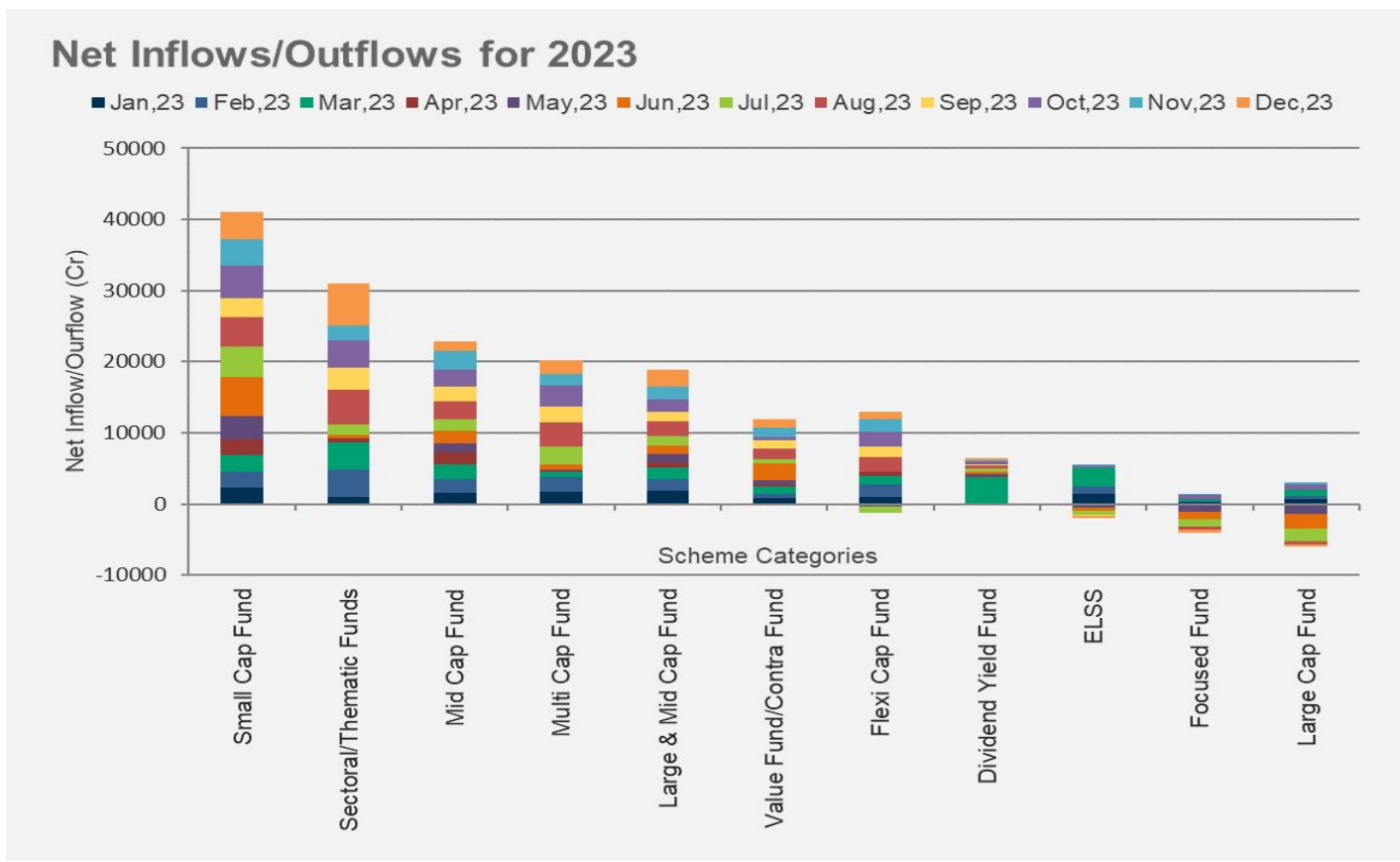


# December's Equity Explorer: Navigating the Equity Mutual Fund Universe

## Emerging Investment Patterns in Equity Mutual Fund Scheme Categories

- The Net Assets Under Management (AUM) of Equity Mutual Fund Schemes scaled new heights, reaching an unprecedented ₹21.79 Lakh Crore, fueled by a remarkable surge in the Indian markets.
- The equity mutual fund schemes witnessed gained 9.40% to ₹16,997 Crore against ₹15,536 Crore in November. This inflow marked as the 34rd straight month of net inflows.
- In the calendar year 2023, Small Cap Funds, Sectoral/Thematic Funds and Mid Cap Funds have become the favored investment choices, attracting 66% of the total equity inflows, amounting to ₹94,789 Crore, into these categories.
- In December, Sectoral/Thematic Funds led the way with the highest inflows, followed by Small Cap and Large & Mid Cap Funds.
- In 2023, Large-cap Funds and Focused Funds were the only categories to experience negative inflows.
- In terms of AMC-wise distribution of inflows among equity oriented schemes, HDFC AMC, Quant AMC, Nippon Life India AMC, ICICI Pru AMC and PPFAS AMC collectively accounted for over 50% of the total equity inflows in the month of December.
- The launch of six new equity schemes in December significantly contributed to that month's inflows, collectively garnering an impressive ₹6,321 Crore.
- Among these exciting new fund offerings, the Axis India Manufacturing Fund alone attracted over ₹3,400 Crore. Other notable schemes like Motilal Oswal Small Cap Fund, WOC Large & Mid Cap Fund and DSP Banking & Financial Services Fund also performed exceptionally well, together drawing in excess of ₹2,300 Crore.

