



IndiaNivesh
TRUST, WE EARN IT

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Nivesh Wealth

IndiaNivesh Wealth Management

For Private Circulation Only

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CANARA ROBECO
Mutual Fund

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

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Tabula Rasa

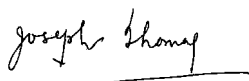
The passage to the New Year brings with it a lot of excitement and expectations. A really good year is leading us to a probably better year. There are a few things that would make the New Year a time filled with events that would be of consequence to us in one way or the other.

- (i) The Union Budget, 2018-19, is expected to contain the agenda for setting the government finances in better order, as also the entire plan to stimulate the economy at a time when private consumption expenditure and private investment expenditure are quite low. There have been some informal discussions on the status of long term capital gains for equities being modified to three years from the current one year. The provision for the ambitious plans for roads and ports and highways would also be keenly watched.
- (ii) The state elections are important because they would broadly reflect the public mood or sentiment that may be a determining factor as far as the General Elections in 2019 is concerned.
- (iii) Brent has been upwardly mobile and it looks set to move up to US\$ 70-75 range in the coming days. This is of consequence as far as our import bills are concerned and much so for the domestic price level.
- (iv) Consumer Price Index is at 5.21 % and the Core Inflation has moved up to 5.12 %. This has been caused by higher fuel prices and high prices of fruits and vegetables. The impact of fuel prices is there to stay and the other components will be mostly of seasonal significance only.
- (v) US growth is much better than what many expected and the inflationary pressures are also gradually raising its hood, the pre-emptive strikes which the Fed is expected to take by way of rate hikes is expected to be larger than expected going by the growth momentum that is gathering pace.
- (vi) The most significant thing for all of us is the reform of the banking system. The proposed recapitalization of the public sector banks and the measures to help the banks out of the non-performing assets are things which are of great consequence to the markets.

The current year is expected to see the much awaited revival in corporate earnings and this may address the concerns on valuation to a certain extent. Growth in equities is not expected to be linear. There may be opportunities to book some profits as also opportunities to build positions for a portfolio with a medium to long term view. Investors may follow a phased investments strategy in building a portfolio. In fixed income, the fact that interest rates are in a rising phase, makes it better to focus on the short end of the curve and limit the maturity profile of portfolios to 2- 3years. Investment in long dated instruments and longer duration funds makes sense only at extreme levels like 7.60 % or 7.90 % on the ten year benchmark. What is of utmost importance is getting the entire investment portfolio reviewed at periodic intervals and also revisiting the asset allocation strategy.

It is our "mistrust of the future that makes it hard to give up the past". Let us look forward to the coming year with trust and hope.

Happy Investing !!!



K. Joseph Thomas Ph.D
Director - Wealth Management

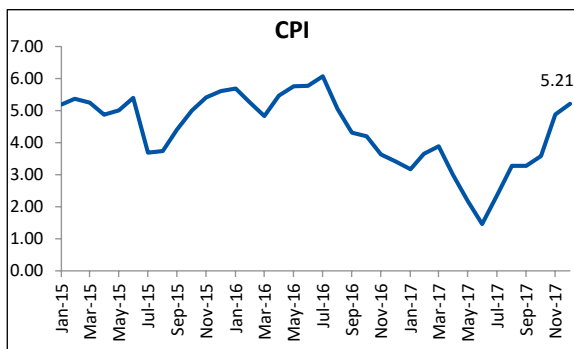
India: Macro

Inflation

CPI inflation for the month of December grew by 5.2% highest in the past one and a half year as against a growth of 3.41% in the previous year December month. Although some part of the spike in inflation is because of the unfavorable base effect but a large contributor to rise in the pace of inflation has been the sequential rise in oil prices along with the pick-up in housing index. Seasonal rise in vegetable price inflation has been faster than normal and rose by 29% y-o-y in the month of December. With fresh supply expected to reach the markets, vegetable inflation is expected to ease going ahead.

Food and Beverages index which touched the lows in June of the previous year has seen a linear uptick, reaching a growth of 4.85% y-o-y. It has also been a contributor to the higher retail inflation over the past few months.

Core inflation, which grew by 5.12%, breached the 5% levels after a gap of one year could be a cause of concern indicating the rise in inflation being more permanent in nature as it excludes the volatile food and fuel components.



Source: MOSPI, IndiaNivesh Research

Retail inflation has been negatively impacted by a spurt in international crude oil prices, the pressure from which is expected to continue. Crude oil prices after hovering in the band of \$45-\$50 a barrel for an extended period last year have risen to a new band of \$60-\$65. At the time when the global oil producers have been restricting their production and helped by rising demand due to severe cold in several parts of the world, the prices are expected to remain at elevated levels. However, higher prices do give opportunity to the old rigs to become operational, hence providing a cap to high prices. Going ahead the incremental impact of oil prices from these

levels on the domestic inflation may be limited.

Our View:

Inflation in the coming month especially till March (sans January) could be helped by a favorable base effect. RBI targets inflation to be near 4% in the medium term however the recent spike has incited fears of the target being breached. The average inflation for the December quarter at 4.56% is barely contained in the revised six month projection of RBI. A few positives could be from the fresh vegetables supply, which would help soften the inflation.

Given the overall trend and expectations, the yields are likely to remain under pressure. We had earlier recommended investors to stay clear of long term debt on the back of these pressures and continue to suggest the same from a short term perspective. The continued rise in inflation and deteriorating fiscal balance may cause further distress in the debt markets. We continue to maintain our recommendation of investing at the shorter end of the curve. Investment in Credit Risk Funds is also advised depending on risk appetite and investment horizon.

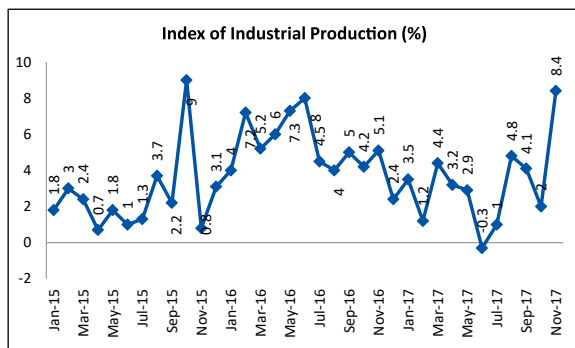
Index of Industrial Production

The Index of Industrial Production growth galloped to 8.4%, surpassing street estimates, for the month of November 2017 on the back of strong growth in manufacturing sector. The growth for the month of October 2017 was revised downwards from 2.2% to 2%. The cumulative IIP growth for the period April-November 2017 stood at 3.2% as compared to growth of 5.5% during the corresponding period for previous fiscal. The manufacturing growth had remained sluggish during the major part of the year, in the wake of demonetization and introduction of GST. The revival in industrial activity is definitely a healthy sign for the overall economy and indicates that expectations of improving growth in the second half of FY18 were not completely misplaced. The rationalization of GST rates coupled with industry participants getting well versed with the GST nuances should lessen the headwinds for industrial production.

