SHRIRAM

Mutual Fund

Nurturing Trust, Shaping Dreams

Fund Facts

As on 30 November 2015

Economic Commentary and Market Review - November 2015

Despite the announcement of FDI relaxation measures by Prime Minister Modi right before Samvat 2072 kicked off and dovish stance by RBI regarding its monetary policy, Indian bourses failed to revive in November. The Nifty index tumbled 1.6% during the month while it nosedived 6.4% year-to-date (as of December 16, 2015).

Several incidents jittered investor sentiment during November that ranges from terrorist attacks in Paris and bombing down of a Russian plane in Turkey. These apart, weakening of rupee, continuous slide in commodity prices, increasing possibility of an interest rate hike by Fed in the U.S and political tension between BJP and Congress over the GST bill weighed on the domestic stock market.

Macro Trends, Policy Measures and Outlook

On the domestic front, the recent industrial output data has been encouraging. The index of industrial production (IIP) clocked a 5-year high growth of 9.8% for October compared with a slower 3.8% growth in the previous month and a contraction of 2.7% in October last year. Much of the revival in industrial activity was attributed to the strong year-over-year growth in the consumer goods (18.4%) and capital goods (16.1%) sectors. However the strong growth in IIP belies the real change as festive season and low base effect played a key role for the robust IIP performances during the month.

The recent price indices data indicate easing of the deflationary trend strengthening RBI's stance of maintaining status quo taken last month on key interest rates. The Wholesale Price Index remained negative but improved to -1.99% in November led by dearer food articles (mainly pulses and onion) from -3.81% in October. Meanwhile, the Consumer Price Index the key indicator for the RBI monetary policy rose to the 14-month high of 5.41% also led by food articles (mainly pulses) from 5% in October.

Time is really ripe now to see the impact of 7th Pay Commission proposal of awarding hefty pay raises to government employees taking effect from January on the back of inflationary pressure. That pressure looks likely to be somewhat negated by a possible tightening of expenditure in the Union Budget in February and determine the future monetary policy by RBI.

As far as the government is concerned, it is betting on higher growth for the next fiscal year to fund its Pay Commission hikes. In the recent winter sessions of Parliament, it has attempted to pass several bills, among which, the Goods and Services Tax (GST) Bill, 2014 was designed in the same line of growth strategy. GST Bill appears to be a game-changing reform of the indirect taxation in India. It aims to build a uniform and uncomplicated value added taxation system both at the Central level, C-GST, and at the State level, S-GST. GST would mitigate the impact of double taxation by scrapping indirect taxes like excise duty, sales tax and service tax. Per Finance Minister Arun Jaitley, the GST Bill expects to boost India's GDP growth by 1% to 1.5%. However, the government faced strong opposition from Congress in Rajya Sabha while passing the Bill and expects it to be implemented from April 1, 2016, which looks quite uncertain at this time even if the government makes fresh attempts to pass the bill in the budget session next year.

On the global front, the non-cooperation of OPEC countries with regard to maintaining their production levels in a bid to support falling crude prices at their Vienna meeting was although expected, sent jitters to the global and domestic stock markets at the beginning of December. The cartel has been maintaining a production level of 30 million barrels a day previously, but no such ceiling was clearly mentioned after the meeting ended. The news sent the global crude oil prices to a 7-year-low immediately and the Indian basket of crude oil to 11-year-low recently. Ultra low crude oil prices bode well for India as it reduces its import bill and goes in favour of its trade deficit. However, it is not sustainable in the long term and leads to outflow of funds by the oil-rich nations from the financial system.

The most important development that took place on the global backdrop was the much awaited Fed's lift off announcement in nearly a decade at their December 15-16 meeting led by "considerable improvements" in the U.S. labour market. Federal Reserve Chair Janet Yellen raised interest rates in the expected line of 25 basis points to the range of 0.25%0.5% from the earlier range of 00.25% that dates back to the 2007-2009 financial crisis era. Post lift-off, market reaction was smooth and steady as most of the impact was already priced in by the investors. Moreover, the Fed's strong indication of a gradual tightening strategy eased investors' sentiment to a significant extent.

Back home, the US Fed's lift off announcement gives RBI little room to tinker with domestic rates in the near term context. Yet again, it worsens the FII outflow scenario in India. In November, India's FII net outflow stood at Rs.7,628.8 crores from the equity market compared to a net inflow of Rs.4,204.3 crores in the preceding month, while in December till date, FII net outflow stood at Rs.3,014.9 crores. However, DII data is encouraging with a net inflow of roughly Rs.8,500 crores in November and Rs.4,723.7 crores in December till date.

