



SHRIRAM

Mutual Fund

Nurturing Trust, Shaping Dreams

Fund *F*acts

As on 31 October 2017



Economic Commentary and Market Review - October 2017

The bulls returned in October with Nifty recovering sharply by 5.6% in the month after declining in the prior two months. During the month, benchmark indices Sensex and Nifty touched record high levels of 33340.17 and 10384.50, respectively. The optimism was mainly driven by government's announcement of recapitalizing plan for public sector banks to the tune of Rs.2.11 lakh crore and a massive road building programme with an outlay of Rs.6.92 lakh crore. This apart, opinion polls predicting victory for BJP in Gujarat and Himachal Pradesh assembly elections boosted the market sentiment.

PSU banks were the main catalyst for upside in the market owing to announcement of recap plan. It was followed by Nifty Energy due to huge run up in stocks like Reliance Industries following its stellar quarterly numbers.

After two consecutive month of net outflows, FIIs returned in the domestic market infusing about Rs.3,000 crores into equities. They remained net buyers in the debt market to the tune of roughly Rs.16,000 crore, much higher than ~Rs.1,300 crores in September. Mutual funds industry continued to support the market, buying nearly Rs.10,000 crores into equities (which is lower than ~Rs.17,000 crore in the prior month though) and over Rs.29,000 crores into debt.

At their latest meeting, the RBI left interest rates untouched at 6%, citing upside risks to inflation. The Monetary Policy Committee (MPC) raised its inflation target to 4.2-4.6% for the second half of this fiscal year from 4-4.5%. However, the MPC lowered its real GVA growth forecast for FY18 to 6.7% from 7.3%.

Sector outlook

Banks and NBFCs

The banking sector, mainly the PSU banks, was favourably impacted by government's Rs.2.11 lakh crore recap plan announced at the end of October. At a press conference held by Finance Minister Arun Jaitley, the government announced infusion of Rs 1.35 lakh crore through recapitalisation bonds and Rs.76,000 crore through budgetary support and market raising. The move comes following the sanction of Rs 70,000-crore capital infusion under the Indradhanush banking reform scheme announced in 2015, 80% of which has already been paid out.

Information Technology

The IT sector recovered in October and continues to do well due to falling rupee against the greenback. Last month, rupee depreciated nearly 1% against the US dollar. There could be downward pressure on rupee in the near future as well due to rising crude oil prices resulting in widening trade deficit as well as degrowth in exports. In October, exports declined by 1.12% while trade deficit hits 35-month high at \$14 billion.

Pharma

2Q18 earnings of the pharma companies were mixed with domestic sales recovering post GST related destocking in the previous quarter. Sales in the US market recorded de-growth owing to higher price erosion in base products, delay in approval of key products, increased competition and customer consolidation. Supply disruptions due to some plants being out of action because of unfavourable observations by the US FDA also impacted new product approvals. However, valuation of the sector looks attractive over the long term despite near term headwinds.

Automobiles

Automobile stocks rallied in October as industry conditions improved in the September quarter after restocking by dealers and pick up in auto sales before the festive season. However, since October and post the festive season, demand came down and dispatches reduced too as dealers cleared inventory. Domestic passenger vehicle sales declined marginally to 2,79,837 units in October from 2,80,677 units in the same month last year, per the Society of Indian Automobile Manufacturers. Car sales went down 5.32% while motorcycle sales dipped 3.50% during the month.

Oil and Gas

Oil stocks fell as OMCs were impacted by rising oil prices (Brent crude was \$61.37 a barrel at month-end, up 9% from \$56.12 at the beginning of the month) due to several factors such as Saudi Arabia's intent to reduce monthly crude exports, progress toward maintaining a balanced market from OPEC and a hurricane-induced slowdown in crude output from the U.S. However, gas-based stocks such as GAIL and ONGC were positively impacted by 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. Further, upcoming assembly elections in next 12-18 months will also drive demand in coming months. Post-GST, the sector has witnessed some price corrections due to passing on of the benefit of lower tax rates to the consumers. Rise in pet coke and diesel prices led to rise in cost of production during the second quarter of current fiscal.

Metal

Metal sector continues to be strong due to rising metal prices on production cuts by China owing to environmental concerns. As per a report by KPMG, Indian demand for non-ferrous metals is expected to grow at 8% between 2016 and 2021, in line with strong economic prospects and push on manufacturing sectors. While demand for ferrous metals such as iron and steel is expected to be strong due to government's focus on housing projects and protectionist policies such as levy of anti-dumping duties.

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, good monsoon and revival of investment cycle, would decide the future course of the market.

Return of Shriram Equity & Debt Opportunities Fund in October stood at 12.42% CAGR (since inception) accompanied by lower levels of volatility, whereas year-to-date return stood at 21.4%, beating the benchmark return of 19.7%. 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.

