

Strategic Funds Portfolio for 2025 – Review September 2019

With “The Strategic Funds Portfolio for 2025” we aimed to build a solid long term portfolio of mutual funds which may help you achieve your long term financial goals approaching by the year 2025. It is a special portfolio following ‘core and satellite’ strategy of investing. With adequate diversification across prominent fund categories, it has the ability to tap the long term growth potential of the Indian economy and the Indian equity markets.

Objective: To follow core and satellite investment strategy, and offer optimum allocation across investment styles, with an aim to gradually build wealth in the long run. It carries higher allocation to core stable funds with a long term view along with strategic allocation to satellite funds to generate additional alpha, based on prevailing market conditions.

Suitable Risk Appetite: Moderate to Aggressive

Ideal Time Horizon: 7 to 8 Years

While creating the Strategic Funds portfolio in April 2017, we followed a pure long term fund portfolio building strategy. The portfolio consists of a core allocation to provide stability and a satellite allocation to take advantage of the prevalent market conditions. The core portion of the portfolio will have a predominant large-cap and multi-cap allocation (40%) to provide stability and a flavor of value style (20%) to enhance the risk-adjusted returns of the overall portfolio.

Given the current high volatility, we have limited the exposure to midcaps, which come with a mix of funds categorized under midcaps and large and midcaps. As and when the valuations ease, we will consider further increasing the weightage to midcaps.

We have also included and held an Aggressive Hybrid Fund (erstwhile balanced fund) in the portfolio, to the extent of 10%, to handle volatility and even out the market risk. Due to the lower exposure to equity (65%-80%), such funds are less volatile than pure equity schemes that remain fully invested across market cycles. Under such funds, the fund manager can vary the equity allocation based on his outlook of the market. Thus, you could benefit from a mix of stability and growth.

Currently the portfolio has four core holding funds and three satellite holding funds.

The funds recommended in the Strategic Funds Portfolio for 2025 have the potential to offer superior risk adjusted returns to investors looking for above average returns at below-average risk. This makes the portfolio suitable for investors who can overlook the near term volatility and are willing to stay invested with a time horizon of at least about 7-8 years.

Categorization of schemes in the Strategic Funds Portfolio for 2025:

Scheme Name	Category	Expected Portfolio Strategy
Core Portion		
SBI Blue Chip Fund	Large Cap Funds	Will invest predominantly in large caps, with minimum 80% allocation to stocks of large sized companies
Franklin India Equity Fund	Multi Cap Funds	Will invest minimum 65% in equity & equity related instruments and hold exposure across market caps with a large cap bias.
ICICI Prudential Value Discovery Fund	Value Style Funds	Will follow a value investment strategy, to identify undervalued stocks, having strong fundamentals
Invesco India Contra Fund	Contra Style Funds	Will follow contrarian investment strategy and maintain minimum 65% investment in equity & equity related instruments.
Satellite Portion		
Mirae Asset Emerging Bluechip Fund	Large & Mid Cap Funds	Will invest in both large cap and midcap stocks Will maintain minimum 35% in equity & equity related instruments of large cap companies and simultaneously maintain minimum 35% allocation to mid cap stocks.
L&T Midcap Fund	Midcap Funds	Will invest predominantly in mid cap stocks and maintain minimum 65% investment in equity & equity related instruments of mid cap companies
HDFC Hybrid Equity Fund	Aggressive Hybrid Funds	Will follow equity oriented hybrid strategy and invest 65% to 80% of its total assets in equities and 20% to 35% in debt instruments.

Allocation to schemes recommended in the Strategic Funds Portfolio for 2025:

Strategic Funds Portfolio for 2025	Category	Recommended Allocation	Current Allocation (As on 11-Sep-2019)	Deviation
Scheme Name				
Core Portion		60.0%	58.8%	-1.2%
SBI BlueChip Fund	Large Cap Funds	20.0%	20.5%	0.5%
Franklin India Equity Fund	Multi Cap Funds	20.0%	19.2%	-0.8%
ICICI Pru Value Discovery Fund	Value Style Funds	10.0%	9.7%	-0.3%
Invesco India Contra Fund	Contra Style Funds	10.0%	9.4%	-0.6%
Satellite Portion		40.0%	41.2%	1.2%
Mirae Asset Emerging Bluechip	Large & Mid Cap Funds	20.0%	21.6%	1.6%
L&T Midcap Fund	Mid Cap Funds	10.0%	9.2%	-0.8%
HDFC Hybrid Equity Fund	Aggressive Hybrid Funds	10.0%	10.4%	0.4%
Portfolio Total		100.0%	100.0%	

The deviation in allocation to each scheme is well within the acceptable range of (+/-3%). Hence no immediate action is required in terms of portfolio rebalancing.

