

***Inflation & Current Equity
Market Volatility***

Inflation and monetary
Tightening

RBI Policy rates

Inflation in USA & Fed Policy
Rates

FPI Pull out

MF – Doing balancing act

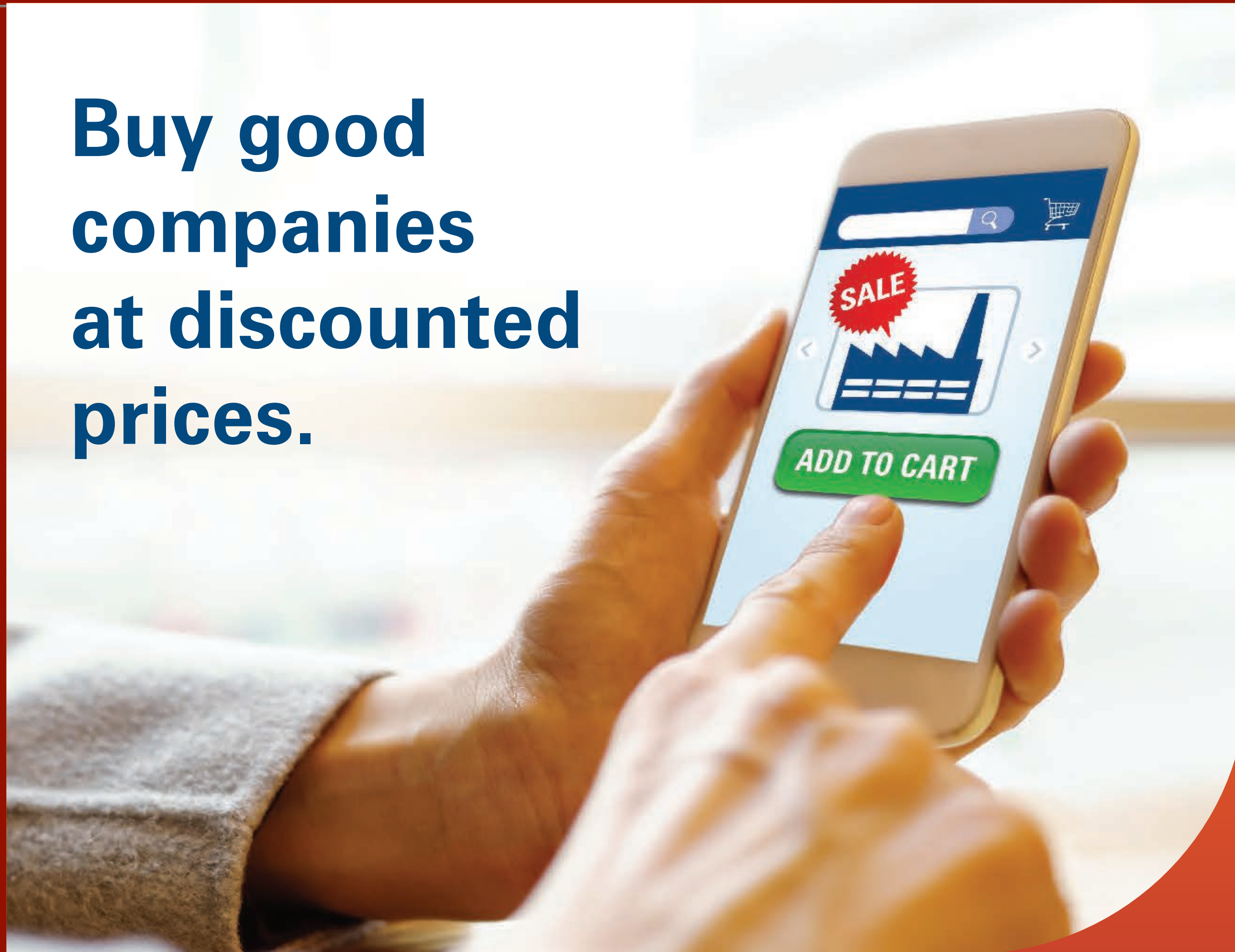
Earnings – Scenario so far

India Structural Growth Story
and Earnings to provide the
support

May 2022



Buy good companies at discounted prices.



ICICI Prudential Value Discovery Fund



TARAKKI KAREIN!

ICICI Prudential Value Discovery Fund (An open ended equity scheme following a value investment strategy) is suitable for investors who are seeking*:

- Long Term Wealth Creation
- An open ended equity scheme following a value investment strategy

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.



