

# Foreword

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**Bhavdeep Bhatt**  
Head - Retail Sales  
Aditya Birla Sun Life AMC Limited



## Dear Investors,

After starting off on a weak wicket, market has progressed and built up quite well... like the last over of the final of IPL 2023!

Growth of our economy looks strong with Q4FY23 GDP at 6.1%, beating the most ambitious estimates, and an unprecedented GST collection at 1.9 lac cr. in May 23. With the robustness of financial sector and corporate India, we remain firmly constructive on growth and equity-return prospects of India over the next 10 years. In fact, given the high and growing formalisation of economy, strong macro, peaking interest rates, improving micro, multi-year low volatility, high & growing retail participation (with monthly SIP order book of over 14000 cr.), economic and market outlooks appears quite encouraging.

The asset management industry in India is evolving with rapid changes, with acceleration in demand growth in passive products and private market product platforms like AIF and PMS. We at Aditya Birla Sun Life AMC have also experienced a significant growth with our passive asset size crossing 25000 cr as on 31st March 2023. from under 1000 cr. just two years back. Also, we recently concluded our Aditya Birla Sun Life Services Equity AIF (Close ended Cat II AIF) with a mobilisation of c.900 cr. from over 770 HNIs, and are set to launch our first Gift City Global offering - Aditya Birla Sun Life Global Emerging Market Equity Fund (IFSC) - Close Ended Cat II Global FoF AIF. With growing population of High Networth Individuals in India and innovative niche product offers, we believe that this space of passives and private market products is going to continue growing at a rapid pace.

In Mutual Funds space, SIPs have arguably become a household name among almost all tax payers. While there is a greater number of people who are participating in equity MFs through SIPs, the power of compounding is experienced by a very few investors in reality. As per a study, the average of 2 year SIP return in an Income Fund and in a Diversified equity Fund is similar. But 5 year and 10 year average SIP return differential is ^9% and ^8% respectively! You would be surprised to know that ^^~20% investors stop their SIPs between 2 year and 5 years and ^^~13% investors stop their SIPs between 5 year and 10 year, thereby missing to realise the real potential of compounding. Fundamentally it happens because such SIP decisions are often market driven, rather than needs driven.

It is in this context, we have launched a new initiative, Sampoorna SIP. This facility is a combination of SIP and SWP (Systematic Withdrawal Plan) a Sampoorna systematic solution for each investor's unique investment needs. You can decide to commit SIP amount and period basis your accumulation needs, transfer the funds to any other scheme of their choice at the end of accumulation phase and withdraw the amount as per your requirement during the distribution phase. One can tailor a complete financial plan for oneself with this solution. Please reach out to your distributor or advisor or us for more details.

Investors are requested to read all the terms and conditions of Sampoorna SIP mentioned in the Sampoorna SIP application form available on the website [www.mutualfund.adityabirlacapital.com](http://www.mutualfund.adityabirlacapital.com) to have a better and complete understanding of the facility

Finally given our market view of Value > Growth and Narrow Market breadth > Broad based market, currently we recommend to our investors following four equity / hybrid funds:

- 1. Aditya Birla Sun Life Multi Asset Allocation Fund:** An open ended scheme investing in Equity, Debt and commodities. Ideal solution for investors seeking a One Stop Solution.
- 2. Aditya Birla Sun Life Balanced Advantage Fund:** In this equity oriented Fund, we dynamically manage net equity allocation between 20% and 80% of the portfolio value, basis a scientific asset allocation model. In 3, 5 and 10 year period, this Fund has delivered ^16.63%, ^9.35% and ^10.96% CAGR respectively. On an average, it has kept the net equity exposure of ^^51.17% and managed to give ^^91% of Nifty return.
- 3. Aditya Birla Sun Life Multi Cap Fund:** A diversified fund that is mandated to invest minimum 25% each in large cap, mid cap and small cap category of companies, and the remaining 25% can be invested in any of the above market cap segment. This Fund beautifully blends discipline and dynamism for portfolio construction. Currently we have ^^21.63% between small and midcap and ^^44.96% in large cap companies. Given the outlook of a broad based market movement, this diversified fund can be considered for long term investing.
- 4. Aditya Birla Sun Life Small Cap Fund:** Small Cap Index is currently trading at a level which was at the level of Dec 2017 peak. With interest rates having peaked out and positive economic growth environment, we believe that investing in this segment could be rewarding with a long term investment horizon.

At an aggregate level, we are beginning to see recovery across most of equity and hybrid fund categories like Value fund, Thematic Funds based on PSU, Technology, Infrastructure, Banking and Financial Services, and Dividend Yield, Balanced Advantage Fund, Muti Asset Allocation Fund, Large cap Fund, Multi Cap Fund, Small Cap Fund and Mid Cap Fund, etc.

Keep investing and stay invested after all, investing is all about the future.

Wish you happy investing.

Source:

^MFIE report as on 31st May'23

^^Aditya Birla Sun Life AMC Internal sources as on 31st May'23

For Product labelling of the schemes mentioned in the article refer to page no- 179 For Performance Disclosure of the schemes mentioned in the article refer to page no- 27,29,80,82.

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