Shriram Equity and Debt Opportunities Fund

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: 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 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: 42.43 cr.
Latest AUM: 42.85 cr.

Expenses Ratio:(Excluding service tax)
Regular : 2.30%
Direct : 1.75%

Portfolio Turnover Ratio: 39.22%

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

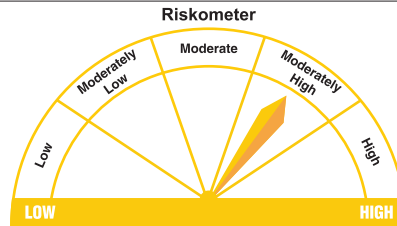
This Product is suitable for investors who are seeking*:-

- 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 October 2017

Equity Portfolio

	% to NAV	% to NAV Derivative
HDFC Bank Ltd.	6.00%	
HDFC Bank Ltd. November 2017 Future		-0.63%
Kotak Mahindra Bank Ltd.	2.96%	
Housing Development Finance Corporation Ltd.	2.94%	
Housing Development Finance Corporation Ltd. November 2017 Future		-0.60%
Maruti Suzuki India Ltd.	2.89%	
ITC LTD	2.79%	
Reliance Industries Ltd.	2.67%	
IndusInd Bank Ltd.	2.60%	
IndusInd Bank Ltd. November 2017 Future		-0.46%
Bharat Electronics Ltd.	2.17%	
Britannia Industries Ltd.	2.16%	
STATE BANK OF INDIA	1.94%	
Hindustan Unilever Ltd.	1.87%	
UPL Ltd.	1.85%	
Yes Bank Ltd.	1.82%	Y
es Bank Ltd. November 2017 Future		-0.78%
Larsen & Toubro Ltd.	1.69%	
Natco Pharma Ltd.	1.69%	
Bharat Petroleum Corporation Ltd.	1.48%	
Infosys Ltd.	1.40%	
Petronet L N G Ltd	1.40%	
Eicher Motors Ltd.	1.39%	
Ultratech Cement Ltd.	1.37%	
Tata Consultancy Services Ltd.	1.33%	
Bajaj Finance Ltd.	1.28%	
PIDILITE INDUSTRIES LTD.	1.19%	
HCL Technologies Ltd.	1.13%	
TATA MOTORS LIMITED (DVR)	1.11%	
ICICI Bank Ltd.	1.07%	
Aurobindo Pharma Ltd.	1.05%	
ZEE ENTERTAINMENT ENTERPRISES LTD	1.04%	
Shree Cements Ltd.	1.02%	
Sun Pharmaceuticals Industries Ltd.	0.94%	
Shriram Transport Finance Company Ltd.	0.89%	
CYIENT LIMITED	0.74%	
Mahanagar Gas Limited	0.64%	
Gail (India) Ltd (Ex Gas Authority Of India Ltd)	0.64%	
POWER GRID CORPORATION OF INDIA LTD.	0.63%	
TECHNO ELECTRIC & ENGINEERING CO. LTD.	0.61%	
Sundram Fasteners Ltd.	0.61%	
Indraprastha Gas Limited	0.60%	
Cholamandalam Invst & Fince Company Ltd.	0.56%	
OIL & NATURAL GAS CORP LTD	0.55%	
Page Industries Ltd.	0.54%	
Larsen & Toubro Infotech Limited	0.52%	
Asian Paints Ltd.	0.51%	
Bodal Chemicals Limited	0.51%	
Marico Ltd.	0.50%	
Dabur India Ltd.	0.50%	
GRUH FINANCE LIMITED	0.50%	
NAVNEET EDUCATION LIMITED	0.49%	
Hindustan Zinc Limited	0.48%	
KEC INTERNATIONAL LIMITED	0.47%	
Hindustan Petroleum Corpn. Ltd.	0.44%	
LIC Housing Finance Ltd.	0.27%	
Equity Total	68.44%	-2.47%

Derivative Portfolio (Other than hedge)

BANK OF BARODA NOVEMBER 2017 FUTURE	0.42%
ICICI BANK LTD NOVEMBER 2017 FUTURE	0.58%
LARSEN AND TOUBRO LIMITED NOVEMBER 2017 FUTUF	0.43%
POWER GRID CORPORATION OF INDIA LTD. NOVEMBER	0.40%
STATE BANK OF INDIA NOVEMBER 2017 FUTURE	1.08%
Future Total	2.91%
BANK NIFTY 24500 PE NOVEMBER 2017	0.02%
Option Total	0.02%