SCHEME RISKOMETER

Investors understand that their principal will be at Very High risk

To invest, contact your Mutual Fund Distributor



Download
IPRUTOUCH App

Visit
www.iciciprurf.com

The Risk-o-meter(s) specified above will be evaluated and updated on a monthly basis. Please refer <https://www.icicipruamc.com/news-and-updates/all-news> for more details.

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

Relentless Equity Market rally has been halted by rising Inflation, Globally. Consumer Price Inflation, in India is at 7.79% for the month of April 2022. Inflation target set by the Government of India in consultation with the RBI is 4%, with the upper and lower tolerance limit of 6% and 2%. This is notified for another 5 year period - 1/4/2021 to 31/3/2026. If the range is breached for 3 subsequent quarters, RBI has to explain to the government on its measures for controlling inflation.

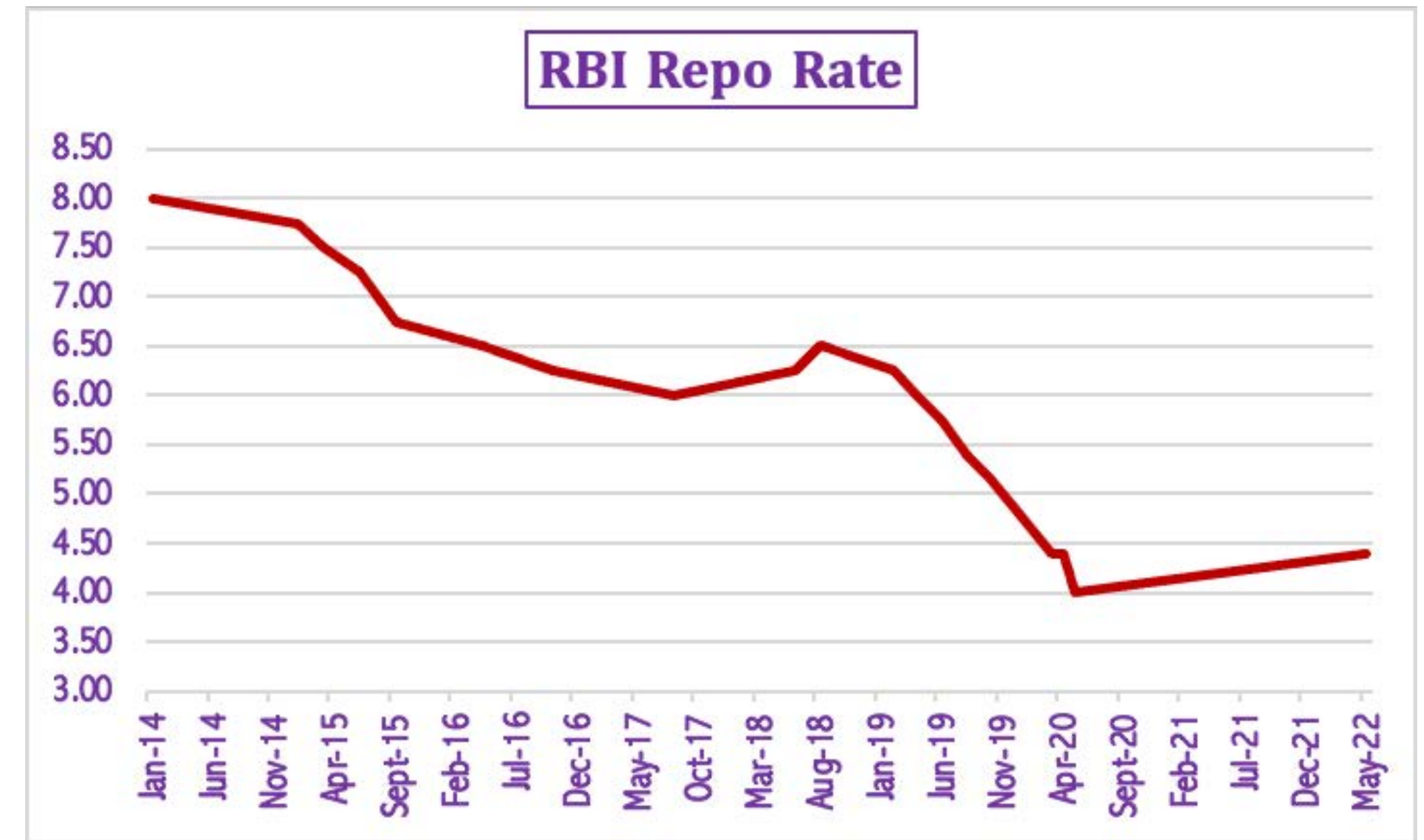
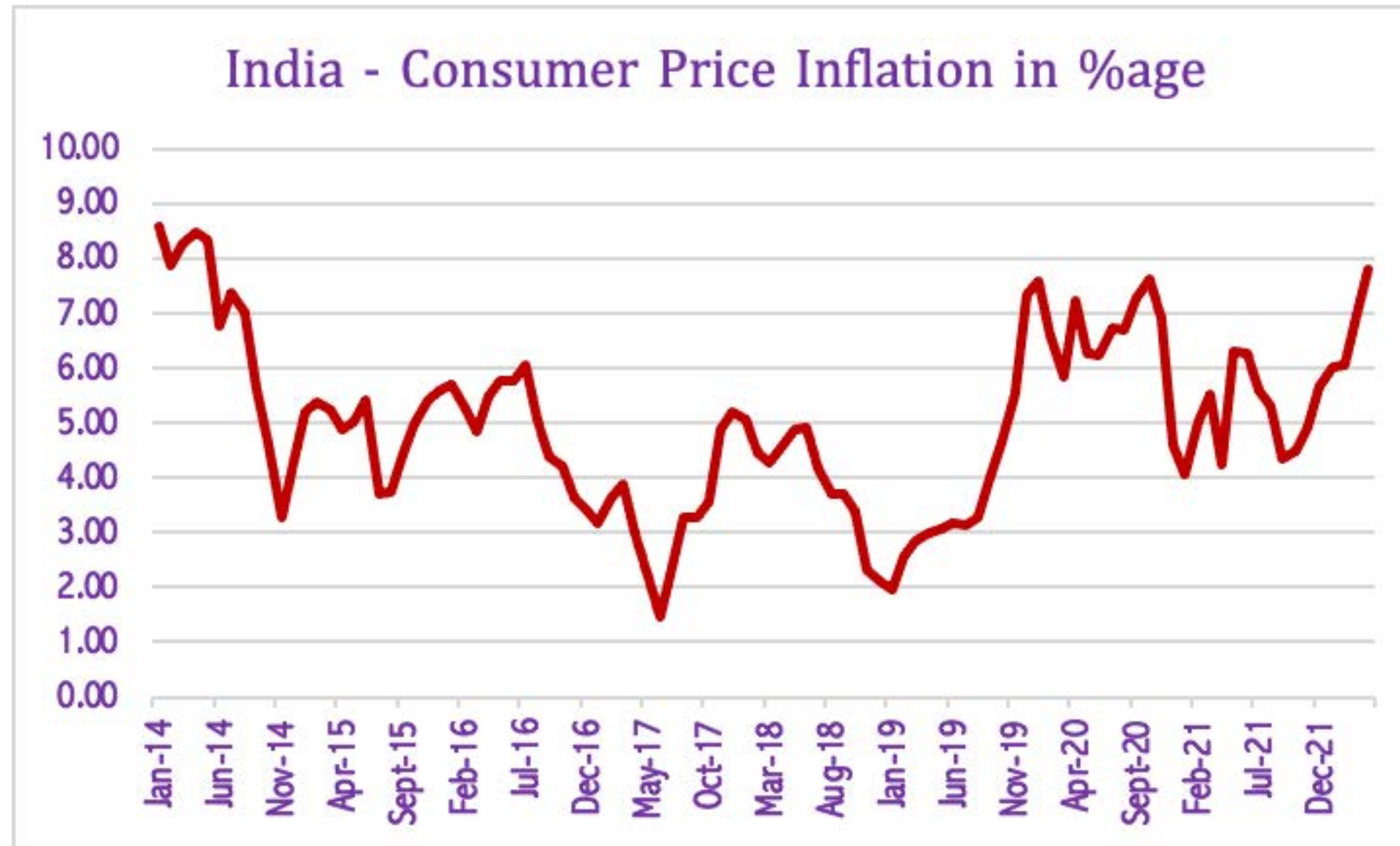
So, RBI immediate priority is to control inflation.



Massive monetary easing initiated by USA, Europe and Japan during 2008 crisis and subsequently reinitiated again during COVID crisis has left the economies with ample liquidity which is triggering the inflation. Developing countries like India also responded with massive fiscal and monetary easing to manage the COVID crisis. Hence, the present hike in Inflation. This has been further aggravated by Russia Ukraine war.

