



SHRIRAM

Mutual Fund

Nurturing Trust, Shaping Dreams

Fund *F*acts

As on 31 July 2017



Economic Commentary and Market Review - July 2017

Market rose to lifetime high in July ending nearly 6% higher at 10,077 after exhibiting minor correction (1%) in the previous month. PSU Banks, which was moving southward till June due to prolonged NPA resolution process, recovered significantly in July rising nearly 13% and became the top performer among the major sector indices, thanks to deposit rate cut (50 basis points or bps) announced by State Bank of India and the expected follow up by other banks. It was followed by Energy driven mainly by Reliance Industries. FMCG and Pharma were the only two laggards during the month.

The market rally over the past few months was propelled by strong inflows from FIIs and DIIs. FIIs pumped in Rs.5,160 crores in Indian equities during the month. For the year till date, FIIs have pumped in more than Rs.58,000 crores in the equity market. They remained net buyers in the debt market as well to the tune of roughly Rs.19,000 crores in July. MF investments during the month stood at ~Rs.12,000 crores into equities and ~Rs.40,000 crores into debt.

In its latest meeting, the RBI announced cut in repo rate by 25 bps to 6% and reverse repo by 25 bps to 5.75% due to benign inflation and sluggish credit growth. Retail inflation dipped to a five-year low of 1.5% in June while bank credit grew just a little over 6% on a year-over-year basis. RBI noted that trajectory of baseline inflation is expected to rise. As a result, it kept the policy stance at 'neutral'. The Monetary Policy Committee (MPC) continues to focus on its commitment to keep headline inflation at ~4% on a durable basis. The real GVA growth forecast for FY18 remained unchanged at 7.3%.

Sector outlook

Banks and NBFCs

The banking sector was favourably impacted by introduction of dual interest rates on saving account deposits by State Bank of India (SBI). SBI cut interest rates on savings deposits of less than Rs.1 crore by 50 bps to 3.5% while the rate on deposits of more than Rs.1 crore was kept unchanged at 4%. Since 80% of SBI's savings accounts are estimated to have deposits of less than Rs.1 crore, the bank is expected to make huge savings. Other banks are expected to follow suit, particularly larger ones with huge savings account deposits such as Bank of Baroda and Punjab National Bank, and HDFC Bank, ICICI Bank and Axis Bank among the private players. The banking sector depicted mixed performance in 1Q18 with some banks registering higher provisioning while other experiencing moderate to strong loan growth. Asset quality pressure persisted in PSU banks during the quarter while NBFCs such as HDFC and LIC Housing Finance were no exception along the same line.

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. The sector reported mixed 1Q18 earnings during the month. The IT major TCS saw biggest drop in quarterly profit in two years while Infosys fared well with better-than-expected results and higher dollar revenue guidance. The IT stocks gained in July due to major value-buying owing to positive long-term outlook.

Pharma

Majority of the pharma companies reported disappointing 1Q18 earnings that led huge sell-off in the sector. 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. Besides, domestic market revenues were adversely impacted because of de-stocking ahead of GST implementation. However, valuation of the sector looks attractive over the long term despite near term headwinds.

Automobiles

After 11% de-growth in June, passenger vehicle sales in June rose ~15% year-over-year driven by inventory restocking and price cuts offered by dealers. Post inventory destocking in June, dealers rebuilt inventory under the new GST regime in July owing to the positive outlook for the upcoming festive season. Major OEMs such as Hero MotoCorp, Eicher Motors, Maruti Suzuki, Mahindra &

Mahindra, Ashok Leyland and Tata Motors recorded sales gain during the month. Going forward, strong rural demand owing to better monsoon, higher disposable income arising from 7th pay commission implementation and new launches are the positives associated with the sector.

Oil and Gas

Oil prices rose (Brent crude was ~\$52.65 a barrel at month-end, up 6% from \$49.68 from beginning of the month) due to strong demand outlook. However, continued rise in U.S. crude production, rising OPEC exports despite the organisation's extension of production cuts by 1.8 million barrels per day by nine more months till March 2018 and rising output from Nigeria and Libya are some of the factors that should keep oil prices under pressure.

