SHRIRAM

Mutual Fund

Nurturing Trust, Shaping Dreams

Fund Facts

As on 31 July 2015

Economic Commentary and Market Review - July 2015

Nifty ended in the positive territory at 8,453 up by ~1% for the month of July 2015. Major sector Indices like Media (9.34%), PSU Bank (5.55%) and IT (4.89%) outperformed others. Sectors like Fmcg, Auto, Banking, Finance and Pharma ended in green whereas Metal (down 7.15%) declined the most along with Realty (down by 3%) and Energy (down by 2%). FII's bought US $ 842.17 million in equity and debt in the month of July. Global Indices showed mixed trend with the emerging markets faring badly. The Shanghai Composite was the laggard closing down by 14.34% at the end of July. Other emerging markets which ended in red were Hongkong, Brazil, Singapore and Indonesia.

The month of July witnessed significant fall in commodity prices due to fall in demand from Chinese economy and expectations of US Federal Reserve's interest rate hike. Declining equity markets in China have created uncertainty about investment in infrastructure projects by its government which is the largest demand driver of base metals. Gold prices have been falling steadily for the past six weeks after China dumped the yellow metal on its exchange, leading to further surge in dollar demand. Both depreciation of euro against dollar and crash in gold prices in the past five weeks have depleted India's foreign exchange reserves by about US $1.8 billion. The rupee closed at 64.14 in July against the dollar on month-end demand from oil companies.

RBI kept policy rates unchanged on 4th August 2015 while maintaining its accommodative stance of monetary policy. RBI was not quite convinced of economic recovery as even though the overall monsoon seemed normal it was below par in July. The banks have not been quite keen on lowering their lending rates as stated by RBI as the median base lending rates of banks had fallen by around 30 basis points, a fraction of the 75 basis points in rate cut so far. RBI explained that future rate cuts would depend on the government economic reforms and timing of US Fed rate increase along with full monsoon out-turn. It cited its worry over hardening of inflation excluding fuel & food and wanted to wait for the full effects of service tax which was increased in June.

Both exports and imports fell by 15.82% and 13.4% YOY respectively in June. Fall in global demand was the main reason for fall in exports. Lower crude oil prices have brought down value of export of petroleum products. Crude oil has fallen to its lowest since January 2015 after witnessing the Iranian nuclear deal which would bring even more oil on oversupplied markets with global production at its record high. Engineering goods also witnessed fall in exports in June. Imports have fallen due to falling crude prices and decreased gold demand (down by 37%).On the other hand import of capital goods rose by 2% and commodities witnessed increase in import because of fertilizers and edible oil. Imports of electronic goods, pulses, iron ore and fertilizers increased due to domestic production shortages and lower international prices.

Crude oil imports were lower by 34.97% YOY at US $86.76 billion. Non oil imports were down by 1.85% YOY at US $ 24.44 billion in the same period. The trade deficit for April-June, FY16 was estimated at US $ 32.22 billion which was lower than the deficit of US $ 33.08 billion during April-June, FY15 due to fall in imports. Fiscal deficit during April-June touched US $ 44.86 billion or 51.6 % of the target for FY16 as against 56.1 % during the same period a year ago.

CPI stood at 5.4% in June 2015 at its highest in nine months with rise in food prices and higher margins at the retail level. Inflation in food prices was mainly driven by increase in prices of vegetables, protein items and spices. WPI on the other hand continued to be in the negative territory of 2.4% in June as against a decline of 3.8 % in the previous month. The combined Index of Eight Core Industries which comprises 38% of weight of items in IIP stood at 171.2 in June 2015 up 3% YOY. All the core sectors showed positive growth except natural gas (down 5.9%) and crude oil (down by 0.7%) production. IIP for the month of May stood at 180 higher by 2.7% in the relative period previous year.

Manufacturing PMI was at its six months high rising to 52.7 in July from June's 51.3 reflecting manufacturing upturn gaining momentum with increase in new export & domestic orders and production. A reading above 50 shows expansion whereas below 50 means contraction.

