



SHRIRAM

Mutual Fund

Nurturing Trust, Shaping Dreams

Fund *F*acts

As on 31 December 2017



Economic Commentary and Market Review - December 2017

The market ended 2017 with rejoice with Nifty crossing 10,500 bringing the monthly gain to nearly 3% and annual gain to roughly 29%. Thanks to BJP's victories in Gujarat and Himachal Pradesh in assembly election despite the strong opposition.

Metal stocks were the top gainer during the month tracking higher base metals prices in global commodities markets. It was followed by Realty stocks, which continued the November rally after approval of Central cabinet for increase in carpet area of houses eligible for interest subsidy under the Credit Linked Subsidy Scheme (CLSS) for the middle income group under Pradhan Mantri Awas Yojana. PSU Bank was the worst performing sector having negative return in the month owing to higher base in the previous two months following the rally triggered by government's announcement of recapitalizing plan for public sector banks to the tune of Rs.2.11 lakh crore.

FII's withdrew from the equity market to the tune of ~Rs.6,000 crore during the month but they remained net buyers in the debt market with an investment of Rs.2,350 crore. Mutual funds industry continued to support the market, infusing more than Rs.8,000 crores into equities and nearly Rs.19,000 crores into debt during the month.

At their latest meeting, the RBI left interest rates untouched at 6%, citing upside risks to inflation. The Monetary Policy Committee (MPC) once again raised its inflation target to 4.34.7% from 4.2-4.6% for the second half of this fiscal year due to continued increase in crude oil prices and implementation of HRA by States. The MPC left its real GVA growth forecast for FY18 unchanged at 6.7%.

Per government data, India's gross domestic product (GDP) grew to 6.3% in the second quarter ended September 2017 from 5.7% recorded in the previous quarter. However, the Centre has pegged GDP growth for FY18 at 6.5%, which is slower than 7.1% recorded in FY17. The turnaround story for GDP mainly depends on recovery in household spending and corporate investments.

In the first eight months of the fiscal FY18, India's fiscal deficit widened to Rs.6.1 trillion (3.6% of GDP), overshooting the full year target of Rs.5.4 trillion (3.2% of GDP). As a result, government has announced additional market borrowings of Rs.500 billion via dated securities. The bond market has reacted to the stress pushing the bond yield to two-and-half-year high.

The market expects corporate earnings in the third quarter of FY18 to recover and will be broader surpassing the Nifty 50 companies owing to low base in the comparable quarter of FY17, as well as surging commodity prices and domestic consumption helped by festive demand at the end of the quarter.

Sector outlook

Banks and NBFCs

The banking sector, mainly the PSU banks, was favourably impacted by government's Rs.2.11 lakh crores recap plan announced at the end of October. However, most PSU banks and some corporate-focused private sector banks posted weak second quarter results due to higher NPA levels and stress in the telecom sector. Nevertheless, Moody's sovereign rating upgrade for India to 'Baa2' with a stable outlook is expected to be positive for the Indian financial sector, which is a proxy to country's economic growth.

Information Technology

The last month of the year and the December quarter remains a subdued quarter for the IT industry due to furloughs and holiday season. Major global currencies do not expect to materially affect revenue or margins as they were fairly stable during the quarter. Among the major IT companies, HCL Tech and Tech Mahindra are expected to lead the pack during the quarterly earnings.

Pharma

Third quarter earnings of the pharma sector is expected to get adversely impacted due to appreciating rupee against almost all major currencies and decline in US businesses. Sales in the US market recorded has been under pressure over the last few quarters owing to higher price erosion in base products, delay in approval of key products, increased competition and customer consolidation. Moreover, supply disruptions due to some plants being out of action owing to unfavourable observations by the U.S. FDA are also hurting new product approvals. However, valuation of the sector looks attractive over the long term despite near term headwinds.

Automobiles

Auto stocks in December were the third leading gainer owing to sharp year-over-year increase in sales driven by lower base in December 2016, which hit by demonetization. Commercial vehicles witnessed strong recovery during the month after setbacks from demonetization and the BS-IV transition in the year.

Oil and Gas

Oil stocks were flat on average as crude prices rose to 3-year high negatively affecting the OMCs. Rising crude oil prices is mainly an impact of agreement between OPEC and non-OPEC producers led by Russia to extend oil production cuts until the end of 2018 as well as cold weather in the U.S. affecting the production. Refining stocks such as ONGC and Reliance, on the other hand, benefited from higher crude oil prices and higher domestic production.