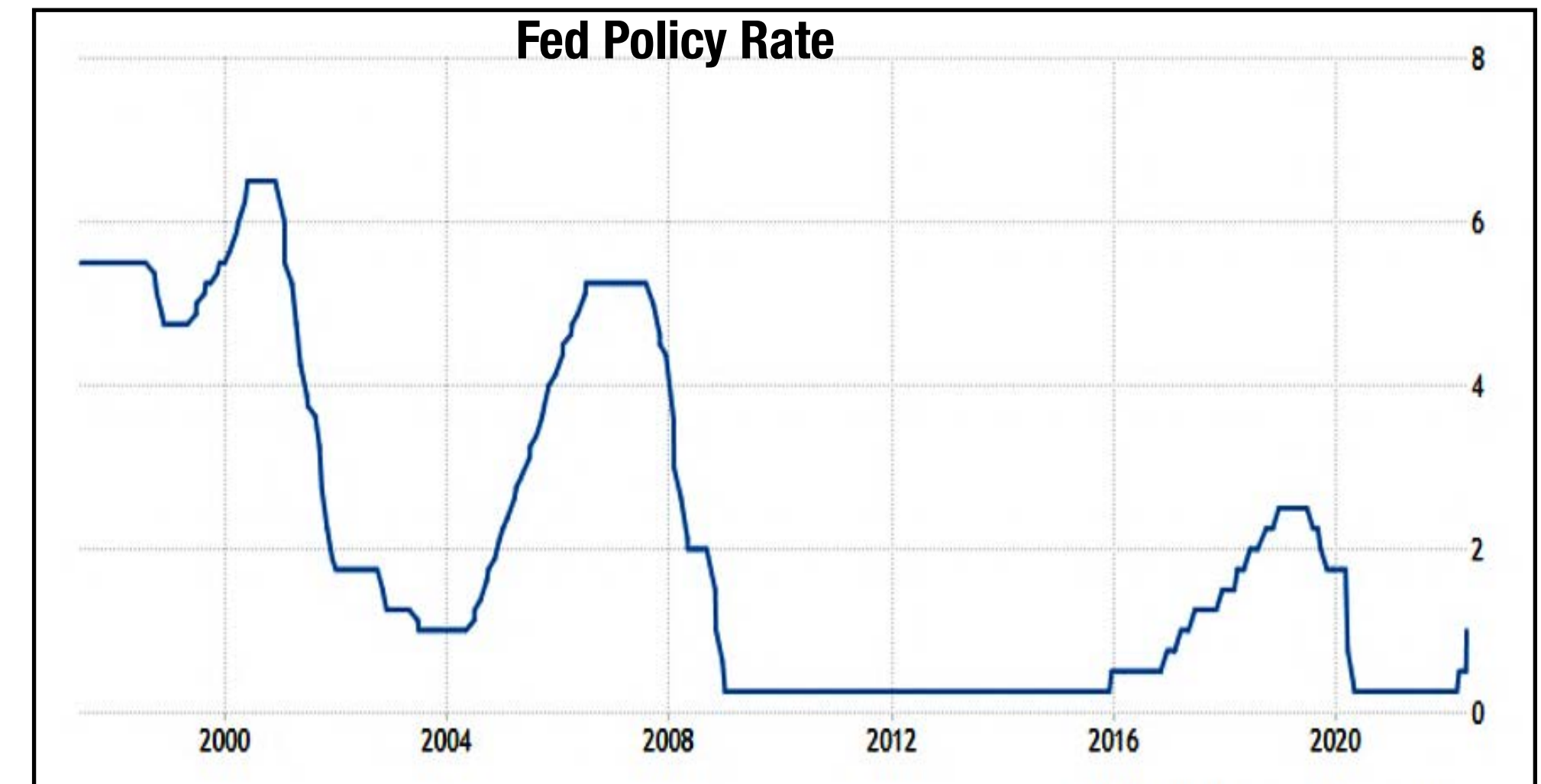
Inflation is going to be the Key factor in deciding the policy rates. RBI has increased the Repo rate from 4% to 4.4% in May 2022, as the first reaction to the increasing inflation. It is expected to hike rates faster and frequently to control inflation.

India - Consumer price Inflation and Repo Rate



It is criticised that RBI should have been prompt in hiking the policy rates. Government and RBI had the compulsion of supporting the economy during the pandemic. Since the pandemic is more or less behind us, RBI is expected to fast forward the rate hike process to reign in inflation

Inflation in US and Fed Rates



After the 2008 crisis in USA, Fed lowered the policy rates to 0-0.25% range to manage over the crisis and started doing monetary easing. The normalisation of Fed Rates and start of monetary tightening got further delayed by the COVID Pandemic. Now, Fed focus is clearly on controlling inflation. Managing Economic Growth, Employment and Inflation is going to be a tough task. In 1980, inflation in USA was 15% and Fed Rate was at 20%. Current Inflation number is at around 8.2%. After more than 20 years, US Inflation is rising above 6% mark.

