

# Core Equity Portfolio

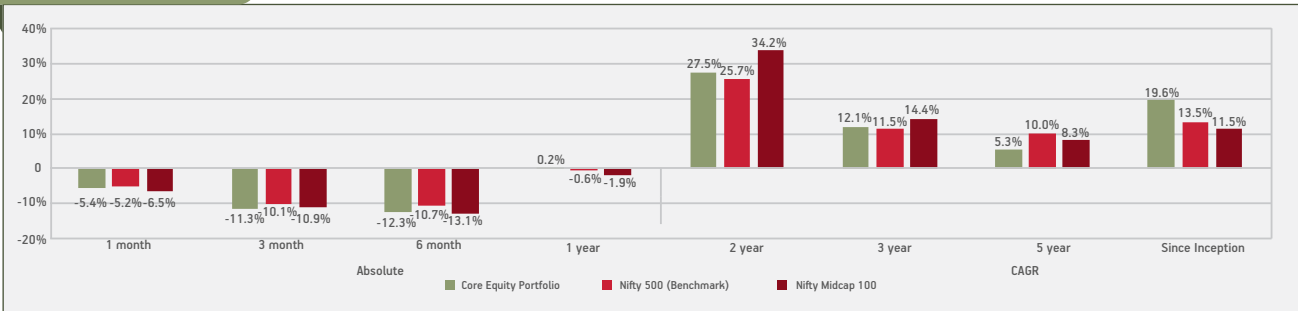
## Investment Theme

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 500 |  
**Fund Inception Date:** August 24, 2007 | **Fund Manager:** Dhaval Mehta

### Performance



Performance as on June 30, 2022 / Source: ABSLAMC Internal Research

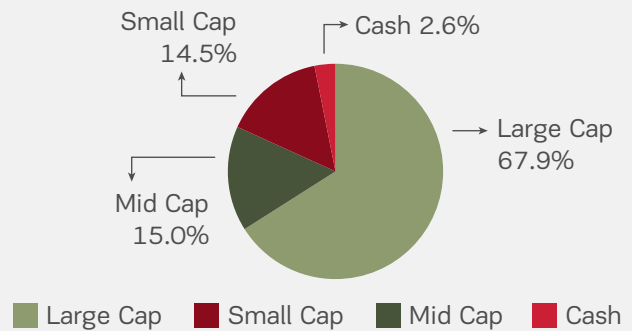
Disclaimer: Past performance of any product does not indicate its future performance. The returns of investment approaches are calculated using TWRR method and considers all inflows and outflows and market value of entire portfolio for computation of performance. It is calculated net of all expenses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

### Risk Ratios

Standard Deviation	23.3%
Beta	1.00
Sharpe Ratio	0.30
Portfolio Turnover (%)	41.0%

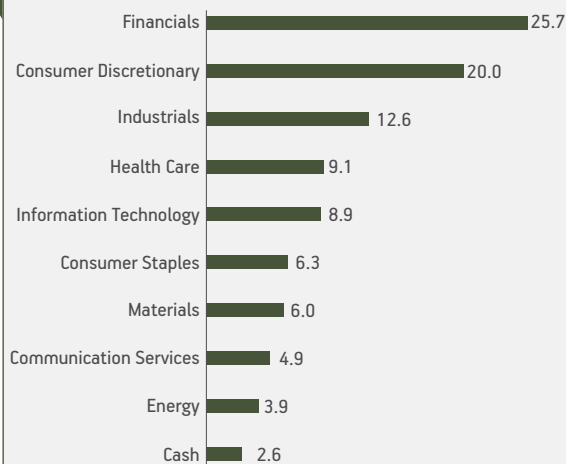
Above Ratios are 3 year ratios calculated on annualised basis

### Market Capitalisation



Source: AMFI / As on June 30, 2022

### Sector Allocation



Portfolio data as on June 30, 2022

### Top 10 Portfolio Holdings

Companies	% to Net Assets
ICICI Bank Ltd	6.9
Infosys Ltd	6.0
Sun Pharmaceutical Industries	5.0
Bharti Airtel Ltd	4.8
Bajaj Finserv Ltd	4.6
HDFC Bank Ltd	4.5
Apollo Tricoat Tubes Ltd	4.2
Bata India Ltd	4.2
State Bank of India	4.0
Astec Lifesciences Ltd	3.9

## Equity Outlook

Indian equity market saw some correction during the month of June with Nifty down by 4.8%. Market was apprehensive by rising interest rates globally; Brent Crude though have corrected from top but still above \$110 per barrel along with the geopolitical conflict continuing for another month. FII equity selling further accentuated in June at about US\$6.3bn as against US\$4.9bn outflow in May 2022.

Mobility indicators in India remained healthy with robust electricity demand continued in the month of June 2022, due to ongoing heat wave in various parts of the country along with delayed monsoon. April 2022 Index of Industrial Production (IIP) grew by 7.1% YoY on a low base. Various high frequency indicators suggest recovery in economic activities.

The month saw hawkish commentary by various central bankers across the world like US Federal Reserve, European Central bank and Reserve Bank of India in their latest monetary policy meeting announcement. Policy rates in US and India increased by 75bps and 50 bps respectively. All central bankers hinted at the need of front loading rate hikes in order to tame inflation and revised its growth estimate lower while increasing inflation outlook. May 2022 Consumer Price Index (CPI) cooled off to 7.0% YoY, lower than 7.8% YoY in previous month primarily due to high base. Government of India also took a series of measures (namely cut in excise duty on petroleum products, exports duty on steel products) in order to ease inflationary pressures. With monsoons expected to be good and series of actions undertaken by RBI and Government we expect inflation to start moderating from 2nd half of this financial year.

Most of the industries are cautiously optimistic in terms of demand despite recent price increase and interest rate hike. With expectation of normal monsoons, high agri prices and government capex; rural consumption is likely to revive.

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.

## Portfolio Update:

In the month of June 2022, ICICI Bank, Infosys, Sun Pharmaceutical, Bharti Airtel 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 Ultratech Cement which is engaged in the manufacturing and sale of Cement and Cement related product primarily in India. The company's board has approved capex plan for setting up 22.6mt of new cement capacity and other expansion plan is targeted to go on stream in phase manner. The expansion plan will support volume growth & help the company retain its leadership position.

The Fund exited Ujjivan Small Finance Bank due to deep loss reporting, dominant portfolio concentration towards MFI. The overall RoA / ROE trajectory remain subdued and could see further pressure due to capital raise plans.

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

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