387	0.3%	0.5%	▲ 0.2%
50	ACC Ltd	Materials	3.0	2.7	▼ -0.3	607	678	▲ 71	0.5%	0.5%	▲ 0.0%
51	Phoenix Mills Ltd	Real Estate	4.0	2.1	▼ -1.9	731	677	▼ -54	0.6%	0.5%	▼ -0.1%
52	Sanofi India Ltd	Health Care	0.6	0.8	▲ 0.2	456	670	▲ 214	0.4%	0.5%	▲ 0.1%
53	Bank of Baroda	Financials	14.5	22.6	▲ 8.1	309	636	▲ 327	0.3%	0.5%	▲ 0.2%
54	Hindustan Unilever Ltd	Consumer Staples	3.7	2.8	▼ -0.9	913	629	▼ -284	0.8%	0.5%	▼ -0.3%
55	Bank of India	Financials	26.4	38.5	▲ 12.1	289	597	▲ 308	0.2%	0.4%	▲ 0.2%
56	Bayer Cropsience Ltd	Materials	1.1	1.0	▼ -0.1	605	565	▼ -40	0.5%	0.4%	▼ -0.1%
57	Max Financial Services Ltd	Financials	3.1	5.4	▲ 2.3	279	546	▲ 267	0.2%	0.4%	▲ 0.2%
58	Gillette India Ltd	Consumer Staples	1.0	0.8	▼ -0.2	632	544	▼ -88	0.5%	0.4%	▼ -0.1%
59	TVS Motor Company Ltd	Consumer Discretionary	2.8	2.6	▼ -0.2	433	543	▲ 110	0.4%	0.4%	▲ 0.0%
60	Crompton Greaves Consumer Electricals Ltd	Consumer Discretionary	21.1	16.1	▼ -5.0	653	512	▼ -141	0.6%	0.4%	▼ -0.2%
61	Samvardhana Motherson International	Consumer Discretionary	27.5	38.3	▲ 10.8	264	502	▲ 238	0.2%	0.4%	▲ 0.2%
62	Cipla Ltd	Health Care	4.3	3.5	▼ -0.8	513	495	▼ -18	0.4%	0.4%	▲ 0.0%
63	NMDC Ltd	Materials	17.6	18.9	▲ 1.3	261	481	▲ 220	0.2%	0.4%	▲ 0.2%
64	Fsn E Commerce Ventures Ltd	Consumer Discretionary	27.1	26.6	▼ -0.5	416	470	▲ 54	0.4%	0.3%	▼ -0.1%
65	Cyient Ltd	Information Technology	2.2	2.6	▲ 0.4	366	465	▲ 99	0.3%	0.3%	▲ 0.0%
66	Coal India Ltd	Energy	7.3	10.1	▲ 2.8	215	459	▲ 244	0.2%	0.3%	▲ 0.1%
67	Exide Industries Ltd	Consumer Discretionary	10.3	9.6	▼ -0.7	267	451	▲ 184	0.2%	0.3%	▲ 0.1%
68	Kalpataru Projects International Ltd	Industrials	4.0	3.6	▼ -0.4	251	445	▲ 194	0.2%	0.3%	▲ 0.1%
69	Bajaj Auto Ltd	Consumer Discretionary	0.1	0.5	▲ 0.4	28	439	▲ 411	0.0%	0.3%	▲ 0.3%
70	Dabur India Ltd	Consumer Staples	7.8	8.5	▲ 0.7	429	431	▲ 2	0.4%	0.3%	▼ -0.1%
71	NLC India Ltd	Utilities	7.8	17.5	▲ 9.7	105	425	▲ 320	0.1%	0.3%	▲ 0.2%
72	Siemens Ltd	Industrials	0.8	0.7	▼ -0.1	290	417	▲ 127	0.2%	0.3%	▲ 0.1%
73	Glenmark Pharmaceuticals Ltd	Health Care	6.7	3.9	▼ -2.8	574	415	▼ -159	0.5%	0.3%	▼ -0.2%
74	Strides Pharma Science Ltd	Health Care	5.3	4.6	▼ -0.7	269	414	▲ 145	0.2%	0.3%	▲ 0.1%
75	India Hotels Co Ltd	Consumer Discretionary	7.8	7.1	▼ -0.7	322	412	▲ 90	0.3%	0.3%	▲ 0.0%

Part of Nifty50: ■ YES ■ NO

These 75 stocks are across a range of sectors. While Financials are a large weight (also due to reflection of top-heaviness of the sector in various benchmarks), we also have large number of stocks in consumer discretionary, consumer staples, industrials, Information Technology, Materials and Healthcare sectors.