Declining fuel prices, series of fresh launches and increase in demand with revival in monsoon worked positively for the passenger vehicle segment as a whole in July. Maruti registered growth of 22% YOY in the passenger vehicle segment by selling 110,405 vehicles in the month of July. Hyundai selling 36,500 units had huge response for SUV Creta, i20 Active and Elite i20. Jazz helped drive Honda sales and it managed to sell a total of 18,606 vehicles in July. Tata Motors sold 10,389 units in the passenger vehicle segment.

In July 2015 the two wheeler segment saw flat domestic sales growth of 0.6% compared to the corresponding period last year. Hero Moto Corp sales at 487,580 units were down by 7.98 % YOY in July. Honda Motorcycle & Scooter India (HMSI) sold 371,381 units in July 2015 recording a growth of 2.03% YOY. Royal Enfield registered sales of 39,867 units in July 2015 up by 48.78% YOY. The two wheeler segment largely depends on rural demand and hopes that revival in monsoon and the oncoming festive season would improve sentiments and be the impetus to growth.

With growing demand from the infrastructure sector and the opening up of the mining sector the medium and heavy commercial vehicle (M&HCV) segment registered promising sales numbers during the month. Ashok Leyland M&HCV sold 8,803 units, Mahindra & Mahindra sold 314 units in M&HCVs and 11,230 units in 3.5 T GVW segment whereas Tata Motors sold 24, 687 units in July in the commercial vehicle segment.

Monsoon progress and final out-turn, corporate earnings in the quarter and respective guidance for near future, rate increase by US Federal Reserve, global trends and demand, investment by foreign portfolio investors ,economic reforms by government, development of monsoon session in Parliament, inflation, crude oil prices and foreign exchange rates will mainly drive the markets in near term.

Since the launch of Shriram Equity & Debt Opportunities Fund in November 2013, the fund's performance has been in tune with the markets returning around 20% Cumulative Annualised Growth Rate since inception accompanied by relatively lower levels of volatility as measured by the beta and standard deviation.

Partha Ray

Chief Investment Officer

Risk Factors:

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:
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

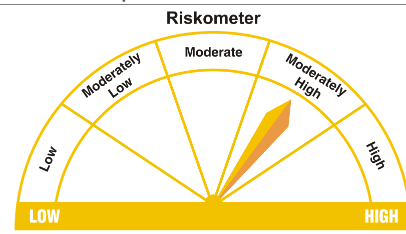
Minimum Investment:
Rs 5,000/- w.e.f. 1st April 2014
SIP
For SIP investment Monthly: Rs. 2000/- minimum 12 instalments, Quarterly: Rs. 6000/- minimum 4 instalments