## Category wise Equity Inflows for 2023



## Breaking Down Equity Inflows of December

- Among the active fund categories, Parag Parikh Flexi Cap Fund, Quant Small Cap Fund and Nippon India Large Cap Fund emerged as primary beneficiaries of equity inflows. In contrast, Axis Bluechip Fund, Tata Small Cap Fund and Axis Focussed 25 Fund experienced notable redemption pressures.
- In the passive fund sector, major beneficiaries of equity inflows during December were ICICI Pru Nifty 50 ETF, ICICI Pru S&P BSE Sensex ETF and Nippon India ETF Nifty 50 BeES. Conversely, SBI Nifty 50 ETF experienced an equity outflow, potentially attributable to the redemption of pension funds.
- In the equity-oriented schemes category, about 25 equity funds each successfully garnered inflows exceeding ₹300 Crore. Conversely, around 10 equity schemes faced redemptions of more than ₹200 Crore each.

## Top Equity Inflows: A Category-Wise Showcase

| Leading Beneficiaries of Equity Inflows in December |                                 |
|---|---------------------------------|
| Active Equity Schemes                               | Passive Equity Schemes          |
| Axis India Manufacturing Fund                       | ICICI Pru S&P BSE Sensex ETF    |
| Parag Parikh Flexi Cap Fund                         | ICICI Pru Nifty 50 ETF          |
| Motilal Oswal Small Cap Fund                        | Nippon India ETF Nifty 50 BeES  |
| Quant Small Cap Fund                                | Nippon India ETF S&P BSE Sensex |
| WOC Large & Mid Cap Fund                            | HDFC Index Fund-NIFTY 50 Plan   |

