



SHRIRAM

Mutual Fund

Nurturing Trust, Shaping Dreams

FundFacts

As on 30 November 2014



Economic Commentary and Market Review – November 2014

The benchmark Nifty index continued its uptrend and rose 3.2% during November (closed at 8,588), on top of gaining 4.5% in October. Over the 11-month period, the index has gained almost 36%. Barring Energy and Metals, all sectors were in the positive during the month with PSU banks being the best-performing one (gain of 15%).

In a positive development, inflation in October continued its downward journey with CPI touching a historic low at 5.52% while WPI fell to a 5-year low of 1.77%. With lower inflation, expectation was high that RBI might cut interest rates which in turn fuelled the rally in the banking stocks. However, interest rates were kept unchanged in December though the central bank hoped that rate cut could be done early next year if inflation and other fiscal parameters are in line.

For the second quarter of the current fiscal, GDP grew 5.3%, down from 5.7% in the first quarter and almost unchanged from 5.2% in the year-ago quarter. Low growth in agriculture due to poor monsoons and a disappointing manufacturing sector led to lower GDP growth.

After disappointing in the past two months, IIP data for September came in at 2.5% helped by a rebound in manufacturing growth. Besides, core sector growth (comprising eight key infrastructure sectors and contributing 38% of the weight of items included in the IIP) reached a 4-month high of 6.3% in October on the back of surge in coal production, electricity generation and refinery products compared to 1.9% in September 2014. The HSBC PMI data (manufacturing) rose to 53.3, its 21 month high in November (versus 51.6 in October) in line with the moderate improvement in business conditions during the month.

Prices of crude oil plummeted to a five year low, dipping below \$70 per barrel in early December and continuing to fall further (\$63 per barrel at the time of writing this report). This trend is unlikely to witness any significant reversal soon with the Organization of the Petroleum Exporting Countries (OPEC) deciding to maintain output at 30 million barrels per day to counter the shale gas boom in the US. This is good news for commodity consuming countries like India, which has witnessed a higher import bill over the past few years given its large dependence on imported crude for its energy requirements. Benefiting from falling crude prices, import of petroleum, petroleum products and crude dropped substantially in October (to \$12.36 billion). However, the dismal performance of exports (down 5%) led to widening trade deficit to \$13.35 billion in October 2014 versus \$10.59 billion in the year-ago period.

Current account deficit for 2Q15 increased to \$10.1 billion (2.1% of GDP) compared to \$7.8 billion (1.7%) in 1Q15 and \$5.2 billion (1.2%) in the year-ago quarter. Lower export growth and an increase in imports (largely due to sharp rise in gold imports) led to the widening of CAD.

With India's macroeconomic indicators improving, falling crude prices, lower inflation, foreign funds continue to flow to India. In November, foreign portfolio investments in the Indian market were at \$4.133 billion (\$2.234 billion in equities and \$1.899 billion in debt) taking total investments during 2014 to around \$40.359 billion (\$15.924 billion in equities and \$24.434 billion in debt).

After reporting disappointing sales for October, despite it being the festive season, India's automobile sector picked up momentum in November. Eight of the leading manufacturers of the country reported passenger vehicle sales of 198,427, up 10%.

The fund had increased its allocation to equity, which now represents almost 80% of total portfolio. This increased equity exposure as a proportion to the total portfolio has been mostly in relatively undervalued large and mid cap stocks that offer good opportunities for appreciation with strong earnings prospects driven by the expected economic revival that is widely believed to manifest itself in the coming 2 years.

On the fund's performance, the Shriram Equity & Debt Opportunities Fund has delivered returns of around 31% since inception accompanied by comparatively lower levels of volatility as measured by the beta and standard deviation. Our disciplined investment strategy enabled us to declare another dividend of Rs 1.05 per share in October. This is the second time the fund has declared a dividend; the first being of Rs 0.25 per share earlier this year, within one year of launch. Our prudent investment strategy supports the fund objective of longer term durable superior risk adjusted returns.

Partha Ray

Chief Investment Officer

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.

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 advisers if in doubt about whether the product is suitable for them.