Performance of 'Strategic Funds Portfolio for 2025' (13th August 2019 to 11th September 2019)

Strategic Funds Portfolio for 2025	Category	Allocation	Value as on	Value as on	Returns
Scheme Name		11-Sep-19	13-Aug-19	11-Sep-19	%
Core Portion		58.8%	633,221	649,142	2.5
SBI BlueChip Fund	Large Cap Funds	20.5%	220,921	226,144	2.4
Franklin India Equity Fund	Multi Cap Funds	19.2%	207,486	212,225	2.3
ICICI Pru Value Discovery Fund	Value Style Funds	9.7%	104,474	107,424	2.8
Invesco India Contra Fund	Contra Style Funds	9.4%	100,340	103,349	3.0
Satellite Portion		41.2%	445,270	454,008	2.0
Mirae Asset Emerging Bluechip	Large & Mid Cap Funds	21.6%	233,028	238,636	2.4
L&T Midcap Fund	Mid Cap Funds	9.2%	99,245	101,070	1.8
HDFC Hybrid Equity Fund	Aggressive Hybrid Funds	10.4%	112,998	114,301	1.2
Strategic Funds Portfolio - Total		100.0%	1,078,492	1,103,150	2.3
S&P BSE 200			1,112,792	1,127,985	1.4

Over this review period (13th August 2019 to 11th September 2019), the recommended Strategic Funds portfolio ended up 2.3%, as against a gain of 1.4% in the value of the S&P BSE 200 index. The strategy outperformed the S&P BSE 200 index by 0.9%, over this period.

Since the time of initial recommendation on April 26, 2017, the value of the Strategic Funds portfolio has appreciated by 10.3% as against 12.8% appreciation in the value of S&P BSE 200 index. Accordingly the portfolio has trailed the benchmark S&P BSE 200 index by around 2.5% on an absolute return basis.

Analysis on Recommended Funds:

Core Holdings

SBI Blue Chip Fund (Standard Allocation: 20%, Current Allocation: 20.5%)

SBI Blue Chip Fund is one of the well-managed large-cap funds that has delivered phenomenal performance over longer periods in the past. Categorized as a large-cap fund, SBI Blue Chip Fund will continue to invest a minimum 80% of its assets in large-cap stocks (defined as the top 100 companies in terms of market-cap). It also invests about 15%-20% of its portfolio in mid-cap stocks. This market cap allocation strategy allows investors to benefit from a mix of stability and growth. It also helps the fund boost returns in a bull phase when mid-cap stocks often outperform their large-cap counterparts. The fund dynamically varies the allocation to mid-caps depending on the market outlook and prevailing valuations. This along with other risk management techniques has helped the fund deliver superior risk adjusted returns for its investors and makes it an ideal fund to form a core large cap holding in one's long term portfolio.

Portfolio Strategy: As on August 31, 2019, SBI Blue Chip Fund's AUM stood at around Rs 21,480 crore. The fund held around 90.4% of its assets in equities, while the remaining 9.6% of its portfolio was in cash and equivalent instruments. The fund usually holds a fairly diversified portfolio of 50 to 60 stocks. As per its last disclosed portfolio, the fund held exposure to 50 stocks, with HDFC Bank (8.9%), ICICI Bank (6.0%), L&T (5.0%), ITC (4.8%) and Infosys (4.4%) appearing among its top 5 holdings, together accounting for around 29% of its assets. The top

10 holdings comprised 46.6% of the portfolio. In the previous month, the fund added Gruh Finance and Sun Pharma in its portfolio, whereas continued with its other holdings.

In terms of market cap allocation, SBI Blue Chip Fund usually holds around 80% to 90% of its portfolio in large cap stocks and up to 20% in mid and small caps. As per the last disclosed portfolio, the fund held 79.2% of its assets in large caps, 10.3% in midcaps and 0.9% in small caps.