The manufacturing sector grew at 10.2% as compared to 2.2% for the previous month. The high growth rate was partly on account of a sharp base movement; the sector grew at the rate of 4.1% for the corresponding period previous year. Out of the 23 sub-industries under manufacturing, 15 witnessed expansion in

activity (as compared to 10 in the previous month). The industries registering fastest pace of expansion were “pharmaceuticals, Medicinal Chemical and Botany Products (40%)”, “Computer, Electronic and Optical Products (29%)”, other transport equipment (23%)”, “Motor Vehicles, Trailers and Semi Trailers (18%)” and “food products (18%)”. The industries that continued to remain under pressure were “Other manufacturing (-16%)”, “wearing apparel (-13%)”, “electrical equipment (-11%)”, “rubber and plastic products (-8%)” and “tobacco products (-5%)”. The consumer demand, though it has recovered, is yet to post a strong recovery.

The manufacturing sector growth was not the only one to post healthy growth as per the latest data. The mining and electricity sector growth rates too recovered in the month of November. The mining sector recorded a positive growth rate (1.1%) as compared to contraction



Source: MOSPI, IndiaNivesh Research

(-0.1%) during the preceding month. The growth of electricity sector was recorded at 3.9%, improving from 3.2% in October.

The growth in use-based categories too brought some cheer as all the classifications remained in expansionary mode and improved on the performance of the preceding month. Infrastructure/Construction goods and Capital goods, key indicators of revival in capex cycle, recorded growth rates of 9.4% and 13.5% respectively for the month of November 2017. Consumer Durables growth recovered to 2.5%, after two consecutive months of contraction. Consumer non-durables reported strongest growth rate of 23%.

Based on weights the item groups with the highest positive contribution to IIP were digestive enzymes and antacids, HR coils and sheets of mild steel, electricity, cement and sugar. The highest negative contributors were jewellery of gold, electric heaters, Anti-pyretic,

analgesic/anti-inflammatory API & formulations, printing machinery and catalyst chemical.

Our view:

The strong IIP growth coupled with healthy PMI data does give initial impressions that an economic recovery might be underway and the GDP growth in the second half could surpass the subdued activity during the first half. The green shoots of economic recovery might boost the sentiments of equity markets but not necessarily would have the same impact on debt markets.

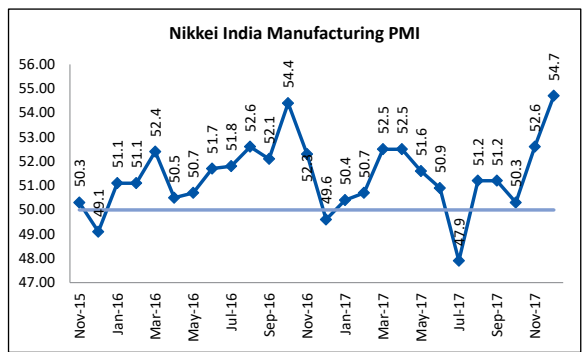
The inflation figures have been inching upwards and now there are initial signs of economic recovery. The expectations of any monetary policy support from RBI have already been neutralised as inflation has remained firm. If the improvement in growth is sustained, the current base case of a longish pause from RBI might also be on shaky ground. Though bond yields have moved up sharply, market participants are not yet expecting a swift change in RBI’s stance. But if the current upturn of IIP sustains (although less likely at this pace), fears of improving ability of producers to pass on the rising input cost burdens and revival in consumer demand can put further pressure on yields. We recommend investors to focus their investments at the shorter end of the curve and avoid taking bets at the longer end of the curve.

India PMI

The manufacturing PMI number rose to a 5 year high of 54.7 in December 2017 as compared to the reading of 52.6 in the preceding month. This marks a sharp reversal from the sub 50 reading reported in the month of July 2017. A reporting above 50 indicates expansion. The sharp spike in PMI numbers was possible on the back of both increases in output as well as new orders. The new order inflows build-up was underpinned by higher demand from both domestic as well as international markets. Buoyed by improved demand conditions, the manufacturers upped their staffing levels as well. The order inflows also prompted the manufacturers to increase their buying of input materials; the input purchases were accelerating at the highest pace since August 2012.

Though business environment showed signs of improvement, the rise in input costs continued to remain a cause of concern for the producers. The survey participants indicated that GST exerted upward pressure on material costs. This may be a cause of concern for

the producer community as the demand has just started showing early signs of revival and they may not be in a position yet to pass on the cost burdens.



Source: Nikkei, IndiaNivesh Research

Our View:

The latest PMI numbers gives some reason to cheer, as this may be the early indication that an economic recovery might finally be underway and the growth can

indeed pick-up in the second half. The improvement in demand conditions and higher output being accompanied by increased hiring were another positives coming out of the recent data. The Future Output Index too reflected high level of confidence from survey participants. A caveat remains though that the level of confidence is still below the trend observed for the survey history.

The initial sign of recovery in demand conditions is a positive for economic growth but raises concerns on the inflation front. As the producers' ability to pass on the input cost burden improves, rising prices will start impacting the retail inflation (the target inflation rate for RBI). The CPI based inflation is already running ahead of the RBI's target and with early warning signs of demand side inflation creeping-up can lead to RBI becoming cautionary and ditch its neutral stance. The RBI could get in a conundrum going ahead, whether to support the nascent recovery by staying put or move the interest rates to nip the rising inflationary risks in the bud.

Global: Macro

Global bond yields

The bond yields traded with an upward bias across the countries under purview. For the period under consideration US bond yields moved up by highest quantum; the yields for the benchmark 10 year sovereign paper were up by close to 15bps on the back of expectations of an improving economic growth. The tax reform bill being approved by the Senate also led to hardening of yields as the reform is expected to aid the economic recovery underway.

The improving growth prospects in the Euro Area coupled with the decision of the ECB to cut down the bond purchase program has maintained a pressure on sovereign yields. The Euro Area GDP grew at the rate of 2.6% for Q3 2017; 4th sequential uptick in growth numbers. The GDP growth improved in Germany, France and Italy. The growth rate declined in UK, but was better than expected numbers which led to yields hardening in the UK as well. The steady rise in oil and industrial metals prices has also kept yields at elevated levels.

