

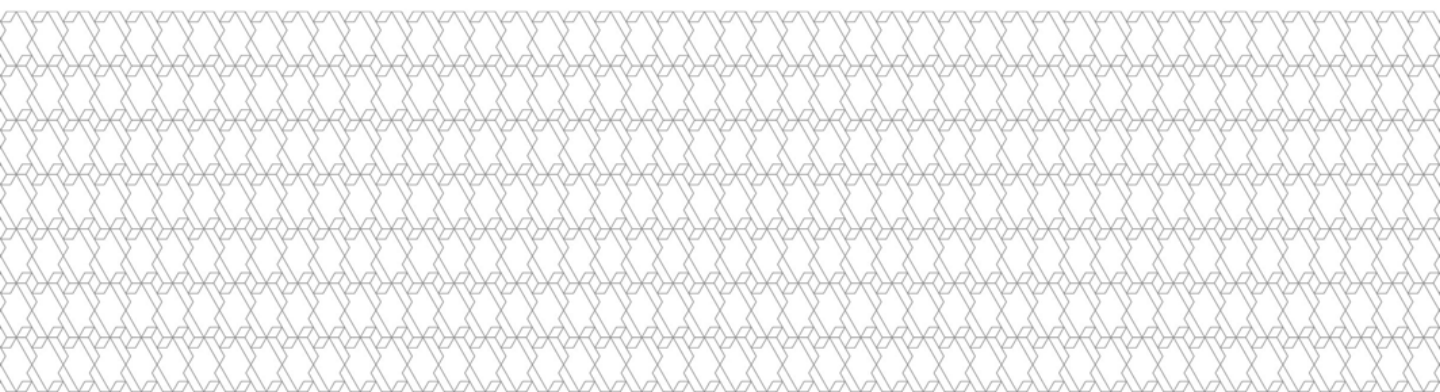


Burgundy

Wealth Management | Axis Bank

INVESTMENT PERSPECTIVES

January – March 2021



MARKET **OVERVIEW**



MARKET OVERVIEW



A year of transition, a year of pain, a year of disruption & a year of recovery. 2020 can be characterized as one year where markets changed fortunes, from a grim March to a euphoric November, it's been a rollercoaster ride.



Equity Markets have staged a major recovery across the world. Indian equity market has rallied a whopping 84% to 13,982 from the March lows. The concentrated rally of top 15 stocks contributing 74% of the returns is now broad-basing with small & mid-cap stocks starting to outperform their larger counterparts. Market is expensive because of the top 10 stocks rally, but beyond the top 10 the market valuations are reasonable although not cheap.



Channel checks indicate that revival in business is very strong across the board. Waiting period in auto sector continues. Demand has surged in all the sectors including real estate which is seeing a strong revival in demand and home registrations in key metros has gone up significantly. IT sector continues to see very strong traction and could see further re-rating. Commodity prices have continued to surge with copper and ferrous metals performing very strongly. Q3FY21 results for the BFSI sector are likely to come in strong.



Going ahead, market volatility may continue across domestic and global markets. Current market rally is driven by six key factors 1) advent of upward revisions in growth and earnings cycle after a long time, 2) prospects of liquidity in system remaining comfortable, 3) improved global trade scenario after the change of guard in the US, resulting in a more organized US-China negotiation and resurrection of multilateralism, 4) reduced global policy uncertainty, 5) positive developments on COVID-19 vaccine and 6) the lagged impact of monetary and fiscal stimulus across the world and India.



We maintain a positive bias towards India equity. Investors can consider investing in equities with a 3 to 5 year investment perspective