Performance: Over this review period, the value of SBI Blue Chip Fund appreciated 2.4%, thus outperforming the S&P BSE 200 index (up 1.4%) by a margin of 1%. The fund has made an absolute gain of 13.1% since inception of the portfolio on April 26, 2017, thus outperforming the S&P BSE 200 index (up 12.8%) by 0.3%.

Our View: As per our latest review process dated March 2019, SBI Blue Chip Fund arrives on our 'Hold' list. We continue to Hold the fund in the recommended Strategic portfolio.

Franklin India Equity Fund (Standard Allocation: 20%, Current Allocation: 19.2%)

Franklin India Equity Fund is positioned under Multicap Funds category. Traditionally the fund has held predominant exposure to largecap stocks, with moderate exposure to mid and small sized companies. While its higher exposure to large-caps lends stability, the strategic allocation to mid and small caps helps provide growth. Having a track record of over two decades, FIEF has been backed by a robust and experienced fund management team that has managed to deliver benchmark-beating returns in the long run. The fund has not only kept its risk low, but has also generated superior risk-adjusted returns for its long term investors, in the past. However, over the last couple of years Franklin India Equity Fund has been going through a tough phase and has struggled to beat the benchmark and many of its category peers. Still the funds strong investment processes, astute stock picking and sound risk management, makes it capable of providing stability in one's core portfolio.

Following bottom-up approach to stock picking, the fund holds anywhere between 50 to 70 stocks in its portfolio. It follows a combination of growth and value style of investing thereby focusing on growth prospects of the company but at the same time being cautious about the price that is being paid to acquire the stock.

Portfolio Strategy: As on August 31, 2019, Franklin India Equity Fund had an AUM of around Rs 10,316 crore. It held around 95.7% of its asset in equities, whereas the remaining 4.3% of its assets were in cash equivalent instruments. The fund's portfolio is diversified across market caps, but with a large cap bias. It currently holds about 75.2% allocation to large caps, 14.4% in midcaps and about 6.2% in small caps.

Franklin India Equity Fund held 58 Stocks in its portfolio, with names like HDFC Bank (8.6%), Infosys (7.1%), Bharti Airtel (6.2%), ICICI Bank (5.2%) and L&T (3.7%) appearing among the top 5 stock holdings. These 5 stocks together accounted for around 31% of the portfolio. Axis Bank, HCL Technologies, Mahindra & Mahindra, Kotak Mahindra Bank and Grasim were among the other prominent holdings in the fund's portfolio. Its concentration to the top 10 holdings was at around 43.3% of its assets. In the previous month, the fund added The Indian Hotels Co., Ashok Leyland, United Spirits and Crompton Greaves Consumer Electricals in its portfolio, whereas retained all its other stock holdings.

Performance: Over this review period, Franklin India Equity Fund showed an appreciation of 2.3% in value, thereby outperforming the S&P BSE 200 index by around 0.9%. Since the initial recommendation on April 26, 2017, the fund has gained just 6.1%, thus underperforming the S&P BSE 200 index by an absolute margin of 6.7%.

Our View: As per our latest review process dated March 2019, Franklin India Equity Fund arrives on our 'Hold' list.

Despite being a superior long term performer, Franklin India Equity Fund has been underperforming its benchmark and the category peers for quite some time. The fund manager's strategy of staying away from overvalued and momentum driven stocks and being invested in reasonably valued companies where they have high conviction has not worked in its favour. Evidently the fund manager's convictions have not rewarded as expected and may even take time to deliver. We have kept Franklin India Equity Fund on our watch list and are closely monitoring the performance and investment strategy of the fund. As the fund has not shown any significant improvement in performance, we are considering replacing this fund with a better performing and our top rated fund in the multi-cap category, like Kotak Standard Multicap Fund. We will be executing a change transaction in next couple of months. Investors may for the time being continue holding their investments in the fund. Those investing in Franklin India Equity fund via SIP may consider stopping their ongoing SIP in the fund.