Kotak Balanced Advantage Fund

It's Automatic!

A fund that gives you **freedom from managing equity and debt allocation manually** during market ups and downs, giving you a balanced growth.



www.kotakmf.com | Toll free Number : 1800 309 1490 |     



Investors understand that their principal will be at moderately high risk.

KOTAK BALANCED ADVANTAGE FUND

(An open-ended dynamic asset allocation fund)

This product is suitable for investors who are seeking*

- Wealth creation over a long period of time.
- Investment in equity, equity related securities & debt, money market instruments while managing risk through active allocation.

*Investors should consult their financial advisor if in doubt about whether the product is suitable for them.

The above riskometer is based on the scheme portfolio as on 29th April 2022. An addendum may be issued or updated on the website for new riskometer.

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

Because you want to be prepared for the milestones that lie ahead

AXIS BLUECHIP FUND

An open-ended equity scheme predominantly investing in large cap stocks



Invest in large-cap stocks.



Good Mix of leaders and challengers from various industries.



Focus to deliver returns with relatively lower volatility of NAV.



Aims to have the expected earnings growth of the portfolio higher than that of the benchmark S&P BSE 100 - TRI.



The portfolio must have at least 80% exposure to large-cap at all times.



AXIS BLUECHIP FUND

(An open ended equity scheme predominantly investing in large cap stocks)

Benchmark : S&P BSE 100 - TRI

This product is suitable for investors who are seeking*:

- Capital appreciation over long term.
- Investment in a diversified portfolio predominantly consisting of equity and equity related instruments of large cap companies.

