

Top 200 CEP

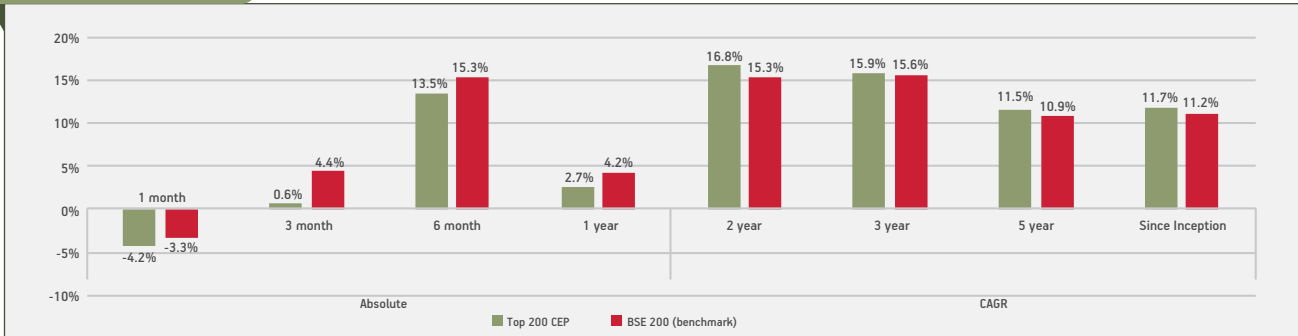
Investment Theme

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:** BSE 200 |
Fund Inception Date: July 27, 2015 | **Fund Manager:** Salvin Shah

Performance



Performance as on December 31, 2022 / Source: ABSLAMC Internal Research

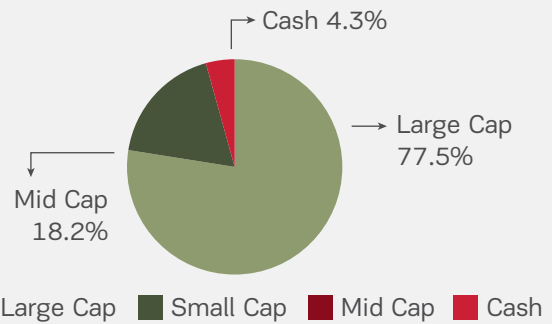
Disclaimer: Past performance of any product does not indicate its future performance. The returns of investment approaches are calculated using TWRR method and considers all inflows and outflows and market value of entire portfolio for computation of performance. It is calculated net of all expenses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

Risk Ratios

Standard Deviation	21.2%
Beta	0.86
Sharpe Ratio	0.44
Portfolio Turnover (%)	29.0%

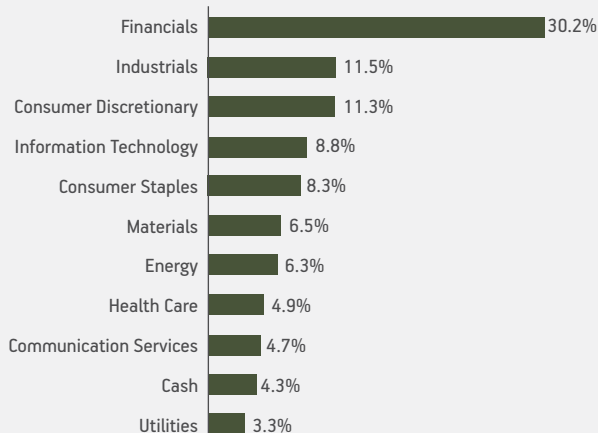
Above ratios are 3 year ratios calculated on annualised basis

Market Capitalisation



Source: AMFI / As on December 31, 2022

Sector Allocation



Portfolio data as on December 31, 2022

Top 10 Portfolio Holdings

Companies	% to Net Assets
HDFC Bank Ltd	7.1%
ICICI Bank Ltd	6.4%
Infosys Ltd	5.7%
Trent Ltd	5.1%
Cummins India Ltd	4.7%
Bharti Airtel Ltd	4.6%
Bajaj Finance Ltd	4.5%
Axis Bank Ltd	4.3%
Reliance Industries Ltd	4.1%
ACC Ltd	4.1%

Equity Outlook

Indian equities under-performed emerging markets during the month (Nifty50 & MSCI EM was down by 3.5% and 1.6% respectively). Overall global weakness was driven by hawkish US Federal reserve which believes that higher restrictive monetary policy is needed to control inflation, which further increased recession risk in US.

High frequency indicators (like E-way bill, GST collection, loan growth etc) continue to suggest healthy level of economic activity. Healthy reservoir levels, helped by above normal south-west monsoon has brightened prospects of Rabi season which in turn may help revive rural demand. November 2022 Consumer Price Index (CPI) softened to 5.9% YoY (fallen below RBI's upper tolerance band of 6% for the first time in 2022) from 6.8% in October, helped by sharp drop in food prices (driven by lower vegetable prices). October 2022 Index of Industrial Production (IIP) declined by -4% YoY (a 26-month low) due to slowdown in exports and consumption demand. RBI slowed the pace of repo rate hike to 35bps (as compared to previous hikes of 50bps each). RBI monetary Policy Committee (MPC) revised its FY23 GDP growth forecast lower to 6.8% YoY from the earlier 7.0% YoY, while keeping FY23 inflation forecast unchanged at 6.7%.

We believe that despite weakening global demand, domestic growth outlook may remain healthy given a) Stable consumer outlook and optimistic business outlook in terms of demand conditions and sales prospects; b) Uptick in economic activities (as evident from high frequency indicators); and c) Easing commodity prices and supply side pressures. We intend to accumulate high quality stocks in portfolio from medium to long term perspective.

Portfolio Update:

In the month of December 2022, HDFC Bank, ICICI Bank, Infosys, Trent, continue to be the fund's top holdings. We continue to employ our extensive bottom-up research process, to identify mispriced opportunities, with special focus on companies with credible managements, healthy balance sheets, higher returns on capital, and strong runway for growth.

The Fund entered LTI Mindtree which offers extensive range of IT services like application development, maintenance and outsourcing, enterprise solutions, infrastructure management services, testing, digital solutions, and platform-based solutions to the clients in diverse industries. Potential uptrend in tech spending of BFSI vertical and bottoming out of the Energy & Utilities vertical. Also LTI's innate capabilities in client mining and its top class digital offerings will give it an edge over other mid-caps.

The Fund exited Avenue Supermarts due to heightened competitive intensity, suboptimal unit economics and expensive valuation of the stock.

Disclaimer: The views expressed above are the views of the Fund Managers and should not be construed as an investment advice.

Investments in securities are subject to market risks and there can be no assurance or guarantee that the objectives of the Product will be achieved. Past performance may or may not be sustained in future.

Investment Style

Top 200 CEP			
	Growth	Blend	Value
Large Cap			
Mid & Small			

Risk Factors and Disclaimers

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Regulatory Disclosure: All investors have the option to invest directly with ABSLAMC-Portfolio Manager

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For any service related queries, please contact us:



1800 270 7000



care.pms@adityabirlacapital.com

Aditya Birla Sun Life AMC Limited
CIN: L65991MH1994PLC080811.

One World Center, Tower 1, 17th Floor, Jupiter Mills, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400 013.
Tel: 4356 8000. Fax: 4356 8110 / 8111

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