The huge FII outflow is likely to put more pressure on the already falling rupee. The currency depreciated 2.15% against dollar in November and hit a new two-year low of 67.13 against the greenback on December 14. While a falling rupee boosts India's export competitiveness in the global market, it hampers the sectors heavily dependent on imports such as consumer durables and fertilizers as well as the companies with high exposure to dollar-denominated loans.

As regards the debt market, yield on the 10-year government bonds stayed at a stubbornly high range of 7.7% to 7.8% since the beginning of 2015 despite the RBI repo-rate cuts amid uncertainty of Fed interest rate hike and China-led slowdown in the emerging markets. In an effort to revive the bond market and stop yields from going north, RBI also announced a bond buying program at the beginning of December through bond auctions for an amount of up to Rs.10,000 crores. However, the good news is that with the softer rate hike and dovish stance taken by Fed, bond yields are finally expected to stabilize or come off marginally from the current levels.

Key Sector Performance and Outlook

Banks: The banking sector Nifty performance was nearly flat in November but it fell 4.4% since November till December 16 and 11.6% year-to-date owing to the central bank's mandate for the sector to adopt the new marginal costs of funding method for determining their base rate and growing concerns related to their asset quality. The new marginal costs of funding method is widely expected to reflect the full 125 basis points year-to-date cut in repo rate by RBI in bank lending rates, affecting their net interest margin adversely. However, public sector banks would mostly bear the brunt from the new lending rate norms as a high proportion of their loans is linked to floating rates compared to private sector banks. This does not pose a major concern in the long term as the economy picks up and the banking business improves leading to healthy credit growth.

The problem with asset quality though looks more serious and structural in nature. While sluggish economic growth and project implementation delays are impairing the banks' balance sheet with bad loans, delay in recognising bad loans is leading to a weaker negotiating position for them. Therefore, RBI governor Raghuram Rajan has urged banks with high incidence of bad debts to classify their debts properly and clean up their books March 2017. There is a possibility that RBI may tighten its rules with respect to 5/25 and strategic debt restructuring (SDR) refinancing schemes the former allowing banks to refinance loans for infrastructure for up to 25 years and the latter allowing debt-for-equity swaps. These concerns will continue to keep the banking stocks under pressure.

Information Technology: The Nifty benchmark for IT fell 2.4% in November and only 0.6% in the year-to-date timeframe. The blame for the pronounced fall in November goes largely to the worries triggered by lost work in the sector owing to the recent flooding in Chennai, an offshore hub for major IT companies. The loss of working hours is expected to hit their top line and bottom line for the third quarter of fiscal year. In fact, TCS and Wipro have already issued warnings in the same line of thought. However, being an export-driven sector, the broader outlook of IT looks rosy given the depreciating rupee against the greenback and a recovering U.S. economy.

Pharma: The Nifty benchmark for the sector dipped 12.7% during November, which can be attributed to warnings letters issued by the U.S. Food and Drug Administration (FDA) to 5 companies including Sun Pharmaceutical Industries, Dr Reddy's Laboratories, Cipla, Lupin and Wockhardt on possible violations of manufacturing standards. Price erosion is another issue being increasingly faced by the pharma companies due to increasing competition. However, the weakening rupee is a major upside for the pharma stocks as these companies generate a bulk of their revenues from exports. Notably, Nifty Pharma was up by 6.5% in the year-to-date time frame.

Auto: The auto sector performed well during the month with Nifty Auto going up by 4.8%. Passenger car sales during the month posted year-over-year growth (10.4%) for the 13th consecutive month, which reflects a stable path of recovery. Thanks to the continued slide in global crude oil prices that has kept the domestic oil prices under check and spurred demand. The overall across-the-segment sales growth of 3.2% for the month was not as stellar as October (13.9%) though, due to the absence of festive discounts from OEMs. The sluggish rural offtake has been a major drag for the auto sector. Way ahead, the sector is expected to be hit in the near term by the production loss due to recent floods in Chennai, which is the country's largest auto-manufacturing hub. Major auto companies such as Ashok Leyland, Daimler, Ford, Hyundai, Nissan, Renault-Nissan and TVS have been operating manufacturing operations in the city. Notably, Nifty Auto went down 3.4% year-to-date.

On balance it is our view that with the longer term macro pointers seeming well anchored with controlled inflation, a consistent growing trend in the IIP, a reducing current account deficit primarily attributed to a lower trade deficit and prospects of a benign interest rate environment it would augur well for the long term investor to stay invested in quality securities and balanced portfolios of mutual fund schemes. We recommend a regular systematic approach to investment And in that respect SIPs are always a favoured instrument.

