

ACTIVE FUND INTELLIGENCE · EMERGING MARKETS UNIVERSE

# India: After the Euphoria

*From consensus overweight to EM underweight — how active managers repositioned their India exposure.*

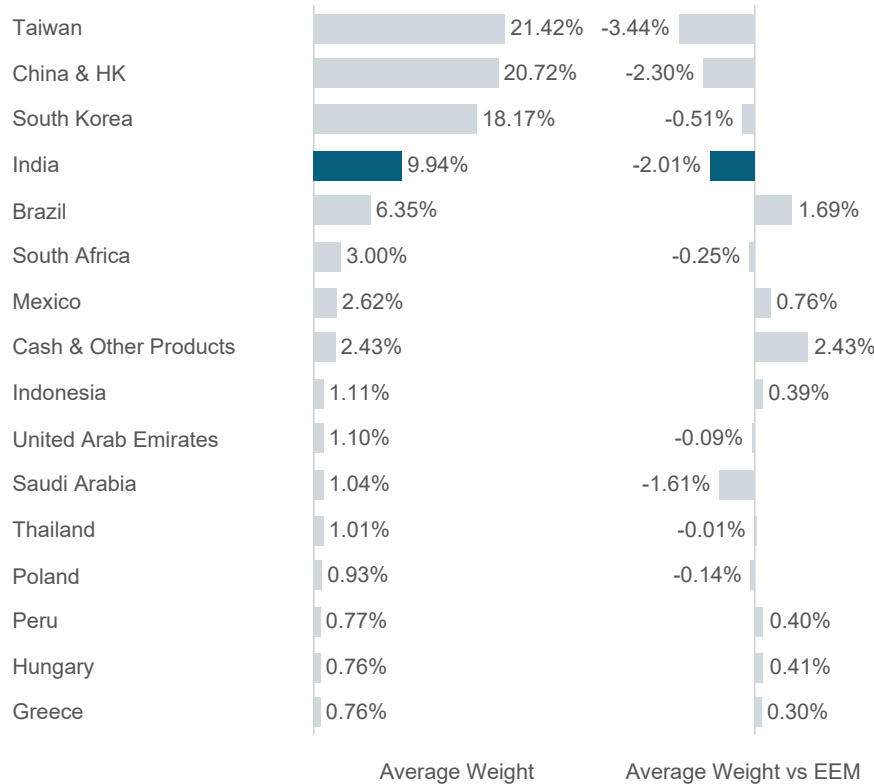
May 2026

# India: After the Euphoria

India has moved from being the darling of emerging markets to the runt of the litter among Asia's Big Four. Average weights now stand at 9.94%, the first time India has been below 10% since January 2021, and a far cry from the highs of 17.47% back in August 2024. India switched from being a net overweight to an underweight in early 2022, with that underweight deepening to a low of -2.93% early last year before tightening to -2.01% today, mainly on the back of India's underperformance within EM. India now sits as the 3rd largest country underweight in EM, after China and Taiwan.

**Chart 1: EM Country Exposures**

Average fund weight & average fund weight vs iShares MSCI EM ETF (EEM)



**Chart 2: India**

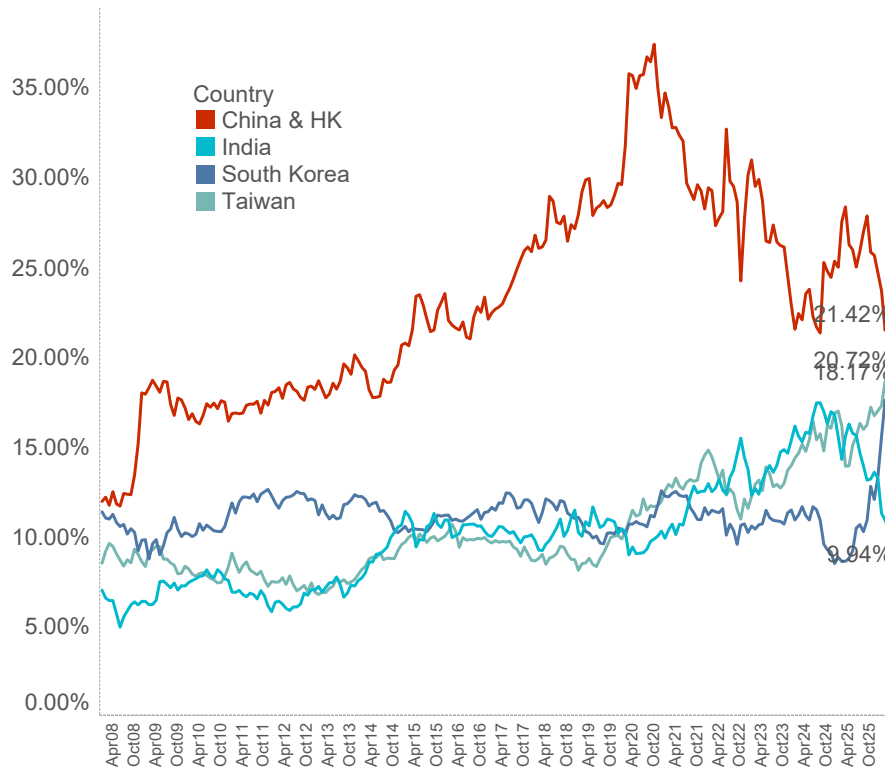
Average fund weight & average fund weight vs EEM - time-series



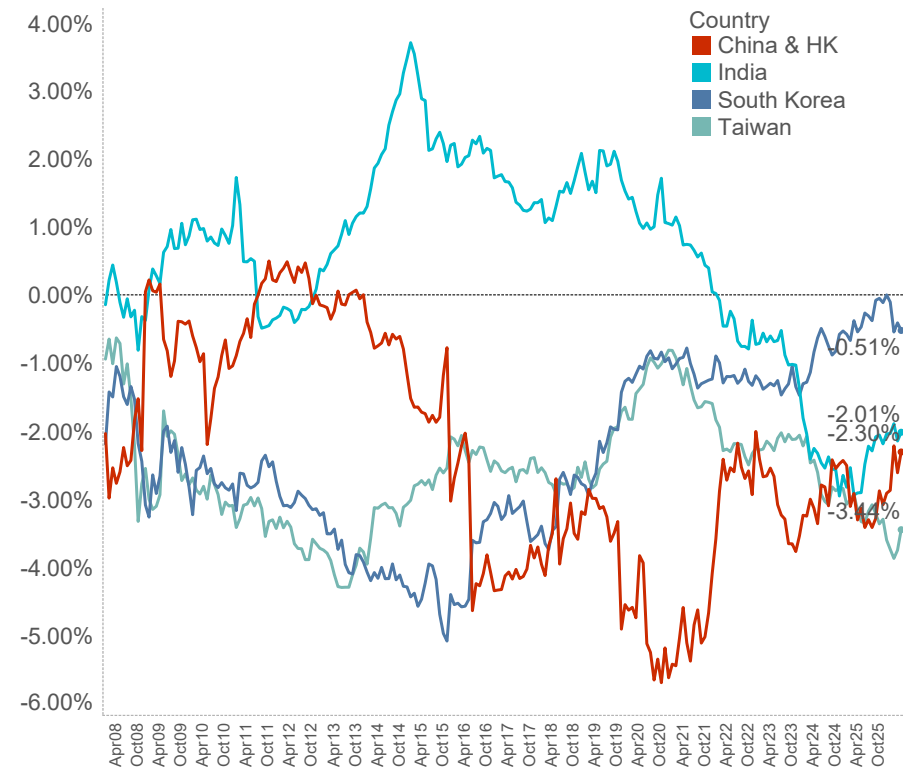
# India: After the Euphoria

India's place among Asia's largest markets is illustrated in the charts below. Chart 3 shows how India stood as China's number two between 2022 and 2024, only to be overtaken by Taiwan in early 2025 and then South Korea at the start of 2026. Taiwan has since gone on to become the largest EM country allocation for the first time in our holdings history. Chart 4 shows the progression of net over- and underweights across the Big Four, with India's dramatic fall from overweight mirrored by South Korea's transition from key underweight to equal weight.

