



SHRIRAM

Mutual Fund

Nurturing Trust, Shaping Dreams

Fund *F*acts

As on 30 June 2017



Economic Commentary and Market Review - June 2017

Market somewhat corrected in June with the Nifty index falling around 1% (at 9520.9) after gaining 3.4% in the previous month. FMCG companies, expected to benefit from GST implementation, continued its northward journey with a 3.5% gain during the month. After recording three consecutive months of fall, Pharma recovered a lot and became the top gainer in the month with a 6.4% rise due to value buying. It was followed by Realty with a 5.2% gain. PSU Banks, caught in the prolonged NPA resolution process, extended its fall for the second consecutive month with the steepest decline of 6%. It was followed by IT with a 3.7% fall due to several challenges crippling the sector.

The market rally over the past few months was propelled by strong inflows from FIIs and DIIs. FIIs pumped in Rs.3,616.82 crores in Indian equities during the month. For the year till date, FIIs have pumped in more than Rs.53,000 crores in the equity market. They remained net buyers in the debt market as well to the tune of roughly Rs.25,000 crores in June. MF investments during the month stood at ~Rs.9,100 crores into equities and ~Rs.12,600 crores into debt.

The RBI kept key interest rates unchanged (repo rate unchanged at 6.25%) and also lowered inflation forecast for the current fiscal. The RBI now expects inflation in 1HFY18 at 2-3.5% and 3.5-4.5% in 2HFY18, lower than its previous projection of 4.5% and 5%, respectively, which indicates that prospects of rate cut remains in future in order to revive economic growth. Earlier in February, the RBI had shifted its monetary policy stance to neutral from being accommodative. The RBI commentary that brought down retail inflation forecast follows a record low CPI of 2.99% in April from a nearly five-month high of 3.89% in March on lower food prices. In fact, CPI inflation stood at a four-year low of 2.18% in May. Moreover, economic growth in 4Q17 slowed to 6.1% as a result of demonetisation.

Sector outlook

Banks and NBFCs

Banks have been witnessing headwinds on various fronts such as moderation in credit off-take, pressure on margins and deteriorating asset quality. Witnessing the urgency for faster resolution of stressed assets, the government announced an ordinance to empower RBI to be able to deal more effectively with this issue. In mid-June, RBI has declared the list of 12 stressed accounts to bankers that they must resolve through the Insolvency and Bankruptcy Code (IBC). These 12 accounts include Essar Steel, Bhushan Steel, Bhushan Power, Alok Industries, Electrosteel Steels, JP Infra, Lanco Infratech, Monnet Ispat, Jyoti Structures, ABG Shipyard, Amtek Auto and Era Infra. The lenders have an overall exposure of more than Rs.5,000 crores to each of these accounts more than 60% of which have been identified as non-performing assets amounting to total exposure of roughly Rs. 2 Lakh crores. Outlook for housing finance companies look strong given government's push for the sector. The government has set an ambitious target of ensuring home for all by 2022.

Information Technology

The IT sector has been witnessing several challenges such as muted demand, pricing pressure, cross currency fluctuation, impact of automation, global macro uncertainties and, immigrations and visa related modifications in the US among others. In 4Q17 earnings, the IT firms have mainly disappointed by delivering lower-than-expected revenue guidance. However, they tried to pacify investors by announcing juicy dividends and bonus issue as well as promising handsome payout in FY18 (Rs 13,000 crores in the case of Infosys).

Pharma

Attractive valuation along with some significant approvals in the US market uplifted sentiment of this sector. Value buying led the sector to be the best performer among the sectoral indices during June, a stark opposite to the last few months when it used to be a laggard. However, with respect to 1Q18 performance, revenue is likely to remain lacklustre because of slowdown in the US market. Even on the domestic front, sales are expected to get adversely affected for the quarter due to the disruption caused by destocking as a result of GST implementation.