Date	US 10 Yr Yield (%)	UK 10 Yr Yield (%)	JP 10 Yr Yield (%)	Germany 10 Yr Yield (%)	India 10 Yr Yield (%)
15-Jan-18	2.546	1.323	0.078	0.587	7.269
29-Dec-17	2.405	1.190	0.048	0.427	7.326
20-Dec-17	2.497	1.250	0.060	0.405	7.219
12-Dec-17	2.401	1.223	0.047	0.314	7.185

Source: Bloomberg, IndiaNivesh Research

Outlook

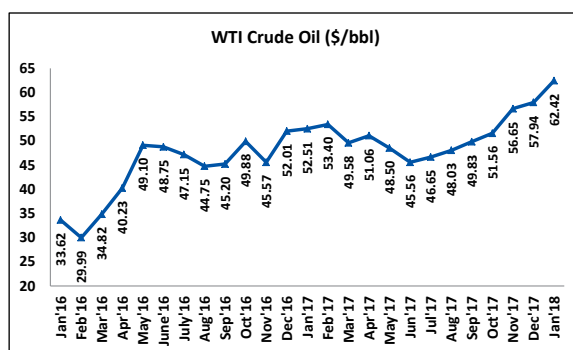
In 2018 the global central bank actions would be keenly monitored and influence debt as well as other asset markets. In the wake of the GFC of 2008, global central banks in an unprecedented coordinated effort had opened the flood gates of liquidity to support the financial system. The super easy monetary could not have been expected to carry on indefinitely. Now, as the growth has shown early signs of recovery, the global central banks can be expected to gradually withdraw the crutches.

As discussed in the previous issue, for the year ahead yields can be expected to have an upward bias as the global central banks work towards gradually withdrawing the stimulus. The effect of the same on the yields can be magnified as the central banks tweak not only the interest rates but also their massive bond buying programs. In the near term, though the yields can remain volatile as the inflation is yet to reach the targeted levels. With that context, inflation figures would be the key variable to gauge the near term movement of yields.

Crude Oil

The oil prices have inched upwards from mid-2017 and have continued the momentum in the new year as well. The oil prices touched a three year high in Jan 2018 as OPEC nations supported by Russia maintained their support for production cuts. The improving global growth outlook translating into higher demand for oil has also led to prices remaining stubborn at elevated levels. As per the latest agreement amongst oil producing nations, the production cuts are supposed to run through till the end of 2018. The supply-demand balance though not in equilibrium yet, the combined effect of production cuts and improving demand is expected to address the glut concern in the current year.

The continuous fall in US oil inventories has been another supporting factor for oil prices. A severe winter in US not only leads to increase in oil consumption but can also impact the output from shale producers. The rig count in US has started moving up, but the effect of the same on capping oil prices has been limited at best.



Source: Bloomberg, IndiaNivesh Research

Outlook

The oil prices maintained a steady upward march in 2017 and the momentum picked-up pace in 2018. The rising oil rig count in US is expected to keep the price gains capped but it may have little impact of pulling down the already high prices in the near term. Unless the production from the rigs leads to meaningful revival in US stock piles and reinvigorates supply glut concerns oil prices can remain sticky at current levels.

The oil prices in 2018 would largely depend on the ability of the oil producing nations to maintain production cuts and the sustenance of global demand. The high prices should incentivise the shale producers and prevent any sharp spikes.

Currency markets

The USD traded with a weakening bias against all the global currencies. The expectations that all the major central banks would work towards normalising their respective monetary policies does not bode too well for the outlook on greenback. While US Fed has been the first one to take concrete steps towards policy normalisation, other banks are expected to follow suite. As interest rates are expected to go up the USD losses out marginally on relative attractiveness as other currencies could also offer higher yields.

The media reports of Chinese central bank deciding to put a stop on its US Treasury purchases also led to weakness in the global reserve currency. Though the initial reports were brushed aside as rumors, the USD failed to recover. The People's Bank of China has fixed the official yuan midpoint at 6.4372 against the USD, its strongest since Dec 2015. The comfort of PBOC for a stronger yuan and Germany's indication to hold part of its assets in yuan has also impacted the USD. INR too maintained an appreciating bias against the USD.

Date	GBP/USD	USD/JPY	EUR/USD	USD/INR	USD/CNY
15-Jan-18	1.380	110.540	1.226	63.490	6.437
29-Dec-17	1.359	112.690	1.201	63.873	6.507
20-Dec-17	1.338	113.400	1.187	64.115	6.579
12-Dec-17	1.332	113.550	1.174	64.403	6.622

Source: Bloomberg, IndiaNivesh Research

Outlook

Over the medium term, the rise in interest rates should be supportive of the world's reserve currency. But in the near term the above discussed factors can work against the USD. The US is now not the only one to effect rate hikes; even Bank of Canada is expected to raise rates in its upcoming policy. In the near term the geopolitical factors could play a large role in deciding the currency movements. The increasing assertiveness of China at global stage and the support provided by Germany by way of diversifying its currency reserves can weigh on the USD. INR though can depreciate in the near term on the back of rising inflation and risks of increasing twin deficits.

Gold

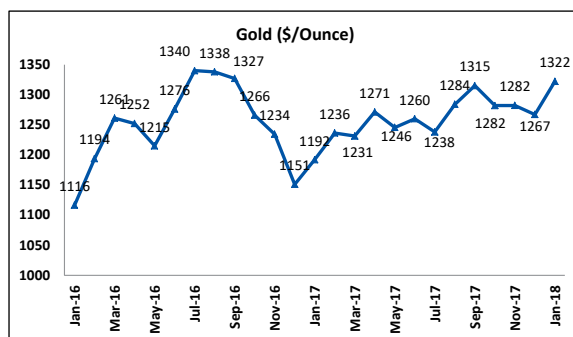
Gold prices remained volatile in 2017 but posted 13% returns in USD terms. The returns in INR were not that lucrative as the domestic currency appreciated against the greenback during the previous year. The sharp rise in risk assets and rising interest rates globally were the major headwinds for the shining metal during the previous year. Despite the pressures, gold managed to stay above the water.

The gold prices picked-up momentum in the new year. As the USD continued to weaken against major global currencies, gold maintained an upward bias. The sharp fall in Bitcoin prices can also be partly attributed to the gains in gold prices. During 2017 cryptocurrencies emerged as a key alternate asset, the fall in their prices can lead to investment demand increasing for the traditional asset.

Outlook

Gold prices have done good, atleast in USD terms, despite the headwinds discussed earlier. While a sharp run-up is not expected in the near term, the prices may remain supported in 2018 as well. The improving global growth scenario can lead to increasing demand for jewellery and industrial purposes.

While global interest rates are expected to move up in 2018 as well on the back of improving growth scenario, the effect on gold prices is not clearly understood. With that context we would like to present an excerpt from the latest report of World Gold Council (WGC). The



Source: Bloomberg, IndiaNivesh Research

scenario discussed in the following two paragraphs by WGC can shape the gold price graph in 2018.

"The actions that central banks took over the past decade have had substantial implications for the performance of financial markets. As they pumped trillions of dollars, pounds, euros and yen into the global economy and slashed interest rates to – and in some cases below – zero, asset values hit record highs, market volatility reached record lows and prices became increasingly correlated.