Cement

Increased government spending on infrastructure is expected to boost the demand for cement post monsoon coupled with recovery in sand availability in Uttar Pradesh and Bihar. However, fresh imposition of sand mining ban had a negative impact in Rajasthan markets. It is expected that upcoming assembly elections in next 12-18 months will drive demand in coming months. Demand is yet to pick up convincingly as sand crisis and persistent slowdown in real estate activities post RERA remained major headwinds though demand was strong from affordable housing projects and rural consumption. Sales volume of cement companies are expected to be strong in the third quarter because of low base owing to demonetization. Moreover the period also witnessed price hikes across North and Central regions with import duty on pet coke being hiked.

Metal

Metal stocks moved northward due to upward movement in global commodity prices. Prices of several base metals moved up recently due to production shortage, mainly driven by output cuts in China as part of the country's anti-smog crackdown.

Conclusion

There is limited downside potential for Nifty backed by robust inflow from institutional investors. Several factors such as smooth implementation of GST, resolution of banking system NPA, and revival of investment cycle would decide the future course of the market.

Return of Shriram Equity & Debt Opportunities Fund in December stood at 12.39% CAGR (since inception) accompanied by lower levels of volatility, whereas 6 months return stood at 8.43%, beating the benchmark return of 7.98%. Amidst volatility and short term uncertainties, we try to achieve stable risk adjusted return based on fundamentally sound and good quality stocks. In this backdrop, retail investors would do well by maintaining their exposure to equity and equity oriented hybrid funds such as Shriram Equity and Debt Opportunities Fund through regular systematic investments as this asset class has a consistent track record that will outpace price inflation.

Fund Manager

Kartik Soral

Gargi Bhattacharyya Banerjee

Risk Factors:

All Investments in mutual funds and securities are subject to market risks and the NAV of the Scheme may go up or down depending upon the factors and forces affecting the securities market. There can be no assurance that Scheme's investment objective will be achieved. The past performance of the Mutual Fund is not indicative of the future performance of the Scheme. Sponsor is/are not liable or responsible for any loss or shortfall resulting from the operations of the scheme. Shriram Equity and Debt Opportunities Fund is only the name of the Scheme and does not in any manner indicate the quality of the Scheme or its future prospects or returns. There is no guarantee or assurance as to any return on investment of the unitholders. The investments made by the Scheme are subject to external risks on transfer, pricing, trading volumes, settlement risks, etc. of securities. Please refer to the Offer Document/Statement of Additional Information/Key Information Memorandum of the scheme before investing.

Ideal for whom: Investors who are hesitant of giving full exposure to equities but simultaneously don't want to miss the upside potential offered by equities.

Indicative Investment Horizon:

3 years & more

Date of Inception (Allotment Date):

29 November 2013

Fund Manager: Mr. Kartik Soral

Experience: Mr. Kartik Soral serves as the Senior Fund Manager of Shriram Mutual Fund having an experience of more than 8 years in his professional career. Prior to joining Shriram in the year 2017, he had held different key positions in Edelweiss Asset Management Co. Ltd. and Larsen & Toubro and Deutsche CIB Centre, respectively.

Ms. Gargi Bhattacharyya Banerjee

Experience: Ms. Gargi Bhattacharyya Banerjee serves as the Fund Manager of Shriram Mutual Fund having an experience of over 16 years in her professional career. Prior to joining Shriram Asset Management Company Limited in the year 2012, she had held the different key positions in Zacks Research Private Limited and Shriram Insight Share Brokers Limited, respectively.

Investment Objective: The investment objective of the scheme would be to generate long term Capital appreciation and current income with reduced volatility by investing in a judicious mix of a diversified portfolio of equity and Equity related investments, debt and money market instruments

Type: Open-ended Equity

Oriented Asset Allocation Scheme

Plans / Options Available

Regular Plan

Direct Plan

Under Each Plan

Growth and Dividend Options

The Dividend Option offers Dividend Payout and Reinvestment facility

Average AUM: 42.85 cr.

Latest AUM: 43.26 cr.

