



# HPMG

GROWING TOGETHER

DATA SENSE – KICK-OFF 049

(For 16th May 2025)

Edited by T S Harihar

## Mutual Funds preferred Retail, Pharma in April 2025

### HOW WE ARRIVED AT THE MOST PREFERRED MF SECTORS?

Like in our report in March 2025, it is the same Retail, Pharmaceuticals, and Telecom that are the most preferred sectors of mutual funds. Obviously, there are two ways to look at the preferred sectors. At the outset, we have taken one-year yoy change as the monthly change may capture high-frequency preferences but not the long term trend. We have looked at one year change in holdings of mutual funds in various sectors on the basis of absolute change and percentage change. The combined ranking is the average of both ranks, as shown below.

Sector Classification	April 2025 (AUM ₹ CR)	AUM Change (YOY ₹ CR)	AUM Change (YOY in %)	Ranking (₹ Shift)	Ranking (% Shift)	Ranking (Combined)
Retail	1,34,505	49,230	57.73%	5	2	7
Pharmaceuticals	3,65,405	86,505	31.02%	2	6	8
Telecom	1,41,765	40,019	39.33%	7	4	11
Banking & Finance	12,71,924	2,64,441	26.25%	1	10	11
IT-Services	3,81,657	83,739	28.11%	3	9	12
Aviation	29,111	10,993	60.67%	13	1	14
Chemicals & Fertilisers	1,19,726	27,814	30.26%	9	8	17
FMCG	2,13,290	40,301	23.30%	6	11	17
Alcohol	29,702	7,797	35.59%	15	5	20
Agri	18,124	5,792	46.97%	18	3	21
Auto & Auto Ancillaries	3,73,062	50,572	15.68%	4	17	21
Consumer Durables	85,356	15,163	21.60%	12	14	26
Oil & Gas	2,64,437	32,794	14.16%	8	18	26
Construction Materials	93,289	15,823	20.43%	11	16	27
Diversified	19,091	4,438	30.29%	21	7	28

Data Source: AMFI, MF Websites (Rankings in absolute)

### OVERALL EQUITY AUM OF MUTUAL FUNDS GROWS STEADILY

The overall exposure of mutual funds to equities as of end April 2025 stood at ₹42.64 trillion. This compares favourably with an AUM of ₹41.11 trillion as of end March, and an AUM of ₹38.24 trillion as of end February 2025. One year ago, this overall AUM stood at ₹34.89 trillion, so the overall AUM has grown by 22.2%. This figure does not match with the active equity fund AUM reported by AMFI at ₹30.58 trillion. That is because, this also includes the equity exposure of hybrid funds and passive funds. As of end April 2025, hybrid and passive funds contribute ₹12.06 trillion or 28.3% of overall equity AUM.



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## **FIVE MOST PREFERRED SECTORS OF MUTUAL FUNDS – APRIL 2025**

If you compare the April 2025 story with the March 2025 story, there is just one change in the top-5; with IT coming in place of consumer goods.

- Retail continued to hold top spot in overall rankings, largely led by the funds getting interested in digital retail stocks like Eternal, Swiggy etc.
- Last month Pharma celebrated Trump's exemption from tariffs. In April, it moved one notch higher as there was also a lot of defensive buying amid geopolitical concerns.
- Telecom sector buying by mutual funds continues to be focused on Bharti Airtel, but also some aggressive buying in STL Networks and selective buying in Vodafone Idea.
- BFSI continues to be the preferred sectors, both due to its size and due to its largely depleted weight in the index. It is also emerging as a domestic India play.
- IT services replaces consumer durables in the top 5, as mutual funds rush to buy IT stocks after the sharp correction, and amid heavy FPI selling.

The broad MF buying theme appears to be the same in April 2025, except for the sudden interest shown in beaten down IT stocks.

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