**Chart 3: Asia's Big Four**  
Average fund weight - time-series



**Chart 4: Asia's Big Four**  
Average fund weight vs EEM - time-series

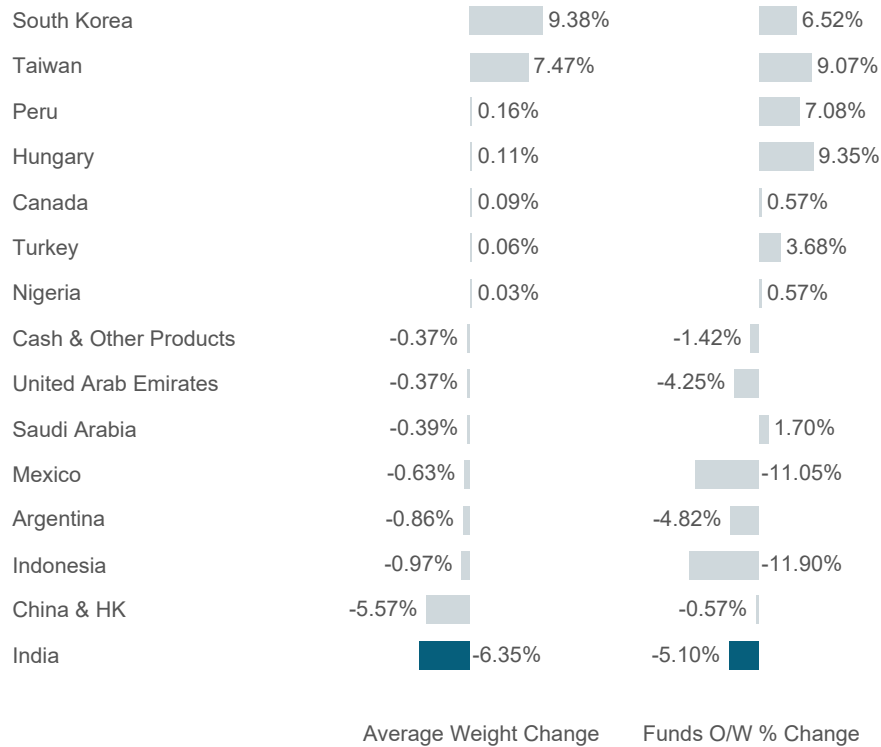


# India: After the Euphoria

India's fall from grace has really accelerated over the last 12 months. It saw the largest fall in average fund weights of any country at -6.35%, with a further 5.1% of funds moving from overweight to underweight — this was an active rotation away. This move occurred at a time of a key structural shift in EM positioning, with China & HK also a victim of a broader pivot towards the tech-heavy markets of South Korea and Taiwan. At the fund level, there were some significant rotations away from India, led by Morgan Stanley EM Leaders, Liontrust Emerging Markets and Neuberger Berman EM Equity.

**Chart 5: Largest Changes in Country Weight / Funds O/W**

Change in average weight and percentage of funds positioned above benchmark\*



\*Between 4/30/2025 and 4/30/2026

**Chart 6: Funds with the Largest Decreases in India Weight**

Change in Fund Weight\*

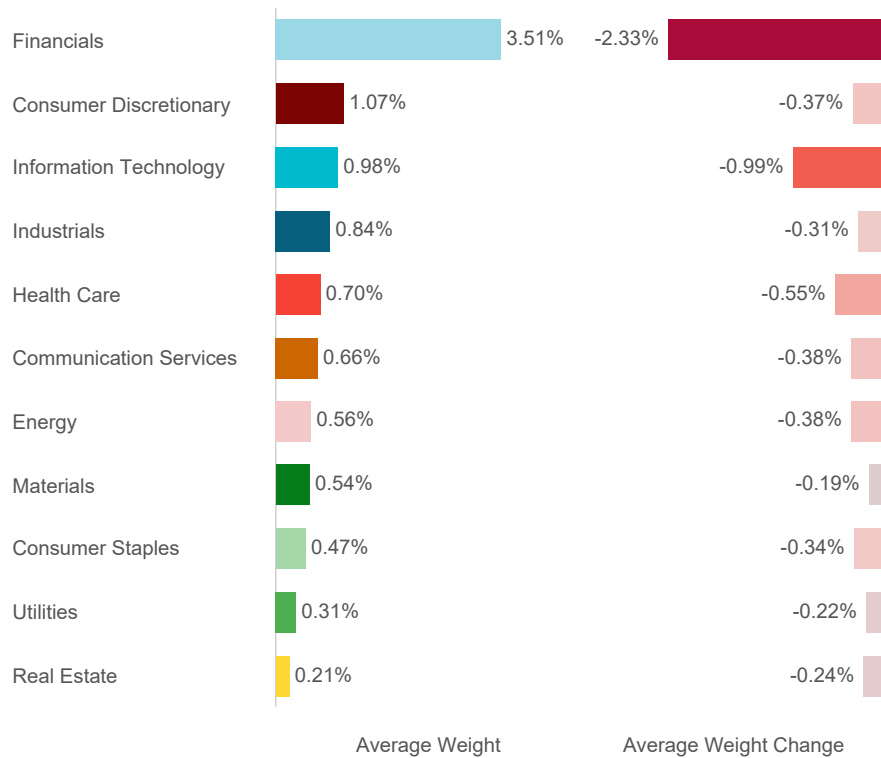


\*Between 4/30/2025 and 4/30/2026

# India: After the Euphoria

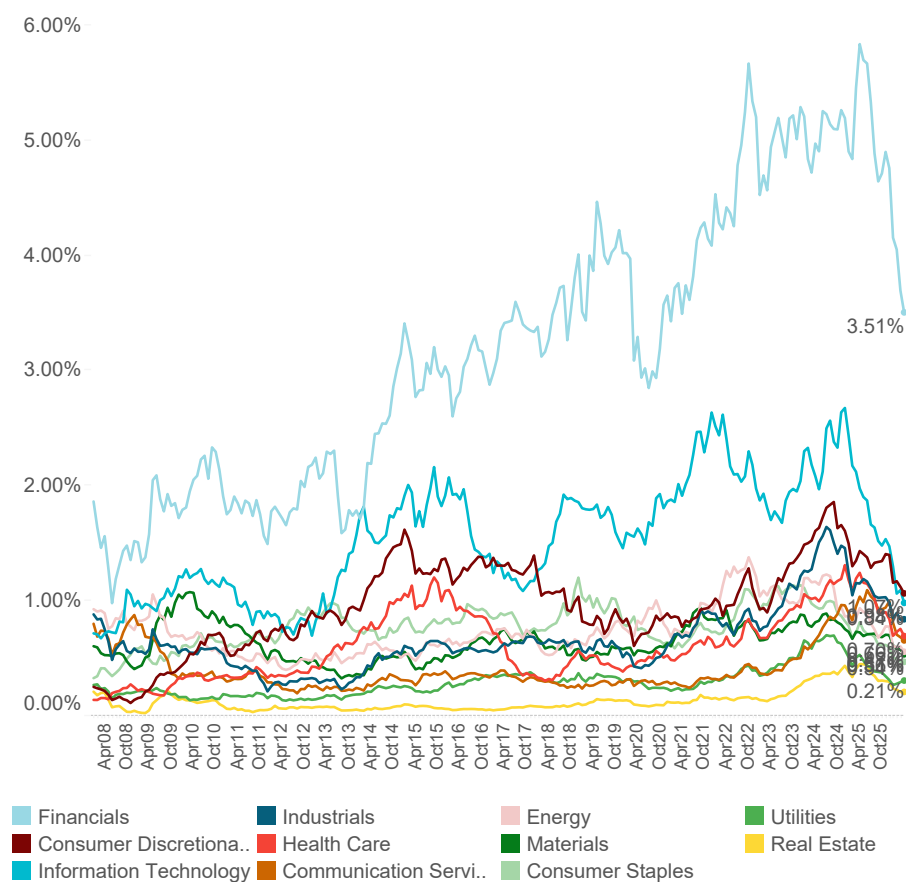
Looking within the India allocation, the sector breakdown shows Financials as the dominant holding at 3.51% average weight, but also the largest casualty of the outward rotation. Average weights have fallen by -2.33% over the last 12 months, with further falls seen in Technology (-0.99%), Health Care (-0.55%) and Communication Services (-0.38%). Not a single sector has seen allocations increase over the period.