ICICI Prudential Value Discovery Fund (Standard Allocation: 10%, Current Allocation: 9.7%)

ICICI Prudential Value Discovery Fund is among the few funds that will remain with its name and style. It is a true value style fund that aims to discover stocks that are trading at a significant discount to their intrinsic value. This value-oriented scheme has lived up to its name, picking undervalued stocks that have delivered supernormal returns over the long term. The fund is now mandated to invest at least 65% of its assets in equities and the maximum exposure to debt and cash equivalent assets can go up to 35% of its assets. The fund follows bottom up approach of stock picking and holds a portfolio of selective stocks that are available at a discount to its intrinsic value through a process of "Discovery". The Discovery Process would be through identification of such stocks, which have attractive valuations in relation to earnings or book value or current and/or future dividends and are available at a price, which can be termed as a bargain. The fund determines the intrinsic value of a stock through analyzing the financial statements of the companies and parameters such as Earnings per Share, the Book Value per share, understanding the competition land-scape and business structure of these companies.

Portfolio Strategy: As on August 31, 2019, ICICI Prudential Value Discovery Fund had an AUM of around Rs 14,960 crore. Of this, it held an allocation of 86.9% in equities and 3.9% in Derivatives-Futures. The remaining 9.2% of its portfolio was in cash and debt instruments.

ICICI Prudential Value Discovery Fund focuses on holding a portfolio of undervalued stocks across market caps. Given the high valuation in the mid and small cap segment, the fund had been ignoring mid and small cap stocks for last couple of years. Currently, it's portfolio has been dominated by large caps. Among its top 5 holdings the fund held exposure to stocks like Infosys (9.2%), Sun Pharma (8.7%), NTPC (5.4%), ITC (4.1%) and HDFC Bank (4.0%). These top 5 holdings together accounted for around 31.5% of its assets, whereas the top 10 holdings in the portfolio accounted for around 50% of its assets. The fund's portfolio is currently biased towards large caps (70.5%) along with substantial exposure to mid-caps (13.4%) and small caps (3.0%). It also holds significant exposure of around 4% in Derivatives-Futures of NIFTY 50 Index.

In the previous month the fund added BHEL, Motherson Sumi Systems, Bank Of Baroda and NHPC Ltd. in the portfolio, while it completely exited from Petronet LNG.

Performance: In the last one month, ICICI Prudential Value Discovery Fund appreciated 2.8% in value, thus outperforming the S&P BSE 200 Index by a noticeable margin of 1.4%. The fund

has generated an absolute return of 5.2% since inception of the portfolio in April 2017, thus underperforming the S&P BSE 200 index by an absolute margin of 7.6%.

Our View: As per our half yearly review process (March 2019), ICICI Prudential Value Discovery Fund is on our 'Hold' list. We continue to hold the fund in the recommended portfolio.

Note for SIP Investors: *ICICI Prudential Value Discovery Fund being a value style fund requires patience and longer time horizon. It has the potential to generate decent returns once its value bets start paying off. Therefore, in spite of it being on the 'Hold' list of PersonalFN, existing investors may continue with their SIP investments in ICICI Prudential Value Discovery Fund.*

Invesco India Contra Fund (Standard Allocation: 10%, Current Allocation: 9.4%)

Invesco India Contra Fund follows against-the-tide kind of investing style and takes contrarian bets to invest in sectors and stocks that are temporarily out of favour and available at significant discount / cheap valuations. While investing the fund manager has conviction in the fundamentals of such stocks and believes, they could perform well in the long run. As contra funds invest in 'out-of-flavour' themes they may temporarily underperform in the short term, and hence deserve patience. Keeping in mind the fund's ability to consistently generate market beating returns supported by its effective portfolio management and sound risk management strategies, Invesco India Contra Fund can be an ideal bet for investors with a longer time horizon and high-risk appetite.

Invesco India Contra Fund is mandated to invest a minimum 65% of its assets in equity and equity related instruments (including derivatives) and maximum 35% can be invested in debt (fixed and floating) and money market instruments. Following a contrarian strategy, the fund manager picks 'neglected stocks' with strong asset values while focusing on under-owned sectors carrying high potential. The focus is also on undervalued stocks trading at a significant discount to their fair valuation with an aim to hold them in the portfolio until their intrinsic value is achieved. The aim is to have a first mover advantage by investing in out of favour sectors/stocks thus increasing out-performance prospects.