It is reasonable to presume that as central banks rein in their expansionary policies, these trends will reverse. Government bonds – the chief beneficiaries of quantitative easing – may come under pressure and their multi-decade high returns decrease. Financial market volatility may pick up and idiosyncratic risk may re-emerge." – Outlook 2018 WGC

India: Fixed Income

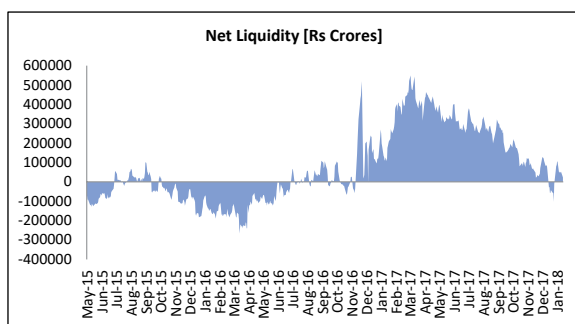
The domestic bond markets reeled under the pressure of surging yields for yet another month. The continuous rise in oil prices have only helped in vindicating the RBI's cautious approach and led to yields at the longer end of the curve to maintain an upward bias. The new 10 year G-sec was issued at the coupon of 7.17%, at a spread of more than 20bps to the prevailing benchmark security of that time. The new 10yr security too started trading with a hardening bias soon after. The yield of the new benchmark has moved up to 7.27% as on 15th Jan.

The continuously rising inflation numbers on the back of rising crude prices has been the major cause of concern. The rise in inflation has not only severely hampered the chances of any monetary support but raised the possibility of sooner than expected reversal in rate cycle. The recent upturn in lead indicators of growth has not helped the matters either. The recent

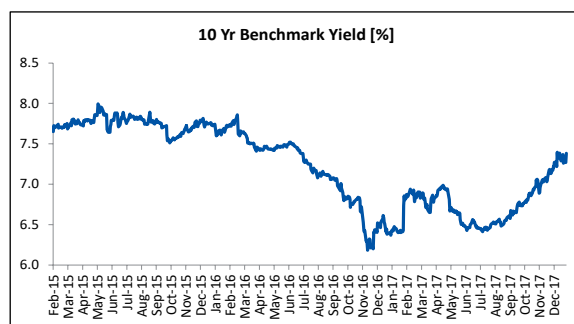
month has led to yields firming-up at the shorter end of the curve as well. The liquidity deficit touched a low of negative Rs. 1 lakh crore during the previous month; even though the situation has improved since then the liquidity situation could be considered to now be in neutral zone for all practical purposes. The pick-up in credit growth without commensurate rise in deposit growth could keep the systemic liquidity closer to neutral zone. The banks raising the rates on bulk deposits can be early signs of rising liquidity requirements of bank.

View:

The domestic bond yields have been on an upward march and there are no immediate signs that the trend could reverse in the near future. The headwinds mentioned earlier such as inflation and double whammy of twin deficits (CAD and fiscal) could continue to impact



Source: Bloomberg, IndiaNivesh Research



Source: Bloomberg, IndiaNivesh Research

uptick in IIP and PMI numbers gives a level of comfort to RBI to address its primary policy target – inflation. The announcement of higher government borrowing too looms large on market sentiments, even though the quantum of additional issuances has been slashed from Rs. 50K crores to Rs. 20K crores. This development should provide some relief in the near term; the markets would now be focusing on the fiscal deficit numbers to be announced in the upcoming budget.

The impact on CAD numbers of the rising oil prices is another factor that can keep yields supported at higher levels. The trade deficit for the month of December was reported at USD 14.88 billion as compared to USD 13.8 billion in the preceding month. If portfolio flows fail to keep pace, the CAD situation can worsen going ahead.

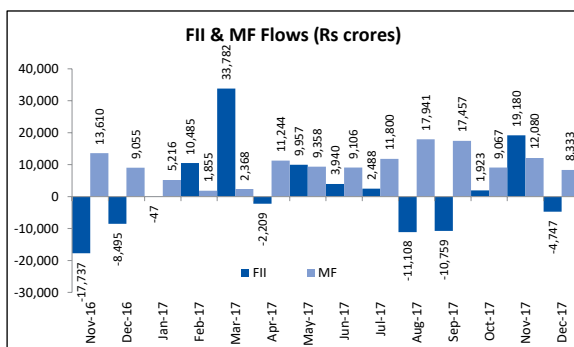
The reversal in liquidity surplus during the previous

the sentiments in the near term. The recent comments by RBI deputy governor regarding interest rate risks to be handled by bankers themselves and not to expect any help from the regulator can lead to accentuated selling by banks of their excess SLR holdings. The MTM losses on their holdings coupled with excess requirement of lending surplus to fund the rising credit growth can lead to yields remaining at elevated levels.

Thus even though yields might look attractive at current juncture when compared to policy rates, we would recommend investors to avoid exposure at the longer end of the curve. The short to mid segment of the curve would be the ideal investment avenues as the interest rate volatility is expected to continue in the near term. With that context, investors can consider investing in Short Term and Accrual Funds based on investment horizon and risk appetite.

India: Equity Market

The domestic equity markets showered the investors with healthy returns in 2017. The movement throughout the year was typical of a bull markets run. The markets did not offer an opportunity to investors waiting on the side lines for a pull-back and higher risk was rewarded with higher returns. Despite several headwinds faced at the start and during the year, equities went on to become the best performing asset class. The performance came after two back to back dull years (2015 and 2016) where returns from equity markets failed to beat the performance of even the relatively less risky fixed income instruments. The investors with patience to hold onto their investments were well rewarded. The change in trend of domestic savings habits could be the biggest developments of 2017. The equity markets benefitted immensely from the financialisation of household savings. Domestic investors flocked in a big way towards equity markets; this was also visible



Source: Bloomberg, IndiaNivesh Research

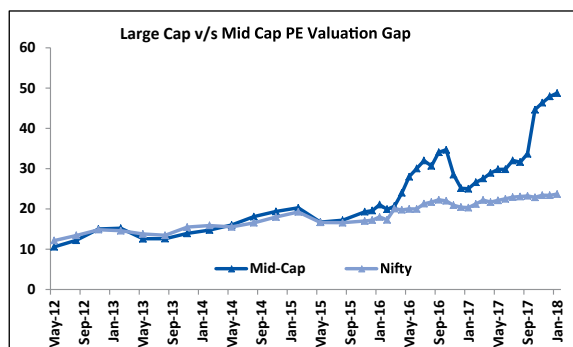
from the slowdown in bank deposit growth rates. The investments coming-in through the institutional channel (MF) has provided sticky money to the capital markets. The funds pumped-in by Mutual Funds (Rs. 1.16 lakh crores) even over shadowed the allocation made by FIIs (Rs. 53K crores).