- India's debt market landscape is marked by multiple policy concerns with RBI trying to play a balancing act between yields, inflation and forex markets. 10 year benchmark yield traded below the 6% mark during the quarter, closing at 5.89%, lower by 12 bps. It traded mostly in a tight range, with yields oscillating in a range of 15 bps between 5.85% to 6.0%.
- Domestic bond yields have followed the downward rate trajectory since the beginning of the year, as the RBI & the government have emphasized on bringing rates lower through policy action & accommodative monetary policy in an attempt to spur growth. While the money market curve & the 3/5-year space has broadly followed suit, longer dated papers especially corporate bonds have remained anchored. This has resulted in a steep yield curve.
- Across the globe, rates were also down sharply in early part of the year and remained low as major central banks continued to provide support with monetary and fiscal stimulus to pandemic struck economies and eyeing for a comprehensive return to a sustainable growth path post a global GDP contraction due to lockdowns.
- The RBI is likely to ensure surplus liquidity in the banking system to support growth with a dual objective of improving financial conditions and managing the yield curve. RBI may later in the year, withdraw its accommodative stance and reduce liquidity, in turn, starting the process of rate normalization. Going forward, a rate cut looks unlikely unless a huge fiscal consolidation or growth fallout or an inflation shock emerges. Rates are expected to remain benign for some more time; however, volatility might continue.



We remain constructive on the shorter end of the yield curve. Short Duration funds, Corporate Bond funds, Banking & PSU Debt funds, Money Market funds, Low Duration funds and Ultra Short Duration funds can be considered by investors with an investment horizon commensurate with the maturity and duration of the schemes, due to their steady accrual profile and possible capital appreciation in case of a fall in yields. **Having said this, one should consider aspects such as exit load, capital gains tax and asset allocation amongst others while evaluating their investment options.**

EQUITY MARKET UPDATE



EQUITY MARKET RECAP

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Indian equity markets ended the December 2020 quarter at all time high level. Markets have rallied for three consecutive quarters after witnessing a sell-off in March 2020. Mid Cap and Small Cap indices were marginally lower compared to their Large Cap counterparts. The S&P BSE Sensex was up by 25.44% during the quarter ended December 2020, while the S&P BSE Mid Cap and the S&P BSE Small Cap index were up by 22.01% and 21.73%, respectively.

For CY20, S&P BSE Sensex was up by 15.75%, whereas S&P BSE Midcap and S&P BSE Small Cap index was up by 19.87% and 32.11%, respectively.



On the sectoral front, all sectors ended in green for the quarter ended December 2020. Realty (+48.26%), Bankex (+47.36%) and Metal (+39.68%) were the top performers. However, the bottom 3 sectors were Oil & Gas (+15.09%), FMCG (+14.10%) & Healthcare (+9.51%).

For CY20, majority of the sectors were in positive territory. Healthcare (+61.45%), IT (+56.68%) and Consumer Durables (+21.52%) were the top gainers, while Bankex (-2.14%), Oil & Gas (-4.44%) and PSU (-16.88%) were at the bottom.



Among S&P BSE Sensex stocks for the quarter ended December 2020, Indusind Bank (+69.90%), Bajaj Finance (+61.60%) and Kotak Mahindra Bank (+57.35%) were the top performers, while Reliance Industries (-11.15%) was a laggard.

For CY20, Dr. Reddys Labs (+80.88%), Infosys (+71.62%) and HCL technologies (+66.47%) were the top performers, while Axis Bank (-17.73%), ONGC (-27.61%) and Indusind Bank (-40.76%) were laggards.



During the quarter ended December 2020, FIIs were net buyers of equity to the tune of Rs 1,28,078 Cr while DIIs were net sellers to the tune of Rs 1,02,931 Cr & the domestic MFs sold Rs 64,595 (as of Dec 17, 2020) Cr worth of equity.

For CY20, FIIs were net buyers of equity to the tune of Rs 65,246 Cr while DIIs were net sellers to the tune of Rs 35,663 Cr and the domestic MFs sold Rs 52,692 Cr worth of equity.

EQUITY MARKET OUTLOOK

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CY20 has been a remarkable year for the global equity markets. The unprecedented year saw Covid-19 induced turbulence across the globe and the markets crashed by 35-40%. There was a staggering fall in the Gross Domestic Product (GDP) growth due to total suspension of economic activity in the first quarter of the FY21 due to the series of lockdowns to stem the spread of the virus. But then, the stock markets recovered and ended 2020 at record highs. The sentiments had swung firmly, from extreme despair in March to optimism now and valuations have also re-rated alongside as the economy saw signs of recovery. The equity market's staggering performance was primarily led by large fiscal policy interventions, low interest rate regime, massive amounts of liquidity and rapid development of multiple Covid-19 vaccines.