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 2015

Equity Portfolio

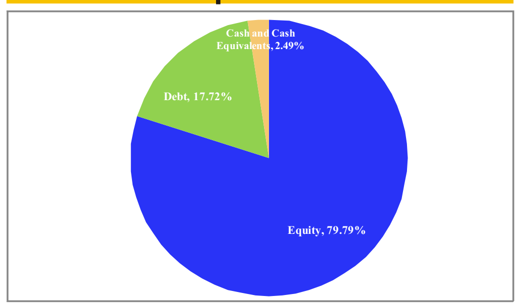
Axis Bank Ltd.	4.27%
HDFC Bank Ltd.	4.14%
Housing Development Finance Corporation Ltd.	3.74%
HCL Technologies Ltd.	3.45%
Dr. Reddy's Laboratories Ltd.	3.39%
ICICI Bank Ltd.	3.31%
Maruti Suzuki India Ltd.	3.29%
Tata Consultancy Services Ltd.	3.15%
LIC Housing Finance Ltd.	3.00%
Infosys Ltd.	2.80%
Larsen & Toubro Ltd.	2.44%
Aurobindo Pharma Ltd.	2.24%
Kotak Mahindra Bank Ltd.	2.22%
Reliance Industries Ltd.	2.11%
State Bank of India	1.92%
Britannia Industries Ltd.	1.83%
The Federal Bank Ltd.	1.81%
Bharat Electronics Ltd.	1.80%
IndusInd Bank Ltd.	1.77%
Bharat Petroleum Corporation Ltd.	1.74%
Bank of Baroda	1.67%
IDFC Ltd.	1.63%
Eicher Motors Ltd.	1.59%
Apollo Hospitals Enterprise Ltd.	1.44%
ITC Ltd.	1.33%
Ultratech Cement Ltd.	1.13%
Tech Mahindra Ltd.	1.05%
Tata Motors Limited	1.03%
Amara Raja Batteries Ltd.	0.99%
Asian Paints Ltd.	0.95%
Tata Steel Ltd.	0.91%
Apollo Tyres Ltd.	0.88%
Shree Cements Ltd.	0.83%
Lupin Ltd.	0.80%
Mahindra & Mahindra Ltd.	0.79%
Bharat Forge Ltd.	0.75%
Sun Pharmaceuticals Industries Ltd.	0.74%
Natco Pharma Ltd.	0.71%
Power Grid Corporation of India Ltd.	0.69%
UPL Ltd.	0.69%
Bata India Ltd.	0.65%
Oil India Ltd.	0.60%
AIA Engineering Ltd.	0.57%
Oil & Natural Gas Corporation Ltd.	0.52%
Bajaj Auto Ltd.	0.49%
GAIL (India) Ltd.	0.45%
Hero MotoCorp Ltd.	0.43%
MRF Ltd.	0.30%
TVS Motor Company Ltd.	0.26%
Page Industries Ltd.	0.20%
MindTree Ltd.	0.17%
Persistent Systems Ltd.	0.13%
Equity Total	**79.79%**

Debt Portfolio

Debt Portfolio	Rating	
HDFC LTD COMMERCIAL PAPER	ICRA-A1+	13.72%
TATASONS LTD	CRISIL-AAA	0.60%
LIC HOUSING FINANCE LTD.	CRISIL-AAA	1.96%
HDFC LTD	CRISIL-AAA	1.44%
Debt total		**17.72%**

Cash & Cash Equivalent 2.49%

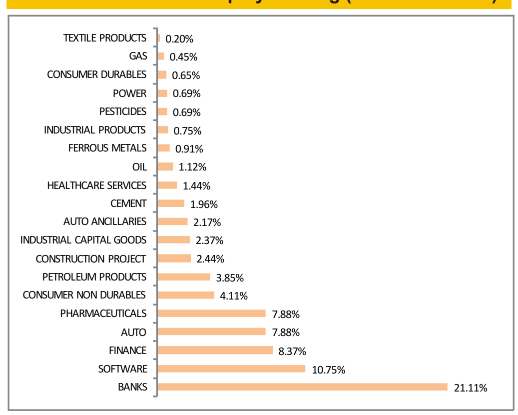
Portfolio composition



NAV details (Rs)

Direct Plan	
Growth Option	13.6858
Dividend Option	12.1562
Regular Plan	
Growth Option	13.5624
Dividend Option	12.0677

Sectoral Allocation of Equity Holding (% of Net Assets)



Quantitative Risk Indicators

Portfolio Beta : 0.9330	Standard deviation of Daily Mean Return: 0.5451%

Note : Standard Deviation as a measure of total risk and portfolio beta as a measure of relative risk have been computed since inception of the scheme .The portfolio beta has been calculated using the scheme benchmark as a basis.

Dividend History^

Shriram Equity and Debt Opportunities Fund - Direct Plan- Dividend Option

Record Date	Face Value (Rs)	NAV (Rs)	Dividend (Rs.)/Unit
19-Mar-14	10.00	10.4657	0.25
27-Oct-14	10.00	11.9236	1.05

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

^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.

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Mutual Fund
Nurturing Trust, Shaping Dreams

Registered Office : Wockhardt Towers, 2nd Floor, East Wing, C-2, G Block,
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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.