As an effect of the liquidity rush, most of the negatives were ignored by the markets. The key ones amongst them being slowing growth and rising inflationary risks. As most of the hurdles were side-lined, Nifty returned close to 30% for the year whereas Midcap 100 and Smallcap 100 were up by 47% and 57% respectively for the year. The performance in the last month of the year was no different. The domestic markets continued to rally in December as well, despite FIIs turning net sellers. The MFs on the other hand continued to remain

net investors with allocation of more than Rs. 8K crores. The Sensex and Nifty gave returns of 2.74% and 2.97% respectively. The NSE mid and small cap indices maintained an upper hand over large caps with returns of 6.22% and 4.37% respectively.

The Indian markets did not perform in isolation, globally investor sentiment favoured risk assets. The year started on a jittery note as Trump got elected as the president of the global superpower. As economic growth started recovering and global central banks took cognisance of the same by initiating reversal of monetary policy stimulus, risk assets continued to gain in strength. Equity was the best performing asset class globally (of course after cryptocurrencies).

The key positive developments during the year from domestic perspective were demonetisation (came in



Source: Bloomberg, IndiaNivesh Research

to force towards end of 2016) and GST. As could be expected from any significant financial reform, both GST implementation and demonetisation has had its impact on the pace of economic growth for the time being. The recent uptick in growth lead indicators partially vindicates the positive effects of key reforms initiated during the year. Apart from the initial benefits of financialisation of savings, the intended effects of widening of tax base and bringing most of the economy under organised umbrella should help in propelling the growth over the medium to longer term. As a confidence booster to the reforms oriented agenda of the current government, India saw the improvement in sovereign credit rating and a higher ranking in the ease of doing business survey conducted globally. This should help India remaining the favoured destination for FPI and FDI flows.

Our View

The performance of equities in 2017 despite subdued growth for major part of the year is an indication that too much hope is built in to the asset prices. Although equities serve as a leading indicator for the corporate growth, a prolonged gap in actual corporate performance is not desirable. The performance in year 2018 would therefore be more dependent on how the revival in corporate earnings pans out. The revival in earnings would be crucial to support the higher valuations. Implementation of key reforms have had the short term implication on the economic growth which is expected to normalize further this year and will have its intended impact of supporting the economy. The effects of ease of doing business and expanding organised sector should

be accretive to economic growth. Key banking reforms and recapitalization efforts by the government are also factors that would help in recovery of bank lending and push the economic growth higher.

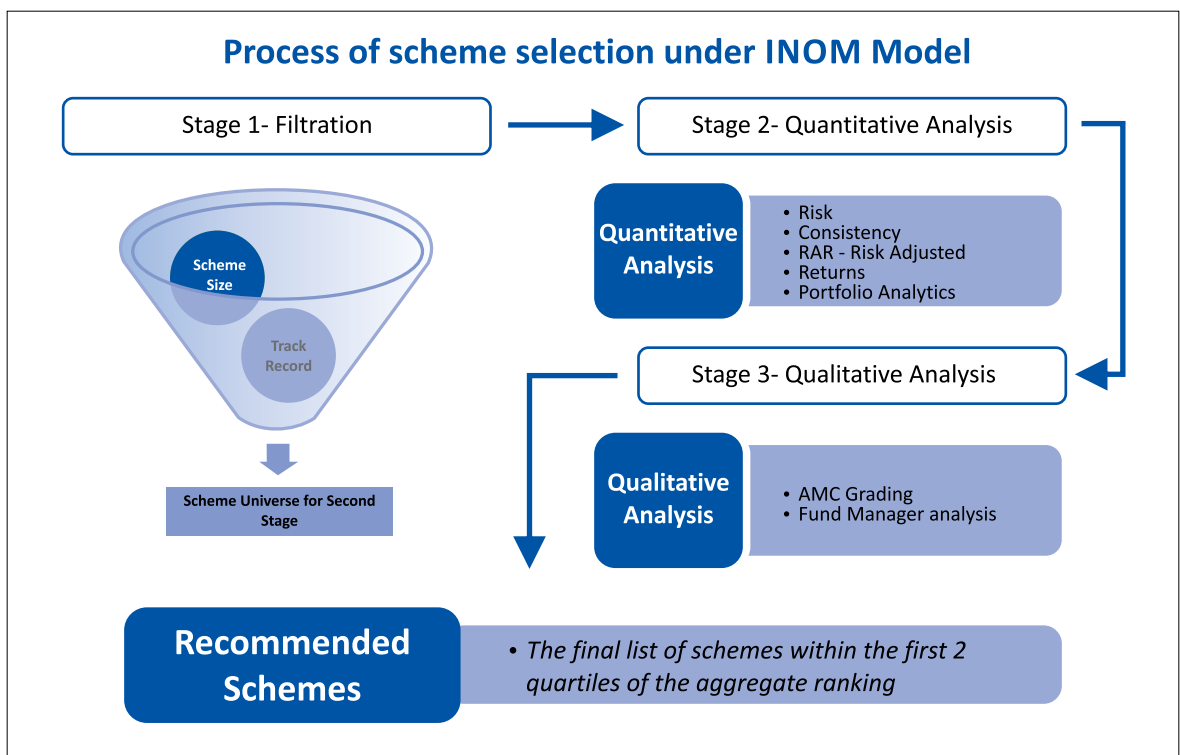
However, the growth in equities is not expected to be linear as was seen in 2017. The all-time high levels and valuations weigh on the sentiments and lead to intermittent bouts of profit booking which would provide an opportunity to enter. The investors should avoid making aggressive investments with the thinking of having missed the rally. Considering the high valuations in equities and key events being lined-up we would recommend investors to follow a disciplined systematic approach to investing. The tilt of investments should be maintained in favour of large caps funds/stocks.

INOM- IndiaNivesh Optimisation Model

INOM – A Proprietary Scheme selection model of IndiaNivesh

The scheme selection process at IndiaNivesh is based on a methodology known as INOM. It stands for IndiaNivesh Optimisation Model. INOM forms the core of our scheme selection process and therefore, of the recommendations.

- INOM uses a three stage selection process. In the first stage certain basic criteria are applied and this is called the Primary Stage. The objective of this stage is to eliminate those products which do not conform to certain basic criteria. In the context of mutual funds it may be a certain minimum size of assets for the mutual fund, a certain minimum size for the specific scheme a certain number of years of track record for the product etc. In the Primary Stage, those products which do not conform to the criteria are eliminated.
- In the Second Stage the actual selection criteria are applied to the schemes or products which have successfully come through Primary Stage. The parameters in the Secondary Stage are quantitative, like performance indicated by returns, consistency in performance measured by rolling returns, risk adjusted returns indicated by Treynor Ratio or Sharpe Ratio and portfolio quality – composition by way of AAA and AA rated papers.
- The Third Stage takes cognizance of the qualitative parameters such as AMC vintage/rating and fund manager experience as well. The third stage introduces a human element in to the scheme selection process in order to fine tune the quantitative selection.
- The Final Stage is the selection of schemes which are most preferred.