In the month of December 2020, Indian equity market has rallied a whopping ~84% from the March lows to end the month at 13981.75. The concentrated rally of the top 15 stocks contributing ~74% of the returns is now broad-basing with small and mid cap stocks starting to outperform the large cap stocks. Nifty 50 was up by 7.81% during the month of December 2020. Midcaps (Nifty Midcap 150) was up by 5.46% and small caps (Nifty Small cap 250) was also up by 8.42%. The market is optically expensive because of the top 10 stocks rally but beyond the top 10 names, the market is fairly valued; however, it is not cheap. The top 10 stocks are trading at 27x while the remaining 40 stocks are trading at 20x on 12m forward PE, while the NIFTY is trading at 22.2x on 1 year forward earnings.



The demand has surged across all the sectors including real estate which is now witnessing a strong revival in demand and home registrations in key metro cities has gone up significantly. Channel checks indicate that revival in the business is very strong across the board and strong auto sales and the waiting period in the auto sector continues. IT sector continues to see very strong traction, Accenture reported very strong deal wins which indicates that the deal wins for the IT sector will be very strong for the Indian companies also. IT sector could see further re-rating. While IT sector continues to see very strong tail winds, the news for domestic pharmaceuticals has been a mixed bag. India growth in the Pharma sector is not very strong in November but overall trends for the sector continue to indicate revival. Commodity prices have continued to surge with copper and ferrous metals performing very strongly. Q3FY21 results for the BFSI sector are likely to come in strong as banks shift focus to growth as they are flushed with liquidity.



The developments in COVID-19 vaccine hold a positive angle as several vaccines have already been approved for emergency use in China, Russia, United States and Germany. Recent news of the rising incidence of H69/V70 variant in positive COVID-19 test cases in the UK triggered renewed concerns on stringent responses across several countries. However, the concerns were short-lived, suggesting that the markets are likely to be less responsive even in future as the virus morphs into newer strains. Positive news on the vaccine, faster than expected economic recovery, continuing fiscal and monetary policy support, and high liquidity should provide a supportive backdrop for equities.

EQUITY MARKET OUTLOOK

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Globally also, the markets witnessed support on hopes of a post- Brexit trade deal after nearly nine months of hard negotiations and the US Government closing in on a \$900 Bn Covid aid bill covering several stimulus checks to the US citizens. Japan too announced another stimulus package of \$708Bn. Therefore with major economies pumping in billions of dollars into the economy, it can be reasonably concluded that the buoyancy in the stock markets is here to stay. Vulnerability to risk markets can arise from surprise hardening in US inflation and withdrawal of liquidity. However, we believe Fed (and others) will maintain the “lower-for-longer” stance and the eventual lift-off will be mild. Survey of central banks’ statements suggest that liquidity infusion will continue for a prolonged period.



Sowing of rabi (winter) crops is under way. The rabi sowing begins from October immediately after the harvest of kharif (summer) crops. According to the data released by the Agriculture Ministry, the total area covered in the current rabi season is nearly 621 lakh hectares (lha), nearly 18 lha more than 603 lha covered in the same week in 2019-20. Government continues to procure Kharif crops at MSP from farmers as per existing Minimum Support Price schemes. Over 487.92 lakh metric tonne of paddy has been procured so far, which is 24.93 percent more than the corresponding period last year.



Going ahead, we expect market volatility to continue across domestic and global markets. At current juncture six key factors supporting the market are: (1) advent of upward revisions in growth and earnings cycle after a long time, (2) prospects of liquidity in the system remaining comfortable, (3) improved global trade scenario after the change of guard in the US, resulting in a more organized US-China negotiation and resurrection of multilateralism, (4) reduced global policy uncertainty, 5) positive developments on COVID-19 vaccine and 6) the lagged impact of monetary and fiscal stimulus across the world, India included.



