



SHRIRAM

Mutual Fund

Nurturing Trust, Shaping Dreams

Fund *F*acts

As on 31 December 2013



From the Managing Director's desk

Dear Investor,

I am glad to share the group's foray into Mutual Fund business with the launch of our maiden product - Shriram Equity and Debt Opportunities Fund, an open ended equity oriented asset allocation scheme.

The volatility in equity markets has kept many investors away from participating in the long term wealth creation potential of equities as an asset class. Shriram Group's decades of experience with investors across the country have led us to believe that a mutual fund scheme with a flexible asset allocation strategy of combining the upside potential of equities and the relative stability of carefully chosen high quality debt instruments would be better suited for adding value to their hard earned savings across market cycles.

The launch of our maiden scheme, Shriram Equity and Debt Opportunities Fund, has been rooted in this belief and brings together the best of our rich experience and expertise in management of equity as well as debt investments.

The NFO evoked an encouraging response across all **classes** of investors and **units of the scheme are now available** for ongoing sale and re purchase. The NAV per unit of the scheme now stands at **Rs 10.1783** (Direct Plan- Growth Option as on 31 December 2013).

We thank all our investors for choosing to invest with us.

Wishing you all a very happy, healthy and prosperous New Year 2014

Akhilesh Kumar Singh

Market Review and Outlook

For the Indian investors, the year 2013 belonged to stock markets, which have been shining bright when it comes to generating wealth.

Measured by BSE Sensex, stock market has generated a positive return of about 9 per cent for investors in 2013, while gold prices fell by about three per cent and its poorer cousin silver plummeted close to 24 per cent. .

Gold's under-performance was mainly due to prices falling in dollar terms amid anticipated tapering over last several months combined with FII investment in Indian stocks.

In the mid quarter monetary policy, RBI surprised the markets by keeping all the key rates unchanged against the market expectation of 25bps hike. Recent readings suggest that headline inflation, both retail and wholesale, have increased, mainly on account of food prices.

While Consumer price index (CPI) and wholesale price index (WPI) inflation excluding food and fuel have been stable, despite a steady and necessary increase in administered prices towards market levels, the high level of CPI inflation excluding food and fuel leaves no room for complacency.

However, RBI has preferred to wait for additional macro-economic data prints, before determining the course of monetary policy. There are indications that vegetable prices may be turning down sharply, although trading mark-ups could impede the full pass-through into retail inflation.

In addition, the dis-inflationary impact of recent exchange rate stability should play out into prices.

The negative output gap, including the recent observed slowdown in services growth, as well as the lagged effects of effective monetary tightening since July, should help contain inflation. We believe, RBI has preferred to wait and watch for more macro-economic data for any monetary actions.

Domestic equity markets are likely to yield moderate returns in the coming year. Although market outlook may remain mixed and muted as measured by the index returns given the current economic and political environment certain sectors and stocks certainly do hold promise.

The coming year is likely to see some significant changes in policy making with the formation of a new Government and all efforts would be made to give a boost to the investment cycle. As a result core sectors of the economy like power, capital goods, infrastructure, metals and energy and resources are expected to show a marked improvement in performance. The turnaround in these sectors will albeit be slow and gradual and results are likely to be witnessed in fiscal 2015.

With the perceptible turnaround in the growth trajectory in the developed economies of the US and EU, earnings visibility is likely to sustain for the externally focused sectors of the Indian economy viz. technology and pharmaceuticals.

Domestic consumption sectors are likely to see muted growth with the elevated inflation levels and high interest rates.

Banking and finance will continue to be a play on selection of stocks and companies that have prudent lending policies, a well diversified deposits base and good penetration to under developed retail banking markets are likely to yield moderate returns.

Investors need not be only concerned with the level of the market index as an indicator for increasing or reducing exposure to the equities as an asset class as the current Nifty is trading at a multiple of 16.95 on a price earnings basis which is still below the past ten year average of 18.75. This is a clear signal that markets are not in the overheated zone.

The quantum and flow of FII investments do play a significant role in determining the direction of equity markets but given that Fed tapering is now a certainty and this is largely factored in to current markets the flow of institutional money will continue to be a reality for the Indian equity markets.

Notwithstanding market prospects, the house view is to select stocks with sound fundamentals and strong management with a steady track record and the presence of brands, products or technology that is well differentiated from the peer group.