Recommended Funds

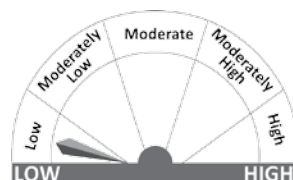
Money Market - Liquid Funds

Scheme Name	Aditya Birla SL FRF- Short Term Plan	Axis Liquid Fund	Baroda Pioneer Liquid Fund	Indiabulls Liquid Fund	JM High Liquidity Fund	L&T Liquid Fund	Tata Money Market Fund-Reg	UTI Liquid Fund-Cash Plan
Point to Point Returns								
2 Weeks	6.45	6.52	6.66	6.53	6.47	6.55	6.56	6.47
1 Month	6.34	6.42	6.45	6.40	6.37	6.43	6.42	6.37
3 Months	6.43	6.42	6.38	6.41	6.34	6.42	6.39	6.37
6 Months	6.54	6.52	6.48	6.52	6.49	6.52	6.50	6.48
1 Year	6.73	6.71	6.67	6.72	6.73	6.69	6.68	6.67
Benchmark	Crisil Liquid Fund Index	Crisil Liquid Fund Index	Crisil Liquid Fund Index	Crisil Liquid Fund Index	Crisil Liquid Fund Index	Crisil Liquid Fund Index	Crisil Liquid Fund Index	Crisil Liquid Fund Index
Point to Point Returns								
2 Weeks	6.37	6.37	6.37	6.37	6.37	6.37	6.37	6.37
1 Month	6.28	6.28	6.28	6.28	6.28	6.28	6.28	6.28
3 Months	6.33	6.33	6.33	6.33	6.33	6.33	6.33	6.33
6 Months	6.49	6.49	6.49	6.49	6.49	6.49	6.49	6.49
1 Year	6.67	6.67	6.67	6.67	6.67	6.67	6.67	6.67
AUM in Crs.	8,270	16,056	4,593	4,541	2,407	10,629	6,785	17,953
Average Maturity (Days)	51	52	56	37	38	55	63	50
Exit Load	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Fund Manager	Kaustubh Gupta	Devang Shah	Hetal P. Shah	Malay Shah	Shalini Tibrewala	Shriram Ramanathan	Amit Somani	Amandeep Singh Chopra

Returns < 1yr are annualised and returns more than 1yr are CAGR, as on 29th Dec 2017

Data Source: ACEMF

Risk-o-meter of the above recommended schemes is shown alongside



Recommended Funds

Debt - Ultra Short Term Funds

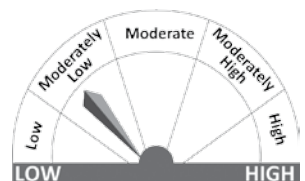
Scheme Name	Aditya Birla SL Savings Fund	Baroda Pioneer Treasury Adv Fund	HDFC FRIF-Short Term Plan	ICICI Pru Flexible Income Plan	Kotak Low Duration Fund*	Reliance Medium Term	UTI Treasury Advantage Fund
Point to Point Returns							
2 Weeks	3.63	4.93	2.42	3.09	3.59	1.24	4.17
1 Month	3.78	4.93	2.90	3.50	3.34	1.63	4.73
3 Months	5.54	5.77	5.41	5.24	5.74	4.47	5.73
6 Months	6.46	6.57	6.24	6.27	6.34	5.90	6.29
1 Year	7.27	7.62	6.92	7.16	7.21	6.69	7.09
Benchmark	Crisil Short Term Bond Fund Index	Crisil Liquid Fund Index	Crisil Liquid Fund Index	Crisil Liquid Fund Index	Crisil Liquid Fund Index	Crisil Short Term Bond Fund Index	Crisil Liquid Fund Index
Point to Point Returns							
2 Weeks	-2.15	6.37	6.37	6.37	6.37	-2.15	6.37
1 Month	-0.52	6.28	6.28	6.28	6.28	-0.52	6.28
3 Months	2.69	6.33	6.33	6.33	6.33	2.69	6.33
6 Months	4.78	6.49	6.49	6.49	6.49	4.78	6.49
1 Year	6.11	6.67	6.67	6.67	6.67	6.11	6.67
AUM in Crs.	20,121	1,924	16,187	22,015	5,584	10,486	10,497
Average Maturity (Days)	307	431	353	341	405	496	190
Exit Load	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Fund Manager	Kaustubh Gupta	Alok Sahoo	Shobhit Mehrotra	Rahul Goswami, Rohan Maru	Deepak Agrawal	Amit Tripathi	Sudhir Agarwal

Returns < 1yr are annualised and returns more than 1yr are CAGR, as on 29th Dec 2017

Data Source: ACEMF

Risk-o-meter of the above recommended schemes is shown alongside

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Recommended Funds

Debt - Short Term Funds

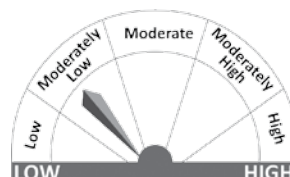
Scheme Name	Aditya Birla SL Short Term Fund	DHFL Pramerica Short Maturity Fund*	HDFC Short Term Opportunities Fund	ICICI Pru Short Term Plan*	L&T ST Income Fund	Reliance STF	SBI Short Term Debt Fund	UTI ST Income Fund
Point to Point Returns								
1 Month	0.16	0.74	0.89	-2.09	2.75	-2.67	-0.80	-0.53
3 Months	3.35	3.08	3.94	1.55	4.71	1.86	2.47	2.76
6 Months	5.38	5.15	5.60	4.11	6.58	4.30	4.53	4.66
1 Year	6.62	7.00	6.61	6.04	8.39	5.80	5.82	6.16
3 Years	8.57	8.41	8.19	8.39	9.02	7.90	7.96	8.19
5 Years	9.00	8.78	8.67	8.76	8.99	8.49	8.36	8.88
Benchmark	Crisil Short Term Bond Fund Index	Crisil Short Term Bond Fund Index	Crisil Short Term Bond Fund Index	Crisil Short Term Bond Fund Index	Crisil Short Term Bond Fund Index	Crisil Short Term Bond Fund Index	Crisil Short Term Bond Fund Index	Crisil Short Term Bond Fund Index
Point to Point Returns								
1 Month	-0.52	-0.52	-0.52	-0.52	-0.52	-0.52	-0.52	-0.52
3 Months	2.69	2.69	2.69	2.69	2.69	2.69	2.69	2.69
6 Months	4.78	4.78	4.78	4.78	4.78	4.78	4.78	4.78
1 Year	6.11	6.11	6.11	6.11	6.11	6.11	6.11	6.11
3 Years	8.19	8.19	8.19	8.19	8.19	8.19	8.19	8.19
5 Years	8.65	8.65	8.65	8.65	8.65	8.65	8.65	8.65
AUM in Crs.	19,445	1,696	9,490	9,086	1,156	12,658	8,410	10,576
Average Maturity (Years)	2.00	2.24	1.62	2.44	1.44	2.79	2.19	1.97
Exit Load	Nil	Nil	Nil	0.25% on or before 7D, Nil after 7D	Nil for 10% of units and 1% for remaining units on or before 9M, Nil after 9M	Nil	Nil	Nil
Fund Manager	Maneesh Dangi	Puneet Pal	Anil Bamboli	Manish Banthia	Vikas Garg	Prashant Pimple	Rajeev Radhakrishnan	Sudhir Agarwal