Investors can look at accumulating equities with a 3 to 5 year investment perspective



EQUITY ORIENTED SCHEMES



LARGE CAP EQUITY FUNDS

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PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER, 2020)

CAGR	1 Year	2 Years	3 Years
Axis Bluechip Fund	19.66	19.12	14.75
ICICI Prudential Bluechip Fund	13.45	11.6	7.29
Mirae Asset Large Cap Fund	13.66	13.19	8.37
Nippon India Large Cap Fund	4.89	6.06	3.93
UTI Mastershare Unit Scheme	18.62	14.59	9.35
Category Average	13.16	12.23	7.52
Nifty 50 TRI	16.09	14.78	11.28

Data Source: ICRA MFI Explorer

MULTI CAP EQUITY FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER, 2020)

CAGR	1 Year	2 Years	3 Years
Aditya Birla Sun Life Equity Fund	16.02	12.22	6.49
Axis Multicap Fund	19.24	18.21	14.36
ICICI Prudential Multicap Fund	9.18	7.58	5.05
Kotak Standard Multicap Fund	11.75	12.02	7.53
SBI Magnum Multi Cap Fund	13.56	12.26	5.99
Tata Multicap Fund	14.27	12.38	--
UTI Equity Fund	31.45	21.20	14.97
Category Average	13.90	11.47	6.11
Nifty 500 TRI	18.36	13.58	8.19

Data Source: ICRA MFI Explorer

EQUITY ORIENTED SCHEMES

LARGE & MID CAP EQUITY FUNDS

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PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER, 2020)

CAGR	1 Year	2 Years	3 Years
Axis Growth Opportunities Fund	24.63	20.44	--
DSP Equity Opportunities Fund	14.20	12.82	4.92
Invesco India Growth Opportunities Fund	13.24	11.96	7.73
Kotak Equity Opportunities Fund	16.41	14.78	7.52
L&T Large and Midcap Fund	14.64	10.41	2.63
Mirae Asset Emerging Bluechip Fund	22.33	18.47	9.89
Category Average	15.18	11.86	4.76
NIFTY Large Midcap 250 TRI	19.61	12.02	5.58

Data Source: ICRA MFI Explorer

FOCUSED EQUITY FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER, 2020)

CAGR	1 Year	2 Years	3 Years
Aditya Birla Sun Life Focused Equity Fund	15.94	13.57	7.33
Axis Focused 25 Fund	20.95	17.76	11.74
DSP Focus Fund	8.93	13.38	6.67
Kotak Focused Equity Fund	12.75	--	--
L&T Focused Equity Fund	13.40	13.11	--
SBI Focused Equity Fund	14.50	15.28	8.52
Tata Focused Equity Fund	11.71	--	--
Category Average	14.61	12.31	5.33
Nifty 50 TRI	16.09	14.78	11.28

Data Source: ICRA MFI Explorer

EQUITY ORIENTED SCHEMES

MID CAP EQUITY FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER, 2020)

CAGR	1 Year	2 Years	3 Years
Axis Midcap Fund	25.93	18.41	13.20
DSP Midcap Fund	23.57	16.18	6.64
Franklin India Prima Fund	17.73	10.41	3.37
Invesco India Mid Cap Fund	24.30	13.61	6.92
Kotak Emerging Equity Fund	21.82	15.17	5.40
L&T Midcap Fund	18.99	9.01	1.50
Mirae Asset Midcap Fund	24.20	--	--
Category Average	22.99	12.76	4.27
S&P BSE Mid Cap TRI	21.25	8.99	1.29

Data Source: ICRA MFI Explorer

SMALL CAP EQUITY FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER, 2020)

CAGR	1 Year	2 Years	3 Years
Axis Small Cap Fund	22.30	20.83	9.95
HDFC Small Cap Fund	20.11	4.28	-0.01
ICICI Prudential Smallcap Fund	22.69	16.20	1.60
Kotak Small Cap Fund	34.10	18.71	5.23
SBI Small Cap Fund	33.51	19.04	4.44
UTI Small Cap Fund	--	--	--
Category Average	26.72	11.52	0.05
S&P BSE Small Cap TRI	33.42	12.10	-1.05

Data Source: ICRA MFI Explorer

EQUITY ORIENTED SCHEMES

EQUITY LINKED SAVINGS SCHEME (ELSS)

