



# SHRIRAM

Mutual Fund

Nurturing Trust, Shaping Dreams

# Fund *F*acts

As on 30 September 2014



## *Economic Commentary and Market Review - September 2014*

After recording 3% gain during August 2014, the Nifty index remained range bound for most part of September and exited the month at 7,965, up a mere 0.1%. All eyes were on the US Federal Reserve's monetary policy meeting as an earlier-than-expected rate hike could lead to outflows, especially from the emerging markets. However, as a relief to investors, the Fed decided to keep short-term interest rates low for some time more.

The Metals sector continued to be in the negative territory (down 7%) for the third consecutive month. The Supreme Court's decision to cancel allocation of all but four coal blocks since 1993 came as a big blow to the metals and power sector. This decision may have far reaching effects -rise in NPAs of the banking sector, increase in cost of coal resulting in higher tariff, and widening of current account deficit (CAD) as more coal has to be imported now. However, declining global crude prices could compensate for the rise in the import bill on account of higher quantities of imported coal. Pharma (7.6%), Media (7.1%) and IT (5.8%) were the best performing sectors during the month. Automobile industry continues to be on the revival mode with major car makers Maruti Suzuki, Hyundai, Honda, Toyota and M&M reporting good domestic sales growth in September.

Betting on revival of the Indian economy led by reforms undertaken by the new government at the centre, foreign institutional investors (FIIs) have pumped in over \$33 billion in the debt and equity markets so far this year (\$13.8 billion in equities and \$19.6 billion in debt). The positive sentiment regarding economic revival in India was further corroborated by S&P revising India's sovereign credit outlook up to 'stable' from 'negative', after almost two years.

Exports in August rose 2.35% to \$26.96 billion; trade deficit came in at \$10.84 billion, almost at par with the year-ago period and lower than \$12.22 billion in July. Meanwhile, the central government has decided to borrow Rs 8,000 crores less than its budgeted estimates driven by gradual improvement in India's fiscal position as drop in global crude prices led to lower subsidy burden. The government is confident of being able to achieve the 4.1% fiscal deficit target. The government plans to borrow Rs 2.40 lakh crores in 2HFY15 with total borrowing for FY15 being at Rs 5.92 lakh crores, Rs 8,000 crores less than budgeted Rs 6 lakh crores.

IIP data for July, touched a 4-month low of 0.5%, a disappointment from 3.4% growth in June. Manufacturing, comprising over 75% of the index dropped 1% during July compared to 3% growth in the year-ago period. Growth in manufacturing for three successive months since April led to the expectation

that the worst might be over. But July numbers suggest that the sector might need some more time to get back on the growth path. On the positive front, core sector growth for August picked up to 5.8%, up from 4.7% in same period last year and 2.7% in July.

WPI based inflation fell to 3.74% in August, the lowest in the past few years led by correction in food prices and global commodity prices. The CPI continues to remain elevated at 7.8% (7.96% in July), which is an area of concern and forced RBI to keep interest rates unchanged during the monetary policy review. Moreover, risks remain of attaining the 6% CPI inflation target by January 2016 though the 8% target in the near-term (for January 2015) looks achievable. Projection of growth in GDP for FY15 has been retained at 5.5% though Q2 and Q3 might record some dip before growth picks in the fourth quarter.

The fund has 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 deployed in relatively undervalued 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.

Shriram Equity & Debt Opportunities Fund has delivered returns of over 22% since inception accompanied by comparatively lower levels of volatility as measured by the beta and standard deviation. Our prudent investment strategy supports the fund objective of longer term durable superior risk adjusted returns.

Wish all our patrons and investors a very Happy Diwali.

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.