On the fixed income front, selection of debt instruments would largely be governed by high credit quality and low interest rate risk as we do not foresee a sharp change in the interest rate environment.

Mutual funds are an ideal route to long term savings on a regular basis and patrons would do well to stay invested.

I wish you all a very happy and prosperous 2014.

Partha Ray

Chief Investment Officer

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.

Date of Inception:

29 November 2013

Fund Manager: Partha Ray

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

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 10,000/- w.e.f. 1st Jan 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)
- High risk (Brown)

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

Note : Risk is represented as :

■ (Blue) investors understand that their principal will be at low risk ■ (Yellow) investors understand that their principal will be at medium risk ■ (Brown) investors understand that their principal will be at high risk

Portfolio and other facts as on 31 Dec 2013

Equity portfolio

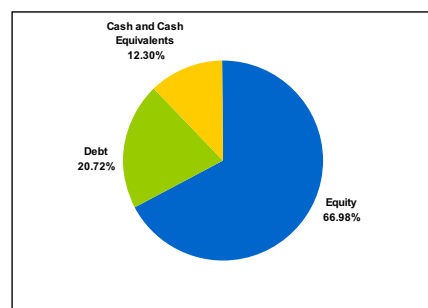
Tata Consultancy Services Ltd.	6.39%
ITC Ltd.	3.73%
Tech Mahindra Ltd.	3.38%
Dr. Reddy's Laboratories Ltd.	3.37%
HDFC Bank Ltd.	3.32%
HCL Technologies Ltd.	3.24%
Sun Pharmaceuticals Industries Ltd.	2.95%
Housing Development Finance Corporation Ltd.	2.80%
Lupin Ltd.	2.68%
Asian Paints Ltd.	2.21%
Maruti Suzuki India Ltd.	2.12%
Infosys Ltd.	2.10%
Idea Cellular Ltd.	2.07%
Tata Global Beverages Ltd.	1.85%
Larsen & Toubro Ltd.	1.81%
Axis Bank Ltd.	1.80%
Cipla Ltd.	1.61%
Reliance Industries Ltd.	1.50%
Mahindra & Mahindra Ltd.	1.45%
Ultratech Cement Ltd.	1.36%
ICICI Bank Ltd.	1.24%
Bajaj Auto Ltd.	1.20%
Oil & Natural Gas Corporation Ltd.	0.97%
IPCA Laboratories Ltd.	0.92%
Divi's Laboratories Ltd.	0.90%
Apollo Hospitals Enterprise Ltd.	0.85%
Pidilite Industries Ltd.	0.78%
MindTree Ltd.	0.75%
Britannia Industries Ltd.	0.71%
Bharat Petroleum Corporation Ltd.	0.70%
Berger Paints (I) Ltd.	0.68%
Glenmark Pharmaceuticals Ltd.	0.65%
Eicher Motors Ltd.	0.61%
Amara Raja Batteries Ltd.	0.60%
Shree Cements Ltd.	0.56%
ING Vysya Bank Ltd.	0.51%
Oil India Ltd.	0.49%
Bata India Ltd.	0.49%
PI Industries Ltd	0.42%
Natco Pharma Ltd.	0.41%
Persistent Systems Ltd.	0.33%
Balkrishna Industries Ltd.	0.31%
Alembic Pharmaceuticals Ltd.	0.16%
Equity total	66.98%

Debt Portfolio

STATE BK MYSORE CD 27JN14 20.72

Debt total 20.72

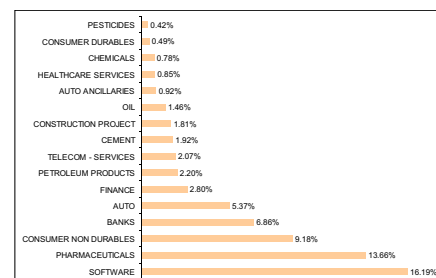
Portfolio composition



NAV details (Rs)

Direct Plan	
Growth Option	10.1783
Dividend Option	10.1774
Regular Plan	
Growth Option	10.1737
Dividend Option	10.1737

Sectoral Allocation





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; **Trustee:** Board of Trustees; **Investment Manager :** Shriram Asset Management Co. Ltd. (AMC). **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 RISK, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