Automobiles

After 9% growth in May, passenger vehicle sales in June fell ~11% as dealerships stocks dried up in the run up to the rollout of the GST.

However, long term outlook of the sector looks positive backed by higher disposable income arising from 7th pay commission implementation, recovery in rural income post normal monsoon, and reduction in tax rates for most vehicle categories under the GST regime.

Oil and Gas

Meanwhile, oil prices fell (Brent crude at ~\$47 a barrel) due to continued rise in U.S. crude production and weekly climb in oil rigs during the month. Increased production from U.S. and Libya offset the impact of the OPEC's extension of production cuts by 1.8 million barrels per day by nine more months till March 2018 at their latest meeting in Vienna. OPEC, however, is considering putting production caps on Libya and Nigeria, both of which are exempt from the output cut deal and raised production significantly in recent months.

Cement

The cement sector is likely to witness steady performance in 1Q18 owing to marginal improvement in demand scenario (though de-stocking took place during the last few days of June) and healthy realization. Realization improvement in eastern and western regions coupled with favorable demand scenario should enable companies having substantial exposure to these areas to report maximum improvement in operating margins. We expect cement demand in FY18 to be buoyant on the back of continuous traction in infrastructure projects and potential pick-up in rural consumption led by favorable monsoon. Meanwhile due to synergies in logistics following GST roll-out, we expect the companies to witness a reduction in logistic costs in subsequent quarters.

Commodities

As per a World Bank study, metal prices are projected to increase in 2017 due to contracting markets for most metals, especially those facing impending resource constraints. However, metal prices fell sharply recently over concerns regarding economic growth prospects of China and its increasing inventories. Despite a surprise recovery in Chinese manufacturing PMI in June to 51.7 from 51.2 in May, the traditional sectors in China such as crude oil, chemicals, and non-metal mineral sectors continued to contract during the month. In fact, the average manufacturing PMI in the second calendar quarter of the year dipped to 51.4 from 51.6 in the first quarter of the same.

Conclusion

The Nifty index reached new lifetime high backed by robust inflow of foreign capital and sustained investment by mutual funds. Several factors such as smooth implementation of GST, resolution of banking system NPA, expectation of good monsoon and revival of investment cycle, would decide the future course of the market.

Return of Shriram Equity & Debt Opportunities Fund in June stood at 11.81% 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. Expectation of NPA resolution in the near term, possibility of earning upgrades, normal monsoon and implementation of GST augur well for long term prospects of the economy. 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.

Gargi Bhattacharyya Banerjee

Fund Manager

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: Ms. Gargi Bhattacharyya Banerjee

Experience: Mr. Ms. Gargi Bhattacharyya Banerjee serves as the Fund Manager of Shriram Mutual Fund having an experience of over 16 years in her professional career. She joined as Research Manager in Shriram Asset Management Company Limited in November 2012. Prior to joining Shriram Asset Management Company Limited, she has held the key positions (Research Head) with Zacks Research Private Limited and Shriram Insight Share Brokers Limited. Ms. Gargi Bhattacharyya Banerjee received her Master of Business Management with specialization in Finance and Bachelor of Science with Economics (H) from University of Calcutta.

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: 41.82 cr.
Latest AUM: 41.36 cr.

Expenses Ratio:(Excluding service tax)
Regular : 2.24%
Direct : 1.70%

Portfolio Turnover Ratio: 35.16%

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

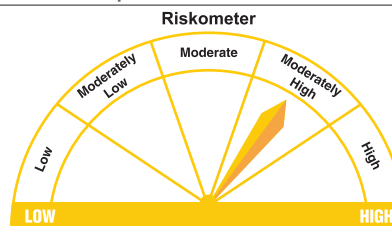
This Product is suitable for investors who are seeking*:-