| Category              | Category Captains: Masters of Equity Inflows in December |                                  |                                       |
|-----------------------|--|----------------------------------|---------------------------------------|
| Sectoral/<br>Thematic | Axis India Manufacturing Fund                            | ICICI Pru India Opp Fund         | DSP Banking & Financial Services Fund |
|                       | Quant Momentum Fund                                      | ICICI Pru Manufacturing Fund     | Franklin India Opportunities Fund     |
| Small Cap             | Motilal Oswal Small Cap Fund                             | Quant Small Cap Fund             | Nippon India Small Cap Fund           |
|                       | Bandhan Small Cap Fund                                   | Mahindra Manulife Small Cap Fund | HDFC Small Cap Fund                   |
| Large & Mid Cap       | WOC Large & Mid Cap Fund                                 | HDFC Large and Mid Cap Fund      | Kotak Equity Opp Fund                 |
| Multi Cap             | Nippon India Multi Cap Fund                              | Kotak Multicap Fund              | HDFC Multi Cap Fund                   |
| Mid Cap               | Nippon India Growth Fund                                 | HDFC Mid-Cap Opportunities Fund  | SBI Magnum Midcap Fund                |
|                       | Kotak Emerging Equity Fund                               | Motilal Oswal Midcap Fund        | Quant Mid Cap Fund                    |
| Value                 | ICICI Pru Value Discovery Fund                           |                                  |                                       |
| Flexi Cap             | Parag Parikh Flexi Cap Fund                              | HDFC Flexi Cap Fund              | JM Flexicap Fund                      |
| Large Cap             | Nippon India Large Cap Fund                              | ICICI Pru Bluechip Fund          | HDFC Top 100 Fund                     |
| ELSS                  | Quant ELSS Tax Saver Fund                                |                                  |                                       |
| Focused               | HDFC Focused 30 Fund                                     |                                  |                                       |
| ETFs                  | ICICI Pru S&P BSE Sensex ETF                             | ICICI Pru Nifty 50 ETF           | Nippon India ETF Nifty 50 BeES        |
|                       | Nippon India ETF S&P BSE Sensex                          | UTI S&P BSE Sensex ETF           |                                       |
| Index Funds           | HDFC Index Fund-NIFTY 50 Plan                            | ICICI Pru Nifty 50 Index Fund    | SBI Nifty Index Fund                  |
|                       | UTI Nifty200 Momentum 30 Index Fund                      |                                  |                                       |

Above schemes are highlighted as per our data estimates. Additionally for further reference, Index Funds and Index ETFs are also mentioned.

## Uncovering Trends in Equity Scheme Portfolios for December, 2023

- Many equity mutual fund schemes favored new investments in Indian Bank, Bank of India, Kaynes Technology, Mankind Pharma, CAMS and Dr. Reddy's Laboratories. Additionally, IPOs such as Indian Shelter Finance Corporation, Inox India, DOMS Industries, and Happy Forging were also popular choices for investment.
- Some equity schemes completely exited from Balrampur Chini Mills, Syngene International, Ashok Leyland, Hindustan Unilever, Maruti Suzuki, PI Industries, Cholamandalam Investment & Finance, Bank of Baroda, Aditya Birla Capital, Cummins India and IDFC First Bank.
- Overall considering all equity mutual fund schemes, there was buying in Indian Bank, Bank of India, Mankind Pharma, HDFC Bank, ICICI Bank, Reliance Industries, Kotak Mahindra Bank, Axis Bank and SBI Life Insurance Company.
- Among most traded stocks, there was selloff in Power Finance Corporation, Bharat Electronics, Hindustan Unilever, Infosys, NTPC and Shriram Finance.
- The preferred investment sectors for Equity Mutual Fund Schemes have included FMCG, Mining, Power, Information Technology(IT), Iron & Steel and Realty.
- Certain mutual fund schemes have divested their investments from sectors such as Hospitality, Plastic Products, Consumer Durables, Insurance, Aviation and Agri.
- Beyond the previously mentioned stocks, there was significant trading activity in mid-cap and small-cap segments. Among top traded midcap stocks, several equity schemes preferred to sell Coforge, HPCL and PI Industries while many schemes invested into stocks like Apollo Tyres, Mphasis and Voltas.
- Equity mutual fund schemes have made fresh investments in over 200 small cap stocks.
- Among the most actively traded small-cap stocks, various equity schemes directed their investments towards Bharat Dynamics, National Aluminium Company, PVR Inox, and Apar Industries. Meanwhile, some schemes chose to divest their holdings in TVS Holdings.