Expenses Ratio:(Excluding service tax)

Regular : 2.31%

Direct : 1.76%

Portfolio Turnover Ratio: 49.24%

Benchmark:

Equity - CNX Nifty (70%)

Debt - Crisil Composite Bond Fund Index (30%)

Loads: No Entry load

Exit load 1.00% is payable if units are redeemed / switched – out within 365 days from the date of allotment

Minimum Investment:

Rs 5,000/- w.e.f. 1st April 2014

SIP

For SIP investment Monthly: Rs. 1000/- minimum 12 instalments, Quarterly: Rs. 3000/- minimum 4 instalments

Shriram Equity and Debt Opportunities Fund

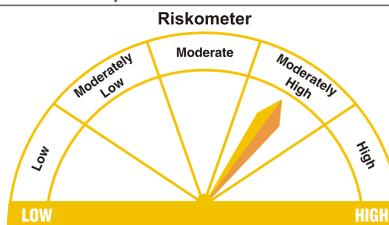
This Product is suitable for investors who are seeking*:-

- Long term capital appreciation and current income
- Investment in equity and equity related securities as well as fixed income securities (debt and money market securities)
- Moderately High Risk

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

Note : Risk is represented as :

- i. Low - Principal at low risk
- ii. Moderately Low - Principal at moderately low risk
- iii. Moderate - Principal at moderate risk
- iv. Moderately High - Principal at moderately high risk
- v. High - Principal at high risk



Portfolio and other facts as on 31 December 2017

Equity Portfolio

	% to NAV	% to NAV Derivative
Hdfc Bank Ltd	5.44%	
Hdfc Bank Ltd January 2018 Future		-1.30%
Kotak Mahindra Bank Ltd.	3.16%	
Maruti Suzuki India Ltd	3.14%	
Larsen And Toubro Limited	2.84%	
Infosys Limited	2.68%	
Indusind Bank Limited	2.46%	
Itc Ltd	2.43%	
Housing Development Finance Corporation Ltd	2.26%	
Tata Consultancy Services Ltd	2.18%	
Reliance Industries Ltd	2.13%	
State Bank Of India	2.08%	
Upl Limited (Ex United Phosphorous Limited)	2.05%	
Bharat Electronics Ltd	1.97%	
Britannia Industries Ltd	1.96%	
Hcl Technologies Ltd.	1.85%	
Hindustan Unilever Ltd.	1.47%	
Hindustan Unilever Ltd. January 2018 Future		-0.57%
Petronet L N G Ltd	1.35%	
Petronet L N G Ltd January 2018 Future		-0.17%
Ultratech Cement Ltd.	1.28%	
Natco Pharma Ltd	1.21%	
Icici Bank Ltd	1.20%	
Shriram Transport Finance Company Ltd	1.12%	
Bajaj Finance Ltd.	1.09%	
Pidilite Industries Ltd.	1.08%	
Eicher Motors Ltd.	1.07%	
Cyient Limited	1.01%	
Oil & Natural Gas Corp Ltd	1.00%	
Sun Pharmaceuticals Industries Ltd	1.00%	
Vedanta Limited	1.00%	
Bharat Petroleum Corporation Ltd	0.96%	
Sundram Fasteners Ltd	0.84%	
Larsen & Toubro Infotech Limited	0.80%	
Hindustan Zinc Limited	0.80%	
Tata Motors Ltd	0.73%	
Tata Motors Limited (Dvr)	0.72%	
Gruh Finance Limited	0.69%	
Techno Electric & Engineering Co. Ltd.	0.69%	
Gail (India) Ltd (Ex Gas Authority Of India Ltd)	0.68%	
Dabur India Ltd.	0.66%	
Page Industries Limited	0.63%	
Kec International Limited	0.61%	
Aurobindo Pharma Ltd	0.61%	
Avenue Supermarts Limited	0.59%	
Indraprastha Gas Limited	0.58%	
Cholamandalam Invest & Finance Company Ltd.	0.57%	
Apollo Hospitals Enterprise Ltd	0.54%	
Mahanagar Gas Limited	0.53%	
Marico Ltd.	0.51%	
Finolex Industries Limited	0.50%	
Navin Fluorine International Limited	0.50%	
Edelweiss Financial Services Limited	0.49%	
Navneet Education Limited	0.48%	
Interglobe Aviation Limited	0.45%	
Kajaria Ceramics Limited	0.40%	
Sbi Life Insurance Company Limited	0.39%	
Knr Constructions Limited	0.35%	
Ashoka Buildcon Limited	0.32%	
Whirlpool Of India Ltd.	0.26%	
Equity Total	70.41%	-2.04%

