



SHRIRAM

Mutual Fund

Nurturing Trust, Shaping Dreams

Fund *F*acts

As on 31 January 2018



Economic Commentary and Market Review - January 2018

The market continued its northward journey in January with Nifty crossing 11,000 bringing the monthly gain to 4.7%. Thanks to decent set of corporate earnings and strong flows from foreign investors.

IT stocks were the top gainer during the month driven by good quarterly numbers, particularly of TCS, as well as surge of new client deals and strong outlook revealed by the sector. It was followed by banking and finance driven by optimism on the likelihood of introduction of 100% FDI in banking and government's decision to lower its additional market borrowing by 60%. Auto stocks were the top loser during the month mainly due to increase in average prices of key input metals such as steel sheet, lead and aluminum as well as poor sales numbers from Eicher Motors. It was followed by Pharma due to disappointing quarterly results.

FII's returned in January pouring ~Rs. 14,000 crore in the equity market during the month. They remained net buyers in the debt market with an investment of ~Rs. 8,500 crore. Mutual funds industry continued to support the market, infusing more than Rs. 7,000 crores into equities and ~Rs. 19,500 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 5.1%5.6% for the first half of the year due to continued increase in crude oil prices and implementation of HRA by States, which could ease to 4.5%4.6% (compared with earlier projection of 4.34.7%) for the second half of this fiscal year. The MPC also lowered its real GVA growth forecast for FY18 to 6.6% from 6.7% and for FY19 to 7.2% from 7.4%.

At the 2018 Union Budget, several measures that were announced by the government include setting up MSP at 1.5x the production cost for kharif crops, allocation of Rs. 14 billion for enhancing food processing, Rs. 11,000 billion credit for farm sector as well as an investment of Rs. 5,970 billion in order to boost affordable housing and hike in budgetary allocation on railways. As a result, the government has revised the fiscal deficit target for FY19 upward at 3.3% of the gross domestic product (GDP) against the earlier target of 3%. The government has also revised the budget estimate of fiscal deficit for FY18 to 3.5% of GDP (same as FY17) from the earlier estimate of 3.2% of GDP due to a shortfall of Rs. 50,000 crore on account of the goods and services tax (GST).

On the taxes front, the government has reduced corporate taxes for all companies with a turnover of upto Rs. 250 crores to 25%, in order to boost the MSME sector. However, the large firms will still be taxed at 30%. In a new development, government has proposed long term capital gains tax from listed equities exceeding Rs. 1 lakh at the rate of 10% without allowing the benefit of any indexation. However, all gains up to January 31, 2018 are allowed to be grandfathered. Short term capital gain will continue to be taxed at 15%. Meanwhile, income distributed by equity oriented mutual funds will be taxed at 10%. Health and education cess has been raised to 4% from 3%.

Sector outlook

Banks and NBFCs

In January, the banking sector was favourably impacted by media reports suggesting Finance Ministry, Department of Industrial Policy & Promotion (DIPP) and Indian Banks' Association (IBA) plan to raise the FDI limit for banks 100% in private banks (74% currently under government approval route & 49% under automatic route) and 49% for PSU banks (20% currently). Late January, the Finance Ministry also announced to scale back its additional borrowing to Rs. 20,000 crore for the fiscal from its earlier plan to raise an additional Rs. 50,000 crore from the market. Following the announcement, the yield on the 10-year government security dropped by 16 basis points to close at 7.22% the lowest since November 2016 thereby boosting the banking stocks.

Information Technology

Although 2017 has been muted for the IT sector, commentaries released by the IT companies in the latest quarterly results signaled improved growth outlook for the near term, thereby boosting the IT stocks. The industry outlook has been mainly dependent on a great number of deal wins, digital momentum and recovery in the revenue generating segments like BFSI and Retail. These were reflected in the aggregated organic growth across the top-5 IT companies viz. TCS, Cognizant, Infosys, Wipro and HCL Tech, for the first time in seven quarters.

Pharma

Third quarter earnings of the pharma sector have been mixed. Companies with limited competition launches in the US such as Cadila, Cipla and Aurobindo Pharma reported strong quarter while players such as Sun Pharma, Dr Reddy, Lupin struggled in the absence of significant launches. Sales in the US market 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 US FDA are also hurting new product approvals. However, sector outlook looks attractive over the long term despite near term headwinds.

Automobiles

Passenger vehicle sales in January rose 11% year over year due to low-base in the year-ago period. Bajaj Auto mainly led the pack (46% YoY growth) followed by Tata Motors (39%). However, it was Eicher Motors that dragged the overall auto index at the end of the month as its premium motorcycle unit Royal Enfield hit low gear registering a monthly sales growth of 17%-20% compared with the average of 25-30% and will continue to suffer due to increasing competition in the premium motorcycles segment.