**Chart 7: Largest Sector Exposures**  
India Sector Average fund weights / Change\*



\*Between 4/30/2025 and 4/30/2026

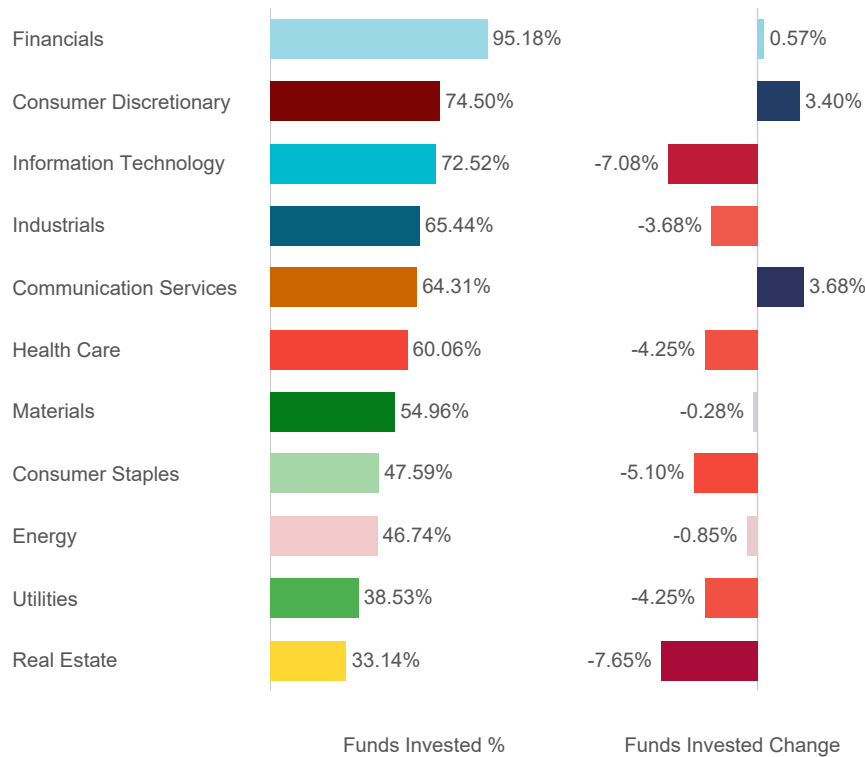
**Chart 8: India Sector Exposures**  
Average fund weight over time



# India: After the Euphoria

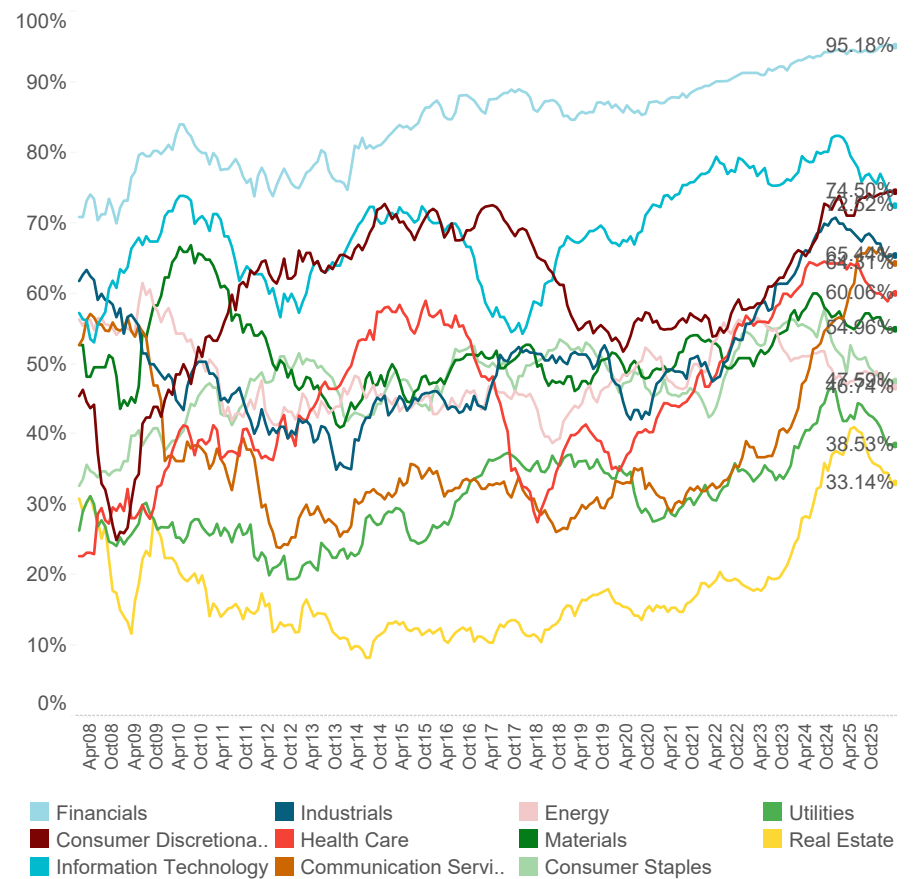
Digging deeper into aggregate sector-level ownership tells a more nuanced story. Both Communication Services and Consumer Discretionary saw participation levels increase, with a further 3.7% and 3.4% of EM funds opening exposure respectively. The larger exodus was seen in Technology (-7.1% of funds closing), Real Estate (-7.65%) and Consumer Staples (-5.1%). For the nation's largest sector, Financials, participation has remained strong throughout, with 95.2% fund ownership hitting a record high.