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GICS Sector*	No. of stocks	% of AUM	Value (Rs. Crore)
Communication Services	1	3.0%	4,092
Consumer Discretionary	14	9.9%	13,572
Consumer Staples	9	5.8%	7,930
Energy	3	5.0%	6,846
Financials	14	23.5%	32,271
Health Care	7	5.3%	7,277
Industrials	8	6.9%	9,534
Information Technology	7	8.6%	11,803
Materials	8	4.4%	6,078
Real Estate	2	1.1%	1,489
Utilities	2	2.0%	2,706
<b>Total</b>		<b>76%</b>	<b>1,03,598</b>

**\*GICS: Global Industry Classification Standard**

There are 33 stocks in ABSLAMC Top 75 positions which are in NSE Nifty 50, which account for 53.3% of total AuM and 42 stocks which are outside NSE Nifty 50.

Nifty 50 / Outside Nifty 50	No. of stocks	% of AUM	Value (Rs. Crore)
Nifty 50	33	53.30%	73,253
Outside Nifty 50	42	22.10%	30,344

During the period from Sep 23 to April 24, there were 37 stocks in which our fund house added positions. The largest increase in exposures were in stocks like Bajaj Auto, AU Small Finance Bank, Avenue Supermarts Ltd, ONGC, Zomato, Whirlpool, NLC India, Voltas, Shriram Finance, Max Financial Services Limited. Many of these have been purchased in a counter-cyclical manner – in essence, not buying when these stocks were in momentum. During this period, the Top 10 stocks in which fund house has reduced positions have been Phoenix Mills, Tata Steel, Glenmark, Honeywell Automation, Century Textiles, Bharat Electronics, Hindustan Unilever, Crompton Greaves, Bharat Forge, Apollo Hospital. Most of these names have performed significantly in last year (and more), and the fund managers have booked profits in many of these names.

We sincerely, hope this analysis provides you a better appreciation of various equity offerings of Aditya Birla Sun Life Mutual Fund. Equities are an asset class to fulfil long term goals, while there is a prospect of increased volatility (be it event lead due to elections or global geo-political developments), we remain positive on longer term construct. Just like in test cricket, there is fine balance between opening batsmen (whose primary role is to defend against new ball), middle order (whose primary role is to have long partnerships and score most runs) and the tail (who may be looking to improve strike rate)- our portfolios in Aditya Birla Sun Life Mutual Fund also have a balance between risk management (benchmark awareness), high conviction core portfolio (whose primary role is to compound wealth over long period of time, with low portfolio churn) as well as satellite positions (where we look to express views on top-down assessment of risk, faster churn in portfolio and tactical calls).

Happy investing!

Source: Jefferies, Morgan Stanley, ABSLAMC Research

The sector(s)/stock(s)/issuer(s) mentioned in this article do not constitute any research report/recommendation of the same.

### Our Recommendations

Market Cap Specific	Hybrid Solutions	Thematic & Sectoral Solutions	Diversified across Market Cap
Aditya Birla Sun Life Frontline Equity Fund	Aditya Birla Sun Life Balanced Advantage Fund	Aditya Birla Sun Life India GenNext Fund	Aditya Birla Sun Life Multi-Cap Fund
Aditya Birla Sun Life Mid Cap Fund	Aditya Birla Sun Life Multi Asset Allocation Fund	Aditya Birla Sun Life Digital India Fund	Aditya Birla Sun Life Flexi Cap Fund
Aditya Birla Sun Life Small Cap Fund			

None of the aforesaid recommendations are based on any assumptions. These are purely for reference and the investor are requested to consult their financial advisors before investing.

**Mutual Fund investments are subject to market risks, read all scheme related documents carefully.**