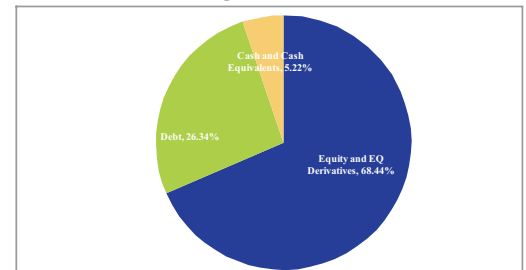
Total Exposure to derivative instruments as on 31/10/2017: Rs. 230.80 Lakhs

Debt Portfolio

	Rating	
HDFC LTD	CRISIL-AAA	4.80%
LIC HOUSING FINANCE LTD.	CRISIL-AAA/CARE- AAA	8.63%
PFC LTD.	CRISIL-AAA	4.92%
REC LTD	CRISIL-AAA	7.48%
TATASONS LTD	CRISIL-AAA	0.51%
Debt total		26.34%

Cash & Cash Equivalent 5.22%

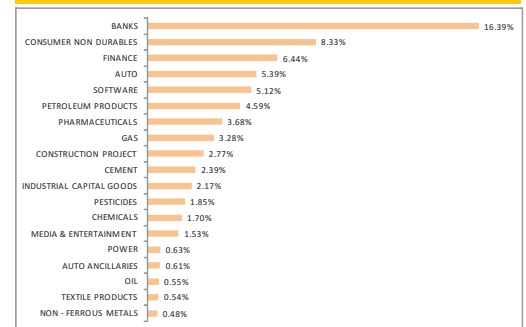
Portfolio composition



NAV details (Rs)

Plan	NAV
Direct Plan	
Growth Option	16.2001
Dividend Option	12.8867
Regular Plan	
Growth Option	15.8292
Dividend Option	12.6544

Sectoral Allocation of Equity Holding (% of Net Assets)

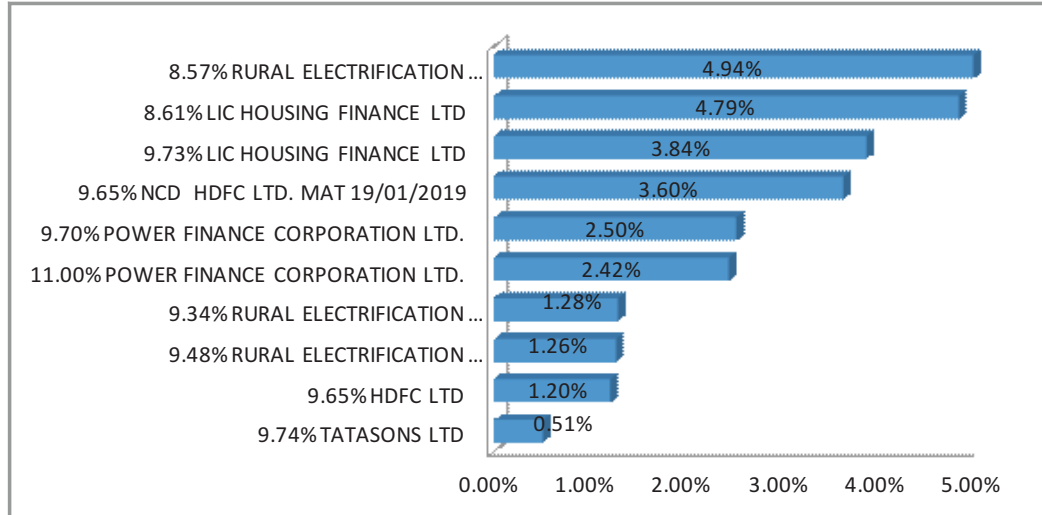


QUANTITATIVE DATA

Average Maturity*	3.14 years	Standard Deviation	0.3669%
Modified Duration*	2.36 years	Portfolio Beta	0.99%
Yield to Maturity*	8.00%	Sharpe Ratio	2.32%

* 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 Oct 31, 2017						
Date of inception: 29-Nov-13.						
						NAV as on 31.10.2017 Rs. 15.8292
Date	Period	NAV (Rs.) Per Unit	Scheme Return % (Annualized)	Benchmark Return % (Annualized)	Value of Investment of Rs.10000	
					Scheme	Benchmark
Oct 31 2016	Last 1 Year	14.0983	12.28	16.03	11,228	11,603
Oct 31 2015	Last 2 Year	13.1025	9.90	12.04	12,081	12,561
Oct 31 2014	Last 3 Year	12.5999	7.89	8.21	12,563	12,679
November 29 2013	Since Inception	10.0000	12.42	13.00	15,829	16,168

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)	470.00	360.00	240.00	120.00
Mkt Value as on Oct 31, 2017 (Rs.'000)	582.44	422.19	277.43	131.36
Returns (Annualised) (%)	10.94%	10.61%	14.60%	17.96%
Benchmark Returns (Annualised) (%) #	11.82%	11.91%	16.16%	19.38%

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,
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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.

