SHRIRAM
Mutual Fund
Nurturing Trust, Shaping Dreams

Fund Facts

As on 30 September 2015

Economic Commentary and Market Review - September 2015

The benchmark Nifty index exited the month of September at 7,949, marginally lower than the previous month. The market was volatile throughout the month and the index moved within the band of 7,500-8,000. Metal was the worst performing sector with 10% drop during the month with Realty (up 11%) and IT (3.7%) as the best performing ones.

Investor attention was towards the much hyped Fed meeting where announcement regarding hike of interest rate was expected. But Fed left the short term interest rates unchanged and was worried about the state of global economy. Amidst the market volatility, FIIs continued to be net sellers and pulled out $8.74 billion ($9.78 billion outflow in equities partially offset by $1.05 billion inflow in debt). This is on top of $2.65 billion of outflow from the Indian market in August. The FIIs have been a seller in the emerging markets owing to severe redemption pressure. Given the exodus of foreign investment, the Rupee was at around 66 against the US dollar in September, down ~4% since June.

The concern of Janet Yellen regarding the economic situation in economies such as China, Brazil and Russia is bad news for India as well since India's exports will continue to suffer with global slowdown. Despite the government's push towards 'Make in India' campaign to improve manufacturing in India, the continuous dip in exports is worrisome. September marks the tenth consecutive month of lower exports at $21.8 billion, down 24% y/y. Engineering goods, gems and jewellery, and petroleum products, together accounting for more than 50% of total exports have been on a declining trend over the recent past and dropped 23%, 19% and 60%, respectively in September. Though India's economy is primarily domestic demand driven it has also been adversely affected by China's slowdown. Trade data for China shows imports falling for eleventh month (down 20.4% in $ terms) reflecting the drop in commodity prices. Imports also fell 25% to $33.32 billion on the back of decline in both oil and non-oil imports (down 54% and 11%, respectively). The substantial drop in gold imports as well as oil imports (lower prices of crude) as well as sluggish domestic activity leading to a drop in other non oil, non gold merchandise imports during the month led to decline in overall imports. Consequently trade deficit during the month contracted to $10.48 billion from deficit of $12.48 billion in the previous month and $14.47 billion in the year-ago period. India is already suffering from weaker Yuan that has made its exports less competitive. Given that exports face some headwind from a slowing global economy and an uncompetitive Indian Rupee as compared to currencies of other emerging countries the focus will now move to reviving domestic demand. The Government and the Central Bank (Reserve Bank of India) are therefore working in tandem to propel economic growth on a sustainable basis through appropriate monetary and fiscal measures without any deterioration of the twin deficits

Inflation has been in the comfort zone of the RBI over the past few months. Although WPI continued to remain in the negative territory contraction eased to -4.54% y/y in September from -4.95% in the previous month. Besides CPI inflation in September expanded 67 bps to 4.41% owing to higher food inflation due to poor rainfall. Pulses' inflation remained high (at 30%) the eighth month in a row with double digit rise while that of vegetables remained zero. Though elevated, the CPI remained within the 6% target set by RBI.

Given slowdown in growth and controlled inflation, the RBI lowered repo rate by 50 bps to 6.75%, a 4-1/2 year low and much bigger than general expectation of 25 bps cut. The steep cut in interest rate by RBI was followed with reduction in base rates by the commercial banks, which in turn would make housing and car loans cheaper. These steps are expected to boost the economy which is yet to attain the targeted growth trajectory. Meanwhile the RBI cut growth forecast for FY16 to 7.4% from the previous level of 7.6% (below the government's target of 8-8.5%) and set inflation target of 5% by March 2017. The IMF has also reduced India's growth forecast, albeit marginally, for the current fiscal to 7.3% from the previous level of 7.5% and suggested adoption of economic reforms and improved business climate to achieve faster growth.

On the positive front industrial production in August grew to 6.4%, almost the highest level in three years primarily on account of improvement in manufacturing that contributed 75% to the index. It is encouraging to note that output of capital goods, an indicator of investment, grew 22% during the month, a marked improvement from 10% growth in July 2015 and contraction of

10% in the year-ago period. Better IIP data was expected as the core sector data for the month stood at 2.6%, significant higher than 1.1% in July. However, the IIP and core sector data representing health of India's manufacturing status is in sharp contrast to the manufacturing PMI that touched seven-month low of 51.2 in September indicating sharp deterioration.