Derivative Portfolio (Other than hedge)

Bharti Airtel Ltd January 2018 Future	0.63%
Kotak Mahindra Bank Ltd. January 2018 Future	1.12%
Marico Ltd. January 2018 Future	0.58%
Ntpc Ltd January 2018 Future	0.82%
Oil India Ltd. January 2018 Future	0.39%
Future Total	3.54%
NIFTY 10000 Put January 2018 Option	0.004%
NIFTY 10200 Put January 2018 Option	0.003%
Option Total	0.007%

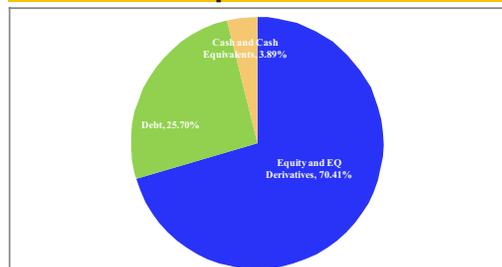
Total Exposure to derivative instruments as on 31/12/2017: Rs. 241.98 Lakh

Debt Portfolio

	Rating	
HDFC LTD	CRISIL-AAA	4.71%
LIC HOUSING FINANCE LTD.	CRISIL-AAA/CARE- AAA	8.45%
PFC LTD.	CRISIL-AAA	4.79%
REC LTD	CRISIL-AAA	7.25%
TATASONS LTD	CRISIL-AAA	0.50%
Debt total		25.70%

Cash & Cash Equivalent 3.89%

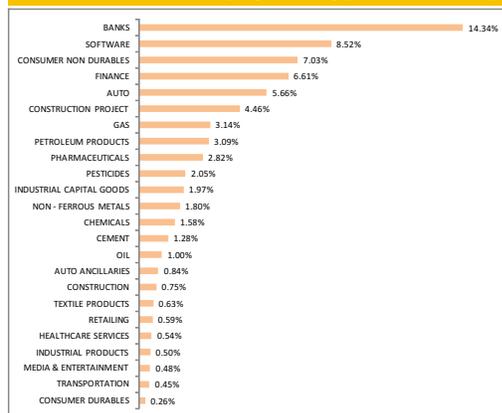
Portfolio composition



NAV details (Rs)

Plan	Direct Plan	NAV
Growth Option	Direct Plan	16.5120
Dividend Option	Direct Plan	13.1309
Growth Option	Regular Plan	16.1172
Dividend Option	Regular Plan	12.8845

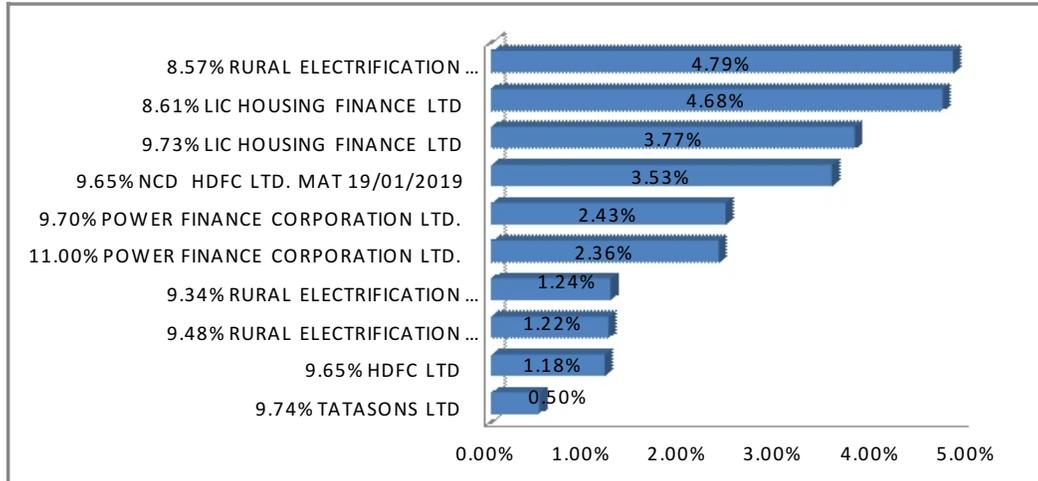
Sectoral Allocation of Equity Holding (% of Net Assets)