### Fresh Picks & Full Exits: The Equity Mutual Funds Shift

| Fresh Stocks added by Equity Mutual Fund Schemes in Dec, 2023 |                           |                                 | Stocks exited by Equity Mutual Fund Schemes in Dec, 2023 |                                  |                               |
|---|---------------------------|---------------------------------|--|----------------------------------|-------------------------------|
| Stock Name  | No of Schemes Added Stock | Total Holding of Company Bought | Stock Name   | No. of Schemes that exited stock | Total Holding of Company Sold |
| Indian Bank   | 48                        | 2.50%                           | Hindustan Unilever Ltd.                                  | 25                               | 0.11%                         |
| Bank Of India   | 34                        | 2.49%                           | Maruti Suzuki India Ltd.                                 | 21                               | 0.17%                         |
| India Shelter Finance Corporation Ltd.                        | 33                        | 9.82%                           | One97 Communications Ltd.                                | 20                               | 0.51%                         |
| Inox India Ltd.   | 33                        | 4.65%                           | PI Industries Ltd.                                       | 19                               | 0.59%                         |
| Kaynes Technology India Ltd.                                  | 33                        | 4.17%                           | Aditya Birla Capital Ltd.                                | 18                               | 0.27%                         |
| DOMS Industries Ltd.  | 32                        | 10.91%                          | Bank Of Baroda   | 17                               | 0.40%                         |
| Happy Forgings Ltd.   | 32                        | 5.06%                           | Syngene International Ltd.                               | 16                               | 0.87%                         |
| Mankind Pharma Ltd.   | 24                        | 1.90%                           | Axis Bank Ltd.   | 15                               | 0.08%                         |
| NTPC Ltd.   | 23                        | 0.24%                           | Balrampur Chini Mills Ltd.                               | 15                               | 2.80%                         |
| Steel Authority Of India Ltd.                                 | 23                        | 1.74%                           | Cummins India Ltd.                                       | 15                               | 0.42%                         |
| NMDC Ltd.   | 22                        | 0.28%                           | IDFC First Bank Ltd.                                     | 15                               | 0.26%                         |
| Computer Age Management Services                              | 20                        | 5.93%                           | Ashok Leyland Ltd.                                       | 14                               | 0.88%                         |
| Coal India Ltd.   | 19                        | 0.27%                           | Astral Ltd.  | 14                               | 0.30%                         |
| Bharat Electronics Ltd.                                       | 18                        | 0.32%                           | Cholamandalam Investment and Finan                       | 14                               | 0.37%                         |
| Dr. Reddy's Laboratories Ltd.                                 | 18                        | 0.34%                           | JIO Financial Services Ltd.                              | 14                               | 0.13%                         |