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Fund



Investors understand that their principal will be at very high risk

Benchmark

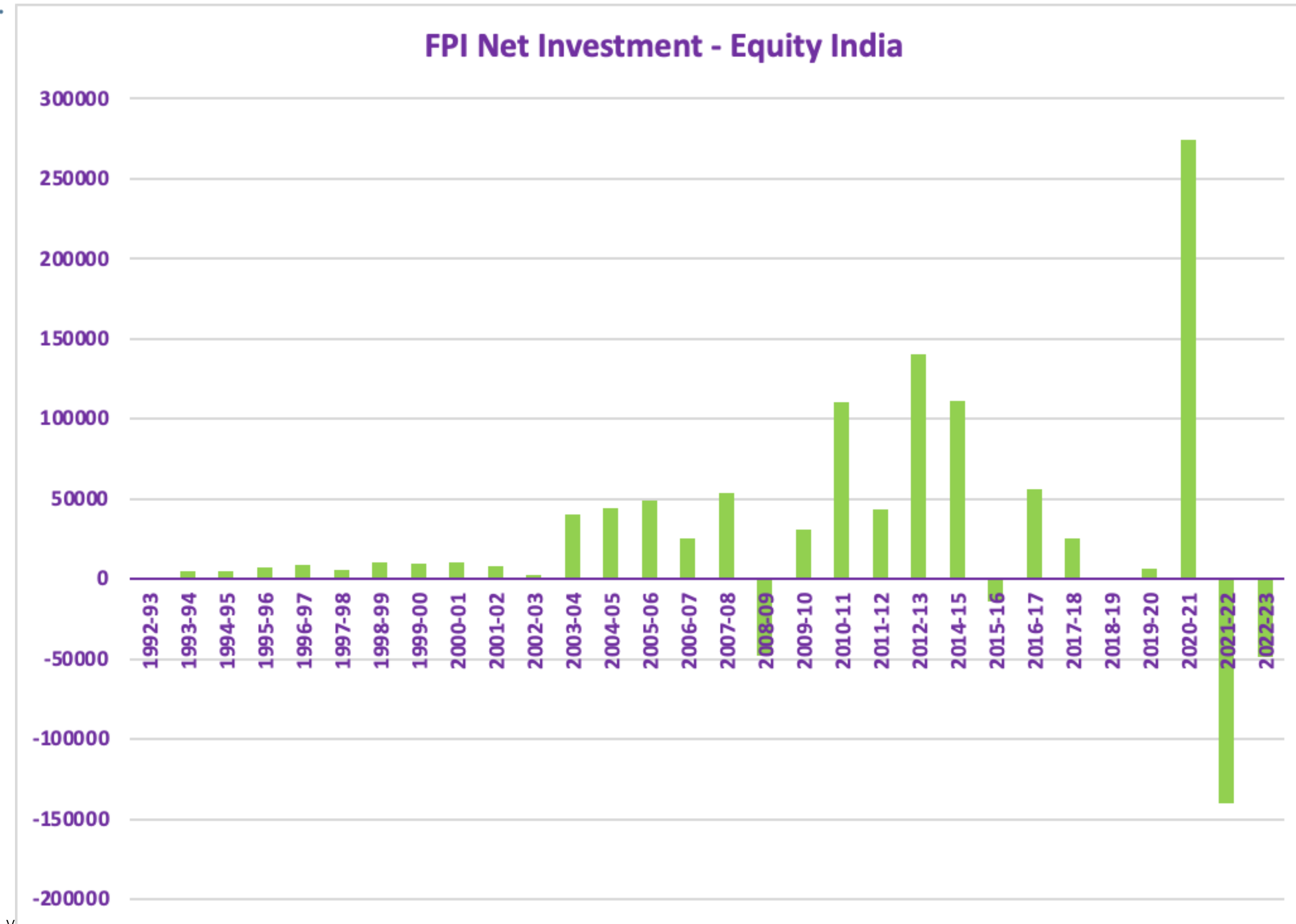


S&P BSE 100 - TRI

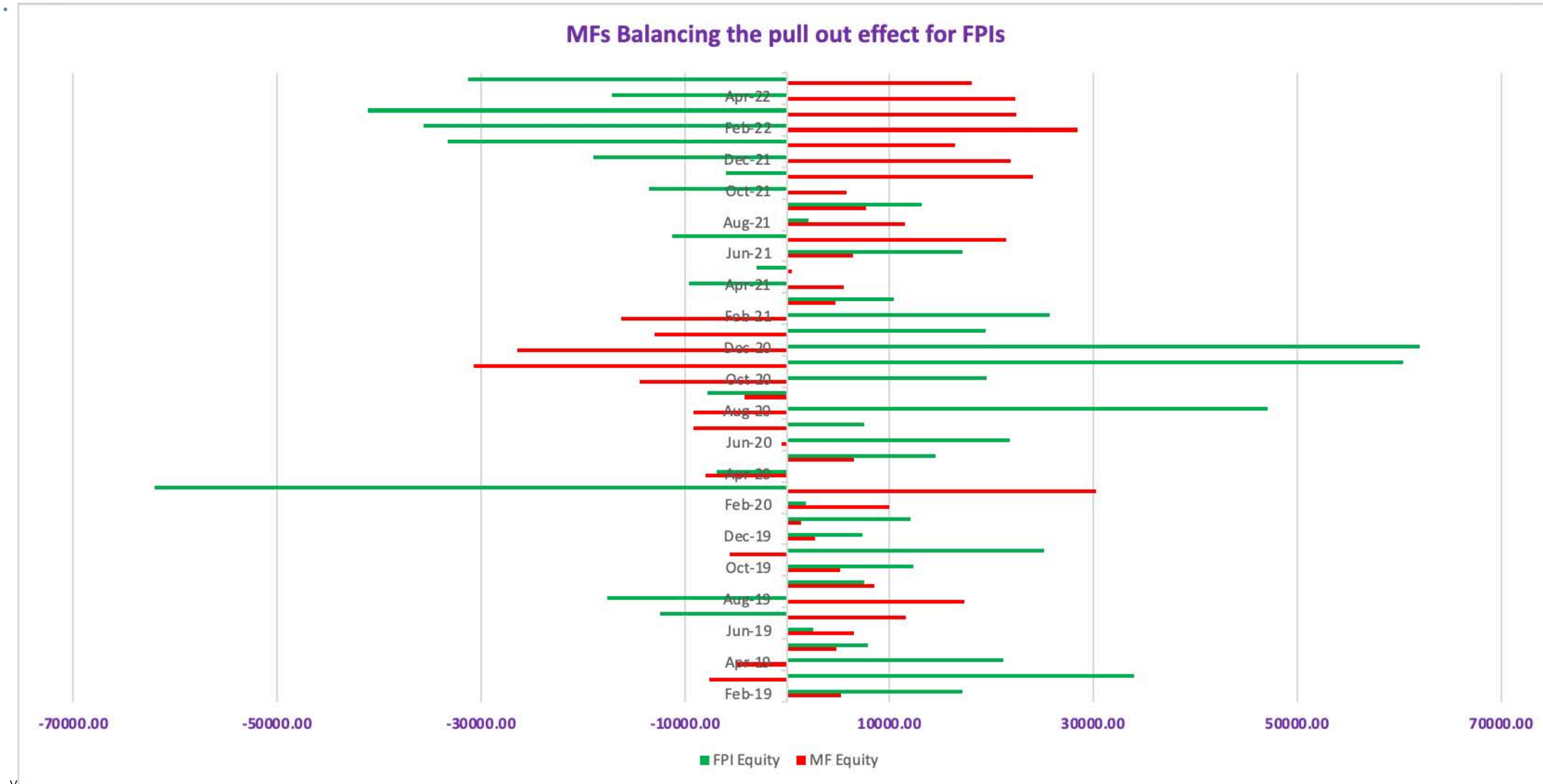
Statutory Details: Axis Mutual Fund has been established as a Trust under the Indian Trusts Act, 1882, sponsored by Axis Bank Ltd. (liability restricted to ₹ 1 lakh). **Trustee:** Axis Mutual Fund Trustee Ltd. **Investment Manager:** Axis Asset Management Co. Ltd. (the AMC). **Risk Factors:** Axis Bank Ltd. is not liable or responsible for any loss or shortfall resulting from the operation of the scheme.