QUANTITATIVE DATA

Average Maturity*	2.97 years	Standard Deviation	0.5336%
Modified Duration*	2.3 years	Portfolio Beta	0.9810%
Yeild to Maturity*	8.00%	Sharpe Ratio	2.37%

* Computed on the invested amount for debt portfolio

Debt Portfolio**Dividend History[^]****Shriram Equity and Debt Opportunities Fund - Direct Plan- Dividend Option**

Record Date	Face Value (Rs)	NAV (Rs)	Dividend (Rs.)/Unit
9-Mar-14	10.00	10.4657	0.25
27-Oct-14	10.00	11.9236	1.05
14-Nov-15	10.00	11.4100	1.15

Shriram Equity and Debt Opportunities Fund - Regular Plan- Dividend Option

Record Date	Face Value (Rs)	NAV (Rs)	Dividend (Rs.)/Unit
19-Mar-14	10.00	10.4529	0.25
27-Oct-14	10.00	11.8794	1.05
14-Nov-15	10.00	11.3130	1.15

[^]Past performance may or may not be sustained in future. There is no assurance or neither guarantees to Unit holders as to rate/quantum of dividend distribution nor that will the dividends be paid regularly. All dividends are on face value of Rs. 10 per Unit. After payment of the dividend, the per Unit NAV falls to the extent of the payout and statutory levy, if any.

Performance of Scheme:**Shriram Equity and Debt Opportunities Fund**

Returns of Regular Plan - Growth Option as on December 31, 2017						
Date of inception: 29-Nov-13.						
NAV as on 31.12.17 Rs. 16.1172						
Date	Period	NAV (Rs.) Per Unit	Scheme Return % (Annualized)	Benchmark Return % (Annualized)	Value of Investment of Rs.10000	
					Scheme	Benchmark
Dec 30 2016	Last 1 Year	13.0382	23.62	21.15	12,362	12,115
Dec 30 2015	Last 2 Year	12.8999	11.76	13.27	12,494	12,834
Dec 30 2014	Last 3 Year	12.9039	7.69	8.43	12,490	12,750
November 29 2013	Since Inception	10.0000	12.38	12.79	16,117	16,363

Past performance may or may not be sustained in future. The returns are Compounded Annual Growth Returns (CAGR) for periods since Inception and absolute for 1 year and simple annualized for less than 1 year. Performance of dividend option would be Net of Dividend distribution tax, if any. Benchmark is a blend of 70% CNX NIFTY for the Equity part of the Portfolio & 30% of CRISIL Composite Bond Fund Index for its investments in Debt and Money Market Instruments. For computation of since inception returns (%) the allotment NAV has been taken as Rs. 10.00. Load is not considered for computation of returns. In case, the start/end date of the concerned period is a non business date (NBD), the NAV of the previous date is considered for computation of returns. The NAV per unit shown in the table is as on the start date of the said period. **Benchmark Index:** 70% of Nifty Plus 30% CRISIL Composite Bond Fund Index. Since Inception returns are calculated 70% CAGR of Nifty plus 30% CAGR of CRISIL Composite Bond Fund Index.

SIP Performance				
	Since Inception SIP	3 years SIP	2 years SIP	1 year SIP
Total Amount Invested (Rs.'000)	490.00	360.00	240.00	120.00
Mkt Value as on Dec 31, 17 (Rs.'000)	613.42	425.14	278.01	130.59
Returns (Annualised) (%)	10.98%	11.09%	14.81%	16.70%
Benchmark Returns (Annualised) (%) #	11.50%	11.94%	15.46%	16.32%

Past performance may or may not be sustained in the future. # Benchmark index is constructed by investing Rs. 70 in Nifty and Rs. 30 in CRISIL Balanced Fund Index on the date of allotment. Assuming Rs. 10000 invested systematically on the first Business Day of every month over a period of time. CAGR returns are computed after accounting for the cash flow by using XIRR method (invest internal rate of return) for Regular Plan - Growth Option. Load is not taken into consideration for computation of performance. The above investment simulation is for illustrative purpose only and should not be construed as a promise on minimum returns and safeguard of capital. The AMC/Mutual Fund is not guaranteeing or promising or forecasting any returns.

HOW TO READ FACTSHEET

Fund Manager

An employee of the asset management company such as a mutual fund or life insurer, who manages investments of the scheme. He is usually part of a larger team of fund managers and research analysts.

Application Amount for Fresh Subscription

This is the minimum investment amount for a new investor in a mutual fund scheme.