## Top Traded Stocks: Equity Fund Highlights

Top 20 traded stocks by Equity Mutual Fund Schemes in December, 2023

| Stock Name                      | No. of Schemes that bought Stock | Total Holding of Company Bought | No. of Schemes that sold Stock | Total Holding of Company Sold | Net Addition/ Reduction in Holding |
|---------------------------------|----------------------------------|---------------------------------|--------------------------------|-------------------------------|------------------------------------|
| HDFC Bank Ltd.                  | 155                              | 0.34%                           | 81                             | 0.20%                         | 0.14%                              |
| Reliance Industries Ltd.        | 141                              | 0.31%                           | 54                             | 0.04%                         | 0.27%                              |
| ICICI Bank Ltd.                 | 155                              | 0.41%                           | 63                             | 0.21%                         | 0.20%                              |
| Maruti Suzuki India Ltd.        | 91                               | 0.66%                           | 95                             | 0.53%                         | 0.13%                              |
| Infosys Ltd.                    | 116                              | 0.16%                           | 85                             | 0.28%                         | -0.12%                             |
| Larsen & Toubro Ltd.            | 78                               | 0.32%                           | 80                             | 0.22%                         | 0.10%                              |
| Mankind Pharma Ltd.             | 68                               | 3.14%                           | 7                              | 0.05%                         | 3.09%                              |
| Kotak Mahindra Bank Ltd.        | 123                              | 0.60%                           | 45                             | 0.14%                         | 0.46%                              |
| State Bank Of India             | 123                              | 0.25%                           | 70                             | 0.17%                         | 0.08%                              |
| NTPC Ltd.                       | 95                               | 0.29%                           | 83                             | 0.46%                         | -0.17%                             |
| Bharti Airtel Ltd.              | 98                               | 0.20%                           | 53                             | 0.16%                         | 0.04%                              |
| Axis Bank Ltd.                  | 100                              | 0.45%                           | 70                             | 0.20%                         | 0.25%                              |
| Indian Bank                     | 99                               | 3.22%                           | 9                              | 0.05%                         | 3.17%                              |
| Power Finance Corporation Ltd.  | 58                               | 0.27%                           | 69                             | 1.11%                         | -0.84%                             |
| Bharat Electronics Ltd.         | 69                               | 0.39%                           | 52                             | 0.82%                         | -0.43%                             |
| Bank Of India                   | 72                               | 2.94%                           | 5                              | 0.02%                         | 2.92%                              |
| Hindustan Unilever Ltd.         | 94                               | 0.11%                           | 69                             | 0.24%                         | -0.13%                             |
| Shriram Finance Ltd.            | 57                               | 0.57%                           | 29                             | 1.16%                         | -0.59%                             |
| Bajaj Finance Ltd.              | 88                               | 0.15%                           | 46                             | 0.17%                         | -0.02%                             |
| SBI Life Insurance Company Ltd. | 74                               | 0.73%                           | 30                             | 0.24%                         | 0.49%                              |

Top 10 traded stocks by Equity Mutual Fund Schemes as per category

| Mid Cap Stocks                       | Small Cap Stocks                       |
|--------------------------------------|--|
| Indian Bank                          | TVS Holdings Ltd.                      |
| Bank Of India                        | Kaynes Technology India Ltd.           |
| Coforge Ltd.                         | Computer Age Management Services Ltd.  |
| One97 Communications Ltd.            | DOMS Industries Ltd.                   |
| Steel Authority Of India Ltd.        | Bharat Dynamics Ltd.                   |
| Apollo Tyres Ltd.                    | National Aluminium Company Ltd.        |
| Mphasis Ltd.                         | India Shelter Finance Corporation Ltd. |
| Hindustan Petroleum Corporation Ltd. | PVR Inox Ltd.                          |
| Voltas Ltd.                          | Apar Industries Ltd.                   |
| PI Industries Ltd.                   | Happy Forgings Ltd.                    |

## New Horizons & Farewells: Sector Investment Shifts

Sector Wise Preference by Equity MF Schemes

| Fresh Investment / Addition | Exited / Partial Withdrawal |
|-----------------------------|-----------------------------|
| FMCG                        | Hospitality                 |
| Mining                      | Plastic Products            |
| Power                       | Consumer Durables           |
| IT                          | Insurance                   |
| Realty                      | Aviation                    |
| Iron & Steel                | Agri                        |