Portfolio Strategy: Invesco India Contra Fund usually holds a well-diversified portfolio of 40-50 stocks at any point of time. As on August 31, 2019, the fund's portfolio was diversified portfolio across as many as 48 stocks, with its top 10 stock holdings accounting for around 47% of its assets. Stocks like HDFC Bank (8.4%), ICICI Bank (7.5%), Infosys (5.7%), L&T (4.9%) and ITC (4.5%) have been among the core contenders in the fund's portfolio and currently appear as its top 5 holdings. In the previous month the fund added fresh exposure to Reliance Industries, whereas completely exited from Coal India, Cipla and Tata Steel.

Invesco India Contra Fund tries to proactively identify new investment themes and examine the play on the relative attractiveness of mid-caps and large caps and adjust the market cap of the portfolio towards higher return potential. The fund currently holds around 65.5% of its assets in large caps, while around 23.2% of its assets were in mid-caps and 7.3% in small caps.

Performance: Over this review period (13th August 2019 to 11th September 2019), Invesco India Contra Fund appreciated 3% in value, thus outperforming the S&P BSE 200 index by 1.6%. Since inclusion of the fund in the portfolio on 31st December 2018, the fund has dropped 1.6% in value, as against a drop of 0.8% in S&P BSE 200 index.

Our View: Invesco India Contra has been on our 'Buy' list for a long time and deserves inclusion in ones portfolio with a long term view.

Satellite Holdings

Mirae Asset Emerging Bluechip Fund (Standard Allocation: 20%, Current Allocation: 21.6%)

Earlier a midcap biased fund, Mirae Asset Emerging BlueChip Fund is now categorised under Large and Midcap Funds and is mandated to invest 35% to 65% of its assets in stocks of Mid cap companies and simultaneously maintain 35% to 65% of its assets in stocks of Large cap companies. The fund has changed its focus from mid-caps to a broader large & midcap universe and currently maintains 50:50 allocation to both large caps and mid caps. Mirae Asset Emerging BlueChip Fund established itself in the mid-cap space in a short span of time, and became popular among investors resulting in a massive growth in AUM. *In order to put a check*

on capacity, the fund house suspended lumpsum investments in the scheme and restricted investments via SIP.

Mirae Asset Emerging BlueChip Fund is known for its cautious investment approach that has helped deliver superior risk-adjusted returns for its investors. The fund aims to hold a well-diversified portfolio without having any bias towards particular theme, sector or style while picking stocks for the portfolio. The fund manager looks for high growth oriented stocks across mid and large cap segment, which are available at fair and attractive valuations. The superior stock picking ability has driven the performance of the fund so far. The well-constructed portfolio has ensured that risk is kept well within limits, without compromising on long-term wealth creation. With significant exposure to midcaps, high volatility cannot be ruled out.

Portfolio Strategy: Mirae Asset Emerging BlueChip Fund makes well use of portfolio diversification to minimise its risk. It usually holds about 60 to 70 stocks in its portfolio, diversified equally across large cap and the mid cap segment. As on August 31, 2019, the fund was full invested with around 99.6% of its assets in equities, spread across 63 stocks. Top private bank names like ICICI Bank (6.2%), HDFC Bank (6.0%) and Axis Bank (3.8%) figured among its top holdings. Reliance Industries, Voltas, SBI and IndusInd Bank are some other prominent names in the portfolio. In the previous month, Mirae Asset Emerging BlueChip Fund included ITC Ltd. in its portfolio, while retaining the other holdings in the portfolio.

Mandated to invest minimum 35% of its assets in large caps and simultaneously maintain at least 35% allocation to midcap, the fund currently holds around 55.5% allocation to large caps, 35.5% in mid-caps and 8.6% in small-caps.

Performance: Over the last one month, Mirae Asset Emerging BlueChip Fund appreciated 2.4% in value thus outperforming the S&P BSE 200 index (up 1.4%) by a percentage point. Since initial recommendation on April 26, 2017, the fund has been the top performer in the portfolio and has generated an absolute return of 19.3%. It outperformed the S&P BSE 200 index by an absolute margin of 6.5% over this period.

Our View: As per our latest review process as of March 2019, Mirae Asset Emerging BlueChip Fund continues to be on our 'Buy' list.