**Chart 9: Most Widely Owned Sector Exposures**  
India % Funds Invested per Sector / Change\*



\*Between 4/30/2025 and 4/30/2026

**Chart 10: India Sector Ownership**  
Funds invested over time

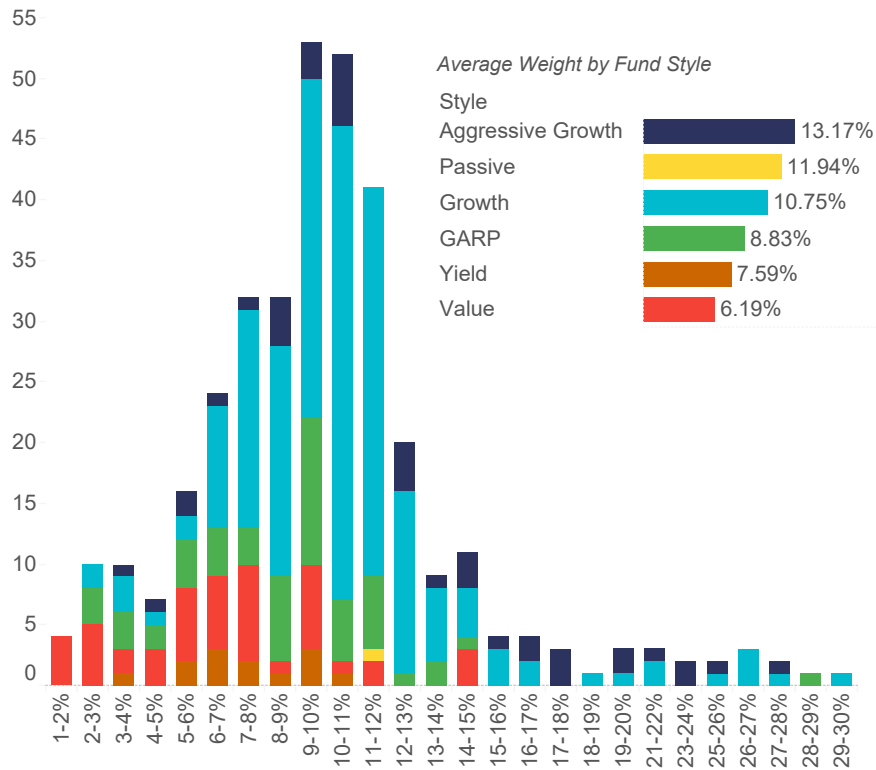


# India: After the Euphoria

The distribution of India fund weights among EM investors shows a clear clustering around the average, with the bulk of holders sitting at between a 9% and 12% allocation. Above this, the right-hand side of the distribution is mainly populated by higher-growth funds. Over time, Aggressive Growth strategies have been the key protagonists in the India investment story, and while they remain the only style group positioned overweight on average today, the force of that overweight has diminished significantly over the past five years.

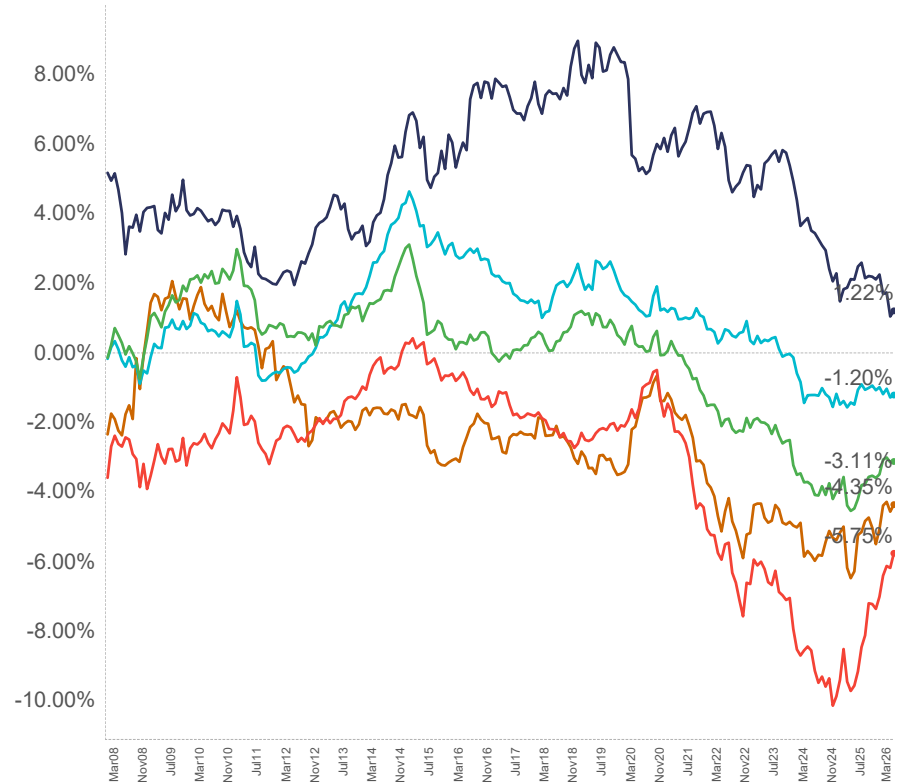
**Chart 10: Clustering and Extremes in India Exposures**

Histogram of fund weights - colour represents fund style



**Chart 12: India Style Evolution Over Time**

Average Weight vs EEM by Fund Style, Time-Series

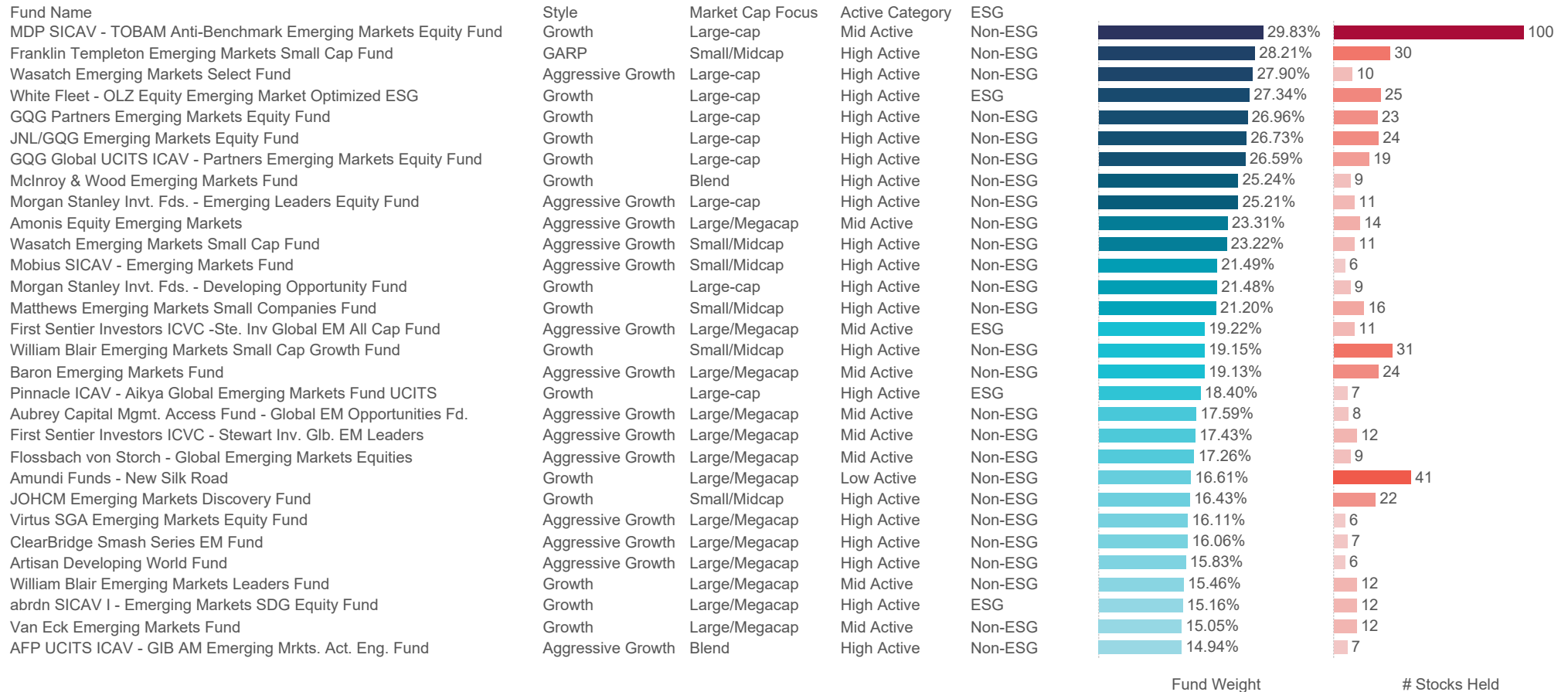


# India: After the Euphoria

At the fund level, allocations are capped out at 30%, with just 14 strategies carrying India weights above 20%. The top 30 strategies listed below are predominantly Growth-focused in nature, with small- and mid-cap strategies featuring heavily among the larger allocators.