## Top AMC's What's In/ What's Out in December, 2023

| AMC Name                          | Fresh Stocks added by AMC                 | Stocks Completely exited by AMC        |
|-----------------------------------|---|--|
| SBI Mutual Fund                   | DOMS Industries Ltd.                      | Rolex Rings Ltd                        |
|                                   | Sundaram-Clayton Ltd.                     |  |
|                                   | Happy Forgings Ltd.                       |  |
| ICICI Prudential Mutual Fund      | JK Tyre & Industries Ltd.                 | Orchid Pharma Ltd.                     |
|                                   | Azad Engineering Ltd.                     | Tega Industries Ltd.                   |
|                                   | DOMS Industries Ltd.                      | Uniparts India Ltd.                    |
| HDFC Mutual Fund                  | Fusion Micro Finance Ltd.                 | Indiabulls Real Estate Ltd.            |
|                                   | JK Tyre & Industries Ltd.                 | Nocil Ltd.                             |
|                                   | DOMS Industries Ltd.                      | Uflex Ltd.                             |
| Nippon India Mutual Fund          | India Shelter Finance Corporation Ltd.    | Techno Electric & Engineering Co       |
|                                   | Seamec Ltd.                               | Yatharth Hospital & Trauma Care        |
|                                   | JK Tyre & Industries Ltd.                 |  |
| Kotak Mahindra Mutual Fund        | Happy Forgings Ltd.                       | Indiabulls Housing Finance Ltd.        |
|                                   | Krishna Institute of Medical Sciences Ltd | Navin Fluorine International Ltd.      |
|                                   | Innova Captab Ltd.                        | Tube Investments of India Ltd.         |
| Aditya Birla Sun Life Mutual Fund | Happy Forgings Ltd.                       | Indiabulls Housing Finance Ltd.        |
|                                   | Inox India Ltd.                           | JM Financial Ltd.                      |
|                                   | Krishna Institute of Medical Sciences     | Yatharth Hospital & Trauma Care        |
| Axis Mutual Fund                  | Prestige Estates Projects Ltd.            | Indiabulls Housing Finance Ltd.        |
|                                   | India Shelter Finance Corporation Ltd.    | Castrol India Ltd.                     |
|                                   | Inox India Ltd.                           |  |
| Mirae Mutual Fund                 | India Shelter Finance Corporation Ltd.    | Indiabulls Housing Finance Ltd.        |
|                                   | DOMS Industries Ltd.                      | Karur Vysya Bank Ltd.                  |
|                                   | Kolte-Patil Developers Ltd.               |  |
| DSP Mutual Fund                   | Happy Forgings Ltd.                       | Indiabulls Housing Finance Ltd.        |
|                                   | Inox India Ltd.                           | Aptus Value Housing Finance India Ltd. |
|                                   | GMM Pfaunder Ltd.                         | Subros Ltd.                            |
| Canara Robeco Mutual Fund         | Innova Captab Ltd.                        | Balrampur Chini Mills Ltd.             |
|                                   | Inox India Ltd.                           | Mahindra Lifespace Developers Ltd.     |
|                                   | EIH Ltd.                                  | Atul Ltd.                              |
| Quant Mutual Fund                 | Steel Authority Of India Ltd.             | Ultratech Cement Ltd.                  |
|                                   | National Aluminium Company Ltd.           | Dixon Technologies (India) Ltd.        |
|                                   | Housing & Urban Development Corp          | Maruti Suzuki India Ltd.               |
| PPFAS Mutual Fund                 | Indraprastha Gas Ltd.                     | National Aluminium Company Ltd.        |
|                                   | Bandhan Bank Ltd.                         | Indiabulls Housing Finance Ltd.        |
|                                   | Gujarat Narmada Valley Fertilizers        |  |
| Motilal Oswal Mutual Fund         | Happy Forgings Ltd.                       | Jupiter Life Line Hospitals Ltd.       |
|                                   | India Shelter Finance Corporation Ltd.    | Rajnish Wellness Ltd.                  |
|                                   |   |  |

