

FOREWORD

APRIL 2024



A. Balasubramanian
Managing Director & CEO
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Dear Associate,

The beginning of a new financial year holds immense significance for economies, businesses, and individuals alike. It's a time to reflect on the year gone by and plan for the year ahead. This particular financial year holds special importance for us at ABSLAMC, as we celebrate an important milestone in our journey - our 30th anniversary. Three decades of commitment, hard work, and customer focus have shaped our journey, and we are profoundly grateful for the unwavering support and trust you have bestowed upon us over the years.

As we step into this new financial year, we find ourselves amidst a global landscape marked by significant events, including elections in over 80 nations and territories, representing more than half of the world's population. The global macro picture in early 2024 presents a cautiously optimistic outlook with underlying vulnerabilities. Despite exceeding expectations in 2023, particularly in the United States and certain emerging markets, global growth is forecasted to be moderate in 2024. This reflects the lagged effect of central bank tightening to combat inflation, which peaked in late 2023 but remains elevated. While positive signs emerge with inflation moderating due to unwinding supply chain issues and tighter monetary policy, the pace of decline hinges on the effectiveness of central bank interventions without suffocating economic activity. Geopolitical tensions and potential disruptions to energy supply pose downside risks. Overall, achieving a soft landing and controlling inflation without triggering a recession might be the challenge at hand for central bankers and policymakers in 2024. The success of this delicate balancing act will determine the trajectory of the global economic recovery in the coming years. There are expectations of rate cuts by central bankers, including the Federal Reserve in the coming months. A change in the unemployment rates may dictate further changes in the rates in the United States.

India on the other hand has emerged as a bright spot, with strong domestic consumption and government spending on infrastructure being the key growth drivers. The Indian economy continues to exhibit resilience, with a healthy projected growth rate of 7% in FY25, stable inflation and rising forex reserves. India's equity market has consistently outperformed global counterparts, offering investors robust opportunities for growth. Periodic consolidation phases have followed significant rallies in the past, with a potential post-election consolidation looming. One should not be concerned with the recent market volatility which largely stemmed from regulatory and industry initiatives on small and midcap stocks, which are aimed at enabling investors to make informed decisions. India's strong structural drivers and economic fundamentals remain intact, encouraging investors to continue participating in its growth potential. The SIP route in mutual funds remains a relevant tool for exposure to Indian markets and participation in their growth trajectory.

It is encouraging to witness the financialization of savings in India, with more individuals leveraging investment products to build wealth. The mutual fund industry continues to experience strong inflows and increased investor engagement. Large-cap and Flexi-cap funds remain favoured choices for investors seeking growth and stability. Those aiming for diversification may find Multi-Asset Allocation funds suitable, spreading investments across equities, fixed income, and commodities. Strategic asset allocation remains crucial in navigating market dynamics and managing short-term fluctuations.

We at Aditya Birla Sun Life AMC Limited remain focused on delivering value and fulfilling the investment requirements of our ever-expanding customer base. We are dedicated to offering a diverse array of products tailored to investors' varied risk appetites. Our relentless pursuit of excellence reflects our overarching mission of increasing financial literacy and inclusivity. Together, let us embrace the opportunities that lie ahead of us in the new financial year. Happy investing!

Regards,

A. Balasubramanian

Source:

1. RBI, Monetary Policy Committee (MPC) meet, 05th April 2024.
2. IMF World Economic Outlook. Fitch March 2024 outlook

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