Shriram Equity & Debt Opportunities Fund has yielded a 1 year return of -2.22% (for the 12 month period ended 30 November 2015)in the regular growth scheme delivering considerable outperformance over the markets, Nifty returned (-7.6%) whereas the Scheme benchmark delivered a return of -2.52 % for the same period accompanied by lower levels of volatility as measured through the beta and standard deviation compared to the market and scheme benchmarks.

It is a matter of great pleasure to share with you that Shriram Equity and Debt Opportunities Fund declared 11.50 % dividend (Rs 1.15 per unit on the face value of Rs. 10) in November 2015 making it the third dividend since its inception (aggregating 24.5%) two years ago. This corroborates and supports our investor centric philosophy.

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 it's 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:

29 November 2013

Fund Manager: Partha Ray

Experience: Mr. Ray has been in the Banking & Finance sector for over 24 years and joins us from The Royal Bank of Scotland N.V where he held several key positions in the Corporate Banking Department since 1998 including that of a Regional Head in the Bank's wholesale banking division. He has extensive and wide ranging functional experience in managing portfolios of corporate relationships.

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: 36.79 cr.

Latest AUM: 37.24 cr.

Expenses Ratio (Excluding STax) :

Regular 2.27% Direct 1.73%

Portfolio Turnover Ratio: 135.75%

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)

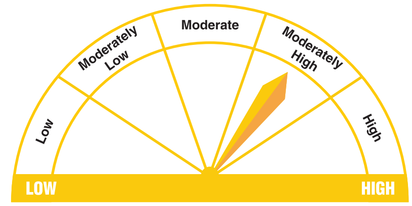
☑ Moderately High Risk

*** Investors should consult their financial advisor in 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

Riskometer



Portfolio and other facts as on 30 Nov 2015

Equity Portfolio

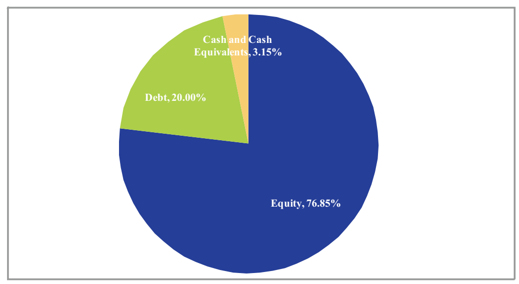
HDFC Bank Ltd.	4.52%
Maruti Suzuki India Ltd.	4.17%
Housing Development Finance Corporation Ltd.	3.85%
Axis Bank Ltd.	3.42%
HCL Technologies Ltd.	3.32%
ICICI Bank Ltd.	3.29%
LIC Housing Finance Ltd.	3.23%
Tata Consultancy Services Ltd.	3.20%
Infosys Ltd.	3.15%
Aurobindo Pharma Ltd.	2.76%
Dr. Reddy's Laboratories Ltd.	2.75%
Kotak Mahindra Bank Ltd.	2.12%
State Bank of India	1.92%
Britannia Industries Ltd.	1.90%
IndusInd Bank Ltd.	1.89%
Bharat Electronics Ltd.	1.87%
Larsen & Toubro Ltd.	1.86%
Bharat Petroleum Corporation Ltd.	1.80%
Eicher Motors Ltd.	1.65%
The Federal Bank Ltd.	1.50%
Apollo Hospitals Enterprise Ltd.	1.50%
ITC Ltd.	1.34%
Tech Mahindra Ltd.	1.12%
Asian Paints Ltd.	1.10%
Ultratech Cement Ltd.	1.10%
Amara Raja Batteries Ltd.	1.09%
Reliance Industries Ltd.	0.99%
Natco Pharma Ltd.	0.90%
Tata Motors Limited	0.89%
Shree Cements Ltd.	0.88%
Mahindra & Mahindra Ltd.	0.85%
Lupin Ltd.	0.84%
Power Grid Corporation of India Ltd.	0.72%
UPL Ltd.	0.69%
Bharat Forge Ltd.	0.69%
IDFC Bank Ltd.	0.65%
Sun Pharmaceuticals Industries Ltd.	0.63%
Tata Steel Ltd.	0.62%
IDFC Ltd.	0.58%
AIA Engineering Ltd.	0.55%
Bata India Ltd.	0.52%
Bajaj Auto Ltd.	0.47%
MRF Ltd.	0.45%
GAIL (India) Ltd.	0.44%
Bajaj Finance Ltd.	0.44%
Hero MotoCorp Ltd.	0.41%
Oil & Natural Gas Corporation Ltd.	0.39%
MindTree Ltd.	0.34%
TVS Motor Company Ltd.	0.32%
Page Industries Ltd.	0.27%
Cummins India Ltd.	0.21%
Blue Dart Express Limited	0.20%
Apollo Tyres Ltd.	0.20%
Repco Home Finance Limited	0.16%
Persistent Systems Ltd.	0.13%
Equity Total	**78.85%**