Oil and Gas

Crude oil prices rose around 4% in January and touched \$70/bbl 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 recorded growth 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 January stood at 12.44% CAGR (since inception) accompanied by lower levels of volatility. 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: 43.50 cr.

Latest AUM: 43.59 cr.

Expenses Ratio:(Excluding service tax)

Regular : 2.29%

Direct : 1.74%

Portfolio Turnover Ratio: 50.50%

Benchmark:

Equity - Nifty 50 TRI (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

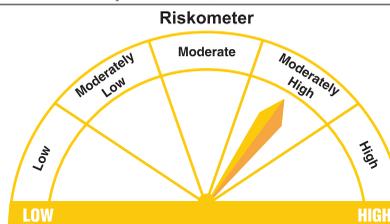
This Product is suitable for investors who are seeking*:-

- 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 January 2018

Equity Portfolio

	% to NAV	% to NAV Derivative
Hdfc Bank Ltd	4.81%	
Kotak Mahindra Bank Ltd.	3.86%	
Larsen And Toubro Limited	3.17%	
Maruti Suzuki India Ltd	3.00%	
Infosys Limited	2.99%	
Itc Ltd	2.58%	
Indusind Bank Limited	2.49%	
Tata Consultancy Services Ltd	2.49%	
Housing Development Finance Corporation Ltd	2.41%	
Reliance Industries Ltd	2.20%	
Hcl Technologies Ltd.	2.09%	
State Bank Of India	2.04%	
Upl Limited (Ex United Phosphorous Limited)	2.01%	
Britannia Industries Ltd	1.91%	
Bharat Electronics Ltd	1.81%	
Vedanta Limited	1.77%	
Icici Bank Ltd	1.57%	
Hindustan Unilever Ltd.	1.46%	
Petronet L N G Ltd	1.34%	
Ultratech Cement Ltd.	1.29%	
Natco Pharma Ltd	1.19%	
Cyient Limited	1.16%	
Oil & Natural Gas Corp Ltd	1.14%	
Sun Pharmaceuticals Industries Ltd	1.10%	
Pidilite Industries Ltd.	1.05%	
Bajaj Finance Ltd.	0.90%	
Larsen & Toubro Infotech Limited	0.86%	
Marico Ltd.	0.83%	
Hindustan Zinc Limited	0.82%	
Sundram Fasteners Ltd	0.75%	
Shriram Transport Finance Company Ltd	0.75%	
Interglobe Aviation Limited	0.74%	
Sbi Life Insurance Company Limited	0.70%	
Tata Motors Ltd	0.67%	
Dabur India Ltd.	0.66%	
Tata Motors Limited (Dvr)	0.65%	
Gail (India) Ltd (Ex Gas Authority Of India Ltd)	0.61%	
Avenue Supermarts Limited	0.59%	
Abb Ltd	0.59%	
Techno Electric & Engineering Co. Ltd.	0.58%	
Finolex Industries Limited	0.58%	
Aurobindo Pharma Ltd	0.55%	
Kec International Limited	0.53%	
Apollo Hospitals Enterprise Ltd	0.52%	
Cholamandalam Investment & Fince Comp Ltd.	0.51%	
Indraprastha Gas Limited	0.50%	
Page Industries Limited	0.50%	
Eicher Motors Ltd.	0.49%	
Navin Fluorine International Limited	0.47%	
Mahanagar Gas Limited	0.47%	
Siemens Ltd.	0.44%	
Kajaria Ceramics Limited	0.34%	
Knr Constructions Limited	0.33%	
Ashoka Buildcon Limited	0.30%	
Endurance Technologies Limited	0.29%	
Whirlpool Of India Ltd.	0.24%	
The Indian Hotels Company Limited	0.22%	
Avanti Feeds Limited	0.22%	
Edelweiss Financial Services Limited	0.21%	
Unichem Laboratories Limited	0.02%	
Equity Total	71.36%	0.00%

Derivative Portfolio (Other than hedge)

Bharti Airtel Ltd February 2018 Future	0.69%
Ntpc Ltd February 2018 Future	0.46%
Future Total	1.15%
NIFTY 10500 PUT FEBRUARY 2018 OPTION	0.03%
Option Total	0.03%

Total Exposure to derivative instruments as on 31-Jan-2018: Rs. 51.38 Lakh

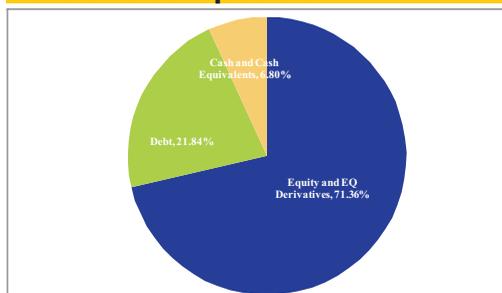
Debt Portfolio

	Rating	
HDFC LTD	CRISIL-AAA	3.49%
LIC HOUSING FINANCE LTD.	CRISIL-AAA/CARE- AAA	8.35%
PFC LTD.	CRISIL-AAA	2.34%
REC LTD	CRISIL-AAA	7.17%
TATASONS LTD	CRISIL-AAA	0.49%
Debt total		21.84%