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

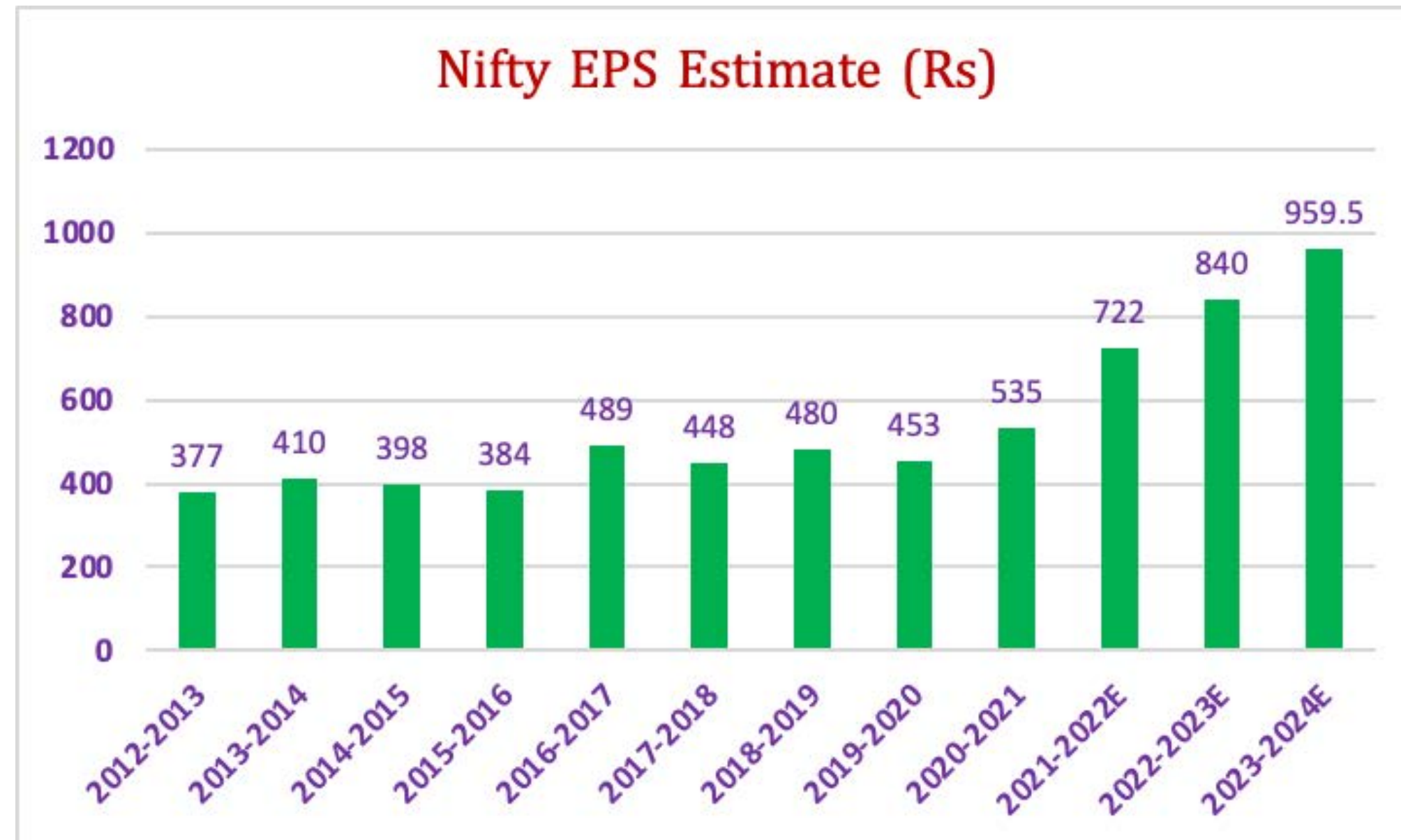
Foreign Portfolio Investors have pulled out around Rs.1,88,000 cr for last FY and Current FY till 19th May 2022