- 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 30 June 2017

Equity Portfolio

	% to NAV
HDFC Bank Ltd.	5.76%
Yes Bank Ltd.	3.16%
Housing Development Finance Corporation Ltd.	3.07%
Shree Cements Ltd.	2.72%
Maruti Suzuki India Ltd.	2.54%
Kotak Mahindra Bank Ltd.	2.47%
Ultratech Cement Ltd.	2.31%
Bharat Petroleum Corporation Ltd.	2.17%
Natco Pharma Ltd.	2.14%
UPL Ltd.	2.02%
LIC Housing Finance Ltd.	1.95%
Tata Motors Limited (Dvr)	1.86%
Britannia Industries Ltd.	1.85%
Reliance Industries Ltd.	1.84%
State Bank Of India	1.79%
IndusInd Bank Ltd.	1.76%
Bharat Electronics Ltd.	1.56%
Axis Bank Ltd.	1.53%
Larsen & Toubro Ltd.	1.52%
Pidilite Industries Ltd.	1.51%
Marico Ltd.	1.31%
Aurobindo Pharma Ltd.	1.26%
HCL Technologies Ltd.	1.19%
Amara Raja Batteries Ltd.	1.14%
Mahanagar Gas Limited	1.06%
Bajaj Finance Ltd.	1.01%
Eicher Motors Ltd.	0.98%
Infosys Ltd.	0.96%
TVS Motor Company Ltd.	0.88%
ICICI Bank Ltd.	0.84%
Asian Paints Ltd.	0.83%
Zee Entertainment Enterprises Ltd	0.75%
Mahindra & Mahindra Financial Services Ltd.	0.73%
Mahindra & Mahindra Ltd.	0.67%
Tata Consultancy Services Ltd.	0.62%
Page Industries Ltd.	0.58%
Shriram Transport Finance Company Ltd.	0.57%
Gail (India) Ltd (Ex Gas Authority Of India Ltd)	0.51%
Sun Pharmaceuticals Industries Ltd.	0.51%
Indian Oil Corporation Limited	0.49%
Apollo Hospitals Enterprise Ltd.	0.41%
CUMMINS INDIA LTD.	0.40%
Sundram Fasteners Ltd.	0.38%
Berger Paints India Ltd	0.37%
Tech Mahindra Ltd.	0.32%
Techno Electric & Engineering Co. Ltd.	0.30%
Ashok Leyland Ltd.	0.30%
Bank Of Baroda	0.24%
KEC International Limited	0.24%
Tata Motors Ltd.	0.24%
Hindustan Petroleum Corpn. Ltd.	0.22%
Power Finance Corpn. Ltd	0.20%
Havells India Ltd.	0.18%
Lupin Ltd.	0.15%
Equity Total	66.37%

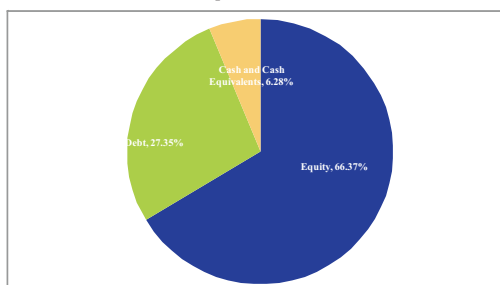
Debt Portfolio

	Rating	
HDFC LTD	CRISIL-AAA	4.99%
LIC HOUSING FINANCE LTD.	CRISIL-AAA/CARE- AAA	8.95%
PFC LTD.	CRISIL-AAA	5.11%
REC LTD	CRISIL-AAA	7.77%
TATASONS LTD	CRISIL-AAA	0.53%
Debt total		27.35%

Cash & Cash Equivalent

6.28%

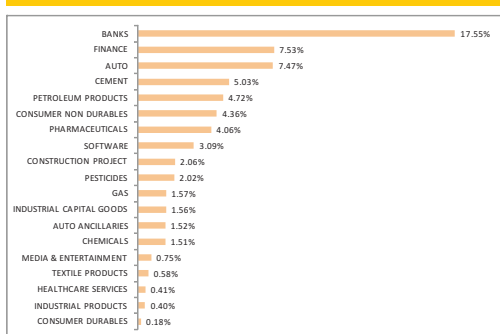
Portfolio composition



NAV details (Rs)