Cash & Cash Equivalent

6.80%

Portfolio composition



NAV details (Rs)

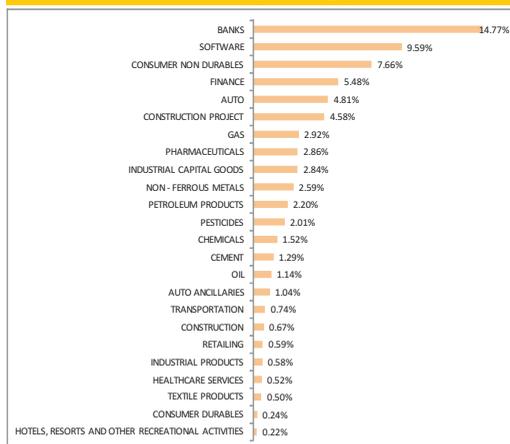
Direct Plan

Growth Option	16.7235
Dividend Option	13.2969

Regular Plan

Growth Option	16.3142
Dividend Option	13.0420

Sectoral Allocation of Equity Holding (% of Net Assets)

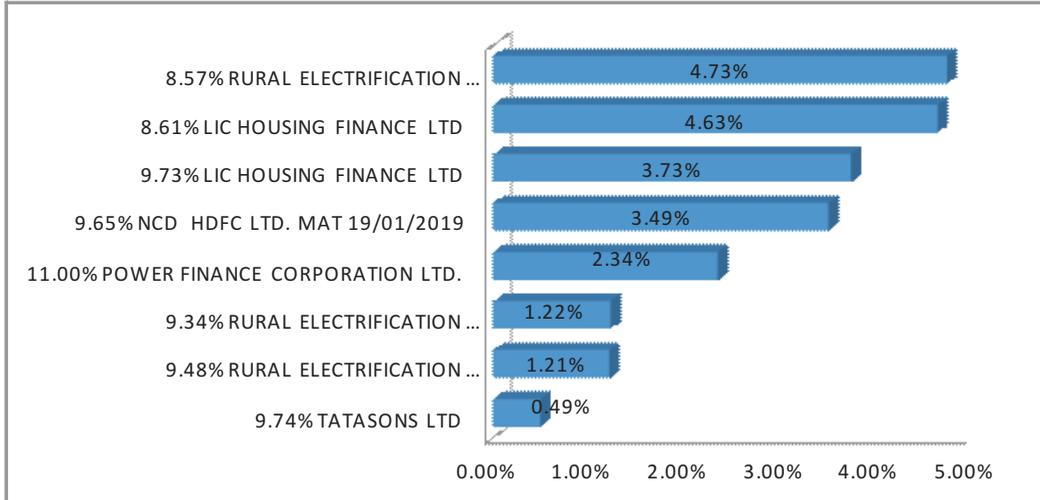


QUANTITATIVE DATA

Average Maturity*	2.97 years	Standard Deviation	0.5295%
Modified Duration*	2.32 years	Portfolio Beta	0.9746%
Yeild to Maturity*	7.95%	Sharpe Ratio	2.26%

* 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 Jan 31, 2018						
Date of inception: 29-Nov-13.						
NAV as on 31-Jan-2018 Rs. 16.3142						
Date	Period	NAV (Rs.) Per Unit	Scheme Return % (Annualized)	Benchmark Return % (Annualized)	Value of Investment of Rs.10000	
					Scheme	Benchmark
January 31, 2017	Last 1 Year	13.6742	19.31	22.33	11,931	12,233
January 31, 2016	Last 2 Year	12.4288	14.55	18.27	13,126	13,995
January 31, 2015	Last 3 Year	13.4280	6.70	8.82	12,149	12,888
November 29, 2013	Since Inception	10.0000	12.44	14.41	16,314	17,542

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% NIFTY 50 TRI 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 50 TRI Plus 30% CRISIL Composite Bond Fund Index. Since Inception returns are calculated 70% CAGR of Nifty 50 TRI 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)	500.00	360.00	240.00	120.00
Mkt Value as on Jan 31, 2018 (Rs.'000)	631.08	427.86	278.94	129.84
Returns (Annualised) (%)	11.14%	11.51%	15.15%	15.44%
Benchmark Returns (Annualised) (%) #	13.69%	14.84%	19.07%	21.11%

As per SEBI circular no. SEBI/HO/IMD/DF3/CIR/P/2018/04 dated Jan 04, 2018. In benchmark Nifty value taken as Total Return Index value

Past performance may or may not be sustained in the future. # Benchmark index is constructed by investing Rs. 70 in Nifty TRI value 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, its 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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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.