## Performance Highlights of Mutual Fund Schemes in December, 2023

### Large Cap Funds

- Large cap indices increased by 8% in December. All large cap schemes performed in line with benchmark indices. Average return of schemes was 7.74% while average return of benchmark indices was 8.29%.
- Quant Large Cap Fund and JM Large Cap Fund, along with a few other schemes performed well among Large Cap schemes category.
- Large cap Mutual Fund Schemes witnessed outflows of ₹281 Cr due to significant redemption pressure of Axis Bluechip Fund, Mirae Asset Large Cap Fund and Aditya Birla SL Frontline Equity Fund.
- Nippon India Large Cap Fund, ICICI Pru Bluechip Fund and HDFC Top 100 Fund received inflows in December.
- HDFC Bank, ICICI Bank, L&T, Reliance, NTPC, State Bank of India, UltraTech Cement and Bharat Electronics were major common positive return contributors to Large Cap schemes.
- Maruti Suzuki, PI Industries, SBI Life Insurance, HDFC Life Insurance, ICICI Lombard General Insurance, ICICI Prudential Life, Jio Financial Services and The Phoenix Mills were common negative return contributors to Large Cap schemes.
- Overall sector weightage of Bank, Power, Infrastructure, Iron & Steel, Realty, Capital Goods, Agri and Aviation increased among Large Cap Schemes.
- Sector weightage of Automobile & Ancillaries, Telecom, Chemicals, Healthcare, IT, Crude Oil, Finance and FMCG decreased among Large Cap schemes.

### Mid Cap Funds

- Most of Mid Cap Schemes underperformed compared with benchmark indices as midcap indices jumped around 7% in December.
- Average return of Mid Cap Schemes was 5.62% compared to average return of benchmark indices 7.02%.
- ITI Mid Cap Fund and Nippon India Growth Fund, along with few other schemes performed better among Mid Cap Schemes category.
- Midcap schemes received inflows of ₹ 1,393 Cr that include inflows from schemes Nippon India Growth Fund, HDFC Midcap Opportunities Fund, SBI Magnum Midcap Fund, Kotak Emerging Equity Fund, Motilal Oswal Midcap Fund and Quant Midcap Fund.
- Axis Midcap Fund faced redemption pressure.
- Overall sector weightage of Bank, Capital Goods, IT, Power, Crude Oil, Logistics, Mining and Construction Materials increased among Mid Cap Schemes.
- Sector weightage of Retailing, Textile, Iron & Steel, Realty, Consumer Durables, Agri, Telecom and Gas Transmission decreased among Mid Cap Schemes.
- Persistent Systems, Bharat Electronics, REC, PFC, Thermax, Trent, Cholamandalam Investment and Prestige Estates Projects were common major positive return contributors.
- Max Financial Services, The Phoenix Mills, APL Apollo Tubes, PI Industries, Abbott India, Vedant Fashions, Metro Brands and K.P.R. Mill were common worst performing stocks in Mid cap Schemes category.

### Small Cap Funds

- Small Cap indices gained more than 6% in December.
- Most of Small Cap Schemes underperformed compared with the benchmark indices. Average return of Small Cap Schemes was 4.34% compared to average return of benchmark indices of 6.41%.
- Quant Small Cap Fund and ITI Small Cap Fund performed better among Small Cap Schemes category.
- Small Cap Schemes got net inflows of ₹ 3,858 Cr. Quant Small Cap Fund, Nippon India Small Cap Fund, Bandhan Small Cap Fund, Mahindra Manulife Small Cap Fund, HDFC Small Cap Fund and SBI Small Cap Fund received good amount of inflows.
- Tata Small Cap Fund faced redemption pressure.
- Cyient, KEI Industries, Birlasoft, Bharat Dynamics, NLC India, Equitas Small Finance Bank, TeamLease Services and 360 One Warm were major positive return contributors in Small Cap Equity Schemes.
- Westlife Foodworld, Ratnamani Metals & Tubes, BSE, Carborundum Universal, Praj Industries, Gokaldas Exports, CreditAccess Grameen and Balrampur Chini were common worst performing stocks in Small Cap schemes.
- Overall sector weightage of Bank, IT, Automobile & Ancillaries, Healthcare, Finance, Chemicals, Capital Goods and Electricals increased among Small Cap schemes.
- Sector weightage of Agri, Iron & Steel, Retailing, Abrasives, Infrastructure, Textile and Consumer Durables decreased among Small Cap schemes.