**Chart 13: Funds with the Largest India Portfolio Weight**

Latest fund weights and number of holdings per fund.



# India: After the Euphoria

At the stock level, HDFC Bank is by far the most widely owned company in India, held by 67.7% of funds at an average weight of 0.99%. ICICI Bank is the only other company owned by more than half our fund population, with Infosys, Bharti Airtel and Mahindra & Mahindra all sharing similar ownership profiles. Chart 15 shows the net changes in fund ownership over the last 12 months. It highlights just how aggressive some of the rotation has been, with 9.6% of funds closing ICICI Bank exposure, 8.5% closing Tata Consultancy Services and 8.2% HCL Technologies. However, though the macro picture might suggest a wholesale exodus from India, the stock-level picture is considerably more nuanced, with selective new positions being opened across a broad range of names.

**Chart 14: India Popular Stock Holdings**

Aggregate Stock Ownership Data [ranked by most widely held]

Ticker	Stock Name	Funds Invested %	Average Weight %	Average Weight vs ..	Fund AUM \$
500180-IN	HDFC Bank Limited	67.71%	0.99%	0.20%	\$5,697M
532174-IN	ICICI Bank Limited	50.99%	0.58%	-0.02%	\$4,000M
500209-IN	Infosys Limited	45.33%	0.30%	-0.04%	\$1,387M
532454-IN	Bharti Airtel Limited	43.06%	0.42%	-0.02%	\$3,697M
500520-IN	Mahindra & Mahindra Ltd.	41.36%	0.33%	0.07%	\$1,949M
500325-IN	Reliance Industries Limited	37.68%	0.39%	-0.40%	\$3,622M
532215-IN	Axis Bank Limited	27.76%	0.22%	-0.05%	\$1,377M
532540-IN	Tata Consultancy Services Limited	27.20%	0.17%	-0.03%	\$1,171M
500034-IN	Bajaj Finance Limited	26.06%	0.22%	-0.02%	\$2,113M
500112-IN	State Bank of India	23.51%	0.15%	-0.03%	\$1,055M
MMYT-US	MakeMyTrip Ltd.	22.95%	0.12%	0.12%	\$776M
511218-IN	Shriram Finance Limited	22.66%	0.16%	0.04%	\$1,184M
543320-IN	Zomato Ltd.	21.53%	0.14%	0.09%	\$864M
505200-IN	Eicher Motors Limited	21.53%	0.12%	0.04%	\$764M
500440-IN	Hindalco Industries Limited	21.25%	0.11%	-0.02%	\$792M
532281-IN	HCL Technologies Limited	20.68%	0.09%	-0.02%	\$304M
532898-IN	Power Grid Corporation of India Limi..	20.40%	0.11%	-0.03%	\$867M
500247-IN	Kotak Mahindra Bank Limited	18.13%	0.12%	-0.07%	\$939M
534816-IN	Indus Towers Limited	17.00%	0.08%	0.03%	\$422M
531642-IN	Marico Limited	17.00%	0.11%	0.08%	\$387M
524715-IN	Sun Pharmaceutical Industries Limit..	17.00%	0.07%	-0.08%	\$785M
508869-IN	Apollo Hospitals Enterprise Limited	17.00%	0.11%	0.03%	\$484M
532343-IN	TVS Motor Company Limited	16.71%	0.08%	0.00%	\$361M
500182-IN	Hero Motocorp Limited	16.15%	0.05%	0.00%	\$172M
543220-IN	Max Healthcare Institute Ltd	15.86%	0.09%	0.02%	\$991M
541729-IN	HDFC Asset Management Co. Ltd.	15.86%	0.06%	0.02%	\$483M
542652-IN	Polycab India Ltd.	15.30%	0.07%	0.03%	\$317M
500257-IN	Lupin Limited	15.30%	0.04%	-0.01%	\$278M
500049-IN	Bharat Electronics Limited	15.01%	0.09%	-0.06%	\$523M
500547-IN	Bharat Petroleum Corporation Limit..	14.45%	0.04%	0.00%	\$241M

**Chart 15: India Stock Rotation**

Largest changes in fund ownership\*

Ticker	Stock Name	Funds Invested %..	Ave Wgt % Δ	Ave Wgt vs Bmark Δ	Fund Flows, \$
542652-IN	Polycab India Ltd.	10.48%	0.03%	0.03%	\$275M
500520-IN	Mahindra & Mahindra Ltd.	9.63%	-0.12%	0.03%	\$180M
505200-IN	Eicher Motors Limited	7.37%	0.00%	0.02%	(\$68M)
500547-IN	Bharat Petroleum Corporation Limi..	7.37%	0.01%	0.04%	\$147M
532343-IN	TVS Motor Company Limited	7.08%	0.00%	0.02%	(\$38M)
532483-IN	Canara Bank	6.52%	0.03%	0.03%	\$129M
530965-IN	Indian Oil Corp. Ltd.	6.52%	0.01%	0.03%	\$87M
522275-IN	GE T&D India Ltd.	5.67%	0.02%	-0.03%	\$30M
543187-IN	Hitachi Energy India Limited	5.38%	0.02%	-0.02%	\$50M
532454-IN	Bharti Airtel Limited	5.10%	-0.09%	0.19%	\$547M
533758-IN	APL Apollo Tubes Limited	5.10%	0.01%	0.02%	\$193M
500104-IN	Hindustan Petroleum Corporation ..	5.10%	0.01%	0.03%	\$3M
500112-IN	State Bank of India	5.10%	0.01%	0.04%	\$136M
500182-IN	Hero Motocorp Limited	4.82%	0.01%	0.02%	(\$12M)
500290-IN	MRF Limited	4.53%	0.00%	0.02%	(\$8M)
532522-IN	Petronet Lng Limited	-4.82%	-0.04%	-0.03%	(\$102M)
500002-IN	ABB India Limited	-5.10%	-0.02%	-0.01%	(\$38M)
500209-IN	Infosys Limited	-5.10%	-0.33%	0.07%	(\$312M)
540699-IN	Dixon Technologies (India) Ltd.	-5.38%	-0.03%	0.02%	(\$107M)
533273-IN	Obero Realty Limited	-5.38%	-0.03%	-0.01%	(\$241M)
532898-IN	Power Grid Corporation of India Li..	-5.38%	-0.14%	-0.06%	(\$129M)
500696-IN	Hindustan Unilever Limited	-5.38%	-0.06%	0.06%	(\$123M)
543287-IN	Macrotech Developers Ltd.	-5.67%	-0.08%	-0.05%	(\$309M)
500830-IN	Colgate-Palmolive (India) Limited	-5.67%	-0.03%	0.00%	(\$33M)
532955-IN	REC Limited	-5.95%	-0.04%	0.00%	(\$98M)
524715-IN	Sun Pharmaceutical Industries Lim..	-6.52%	-0.10%	0.00%	(\$286M)
500251-IN	Trent Limited	-7.08%	-0.04%	0.04%	(\$83M)
532281-IN	HCL Technologies Limited	-8.22%	-0.15%	-0.03%	(\$378M)
532540-IN	Tata Consultancy Services Limited	-8.50%	-0.28%	-0.02%	(\$665M)
532174-IN	ICICI Bank Limited	-9.63%	-0.69%	-0.18%	(\$409M)