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PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER, 2020)

CAGR	1 Year	2 Years	3 Years
Aditya Birla Sun Life Tax Relief 96	15.16	9.59	4.66
Axis Long Term Equity Fund	20.46	17.62	12.39
DSP Tax Saver Fund	15.00	14.92	6.84
Kotak Tax Saver Fund	14.90	13.78	7.58
L&T Tax Advantage Fund	13.41	8.95	2.95
Mirae Asset Tax Saver Fund	21.48	17.72	10.62
Category Average	14.16	11.25	5.23
Nifty 500 TRI	18.36	13.58	8.19

Data Source: ICRA MFI Explorer

VALUE EQUITY FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER, 2020)

CAGR	1 Year	2 Years	3 Years
HDFC Capital Builder Value Fund	12.90	6.26	2.20
Invesco India Contra Fund	21.11	13.28	7.47
Tata Equity P/E Fund	12.47	8.83	3.25
UTI Value Opportunities Fund	18.96	14.61	8.60
Category Average	17.24	9.31	2.94
Nifty 500 TRI	18.36	13.58	8.19

Data Source: ICRA MFI Explorer

EQUITY ORIENTED SCHEMES



AGGRESSIVE HYBRID FUNDS

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PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER, 2020)

CAGR	1 Year	2 Years	3 Years
Axis Equity Hybrid Fund	15.02	14.58	--
HDFC Hybrid Equity Fund	13.34	10.4	2.53
ICICI Prudential Equity & Debt Fund	8.92	9.13	5.31
L&T Hybrid Equity Fund	13.53	9.96	5.15
Mirae Asset Hybrid - Equity Fund	13.61	12.77	8.79
SBI Equity Hybrid Fund	12.86	13.17	8.57
Category Average	11.67	10.31	5.14
NIFTY 50 Hybrid Composite Debt 65:35 Index	16.88	14.77	11.52

Data Source: ICRA MFI Explorer

DYNAMIC ASSET ALLOCATION / BALANCED ADVANTAGE FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER, 2020)

CAGR	1 Year	2 Years	3 Years
Axis Dynamic Equity Fund	10.03	7.94	6.15
DSP Dynamic Asset Allocation Fund	12.89	10.83	8.35
ICICI Prudential Balanced Advantage Fund	11.68	11.23	8.21
Kotak Balanced Advantage Fund	13.60	12.87	--
L&T Balanced Advantage Fund	12.76	10.44	8.03
Nippon India Balanced Advantage Fund	11.13	9.69	6.51
Tata Balanced Advantage Fund	15.49	--	--
Category Average	11.77	9.58	6.70
NIFTY 50 Hybrid Composite Debt 65:35 Index	16.88	14.77	11.52

Data Source: ICRA MFI Explorer

EQUITY ORIENTED SCHEMES

EQUITY SAVINGS FUNDS

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PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER, 2020)

CAGR	1 Year	2 Years	3 Years
Aditya Birla Sun Life Equity Savings Fund	10.95	9.39	5.54
Axis Equity Saver Fund	11.57	9.93	8.3
HDFC Equity Savings Fund	8.77	7.29	5.12
ICICI Prudential Equity Savings Fund	4.82	7.55	6.15
Kotak Equity Savings Fund	10.36	9.05	7.4
UTI Equity Savings Fund	10.11	7.18	--
Category Average	8.35	6.99	4.50
1/3rd %age each of CRISIL Short Term Bond Fund Index + Nifty 50 TRI + Nifty 50 Arbitrage Index	9.61	9.74	8.19

Data Source: ICRA MFI Explorer

MULTI ASSET ALLOCATION FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER, 2020)

CAGR	1 Year	2 Years	3 Years
Axis Triple Advantage Fund	17.96	16.62	11.46
ICICI Prudential Multi-Asset Fund	9.91	8.81	5.01
Nippon India Multi Asset Fund	--	--	--
Tata Multi Asset Opportunities Fund	--	--	--
Category Average	15.19	12.23	7.81

Data Source: ICRA MFI Explorer



EQUITY ORIENTED SCHEMES

THEMATIC FUNDS

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PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER, 2020)

