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## **HEALTHCARE AND PHARMA FUNDS**



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## Executive Summary & Sector Growth Potential

### Pharma & Healthcare

The Indian pharmaceutical sector is projected to grow at **12-14% CAGR** (IBEF Report 2025), driven by:

- **Domestic Demand:** Rising healthcare spending (expected to reach **\$372B by 2030**).
- **Global Opportunities:** India supplies **60% of global vaccines** and **20% of generic medicines**.
- **Policy Support:** PLI schemes for APIs and medical devices (₹15,000Cr allocation).

### Fund Selection

We analyze 5 top-performing funds:

1. **ICICI Prudential P.H.D Fund**
2. **SBI Healthcare Opportunities Fund**
3. **UTI Healthcare Fund**
4. **DSP Healthcare Fund**
5. **Tata India Pharma & Healthcare Fund**

### Key Findings:

- All funds outperformed category averages by **10-15% CAGR** over 3 years.
- Sectoral funds show **lower volatility** (Beta 0.53-0.89) than broader markets.
- **Global exposure** (e.g., SBI's 4.76% in Lonza Group) enhances diversification.

### Performance Comparison (1Y/3Yj/5Y)

Fund Name	1Y Return	3Y CAGR	5Y CAGR	Since Inception
ICICI Pru P.H.D Fund	16.93%	28.94%	24.35%	21.79%
SBI Healthcare Opp. Fund	18.55%	28.56%	24.24%	15.62%
UTI Healthcare Fund	16.38%	26.04%	21.93%	14.84%
DSP Healthcare Fund	13.42%	25.69%	23.29%	23.14%
Tata India Pharma Fund	10.74%	24.15%	21.89%	12.35%



Fund Name	1Y Return	3Y CAGR	5Y CAGR	Since Inception
<b>Category Average (NIFTY PHARMA TRI)</b>	<b>12.55%</b>	-	<b>18.00%</b>	<b>14.45%</b>

#### Key Takeaways:

- **ICICI Pru leads** with highest 3Y CAGR (28.94%).
- **SBI Fund** tops 1Y returns (18.55%), benefiting from global holdings.
- All funds beat category averages consistently.

#### Risk Metrics & Portfolio Composition

##### Risk Ratios (3Y Data)

Fund Name	Std Dev	Beta	Sharpe Ratio	Alpha
ICICI Pru P.H.D Fund	11.45	0.89	1.87	4.26
SBI Healthcare Opp. Fund	10.96	0.83	1.91	4.95
UTI Healthcare Fund	11.49	0.60	1.66	11.29
DSP Healthcare Fund	10.93	0.53	1.71	11.78
Tata India Pharma Fund	11.80	0.82	1.50	4.43

#### Portfolio Highlights

- **Large Cap Dominance:** ICICI (38.78%) and SBI (31.25%) mitigate risk.
- **Global Exposure:** SBI (Lonza Group) and DSP (12.9% foreign equity).
- **Sector Concentration:** All funds hold **Sun Pharma (8-12% weight)**.



## Portfolio & Composition Comparison: Pharma & Healthcare Funds

### 1. Asset Allocation & Market Cap Exposure

Fund Name	Equity (%)	Large Cap	Mid Cap	Small Cap	Foreign Equity
ICICI Pru P.H.D Fund	96.45%	38.78%	19.78%	10.36%	0%
SBI Healthcare Opp. Fund	96.98%	31.25%	12.35%	7.13%	<b>4.76% (Lonza Group AG)</b>
UTI Healthcare Fund	98.89%	25.14%	16.60%	20.12%	0%
DSP Healthcare Fund	98.31%	18.85%	13.79%	13.24%	<b>12.90% (Global Pharma Stocks)</b>
Tata India Pharma Fund	92.31%	32.53%	16.34%	19.24%	0%

#### Key Takeaways:

- **ICICI Pru** has the **highest large-cap focus (38.78%)**, reducing volatility.
- **DSP Fund** stands out with **12.9% foreign equity** (e.g., Globus Medical), offering global diversification.
- **UTI & Tata** have **higher small-cap bets (19-20%)**, potentially offering higher growth but with added risk.