L&T Midcap Fund (Standard Allocation: 10%, Current Allocation: 9.2%)

L&T Midcap Fund is an actively managed fund in the midcap space and has a track record spanning well over a decade. The fund completely stunned investors with its superior performance in the 2016-2017 mid cap rally and has even dominated the midcap space for quite long. One of the top performers in the midcap funds category, it has improved significantly under the current fund management. The fund managers take aggressive stock bets and do not shy away from taking higher risk for higher gains. Although the performance in the bear market periods has not been amongst the best, its strength lies in the ability to fully participate in bull market rallies and recovery phases, which more than compensates investors for the lacklustre bear market returns.

L&T Midcap Fund scores well in terms of managing risk and delivering superior risk adjusted returns for its investors. It is suitable for aggressive investors having high risk appetite and looking for a well-managed midcap fund with a potential to benefit significantly from its multi-bagger midcap stock picks. While creating its investment portfolio, the fund follows bottom-up stock picking approach. The fund houses proprietary GEM investment approach (i.e. Generate Idea, Evaluate Business and Manage Business) helps it determine the investment portfolio. L&T Midcap Fund is expected to invest a minimum 65% of its assets in stocks of midcap companies (*companies that are ranked between 101 and 250 based on the full market capitalisation*).

Portfolio Strategy: As on August 31, 2019, L&T Midcap Fund held around 92.6% of its assets in equities, while the remaining 7.4% of its assets was in cash and equivalent instruments. The fund uses diversification as a tool to control downside risk and usually holds a well-diversified portfolio spread across stocks and sectors. It currently holds as many as 79 stocks in its portfolio, with top exposure in popular midcap names like City Union Bank (3.6%), The Ramco Cements (2.9%), Shree Cement (2.3%), ACC (2.3%) and Abbott India (2.3%) together accounting for around 13.5% of its assets. In the previous month, L&T Midcap Fund didn't make any change in its portfolio holdings.

Mandated to invest a minimum 65% of its assets in midcap stocks, as on August 31, 2019 the fund held 65.8% of its portfolio in mid-caps, 19.03% in small-caps and 8.0% in large cap stocks.

Performance: Over the last one month, the value of L&T Midcap Fund appreciated 1.8%, thus outperforming the S&P BSE 200 index (up 1.4%) by 0.4%. Since the time we added this fund in

the portfolio on December 31, 2018, it has depreciated 8.1% in value, against a drop of 0.8% in S&P BSE 200 index and a fall of over 10% in its benchmark Nifty Midcap 100 index.

Our View: As per our latest review process as of March 2019, L&T Midcap Fund continues to be on our 'Buy' list.

HDFC Hybrid Equity Fund (Standard Allocation: 10%, Current Allocation: 10.4%)

HDFC Hybrid Equity Fund is categorized under aggressive hybrid funds. Accordingly, the fund invests in a mix of equity and debt and uses sound risk management processes to deal with volatility. It is mandated to invest 65% to 80% of its total assets in equities and 20% to 35% in debt instruments. This is very much in line with the investment style followed under its older version – HDFC Balanced Fund. The fund has put up a noteworthy achievement across all areas in terms of stock picking, portfolio construction and risk management. Its investment in stocks is based on the concept of economic earning power and cash return on investments. The fund manager looks to invest in “businesses with superior growth prospects and good management, at a reasonable price”. Under debt, the fund maintains flexibility to invest in the entire range of debt instruments. Its superior risk-adjusted returns have been an outcome of sound investment processes that have been enhanced over the years. Driven by stringent process, HDFC Hybrid Equity Fund is suitable for investors having moderate risk appetite, and looking for a relatively stable and reliable fund in the aggressive hybrid funds category. Considering the currently high uncertainty in equity markets, HDFC Hybrid Equity Fund would provide some stability and thus forms a part of the satellite portion of the portfolio.