Returns < 1yr are annualised and returns more than 1yr are CAGR, as on 29th Dec 2017

Data Source: ACEMF

Risk-o-meter of the above recommended schemes is shown alongside

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Recommended Funds

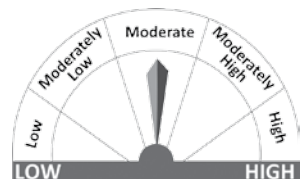
Debt - Income Funds

Scheme Name	Aditya Birla SL Income Plus	HDFC Income Fund	ICICI Pru Income Opportunities Fund	ICICI Pru Income	Kotak Bond Fund	UTI Bond Fund
Point to Point Returns						
1 Month	-9.31	-11.57	-2.29	-6.72	-13.55	-13.87
3 Months	-4.58	-6.13	-0.27	-4.31	-6.10	-5.50
6 Months	-0.76	-2.35	3.12	-0.86	-3.37	-0.74
1 Year	2.94	1.57	5.53	4.45	1.09	3.67
3 Years	7.29	7.05	8.44	8.36	6.62	8.00
5 Years	7.98	7.67	8.75	8.39	7.28	8.61
Benchmark	Crisil Composite Bond Fund Index	Crisil Composite Bond Fund Index	Crisil Composite Bond Fund Index	Crisil Composite Bond Fund Index	Crisil Composite Bond Fund Index	Crisil Composite Bond Fund Index
Point to Point Returns						
1 Month	-6.61	-6.61	-6.61	-6.61	-6.61	-6.61
3 Months	-2.11	-2.11	-2.11	-2.11	-2.11	-2.11
6 Months	2.06	2.06	2.06	2.06	2.06	2.06
1 Year	4.89	4.89	4.89	4.89	4.89	4.89
3 Years	8.79	8.79	8.79	8.79	8.79	8.79
5 Years	8.81	8.81	8.81	8.81	8.81	8.81
AUM in Crs.	2,496	1,441	4,492	2,006	2,632	1,666
Average Maturity (Years)	8.59	11.25	4.61	8.26	8.34	6.37
Exit Load	Nil	Nil	1% on or before 6M, Nil after 6M	0.25% on or before 1M, Nil after 1M	Nil	Nil
Fund Manager	Pranay Sinha	Shobhit Mehrotra	Manish Banthia	Manish Banthia	Abhishek Bisen	Amandeep Singh Chopra

Returns < 1yr are annualised and returns more than 1yr are CAGR, as on 29th Dec 2017

Data Source: ACEMF

Risk-o-meter of the above recommended schemes is shown alongside



Recommended Funds

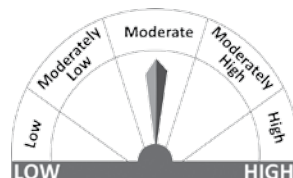
Debt - Accrual Funds

Scheme Name	Aditya Birla SL Medium Term Fund	HDFC Corporate Debt Opportunities Fund	ICICI Pru Corporate Bond Fund	Kotak Income Opportunities Fund	Reliance Reg Savings Fund-Debt Plan
Point to Point Returns					
1 Month	-0.02	-2.18	-1.24	0.98	0.76
3 Months	3.09	2.51	1.62	3.95	4.23
6 Months	5.15	4.76	4.50	5.43	5.78
1 Year	7.15	6.75	6.68	6.70	7.15
3 Years	9.16	8.89	8.43	8.69	8.63
5 Years	9.92		8.70	8.92	8.96
Benchmark	Crisil Short Term Bond Fund Index	Crisil Short Term Bond Fund Index	Crisil Short Term Bond Fund Index	Crisil Short Term Bond Fund Index	Crisil Composite Bond Fund Index
Point to Point Returns					
1 Month	-0.52	-0.52	-0.52	-0.52	-6.61
3 Months	2.69	2.69	2.69	2.69	-2.11
6 Months	4.78	4.78	4.78	4.78	2.06
1 Year	6.11	6.11	6.11	6.11	4.89
3 Years	8.19	8.19	8.19	8.19	8.79
5 Years	8.65	8.65	8.65	8.65	8.81
AUM in Crs.	11,696	13,686	8,038	5,057	10,092
Average Maturity (Years)	2.77	3.79	3.54	2.56	2.71
Exit Load	Nil upto 15% of units, 1% in excess of limit on or before 365D and Nil after 365D	Nil for 15% of Units, For excess of limits 1% on or before 12M and 0.50% after 12M but on or before 18M, Nil after 18M	1% on or before 1Y, Nil after 1Y	Nil for 10% of investment and 1% for remaining Investment on or before 1Y, Nil after 1Y	Nil for 10% of units and 1% for remaining units on or before 12M, Nil after 12M
Fund Manager	Maneesh Dangi	Shobhit Mehrotra	Manish Banthia	Deepak Agrawal	Prashant Pimple

Returns < 1yr are annualised and returns more than 1yr are CAGR, as on 29th Dec 2017