Cement

Increased government spending on infrastructure is expected to boost the demand for cement post monsoon coupled with recovery in sand availability. Post-GST, the sector has witnessed some price corrections due to passing 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 first quarter of current fiscal thereby impacting EBITDA/tonne. Players in south India had to face issues such as sand mining ban and water scarcity that impacted their earnings.

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. Metal prices on average somewhat recovered in July due to rebound in Chinese manufacturing since June. Chinese manufacturing PMI in July came in at 51.6, slightly lower than 51.7 in June due to slowdown in manufacturing activity on account of adverse weather conditions and flooding in parts of the country.

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 July stood at 12.84% 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: 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: 42.29 cr.
Latest AUM: 43.08 cr.

Expenses Ratio:(Excluding service tax)
Regular : 2.27%
Direct : 1.72%

Portfolio Turnover Ratio: 33.91%

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

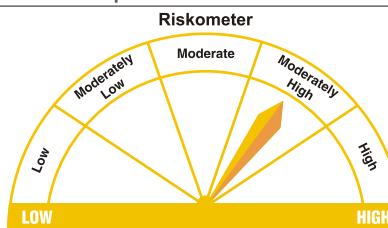
Shriram Equity and Debt Opportunities Fund

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 July 2017

Equity Portfolio % to NAV

HDFC Bank Ltd.	6.47%
Yes Bank Ltd.	2.37%
Housing Development Finance Corporation Ltd.	3.26%
Shree Cements Ltd.	1.69%
Maruti Suzuki India Ltd.	2.62%
Kotak Mahindra Bank Ltd.	2.53%
Ultratech Cement Ltd.	1.82%
Bharat Petroleum Corporation Ltd.	2.30%
Natco Pharma Ltd.	2.00%
UPL Ltd.	2.02%
LIC Housing Finance Ltd.	1.74%
Tata Motors Limited (Dvr)	1.54%
Britannia Industries Ltd.	1.89%
Reliance Industries Ltd.	2.07%
State Bank Of India	1.97%
IndusInd Bank Ltd.	2.36%
Bharat Electronics Ltd.	1.66%
Axis Bank Ltd.	1.70%
Larsen & Toubro Ltd.	1.54%
Pidilite Industries Ltd.	1.43%
Marico Ltd.	1.33%
Aurobindo Pharma Ltd.	1.27%
HCL Technologies Ltd.	1.17%
Amara Raja Batteries Ltd.	1.08%
Mahanagar Gas Limited	1.03%
Bajaj Finance Ltd.	1.21%
Eicher Motors Ltd.	1.05%
Infosys Ltd.	1.23%
TVS Motor Company Ltd.	0.90%
ICICI Bank Ltd.	1.07%
Asian Paints Ltd.	0.84%
Zee Entertainment Enterprises Ltd	0.80%
Mahindra & Mahindra Financial Services Ltd.	0.82%
Mahindra & Mahindra Ltd.	0.67%
Tata Consultancy Services Ltd.	0.63%
Page Industries Ltd.	0.44%
Shriram Transport Finance Company Ltd.	0.56%
Gail (India) Ltd (Ex Gas Authority Of India Ltd)	0.51%
Sun Pharmaceuticals Industries Ltd.	0.47%
ITC LTD	1.60%
Apollo Hospitals Enterprise Ltd.	0.39%
CUMMINS INDIA LTD.	0.51%
Sundram Fasteners Ltd.	0.35%
Berger Paints India Ltd	0.36%
Tech Mahindra Ltd.	0.31%
Techno Electric & Engineering Co. Ltd.	0.28%
Hindustan Unilever Ltd.	0.47%
KEC International Limited	0.25%
Hindustan Petroleum Corpn. Ltd.	0.24%
Power Finance Corpn. Ltd	0.19%
Lupin Ltd.	0.14%
Equity Total	67.15%