Note: Risk may be 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
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Date of inception:

29 November 2013
Fund Manager: Partha Ray

Portfolio and other facts as on 30 November 2014

Equity Portfolio

Dr. Reddy's Laboratories Ltd.	4.63%
ICICI Bank Ltd.	3.72%
Tata Consultancy Services Ltd.	3.63%
Housing Development Finance Corporation Ltd.	3.34%
HDFC Bank Ltd.	3.14%
Axis Bank Ltd.	3.14%
HCL Technologies Ltd.	3.11%
Infosys Ltd.	3.07%
State Bank of India	2.52%
Reliance Industries Ltd.	2.30%
Idea Cellular Ltd.	2.28%
The Federal Bank Ltd.	2.24%
LIC Housing Finance Ltd.	2.16%
Bank of Baroda	2.12%
Tata Steel Ltd.	1.94%
IDFC Ltd.	1.81%
Larsen & Toubro Ltd.	1.71%
Tata Global Beverages Ltd.	1.63%
ITC Ltd.	1.61%
Tech Mahindra Ltd.	1.52%
IndusInd Bank Ltd.	1.51%
ING Vysya Bank Ltd.	1.38%
Apollo Hospitals Enterprise Ltd.	1.35%
Bharat Petroleum Corporation Ltd.	1.28%
Oil India Ltd.	1.20%

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 and 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 is 1.00% if units are redeemed / switched - out within 365 days from the date of allotment.

Maruti Suzuki India Ltd.	1.08%
Britannia Industries Ltd.	1.05%
Aurobindo Pharma Ltd.	1.04%
Apollo Tyres Ltd.	0.96%
Bank of India	0.88%
Amara Raja Batteries Ltd.	0.88%
Sun Pharmaceuticals Industries Ltd.	0.84%
IPCA Laboratories Ltd.	0.83%
Mahindra & Mahindra Ltd.	0.83%
Eicher Motors Ltd.	0.82%
Oil & Natural Gas Corporation Ltd.	0.81%
Ultratech Cement Ltd.	0.80%
Asian Paints Ltd.	0.78%
Power Grid Corporation of India Ltd.	0.76%
Bata India Ltd.	0.76%
Lupin Ltd.	0.75%
Tata Motors Limited	0.72%
Oriental Bank of Commerce	0.72%
Bharat Electronics Ltd.	0.71%
Shree Cements Ltd.	0.70%
GAIL (India) Ltd.	0.68%
Corporation Bank	0.67%
Bharat Forge Ltd.	0.66%
Kotak Mahindra Bank Ltd.	0.61%
Bajaj Auto Ltd.	0.57%
AIA Engineering Ltd.	0.56%
Natco Pharma Ltd.	0.47%
NTPC Ltd.	0.46%
UPL Ltd.	0.41%
MindTree Ltd.	0.18%
Persistent Systems Ltd.	0.17%
Tamil Nadu Newsprint & Papers Ltd.	0.12%
Balkrishna Industries Ltd.	0.11%
Hero MotoCorp Ltd.	0.01%
Jammu & Kashmir Bank Ltd.	0.01%

Equity Total 80.75%

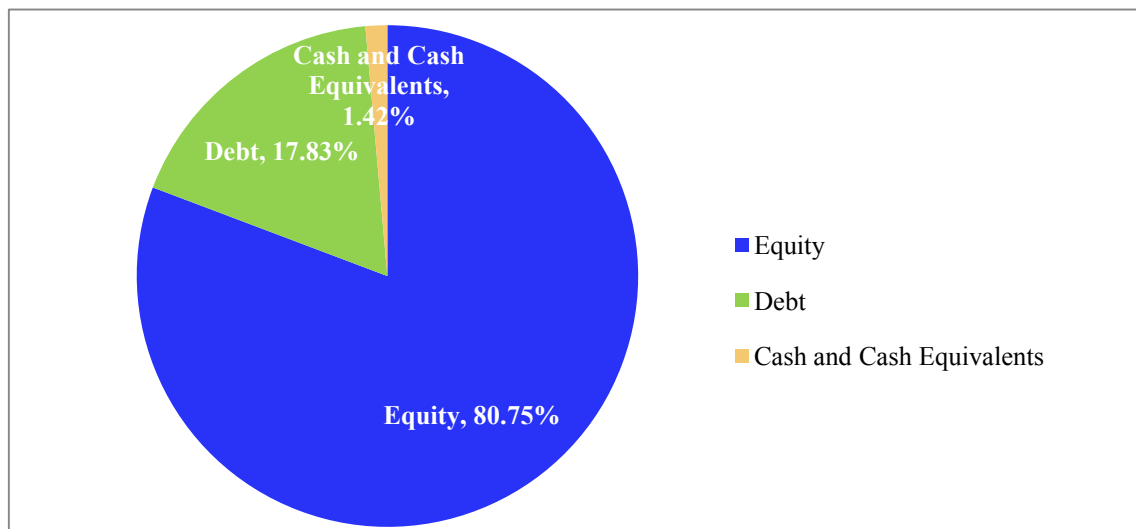
Debt Portfolio	Rating	
HDFC LTD COMMERCIAL PAPER	ICRA - A1+	14.99%
TATASONS LTD	CRISIL - AAA	0.65%
LIC HOUSING FINANCE LTD.	CRISIL - AAA	2.19%