\*Between 4/30/2025 and 4/30/2026

# India: After the Euphoria

Single-fund positions in individual companies show that, aside from country-level ETF positions held by funds without a licence to own local stocks, HDFC Bank features heavily among the largest allocations. Also notable are some high-conviction positions in more lightly-held companies. We would highlight Matthews EM Small Cap's holding of Bandhan Bank, Wasatch EM Select in Divi's Laboratories and Mobius EM in Aditya Infotech as uniquely large positions in broadly under-owned Indian companies. Rotation over the last 12 months again highlights some significant closures among the large caps, but also new positions across a broad selection of lesser-known equities.

**Chart 16: Funds with the Largest India Stock Positions**

Largest stock-level fund weights

Fund Name	Stock Name	Fund Weight, %
VP Bank Risk Optimised ESG Eq. Fd. - Emer..	iShares MSCI India UCITS ETF	7.52%
Global Advantage Funds - Emerging Markets ..	iShares MSCI India UCITS ETF	7.45%
Sabadell Bolsas Emergentes, FI	iShares MSCI India UCITS ETF	6.56%
Wasatch Emerging Markets Select Fund	Bajaj Finance Limited	6.06%
Matthews Emerging Markets Small Companie..	Bandhan Bank Ltd.	5.60%
Wasatch Emerging Markets Small Cap Fund	AU Small Finance Bank Limited	5.45%
Flossbach von Storch - Global Emerging Mar..	HDFC Bank Limited	5.17%
Wasatch Emerging Markets Select Fund	Divi's Laboratories Limited	4.98%
Amonis Equity Emerging Markets	Mahindra & Mahindra Ltd.	4.64%
Mobius SICAV - Emerging Markets Fund	Aditya Infotech Limited	4.64%
First Sentier Investors ICVC -Ste. Inv Global ..	HDFC Bank Limited	4.58%
Wasatch Emerging Markets Small Cap Fund	Cholamandalam Financial Holdings Ltd	4.55%
Morgan Stanley Invt. Fds. - Developing Oppo..	ICICI Bank Limited	4.43%
Pinnacle ICAV - Aikya Global Emerging Mark..	HDFC Bank Limited	4.41%
Fidelity Funds SICAV - Emerging Markets Eq..	ICICI Bank Limited	4.37%
Vaughan Nelson Emerging Markets Fund	IIFL Wealth Management Ltd.	4.36%
Artisan Developing World Fund	MakeMyTrip Ltd.	4.33%
Nomura VIP Emerging Markets Series	Reliance Industries Limited	4.30%
Virtus SGA Emerging Markets Equity Fund	Bajaj Finance Limited	4.21%
Mobius SICAV - Emerging Markets Fund	KEI Industries Limited	4.15%
Wasatch Emerging Markets Select Fund	Max Healthcare Institute Ltd	4.09%
Amonis Equity Emerging Markets	HDFC Bank Limited	4.06%
Van Eck Emerging Markets Fund	HDFC Bank Limited	3.90%
Mclnroy & Wood Emerging Markets Fund	Schneider Electric Infrastructure Limited	3.90%
Sands Capital Funds Plc - Emerging Markets ..	Bajaj Finance Limited	3.90%
AFP UCITS ICAV - GIB AM Emerging Mrkts. ..	RR Kabel Ltd.	3.89%
Morgan Stanley Invt. Fds. - Developing Oppo..	Zomato Ltd.	3.86%
Pinnacle ICAV - Aikya Global Emerging Mark..	Dr. Reddy's Laboratories Ltd.	3.82%
RBC Funds (Lux) - Emerging Markets Equity ..	HDFC Bank Limited	3.82%
QQG Global UCITS ICAV - Partners Emergen..	Adani Power Limited	3.79%

Fund Weight, %

**Chart 17: India Stock Rotation**

Largest changes in fund-level stock weight\*

Fund Name	Stock Name	New or Closed	Fund Weight Change
Mobius SICAV - Emerging Markets Fund	Aditya Infotech Limited	New	0.64%
Mobius SICAV - Emerging Markets Fund	KEI Industries Limited	New	0.15%
Mclnroy & Wood Emerging Markets Fund	Schneider Electric Infrastructur..	New	0.90%
Mobius SICAV - Emerging Markets Fund	Billionbrains Garage Ventures L..	New	0.29%
Mobius SICAV - Emerging Markets Fund	Nuvama Wealth Management L..	New	0.27%
Morgan Stanley Invt. Fds. - Developing Opport..	Tata Capital Ltd.	New	0.04%
WCM Focused Emerging Markets Fund	Federal Bank Ltd. (India)	New	0.88%
Pacific Capital UCITS Funds Plc - North of Sou..	ICICI Bank Limited	New	0.70%
AB FCP I - Emerging Markets Growth Portfolio	Bharti Airtel Limited	New	0.63%
Neuberger Emerging Markets Equity Fund	Pine Labs Limited	New	0.61%
Morgan Stanley Invt. Fds. - Emerging Leaders ..	Cholamandalam Investment an..		0.61%
Aubrey Capital Mgmt. Access Fund - Global E..	Radico Khaitan Limited	New	0.60%
VP Bank Risk Optimised ESG Eq. Fd. - Emergi..	ICICI Bank Limited	New	0.50%
Wasatch Emerging Markets Small Cap Fund	AU Small Finance Bank Limited		0.46%
Wasatch Emerging Markets Small Cap Fund	Krn Heat Exchanger and Refrig..	New	0.41%
Handelsbanken Tillvaextmarknad Tema	HDFC Bank Limited		-4.33%
Jupiter Global Emerging Markets Fund	Bajaj Finance Limited	Close	-4.39%
East Capital - Global Emerging Markets Sustai..	ICICI Bank Limited		-4.52%
Jupiter Global Emerging Markets Fund	HDFC Bank Limited		-4.59%
First Sentier Investors ICVC -Ste. Inv Global E..	Mahindra & Mahindra Ltd.		-4.91%
Quilter Investors OEIC - Emerging Markets Eq..	HDFC Bank Limited	Close	-4.94%
Nomura VIP Emerging Markets Series	Reliance Industries Limited		-5.05%
Polen Capital Invt. Funds plc - Emerging Mark..	HDFC Bank Limited		-5.15%
Invesco Developing Markets Fund	Kotak Mahindra Bank Limited	Close	-5.15%
Pacific Select Fund - Emerging Markets Portfol..	Kotak Mahindra Bank Limited	Close	-5.40%
Swiss Rock (Lux) SICAV - Emerging Equity	UTI Goldfinch Funds PLC - UTI..		-5.56%
Brookfield Invt. Funds - Oaktree Emerging Mar..	iShares MSCI India ETF	Close	-5.57%
Nomura Emerging Markets Fund	Reliance Industries Limited		-5.75%
Macquarie Fd. Sol. - Emerging Markets Fund	Reliance Industries Limited		-8.11%
Morgan Stanley Invt. Fds. - Emerging Leaders ..	HDFC Bank Limited	Close	-8.73%