**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

## 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 30 September 2014

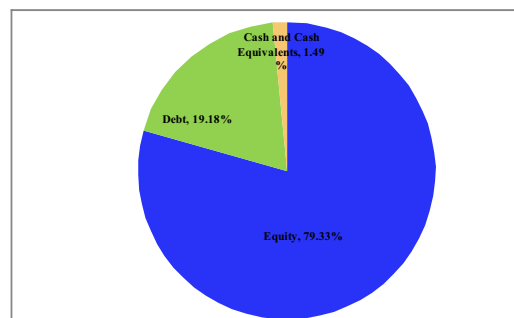
## Equity portfolio

Tata Consultancy Services Ltd.	4.33%
Dr. Reddy's Laboratories Ltd.	4.18%
HCL Technologies Ltd.	3.82%
ICICI Bank Ltd.	3.41%
Housing Development Finance Corporation Ltd.	3.10%
HDFC Bank Ltd.	3.06%
Tech Mahindra Ltd.	2.56%
Larsen & Toubro Ltd.	2.44%
ITC Ltd.	2.15%
Idea Cellular Ltd.	2.00%
Maruti Suzuki India Ltd.	1.95%
Reliance Industries Ltd.	1.93%
Axis Bank Ltd.	1.90%
Sun Pharmaceuticals Industries Ltd.	1.84%
Bharat Petroleum Corporation Ltd.	1.84%
Mahindra & Mahindra Ltd.	1.72%
Oil & Natural Gas Corporation Ltd.	1.70%
Ultratech Cement Ltd.	1.70%
Amara Raja Batteries Ltd.	1.63%
Tata Steel Ltd.	1.53%
Apollo Hospitals Enterprise Ltd.	1.52%
Eicher Motors Ltd.	1.52%
Tata Global Beverages Ltd.	1.50%
Lupin Ltd.	1.50%
Shree Cements Ltd.	1.50%
Infosys Ltd.	1.41%
State Bank of India	1.29%
The Federal Bank Ltd.	1.29%
Bajaj Auto Ltd.	1.23%
Asian Paints Ltd.	1.18%
Oil India Ltd.	1.07%
Britannia Industries Ltd.	0.95%
Aurobindo Pharma Ltd.	0.93%
IPCA Laboratories Ltd.	0.91%
Bata India Ltd.	0.88%
Balkrishna Industries Ltd.	0.80%
Bank of Baroda	0.80%
Apollo Tyres Ltd.	0.79%
Bank of India	0.78%
LIC Housing Finance Ltd.	0.78%
IndusInd Bank Ltd.	0.72%
Corporation Bank	0.71%
Bharat Forge Ltd.	0.67%
ING Vysya Bank Ltd.	0.66%
Power Grid Corporation of India Ltd.	0.62%
Natco Pharma Ltd.	0.59%
Oriental Bank of Commerce	0.59%
IDFC Ltd.	0.58%
GAIL (India) Ltd.	0.54%
Bharat Electronics Ltd.	0.52%
NTPC Ltd.	0.46%
AIA Engineering Ltd.	0.42%
UPL Ltd.	0.37%
Kotak Mahindra Bank Ltd.	0.31%
Tamil Nadu Newsprint & Papers Ltd.	0.14%
Jammu & Kashmir Bank Ltd.	0.01%
<b>Equity Total</b>	<b>79.33%</b>

## Debt Portfolio

HDFC LTD COMMERCIAL PAPER	16.11%
TATASONS LTD	0.69%
LIC HOUSING FINANCE LTD.	2.38%
<b>Debt total</b>	<b>19.18%</b>

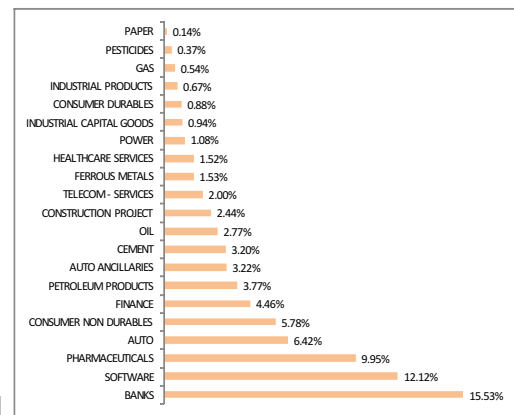
## Portfolio composition



## NAV details (Rs)

<b>Direct Plan</b>	
Growth Option	12.2633
Dividend Option	11.9585
<b>Regular Plan</b>	
Growth Option	12.2098
Dividend Option	11.9178

## Sectoral Allocation of Equity Holding (% of Net Assets)



## Quantitative Indicators

Portfolio Beta : 0.7573

Standard deviation of Daily Mean Return: 0.4169%

**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 which is yet to complete one full year. The portfolio beta has been calculated using the scheme benchmark as a basis.



**Registered Office** : Wockhardt Towers, 2nd Floor, East Wing, C-2, G Block,  
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Website: [www.shriramamc.com](http://www.shriramamc.com), email ID: [info@shriramamc.com](mailto: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.**