### 2. Top 5 Holdings Comparison

Fund Name	Top Holdings (Weightage)
<b>ICICI Pru P.H.D Fund</b>	Sun Pharma (12.23%), Divis Labs (8.95%), Dr. Reddy's (8.92%), Cipla (7.75%), Aurobindo Pharma (6.06%)



Fund Name	Top Holdings (Weightage)
<b>SBI Healthcare Opp. Fund</b>	Sun Pharma (12.19%), Divis Labs (7.78%), Max Healthcare (6.96%), <b>Lonza Group AG (4.76%)</b> , Cipla (4.69%)
<b>UTI Healthcare Fund</b>	Sun Pharma (10.08%), Cipla (5.48%), Ajanta Pharma (4.92%), Procter & Gamble Health (4.30%), Dr. Reddy's (4.20%)
<b>DSP Healthcare Fund</b>	Cipla (8.82%), Sun Pharma (8.42%), Suven Pharma (7.88%), Ipca Labs (7.71%), Gland Pharma (5.52%)
<b>Tata India Pharma Fund</b>	Sun Pharma (11.17%), Apollo Hospitals (7.19%), Cipla (5.76%), Divis Labs (5.58%), Aurobindo Pharma (5.44%)

**Observations:**

- **Sun Pharma is a common top pick** (8-12% weight) across all funds, reflecting sector dominance.
- **SBI & DSP** differentiate with global/niche picks (Lonza Group, Suven Pharma).
- **UTI** has unique exposure to **P&G Health**, a consumer healthcare player.

### 3. Sector Concentration & Diversification

Fund Name	Pharma (%)	Hospitals (%)	Diagnostics (%)	Others
ICICI Pru P.H.D Fund	82.6%	12.4%	5.0%	0%
SBI Healthcare Opp. Fund	78.3%	15.2%	4.8%	<b>1.7% (Biotech)</b>
UTI Healthcare Fund	75.8%	18.5%	3.9%	1.8% (FMCG Health)



Fund Name	Pharma (%)	Hospitals (%)	Diagnostics (%)	Others
DSP Healthcare Fund	84.2%	10.1%	3.5%	<b>2.2% (Medical Devices)</b>
Tata India Pharma Fund	72.4%	<b>22.1%</b>	5.5%	0%

**Notable Trends:**

- **Tata Fund has the highest hospital exposure (22.1%)** (Apollo, Fortis, Aster DM).
- **DSP & SBI** invest in **emerging segments** like biotech and medical devices.
- **ICICI Pru is the most pharma-heavy (82.6%)**, ideal for pure-play pharma bets.

**Conclusion & Actionable Insights**

1. **Structural Growth:** Aging population and chronic diseases boost demand (India's pharma market to hit **\$130B by 2030**).
2. **Export Potential:** Generic drug exports grew **18% YoY** (Pharma Export Council 2025).
3. **Innovation:** Biotech and specialty drugs driving margins.

**Fund Recommendations**

Investor Profile	Recommended Fund	Rationale
Aggressive Growth	ICICI Pru P.H.D Fund	Highest 3Y CAGR (28.94%)
Global Diversification	SBI Healthcare Opp. Fund	Foreign equity exposure
Risk-Averse	UTI Healthcare Fund	Lowest beta (0.60)

**Final Verdict:**

- **"Sectoral funds are poised to outperform as healthcare becomes India's next trillion-dollar opportunity."** – Motilal Oswal Report, 2025.
- **Action:** Allocate **10-15%** of portfolio to pharma/healthcare funds via SIPs



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Regards,  
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\* Mutual funds are subject to market risks. Please read all scheme-related documents carefully before investing. Past performance does not indicate future results. Investments are subject to market fluctuations, and there is no assurance of returns.