Month wise net investment in equity - MF and FPI



Nifty EPS and Performance of various Indices as on 20/5/2022



Performance of Various Indices - India & USA(CAGR as on 20/5/2022)

| | 1 Yr | 3 Yrs | 5 Yrs | 10 Yrs | PE(Trailing) | PE - Projected |
|------------------------------------|-------|-------|-------|--------|--------------|----------------|
| India | | | | | | |
| S&P BSE SENSEX | 8.73 | 12.81 | 13.52 | 14.54 | 21.46 | |
| IISL NIFTY 50 | 8.53 | 12.78 | 12.90 | 14.25 | 20.93 | |
| IISL NIFTY 500 | 8.81 | 14.37 | 12.32 | 14.96 | 21.75 | |
| USA | | | | | | |
| S&P 500 | -6.20 | 11.16 | 10.37 | 11.66 | 22.74 | 17.69 |
| S&P 500 Composite Index | -5.33 | 12.77 | 12.03 | 13.71 | 22.49 | 17.19 |

Current Price Earnings Ratio of Nifty 50 as on 20th May 2022 is around 20.93. PE of Nifty 500 is at 21.75. Indian Equity market has been enjoying higher valuation due to global liquidity and India's structural growth. Rising inflation is forcing various central banks to tighten liquidity and increase interest rate. This is leading to few Foreign Portfolio investors pulling out of Indian equity. We have seen net FPI pullout of around Rs.1,88,000 cr as on 19th May 2022, for the period April 2021 to 19th May 2022, highest ever for any period. In India, rising inflation is leading to higher interest rate. It is expected that increasing interest rate on bonds in India will lead to some asset allocation shift from equity to debt. This is likely to put downward pressure on equity. One Key factor which will have large influence of the equity market in the coming months is - Inflation and resultant tightening from Fed and RBI.

We expect this process and resultant volatility may continue through the current financial year. India's Structural Economic Growth and Earnings growth of corporate should lend strong support.

Strict Asset Allocation is important to navigate through this volatile period. Any fresh investment in equity can be made through SIP/STP.

(Source for NIFTY EPS - Kotak Securities)

A man with a long white beard, wearing a grey cap, sunglasses, a yellow jacket, and black gloves, stands next to a utility pole. He is holding a blue sign with a green circle containing the text 'SAVE SOIL'. Below the circle, the sign reads 'EACH ONE REACH ONE' and 'consciousplanet.org' with a QR code. The background is a brick wall with some graffiti.

**SAVE
SOIL**

EACH ONE REACH ONE

consciousplanet.org





the fourth time

Value One Up Distribution Private Ltd

Door no 107/11, Ground Floor, Y Block,
5th Street, Anna Nagar-West, Chennai - 600 040
Landline: 044 – 4858 7658 / 4858 7258
Mobile : 9940059103, 9940048574
Website: www.valueoneuponline.com

Sources: Morning Star, Investwell online.com, RBI, BSE Website, NSE Website, S&P Global website, mospi.nic.in, tradingeconomics.com, nsdl.co.in and fact sheets of mutual funds.

Disclaimer Clause: This Email has been prepared on the basis of publicly available information, internally developed data and other sources believed to be reliable. Value One up Distribution Pvt. Ltd., does not warrant its completeness and accuracy. Whilst we are not soliciting any action based upon this information, all care has been taken to ensure that the facts are accurate and opinions given fair and reasonable. This information is not intended as an offer or solicitation for the purchase or sale of any financial instrument. Recipients of this information should rely on their own investigations and take their own professional advice. Neither Value One Up Distribution Pvt. Ltd., nor any of its employees shall be liable for any direct, indirect, special, incidental, consequential, punitive or exemplary damages, including lost profits arising in any way from the information contained in this material.