Derivative Portfolio

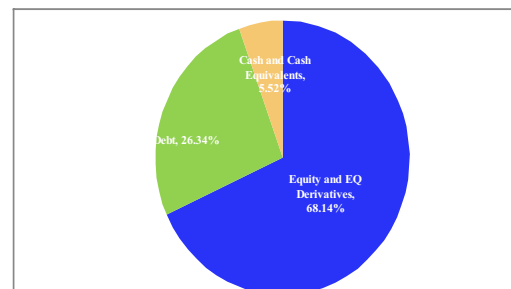
Hindalco Industries Ltd .August 2017 Future	0.18%
Infosys Limited August 2017 Future	0.47%
Tata Steel Ltd August 2017 Future	0.26%
Future Total	0.91%
Put NIFTY August 10000 Option	0.08%
Option Total	0.08%

Debt Portfolio Rating

HDFC LTD	CRISIL-AAA	4.80%
LIC HOUSING FINANCE LTD.	CRISIL-AAA/CARE- AAA	8.61%
PFC LTD.	CRISIL-AAA	4.92%
REC LTD	CRISIL-AAA	7.50%
TATASONS LTD	CRISIL-AAA	0.51%
Debt total		26.34%

Cash & Cash Equivalent 5.52%

Portfolio composition

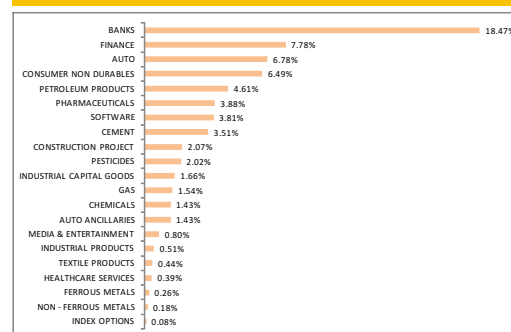


NAV details (Rs)

Direct Plan	
Growth Option	15.9196
Dividend Option	12.6695

Regular Plan	
Growth Option	15.5803
Dividend Option	12.4554

Sectoral Allocation of Equity Holding (% of Net Assets)



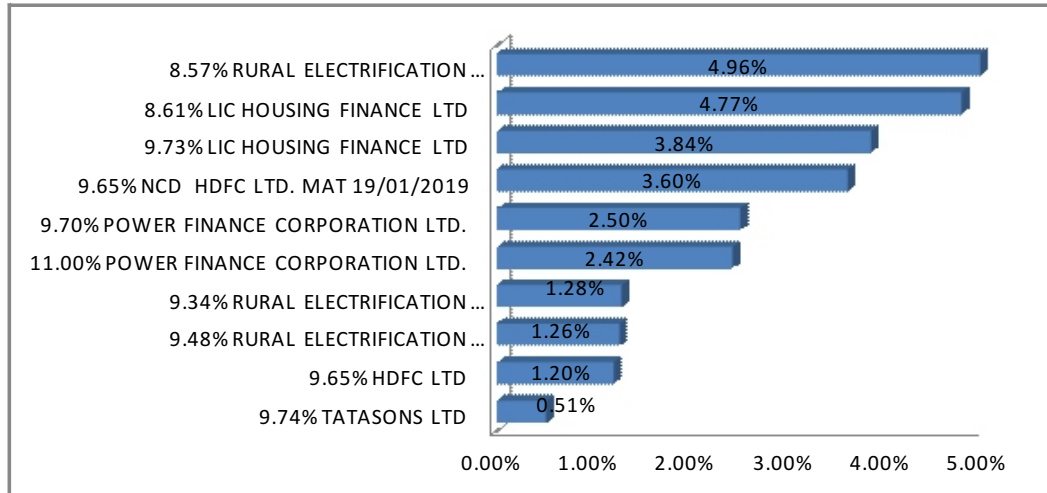
Total Exposure to derivative instruments as on 31/07/2017: Rs. 42.91 Lakhs

QUANTITATIVE DATA

Average Maturity*	3.4 years	Standard Deviation	0.3735%
Modified Duration*	2.56 years	Portfolio Beta	0.99%
Yeild to Maturity*	8.00%	Sharpe Ratio	2.60%

* 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 SIP	3 years SIP	2 years SIP	1 year SIP
Total Amount Invested (Rs.'000)	430.00	360.00	240.00	120.00
Mkt Value as on Jun 30, 17 (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%	11.27%	14.31%	22.65%

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.