Cash & Cash Equivalent 1.42%

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

Portfolio Composition - November 2014



Quantitative Risk Indicators

Portfolio Beta : 0.8098

Standard Deviation of Mean Daily Return : 0.4305%

NAV DETAILS (Rs.) as on November 28, 2014

Direct Plan

Growth Option	13.1706
Dividend Option	11.7103

Regular Plan

Growth Option	13.1024
Dividend Option	11.6585

Indicative Investment Horizon:

3 yrs & more

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

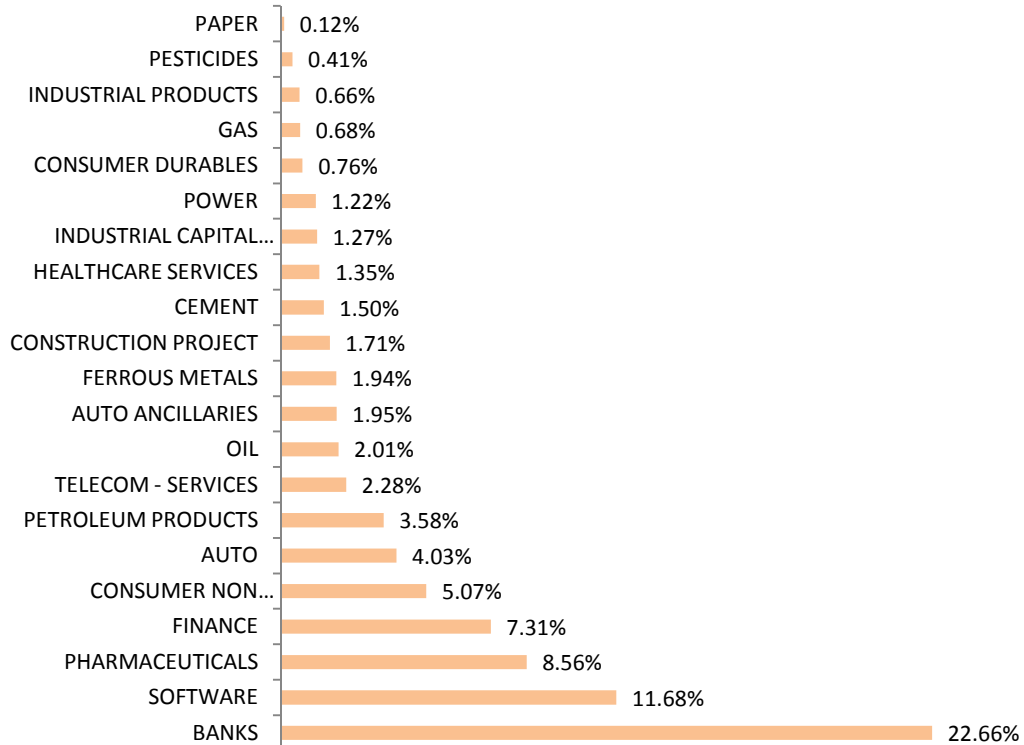
Shriram Equity and Debt Opportunities Fund - Regular Plan- Dividend Option

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.

Sectoral Allocation of Equity Holding (% of Net Assets)



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 the basis.



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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.