Debt Portfolio Rating

HDFC LTD	CRISIL-AAA	13.10%
LIC HOUSING FINANCE LTD.	CRISIL-AAA/CARE- AAA	6.33%
TATASONS LTD	CRISIL-AAA	0.57%
Debt total		**20.00%**

Cash & Cash Equivalent 3.15%

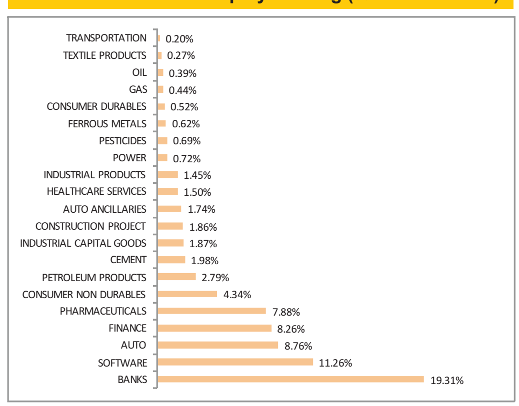
Portfolio composition



NAV details (Rs)

Direct Plan	
Growth Option	12.9546
Dividend Option	10.3408
Regular Plan	
Growth Option	12.8110
Dividend Option	10.2416

Sectoral Allocation of Equity Holding (% of Net Assets)

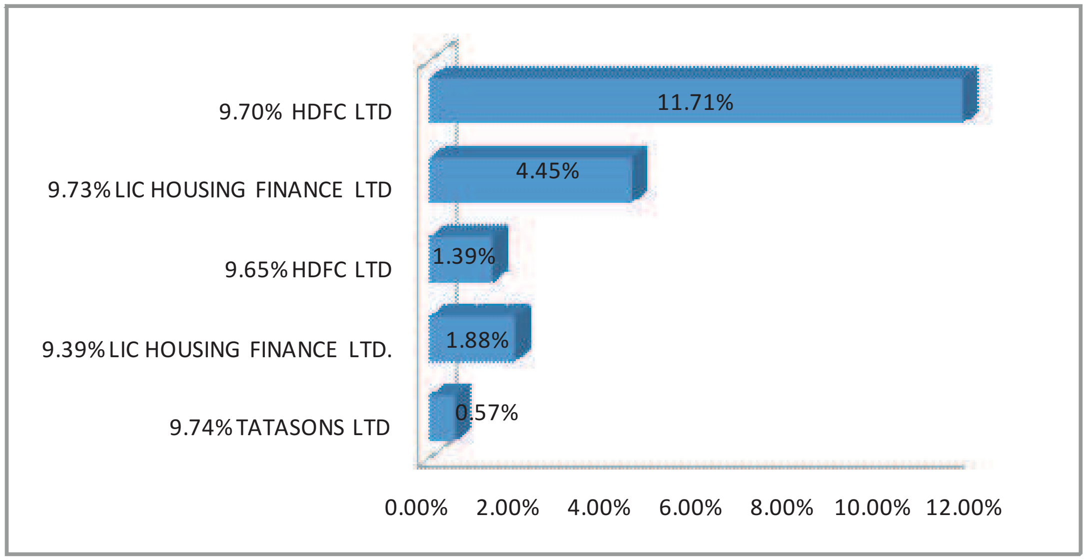


Quantitative Data

Average Maturity*	**1.91 Years**
Modified Duration*	**1.51 Years**
Yeild to Maturity*	**8.41%**

* 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 September 30, 2015 Date of inception: 29-Nov-13. NAV as on 30.09.15 Rs. 13.1127						
Date	Period	NAV (Rs.) Per Unit	Scheme Return % (Annualized)	Benchmark Return % (Annualized)	Value of Investment of Rs.10000	
					Scheme	Benchmark
September 30, 2014	Last 1 Year	12.2098	7.39	3.63	10,739	10,363
November 29, 2013	Since Inception	10.0000	15.91	13.94	13,113	12,707

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

SIP Performance

	Since Inception SIP	1year SIP
Total Amount Invested (Rs.'000)	220.00	120.00
Mkt Value as on Sep 30, 15 (Rs.'000)	242.64	120.64
Returns (Annualised) (%)	10.63%	0.99%
Benchmark Returns (Annualised) (%) #	6.75%	-4.31%

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.

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.

Nurturing Trust, Shaping Dreams

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.