Fund Weight Change

\*Between 4/30/2025 and 4/30/2026

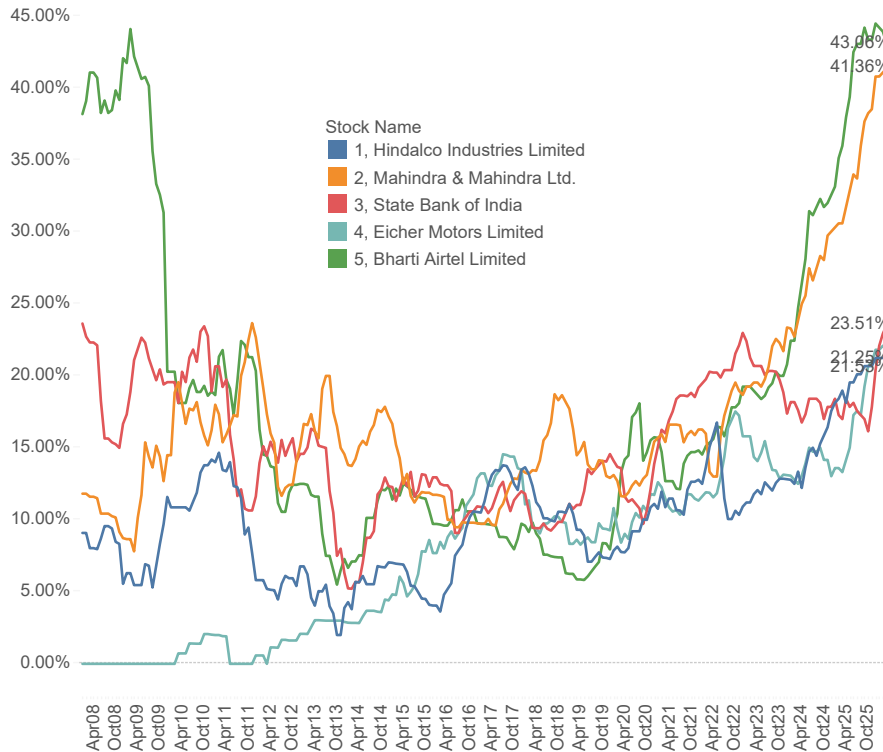


# India: After the Euphoria

Looking beyond the top three names, Chart 19 highlights companies at the top of their all-time ownership ranges. Bharti Airtel and Mahindra & Mahindra are the real standouts, with ownership levels accelerating higher at pace since 2023. Though smaller in absolute terms, State Bank of India, Hindalco Industries and Eicher Motors have also bucked the trend of falling Indian sentiment. Chart 20 shows the opposite picture, with all five companies — led by Tata Consultancy Services and HCL Technologies — seeing aggressive falls in EM fund ownership over the past year.

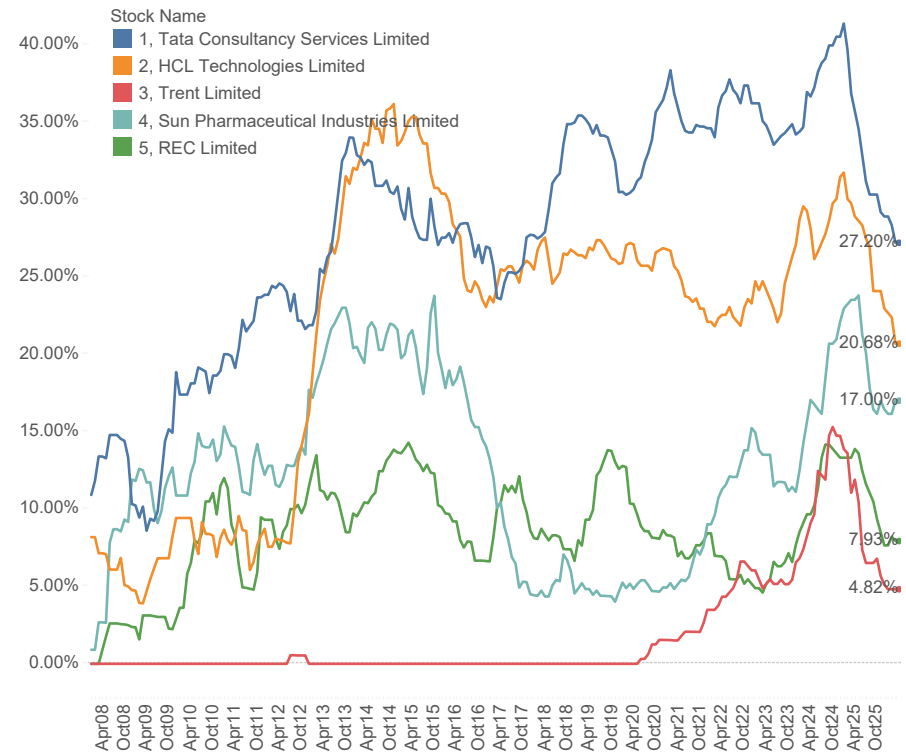
**Chart 19: India's Winners**

Companies at record levels of EM fund ownership



**Chart 20: India Negative Rotation Stocks**

Largest Decrease in Funds Invested between 4/30/2025 and 4/30/2026.

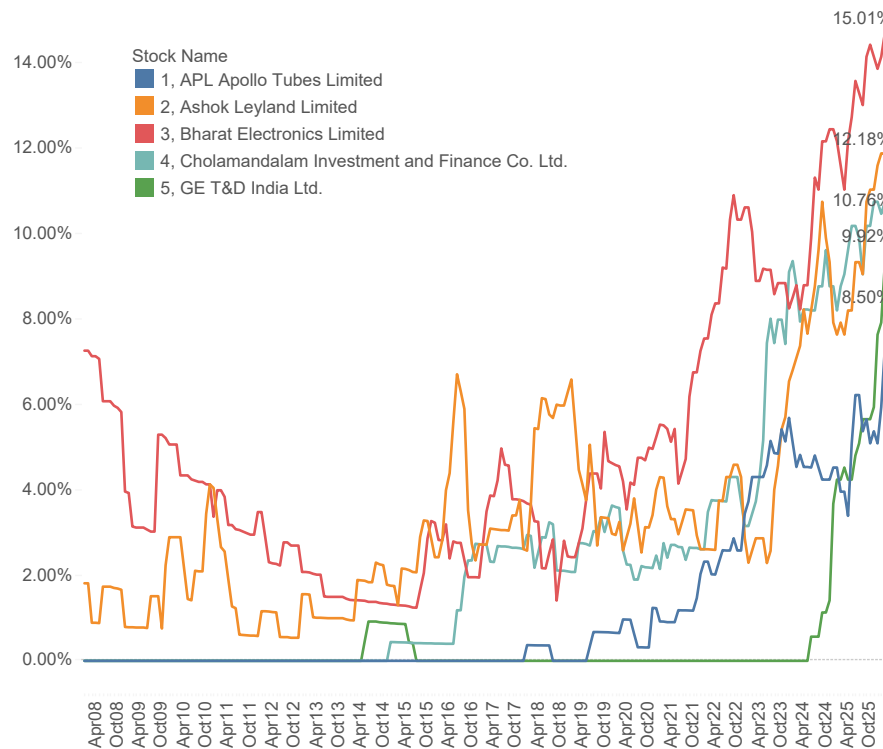


# India: After the Euphoria

Indian companies establishing a rising investor base, but remaining under the radar for most, are shown in Chart 21. These five companies, led by Bharat Electronics and Ashok Leyland, are all at record levels of ownership, yet are held by only between 5% and 15% of the funds in our analysis. They are clearly resonating with EM investors but have yet to break into the mainstream. At the other end of the spectrum, India's 'Fallen Angels' represent companies that were once a more significant part of the investment landscape but have fallen out of favour with EM investors. ITC Limited, Jindal Steel and Tata Motors Passenger Vehicles may make interesting candidates for value hunters looking for unloved pockets of India's stock market.