CAGR	1 Year	2 Years	3 Years
Tata Ethical Fund	26.15	13.98	6.91
Nifty 500 Shariah TRI	35.91	18.16	8.90

CAGR	1 Year	2 Years	3 Years
Aditya Birla Sun Life ESG Fund	--	--	--
Axis ESG Equity Fund	--	--	--
Axis Special Situations Fund	--	--	--
ICICI Prudential Bharat Consumption Fund	10.58	--	--
ICICI Prudential ESG Fund	--	--	--
ICICI Prudential India Opportunities Fund	7.28	--	--
Kotak ESG Opportunities Fund	--	--	--
Nifty 500 TRI	18.36	13.58	8.19

Data Source: ICRA MFI Explorer

ARBITRAGE FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER, 2020)

CAGR	1 Year	2 Years	3 Years
Aditya Birla Sun Life Arbitrage Fund	4.11	5.13	5.42
Axis Arbitrage Fund	4.12	4.98	5.35
IDFC Arbitrage Fund	3.81	4.97	5.39
Kotak Equity Arbitrage Fund	4.32	5.19	5.55
Nippon India Arbitrage Fund	4.30	5.22	5.73
SBI Arbitrage Opportunities Fund	3.50	4.76	5.24
Category Average	4.15	5.13	5.42
Nifty 50 Arbitrage Index	2.36	4.47	4.46

Data Source: ICRA MFI Explorer

EQUITY ORIENTED SCHEMES

DEBT AND **MACRO ECONOMIC UPDATE**



DEBT AND MACRO ECONOMIC OUTLOOK



Nov CPI inflation prints lower at 6.93% on moderation in food prices, while WPI inflation ticks higher on manufactured products

- CPI inflation remained above 6% for the 8th consecutive month, but eased to 6.93% vs 7.23% expected and 7.61% previous, with slowing food inflation, primarily brought lower by monthly decline across all vegetable prices except for potatoes and onions. These were partly offset by increase in protein rich segments including eggs, milk and pulses. Core inflation ticked higher to 5.51% vs 5.46% previous due to rise in miscellaneous segment (on households goods, health, education and services)
- WPI inflation came in at 1.55% YoY vs 1.48% previous, with pickup in manufactured products inflation (on basic metals, chemicals and textiles). This was partly offset by slower inflation in primary articles.



IIP records fastest expansion since Feb on low Diwali base, following gains in manufacturing and electricity

- Numbers beat expectations on consumer durables and non-durables, helped by strong manufacturing gains in PV, 2-wheeler, and pharma. Besides these, capital and infrastructure/construction goods also recorded upbeat growth on machinery equipment, fabricated metals, electrical equipment and other non-metallic minerals, with cement expanding for the first time since pandemic.
- However, the better reading is partly also on the low Diwali base last year, implying further data needs to be watched before being confident on recovery trends.



Nov trade deficit widest since Jan 2020 as economy normalises, thought not in recovery phase yet

- Merchandise trade deficit widened to USD 9.96 bn vs 8.71 bn prev, following weakness in core exports (on engineering goods, textiles, and pharma) alongside recovery in petroleum goods and precious items. However, core imports were down on machinery, and electronics-indicating normalization may have peaked.
- Slowdown of both exports and imports coupled with weaker imports of both capital and consumption goods over the month is in line with other leading indicators showing loss of momentum, some pause before true recovery commences.



Mixed global macro picture is emerging with some positives around the vaccine. Positive news on the Brexit deal and US stimulus had offset the fears caused by the new strain of COVID-19.

DEBT AND MACRO ECONOMIC OUTLOOK

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USD/INR was sold early in the month on account of large corporate inflows, but was supported by uncertainty around Brexit. EMFX contributed to appreciation pressure, primarily on strong equity market sentiment towards Brexit and vaccine-led growth (despite the US Fed being relatively less dovish than anticipated). At the same time, any sharp appreciation in INR was capped by sizeable intervention by RBI, as also seen in the 12m premium rising to 4.50% in the month. Spot rose sharply in the second half of the month on fears of increased mobility related restrictions in major economies following a more contagious COVID-19 strain in UK, taking the pair to rise to 73.90. However, this upmove did not last for long as markets cheered prospects of a long elusive Brexit deal and economic recovery prospects. (On 24 Dec, UK and the EU finally agreed on a Brexit trade agreement after nearly nine months of hard negotiations). The period also witnessed further improvement in market sentiment following assent of the outgoing US president Trump to the government financing bill and government stimulus.