State of the economy can also be gauged by looking into sales of passenger cars and commercial vehicles. Car sales in India rose 9.5% (to 169,590 cars) in September on the back of new launches while sale of passenger vehicles increased 3.8% y/y to 232,167 vehicles. However, motorcycle sales dropped 2.87% to 1.02 million units with total two-wheeler sales declining 1.06% to 15.37 million units. It is expected that with the recent interest rate cut and forthcoming festive season, vehicle sales are likely to improve going ahead. Besides commercial vehicle sales were up 12.07% to 62,845 units in September.

The longer term macro pointers seem well anchored with low 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 all augur well for the long term investor to stay invested in quality securities and balanced portfolios of mutual fund schemes.

Shriram Equity & Debt Opportunities Fund has yielded a 1 year return of 7.39% in the regular growth scheme delivering considerable outperformance over the markets, Nifty returned (0.20%) whereas the Scheme benchmark delivered a return of 3.63% 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

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.

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.

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: 34.82 cr.
Latest AUM: 35.95 cr.

Expenses Ratio:

Regular : 2.34% Direct : 1.78%

Portfolio Turnover Ratio: 155.07%

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

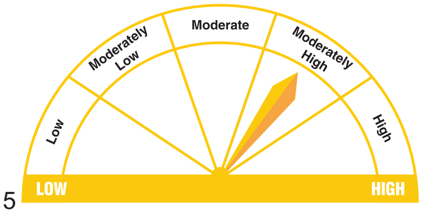
This Product is suitable for investors who are seeking*:-

☑ 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



Portfolio and other facts as on 30 September 2015

Equity Portfolio

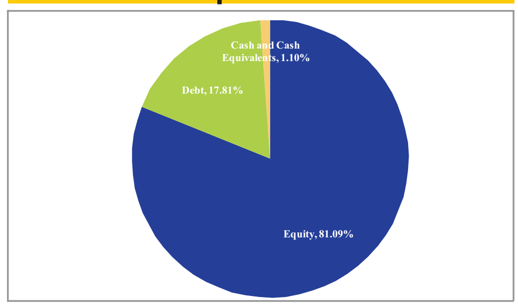
HDFC Bank Ltd.	4.64%
Maruti Suzuki India Ltd.	4.24%
Housing Development Finance Corporation Ltd.	3.99%
HCL Technologies Ltd.	3.87%
Dr. Reddy's Laboratories Ltd.	3.82%
Axis Bank Ltd.	3.75%
Tata Consultancy Services Ltd.	3.64%
Infosys Ltd.	3.47%
ICICI Bank Ltd.	3.36%
LIC Housing Finance Ltd.	3.23%
Aurobindo Pharma Ltd.	2.71%
Britannia Industries Ltd.	2.07%
Kotak Mahindra Bank Ltd.	2.06%
Larsen & Toubro Ltd.	2.06%
IndusInd Bank Ltd.	1.98%
State Bank of India	1.89%
Eicher Motors Ltd.	1.82%
Bharat Petroleum Corporation Ltd.	1.76%
Bharat Electronics Ltd.	1.75%
Apollo Hospitals Enterprise Ltd.	1.70%
The Federal Bank Ltd.	1.70%
IDFC Ltd.	1.60%
ITC Ltd.	1.33%
Amara Raja Batteries Ltd.	1.32%
Tech Mahindra Ltd.	1.22%
Asian Paints Ltd.	1.13%
Ultratech Cement Ltd.	1.09%
Lupin Ltd.	0.99%
Shree Cements Ltd.	0.96%
Reliance Industries Ltd.	0.91%
Natco Pharma Ltd.	0.87%
Mahindra & Mahindra Ltd.	0.82%
UPL Ltd.	0.78%
Sun Pharmaceuticals Industries Ltd.	0.78%
Bharat Forge Ltd.	0.76%
Power Grid Corporation of India Ltd.	0.73%
Tata Motors Limited	0.65%
AIA Engineering Ltd.	0.64%
Tata Steel Ltd.	0.60%
Bata India Ltd.	0.58%
MRF Ltd.	0.50%
Bajaj Auto Ltd.	0.46%
Oil & Natural Gas Corporation Ltd.	0.40%
Hero MotoCorp Ltd.	0.38%
GAIL (India) Ltd.	0.38%
Page Industries Ltd.	0.29%
TVS Motor Company Ltd.	0.25%
Cummins India Ltd.	0.24%
Bajaj Finance Ltd.	0.23%
Apollo Tyres Ltd.	0.23%
MindTree Ltd.	0.20%
Repco Home Finance Limited	0.16%
Persistent Systems Ltd.	0.13%
Equity Total	**81.09%**