Minimum Additional amount

This is the minimum investment amount for an existing investor in a mutual fund scheme.

Yield to Maturity

The yield to Maturity or the YTM is the rate of return anticipated on a bond if held until maturity. YTM is expressed as an annual rate. The YTM factors in the bond's current market price, par value, coupon interest rate and time to maturity.

SIP

SIP or systematic investment plan works on the principle of making periodic investments of a fixed sum. It works similar to a recurring bank deposit. For instance, an investor may opt for an SIP that invests Rs 500 every 15th of the month in an equity fund for a period of three years.

NAV

The NAV or the net asset value is the total asset value per unit of the mutual fund after deducting all related and permissible expenses. The NAV is calculated at the end of every business day. It is the value at which the investor enters or exits the mutual fund.

Benchmark

A group of securities, usually a market index, whose performance is used as a standard or benchmark to measure investment performance of mutual funds, among other investments. Some typical benchmarks include the NIFTY, Sensex, BSE200, BSE500, 10-year Gsec.

Entry load

A mutual fund may have a sales charge or load at the time of entry and/or exit to compensate the distributor/agent. Entry load is charged at the time an investor purchases the units of a mutual fund.

The entry load is added to the prevailing NAV at the time of investment. For instance, if the NAV is Rs. 100 and the entry load is 1 %, the investor will enter the fund at Rs. 101. (note: SEBI, vide circular dated June 30, 2009 has abolished entry load and mandated that the upfront commission to distributors will be paid by the investor directly to the distributor, based on his assessment of various factors including the service rendered by the distributor).

Exit load

Exit load is charged at the time an investor redeems the units of a mutual fund. The exit load is reduced from the prevailing NAV at the time of redemption. The investor will receive redemption proceed at net value of NAV less Exit load. For instance if the NAV is Rs. 100 and the exit load is 1%, the investor will receive Rs. 99.

Modified Duration

Modified duration is the price sensitivity and the percentage change in price for a unit change in yield.

Standard Deviation

Standard deviation is a statistical measure of the range of an investment's performance. When a mutual fund has a high standard deviation, it means its range of performance is wide, implying greater volatility.

Sharpe ratio

The Sharpe Ratio, named after its founder, the Nobel Laureate William Sharpe, is a measure of risk-adjusted returns. It is calculated using standard deviation and excess return to determine reward per unit of risk.

Beta ratio (portfolio Beta)

Beta is a measure of an investment's volatility vis-a-vis the market. Beta of less than 1 means that the security will be less volatile than the market. A beta of greater than 1 implies that the security's price will be more volatile than the market.

R Squared

It is a statistical measure of how closely the portfolio returns are correlated with its benchmark.

AUM

AUM or assets under management refers to the recent / updated cumulative market value of investments managed by a mutual fund or any investment firm.

Holdings

The holdings or the portfolio is a mutual fund's latest or updated reported statement of investments/securities. These are usually displayed in terms of percentage to net assets or the rupee value or both. The objective is to give investors an idea of where their money is being invested by the fund manager.

Nature of Scheme

The investment objective and underlying investments determine the nature of the mutual fund scheme. For instance, a mutual fund that aims at generating capital appreciation by investing in stock markets is an equity fund or growth fund. Likewise, a mutual fund that aims at capital preservation by investing in debt markets is a debt fund or income fund. Each of these categories may have sub-categories.

Rating Profile

Mutual funds invest in securities after evaluating their creditworthiness as disclosed by the ratings. A depiction of the mutual fund in various investments based on their ratings becomes the rating profile of the fund. Typically, this is a feature of debt funds.



Registered Office :Wockhardt Towers, 2nd Floor, East Wing, C-2, G Block,
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Website: www.shriramamc.com, email ID: info@shriramamc.com

Phone: (033) 2337 3012; +91-9339787128 Fax: (033) 2337 3014

Statutory Details : Shriram Mutual Fund has been constituted as a Trust under the Indian Trust Act, 1882. **Sponsor** : Shriram Credit Company Limited; **CIN:** U65993TN1980PLC008215 **Trustee:** Board of Trustees; **Investment Manager** : Shriram Asset Management Co. Ltd. (AMC); **CIN:** L65991MH1994PLC079874. **Risk Factors** : Sponsor is / are not liable or responsible for any loss or shortfall resulting from the operations of the scheme.

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