Portfolio Strategy: As per the last disclosed portfolio as on August 31, 2019, HDFC Hybrid Equity Fund held around 68.7% of its assets in equities, 0.2% in rights and 0.7% in Nifty ETF. The fund held around 28.4% of its portfolio in debt instruments consisting of G-secs (8.7%) and corporate debt instruments (19.7%), whereas the remaining 2% of its portfolio was in cash and equivalent instruments. The equity portion of the fund's portfolio is diversified across 58 stocks. HDFC Bank (8.0%), Infosys (5.6%), ICICI Bank (5.5%), HDFC Ltd. (4.8%) and L&T (3.3%) were among the top 5 holdings in the portfolio, together accounting for around 27.2% of its assets. In the previous month, the fund didn't make any change in its equity holdings, keeping them intact.

Its equity portfolio is biased towards large caps (49.9%) along with significant exposure to mid-caps (11.8%) and small caps (7.0%). Among its debt holdings, the fund held around 8.7% of its assets in G-secs and about 19.7% in moderate to high rated corporate debt instruments.

Performance: Over the last one month, HDFC Hybrid Equity Fund registered a gain of 1.2% in value. While the fund trailed the S&P BSE 200 index by 0.2%, it slightly outperformed its benchmark CRISIL Hybrid 35+65 Aggressive Index (up 1.1%) by 0.1%. since inception of the portfolio, HDFC Hybrid Equity Fund has appreciated 14.3% as against 12.8% gain in S&P BSE 200 index.

Our View: As per our latest review process dated March 2019, HDFC Hybrid Equity Fund arrives on our 'Buy' list. We maintain our Buy / Hold view on the fund.

Performance review and NAV data as on September 11, 2019

DISCLOSURE AS PER SECURITIES AND EXCHANGE BOARD OF INDIA (RESEARCH ANALYSTS) REGULATIONS, 2014

About the Company including business activity

Quantum Information Services Private Limited (QIS) was incorporated on December 19, 1989.

QIS was promoted by Mr. Ajit Dayal with an objective of providing value-based information / views on news related to equity markets, the economy in general, sector analysis, budget review and various personal products and investments options available to the Public. It was the first company to start equity research on an institutional level.

'PersonalFN' is a service brand of QIS and was started in the year 1999. In 1999, the Company registered the Domain name **www.personalfn.com** for providing information on mutual funds and personal financial planning, financial markets in general, etc. and services related to financial planning and research in various financial instruments including mutual funds, insurance and fixed income products to customers. It offers asset allocation and researched investment recommendations through its financial planning services.

Quantum Information Services Private Limited (QIS) is registered as Investment Adviser under SEBI (Investment Adviser) Regulations, 2013 and having Registration No.: INA000000680. In terms of second proviso to Regulation 3 (1) of SEBI (Research Analysts) Regulations, 2014 the Company is not required to obtain Certificate of registration from SEBI.

Disciplinary history

There are no outstanding litigations against the Company, its subsidiaries and its Directors.

Terms and condition on which its offer research report

For the terms and condition for research report [click here](#).

Details of associates

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2. PersonalFN Insurance Services India Private Limited ;
3. Equitymaster Agora Research Private Limited;
4. Common Sense Living Private Limited;
5. Quantum Advisors Private Limited;
6. Quantum Asset Management Company Private Limited;
7. HelpYourNGO.com India Private Limited;
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10. Primary Real Estate Advisors Private Limited;
11. HYNCO India Private Limited;
12. Rahul Goel;
13. I V Subramaniam.

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2. Neither QIS, its Associates, Research Analyst or his/her relative have any financial interest in the subject Company except for some of the associates and research analysts holding units of Franklin India Equity

Fund, ICICI Pru Value Discovery Fund, Mirae Asset India Emerging Bluechip Fund, L&T Midcap Fund, Invesco India Contra Fund and HDFC Hybrid Equity Fund;

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5. Neither QIS nor it's Associates have received any compensation or other benefits from the subject Company or third party in connection with the research report

General disclosure

1. The Research Analyst has not served as an officer, director or employee of the subject Company.
2. QIS or the Research Analyst has not been engaged in market making activity for the subject Company.

Definitions of Terms Used

- a. **Buy recommendation:** This means that the subscriber could consider buying the concerned fund keeping in mind the tenure and objective of the recommendation service.
- b. **Hold recommendation:** This means that the subscriber could consider holding on to the fund until further update. However, additional purchase via ongoing SIP can be considered.
- c. **Sell recommendation:** This means that the subscriber could consider selling the fund keeping in mind the objective of the recommendation service.

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