G-sec yields drifted higher early in the month, with higher than anticipated Q2 GDP growth seen as reducing prospects of further easing by the MPC. However, yields fell sharply (with a bull steepening) after RBI refrained from giving any indication of normalizing or withdrawing surplus liquidity conditions, while unanimously maintaining an accommodative stance despite an elevated inflation outlook. Yields continued to drift higher along with rising crude oil prices for later half of the month. Absence of RBI intervention in secondary market via OMO purchases in conjunction with greater comfort with twist operations has indicated central bank's concerns over high amount of liquidity generated. At the same time, cancellation of the 10-yr benchmark paper auction has hinted that RBI would want to prevent further upside in bond yields.



We remain constructive on the shorter end of the yield curve. Short Duration funds, Corporate Bond funds, Banking & PSU Debt funds, Money Market funds, Low Duration funds and Ultra Short Duration funds can be considered by investors with an investment horizon commensurate with the maturity and duration of the schemes, due to their steady accrual profile and possible capital appreciation in case of a fall in yields. **Having said this, one should consider aspects such as exit load, capital gains tax and asset allocation amongst others while evaluating their investment options.**

SPECIAL ECONOMIC UPDATE



SPECIAL ECONOMIC UPDATE

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- Over the past few months, multiple high frequency leading indicators have shown a strengthening recovery, though with some slackening of momentum in November.
- India's curve for COVID-19 has been on a downward slope since peaking in mid-September, with no signs of a second wave seen yet. In addition, GOI formally approved two COVID-19 vaccines for emergency use, and is close to rolling these out shortly.
- The above have helped normalising consumer mobility around groceries, pharmacies and work – also reflected in increase in issuance of e-way bills (an indicator of movement of goods/commercial activity) and sustained gains in FASTag payments.
- Other indicators supporting pickup in industrial and commercial activity such as fuel and electricity consumption, GST collections, freight, PMI, consumption goods' demand signal resumption of the recovery after festive season in November.
- Besides these, monetary and financial conditions have also remained conducive, with surfeit liquidity conditions paving the way for economic revival.
- Early improvement in the unemployment rate has been reversed by increase in the labour force participation, without offsetting jobs being created. As per the household survey conducted by CMIE, unemployment ticked higher to 9.1% from 6.5% in November.
- Broadly, numbers suggests that the recovery can build further on momentum, once contact intensive services also join the fray, and point to potential for stronger than anticipated growth prints going ahead.

FIXED INCOME ORIENTED SCHEMES



LONG DURATION FUNDS

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PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER, 2020)

CAGR	1 Year	2 Years	3 Years
ICICI Prudential Long Term Bond Fund	10.99	11.56	9.93
Nippon India Nivesh Lakshya Fund	13.39	13.06	--
Category Average	12.19	12.31	9.93
ICRA Composite Bond Fund Index	13.46	12.83	10.52

Data Source: ICRA MFI Explorer

GILT FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER, 2020)

CAGR	1 Year	2 Years	3 Years
ICICI Prudential Gilt Fund	12.59	11.70	10.02
IDFC G Sec Fund	13.64	13.45	11.51
Nippon India Gilt Securities Fund	11.19	11.78	10.49
SBI Magnum Gilt Fund	11.67	12.41	9.91
UTI Gilt Fund	10.24	11.03	9.41
Category Average	11.36	11.09	9.48
ICRA Composite Gilt Index	13.20	12.27	10.83

Data Source: ICRA MFI Explorer



DYNAMIC BOND FUNDS

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PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER, 2020)