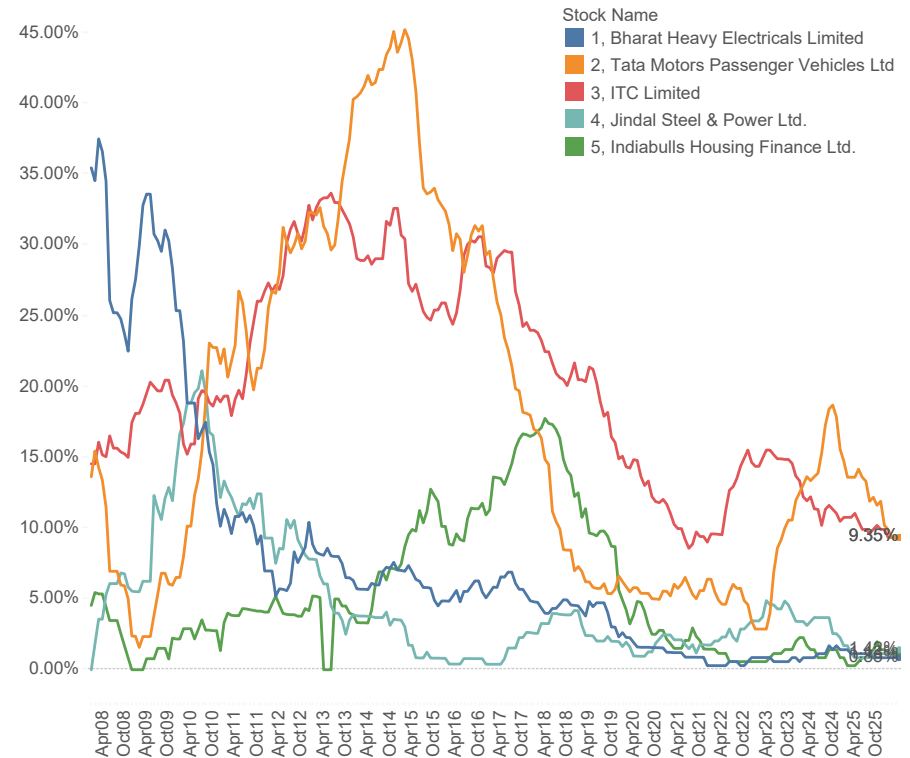
**Chart 21: India Rising Stars**

Record Positioning - held by more than 5% and less than 20% of funds. Funds Invested %



**Chart 22: India Fallen Angels**

Largest Declines from Max Ownership. Funds Invested %



# India: After the Euphoria

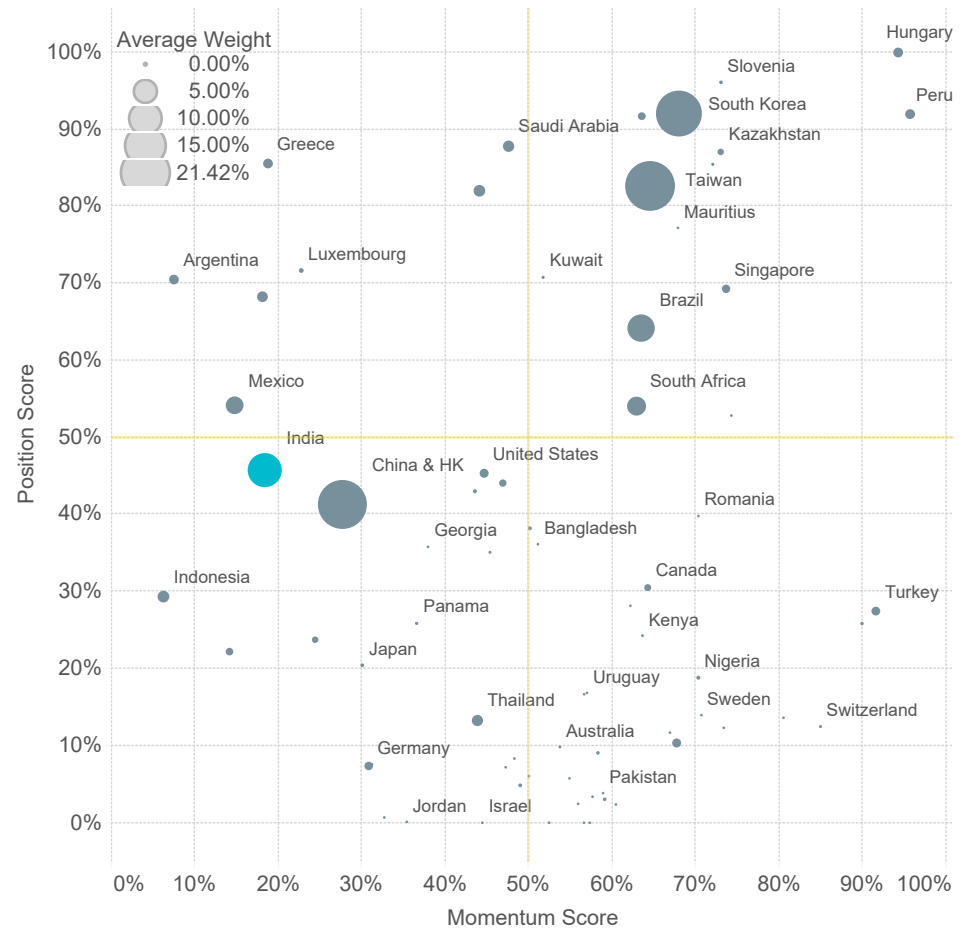
Our data points to a decisive reassessment in how active EM managers are approaching India as a country allocation. What was once the consensus overweight of choice has been systematically reduced — and in many cases, actively sold — in favour of the tech-heavy markets of Taiwan and South Korea.

The Country Ownership Cycle chart puts this in context. India sits in the lower-left quadrant, meaning long-term positioning is well off its highs and short-term momentum is among the weakest of any country in our universe. It shares this unenviable position with Indonesia, Mexico and the Philippines, all of which have suffered at the hands of the same rotation. The structural shift is real, and the data is unambiguous on that front.

But markets move in cycles, and the headline numbers only tell part of the story. Below the surface, there is considerably more going on. Financials fund ownership sits at a record high. Bharti Airtel and Mahindra & Mahindra are seeing accelerating interest. A new cohort of rising stars — from Bharat Electronics to Ashok Leyland — is quietly building an investor base. And even within the stocks that have seen the sharpest outflows, selective funds are still opening new positions.

India may be out of favour at the country level, but the opportunity set within it remains very much alive. For active managers willing to look beyond the benchmark narrative, that may ultimately prove to be the more important story.

**Chart 23: Country/Sector Ownership Cycles**  
Momentum Score between 4/30/2025 and 4/30/2026



The Ownership Cycle Grid plots long-term positioning (Y-axis, as a Z-score against history dating to September 2012) against short-term momentum (X-axis, capturing changes in average weight, funds invested and net buyers-to-sellers over the past 12 months). Bubble size reflects current average weight. Scores above 50% on either axis indicate above-average positioning or increasing ownership; scores near 100% indicate historical peaks.