Debt Portfolio

Debt Portfolio	Rating	
HDFC LTD COMMERCIAL PAPER	ICRA-A1+	13.82%
TATASONS LTD	CRISIL-AAA	0.60%
LIC HOUSING FINANCE LTD.	CRISIL-AAA	1.95%
HDFC LTD	CRISIL-AAA	1.44%
Debt total		**17.81%**

Cash & Cash Equivalent 1.10%

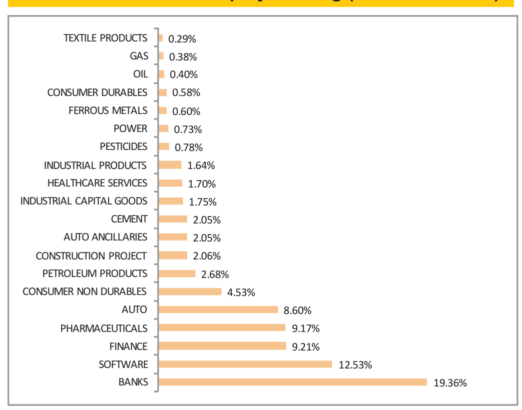
Portfolio composition



NAV details (Rs)

Direct Plan	
Growth Option	13.2461
Dividend Option	11.7621
Regular Plan	
Growth Option	13.1127
Dividend Option	11.6687

Sectoral Allocation of Equity Holding (% of Net Assets)

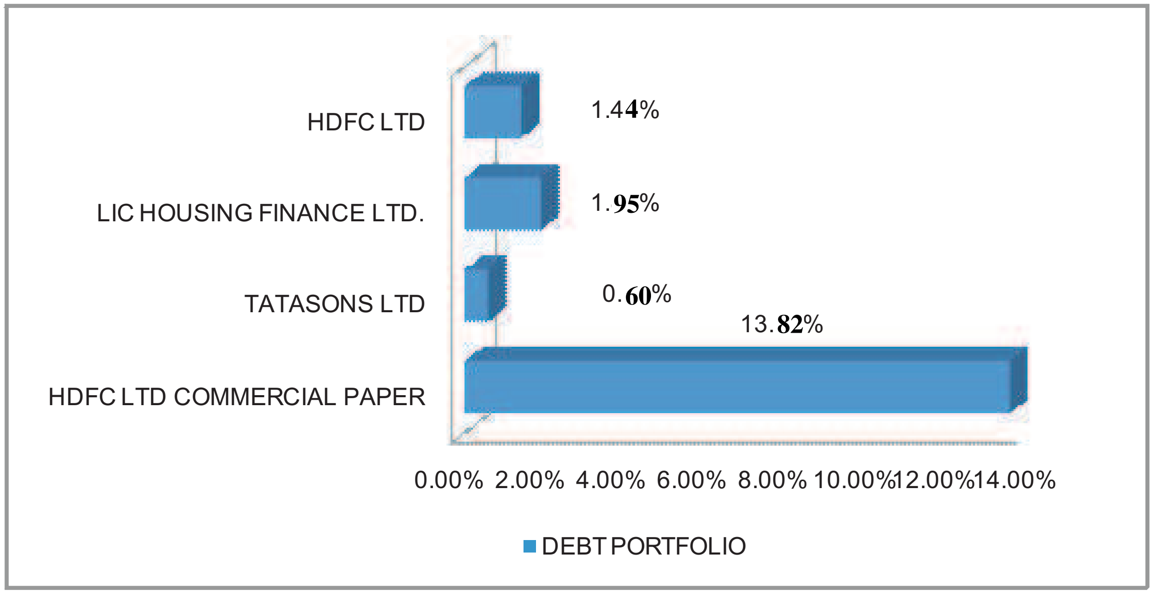


Quantitative Data

Average Maturity*	0.64 Year
Modified Duration*	0.47 Year
Yeild to Maturity*	8.80%

* 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
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.

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.

SHRIRAM
Mutual Fund

Nurturing Trust, Shaping Dreams

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