CAGR	1 Year	2 Years	3 Years
Axis Dynamic Bond Fund	12.30	11.63	9.78
ICICI Prudential All Seasons Bond Fund	11.74	10.95	9.33
IDFC Dynamic Bond Fund	12.91	11.94	10.19
Kotak Dynamic Bond Fund	11.67	11.38	9.98
Nippon Dynamic Bond Fund	11.30	9.86	8.11
SBI Dynamic Bond Fund	10.34	11.52	9.34
Category Average	9.63	8.62	7.65
ICRA Composite Bond Fund Index	13.46	12.83	10.52

Data Source: ICRA MFI Explorer

MEDIUM TO LONG DURATION FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER, 2020)

CAGR	1 Year	2 Years	3 Years
ICICI Prudential Bond Fund	11.47	11.18	8.92
IDFC Bond Fund - Income Plan	11.74	11.06	9.54
SBI Magnum Income Fund	11.59	11.66	9.29
Category Average	10.10	9.34	7.77
ICRA Composite Bond Fund Index	13.46	12.83	10.52

Data Source: ICRA MFI Explorer

FIXED INCOME ORIENTED SCHEMES



SHORT DURATION FUNDS

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PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER, 2020)

CAGR	1 Year	2 Years	3 Years
Axis Short Term Fund	10.11	9.94	8.72
HDFC Short Term Debt Fund	10.93	10.32	9.19
IDFC Bond Fund - Short Term Plan	9.65	9.69	8.60
Kotak Bond Short Term Fund	9.97	9.77	8.59
L&T Short Term Bond Fund	9.67	9.48	8.47
Nippon India Short Term Fund	9.45	9.40	8.07
SBI Short Term Debt Fund	9.83	9.65	8.40
Category Average	8.86	8.50	7.57
CRISIL Short Term Bond Fund Index	10.39	9.96	8.85

Data Source: ICRA MFI Explorer

CORPORATE BOND FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER, 2020)

CAGR	1 Year	2 Years	3 Years
Aditya Birla Sun Life Corporate Bond Fund	11.86	10.72	9.45
Axis Corporate Debt Fund	11.52	8.76	8.44
HDFC Corporate Bond Fund	11.78	11.05	9.49
IDFC Corporate Bond Fund	11.53	10.00	8.75
Kotak Corporate Bond Fund	9.63	9.62	8.88
L&T Triple Ace Bond Fund	12.35	12.48	10.26
Nippon India Corporate Bond Fund	9.49	8.63	8.04
UTI Corporate Bond Fund	10.99	11.20	--
Category Average	8.81	10.21	8.91
CRISIL Short Term Bond Fund Index	10.39	9.96	8.85

Data Source: ICRA MFI Explorer

FIXED INCOME ORIENTED SCHEMES

BANKING & PSU DEBT FUNDS

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PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER, 2020)

CAGR	1 Year	2 Years	3 Years
Aditya Birla Sun Life Banking & PSU Debt Fund	10.88	10.39	9.11
Axis Banking & PSU Debt Fund	9.56	10.04	9.19
HDFC Banking and PSU Debt Fund	10.54	10.38	8.84
IDFC Banking & PSU Debt Fund	10.90	11.05	9.79
LIC MF Banking & PSU Debt Fund	8.53	9.19	8.51
Mirae Asset Banking and PSU Debt Fund	--	--	--
Category Average	10.06	9.72	8.69
CRISIL Short Term Bond Fund Index	10.39	9.96	8.85

Data Source: ICRA MFI Explorer

CONSERVATIVE HYBRID FUNDS

PAST PERFORMANCE (CAGR % RETURNS AS ON 31st DECEMBER, 2020)

CAGR	1 Year	2 Years	3 Years
Axis Regular Saver Fund	13.77	7.7	6.17
Franklin India Debt Hybrid Fund	7.08	7.76	5.83
ICICI Prudential Regular Savings Fund	10.92	10.24	8.48
Kotak Debt Hybrid Fund	13.81	12.48	8.11
Category Average	8.94	7.89	5.58
NIFTY 50 Hybrid Composite Debt 15:85 Index	14.09	12.68	10.31

Data Source: ICRA MFI Explorer

FIXED INCOME ORIENTED SCHEMES



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