Plan	Value
Direct Plan	
Growth Option	15.2415
Dividend Option	12.1318
Regular Plan	
Growth Option	14.9248
Dividend Option	11.9314

Sectoral Allocation of Equity Holding (% of Net Assets)

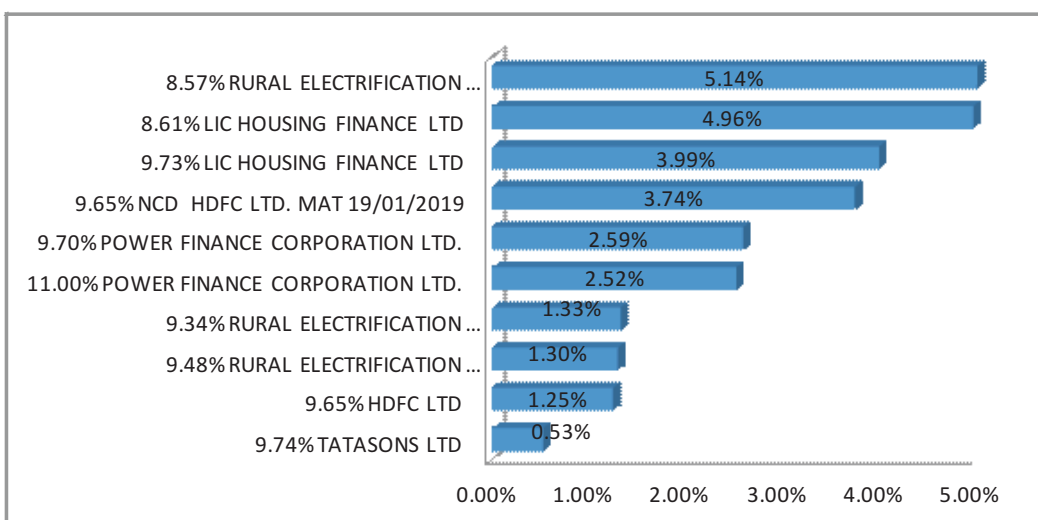


QUANTITATIVE DATA

Average Maturity*	3.48 years	Standard Deviation	0.3772%
Modified Duration*	2.63 years	Portfolio Beta	0.99%
Yeild to Maturity*	8.00%	Sharpe Ratio	2.14%

* 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 June 30, 2017						
Date of inception: 29-Nov-13.						
NAV as on 30.06.17 Rs. 14.9248						
Date	Period	NAV (Rs.) Per Unit	Scheme Return % (Annualized)	Benchmark Return % (Annualized)	Value of Investment of Rs.10000	
					Scheme	Benchmark
Jun 30 2016	Last 1 Year	13.1318	13.65	13.86	11,365	11,386
Jun 30 2015	Last 2 Year	13.2048	6.3	7.9	11,303	11,649
Jun 30 2013	Last 3 Year	11.4438	9.25	8.69	13,042	12,850
November 29 2013	Since Inception	10.0000	11.81	13.32	14,925	15,172

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	3 years	2 years	1 year
	SIP	SIP	SIP	SIP
Total Amount Invested (Rs.'000)	430.00	360.00	240.00	120.00
Mkt Value as on June 30, 2017 (Rs.'000)	510.25	409.7	267.98	128.22
Returns (Annualised) (%)	9.53%	8.59%	11.02%	12.99%
Benchmark Returns (Annualised) (%) #	10.28%	9.46%	12.69%	14.63%

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, 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,
Bandra Kurla Complex, Bandra (East), Mumbai – 400 051

Administrative Head Office : CK 6, 2nd Floor, Sector II, Salt Lake, Kolkata-700091

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.