Data Source: ACEMF

Risk-o-meter of the above recommended schemes is shown alongside



Recommended Funds

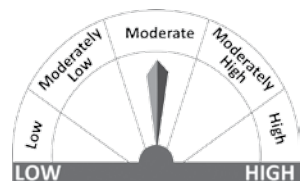
Debt - Gilt Funds

Scheme Name	HDFC Gilt-Long Term Plan	ICICI Pru Long Term Gilt Fund	Reliance Gilt Securities Fund	SBI Magnum Gilt-LTP	UTI Gilt Adv-LTP
Point to Point Returns					
1 Month	-10.07	-11.06	-14.59	-13.57	-14.87
3 Months	-6.20	-8.33	-6.68	-5.59	-7.25
6 Months	-1.96	-3.83	-1.97	-1.94	-2.56
1 Year	2.05	2.26	3.58	3.99	4.37
3 Years	8.10	8.57	8.92	9.23	8.72
5 Years	8.75	8.61	9.56	10.65	9.81
Benchmark	I-BEX (I-Sec Sovereign Bond Index)	I-BEX (I-Sec Sovereign Bond Index)	I-BEX (I-Sec Sovereign Bond Index)	I-BEX (I-Sec Sovereign Bond Index)	I-BEX (I-Sec Sovereign Bond Index)
Point to Point Returns					
1 Month	-5.50	-5.50	-5.50	-5.50	-5.50
3 Months	-2.85	-2.85	-2.85	-2.85	-2.85
6 Months	0.81	0.81	0.81	0.81	0.81
1 Year	4.03	4.03	4.03	4.03	4.03
3 Years	8.82	8.82	8.82	8.82	8.82
5 Years	9.17	9.17	9.17	9.17	9.17
AUM in Crs.	2,182	950	1,516	3,120	720
Average Maturity (Years)	11.86	14.20	8.94	7.41	7.14
Exit Load	Nil	Nil	Nil	Nil	Nil
Fund Manager	Anil Bamboli	Rahul Goswami	Prashant Pimple	Dinesh Ahuja	Amandeep Singh Chopra

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Data Source: ACEMF

Risk-o-meter of the above recommended schemes is shown alongside



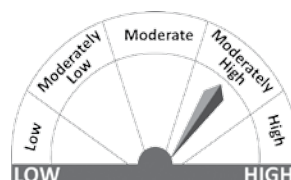
Recommended Funds

Equity - Large Cap Funds

Scheme Name	Aditya Birla SL Frontline Equity Fund	Axis Focused 25 Fund	Franklin India Prima Plus Fund	ICICI Pru Focused BlueChip Eq Fund	IDFC Classic Equity Fund	Kotak Select Focus Fund
Scheme Point to Point Returns						
3 Months	6.85	9.18	9.25	9.02	9.87	7.18
6 Months	10.98	17.25	12.45	14.55	13.70	11.49
1 Year	31.75	46.11	31.81	33.84	38.45	35.94
3 Years	12.65	16.61	13.16	12.76	16.23	15.14
5 Years	17.55	18.34	18.90	17.27	15.56	20.49
Scheme SIP Returns						
1 Year	22.33	36.82	23.76	27.56	28.46	22.96
3 Years	17.25	23.45	16.58	19.03	21.75	20.15
5 Years	18.18	21.14	19.66	18.34	19.29	22.06
Benchmark	S&P BSE 200	NIFTY 50	NIFTY 50	NIFTY 50	S&P BSE 200	NIFTY 200
Benchmark Point to Point Returns						
3 Months	9.30	7.58	7.58	7.58	9.30	9.44
6 Months	13.18	10.80	10.80	10.80	13.18	13.33
1 Year	34.54	29.95	29.95	29.95	34.54	34.73
3 Years	11.18	8.48	8.48	8.48	11.18	10.99
5 Years	14.06	12.24	12.24	12.24	14.06	13.95
Benchmark SIP Returns						
1 Year	25.72	21.15	21.15	21.15	25.72	25.87
3 Years	17.31	14.33	14.33	14.33	17.31	17.30
5 Years	16.01	13.16	13.16	13.16	16.01	15.91
Risk Ratios						
Treynor	7.59	8.34	7.63	7.00	9.17	9.92
Information Ratio	5.31	7.35	4.44	5.25	8.35	8.57
AUM in Crs.	20702	2623	12266	16539	2241	17041
Exit Load	1% on or before 1Y, Nil after 1Y	Nil for 10% of investments and 1% for remaining investments on or before 12M, Nil after 12M	1% on or before 1Y	1% on or before 1Y, NIL after 1Y	1% on or before 365D	1% on or before 1Y, Nil after 1Y
Fund Manager	Mahesh Patil	Jinesh Gopani	Anand Radhakrishnan	Sankaren Naren	Anoop Bhaskar	Harsha Upadhyaya

Returns < 1yr are absolute and returns more than 1yr are CAGR, as on 29th Dec 2017

Data Source: ACEMF



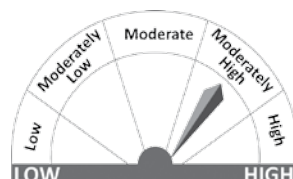
Recommended Funds

Equity - Multi Cap Funds

Scheme Name	Aditya Birla SL Advantage Fund	Franklin India High Growth Cos Fund	ICICI Pru Multicap Fund	Kotak Opportunities Fund	Mirae Asset India Opportunities Fund	Tata Equity P/E Fund
Scheme Point to Point Returns						
3 Months	7.12	14.90	9.79	8.54	9.55	6.96
6 Months	16.03	16.05	12.16	12.66	14.93	15.34
1 Year	42.69	38.49	29.04	36.59	39.94	40.83
3 Years	18.00	14.00	13.40	15.44	16.26	18.14
5 Years	22.74	23.51	18.33	19.03	21.09	22.93
Scheme SIP Returns						
1 Year	29.88	32.25	23.14	25.28	30.93	29.00
3 Years	23.05	20.42	17.67	20.60	22.29	25.95
5 Years	25.06	24.06	19.47	21.27	22.73	26.59
Benchmark	S&P BSE 200	NIFTY 500	S&P BSE 200	NIFTY 500	S&P BSE 200	S&P BSE SENSEX
Benchmark Point to Point Returns						
3 Months	9.30	10.36	9.30	10.36	9.30	8.86
6 Months	13.18	14.33	13.18	14.33	13.18	10.37
1 Year	34.54	37.24	34.54	37.24	34.54	29.17
3 Years	11.18	12.19	11.18	12.19	11.18	7.52
5 Years	14.06	14.89	14.06	14.89	14.06	11.85
Benchmark SIP Returns						
1 Year	25.72	28.45	25.72	28.45	25.72	21.83
3 Years	17.31	18.77	17.31	18.77	17.31	13.68
5 Years	16.01	17.26	16.01	17.26	16.01	12.33
Risk Ratios						
Treynor	11.03	5.91	9.33	9.03	9.36	10.94
Information Ratio	2.97	1.39	1.15	2.14	3.63	1.63
AUM in Crs.	5738	7957	2988	2338	6123	2492
Exit Load	1% on or before 365D, Nil after 365D	1% on or before 1Y	1% on or before 18M, Nil after 18M	1% on or before 1Y, Nil after 1Y	1% on or before 1Y(365D), Nil after 1Y(365D)	1% on or before 365D, Nil after 365D
Fund Manager	Satyabrata Mohanty	Anand Radhakrishnan	George Heber Joseph	Harsha Upadhyaya	Neelesh Surana	Sonam Udasi

Returns < 1yr are absolute and returns more than 1yr are CAGR, as on 29th Dec 2017

Data Source: ACEMF



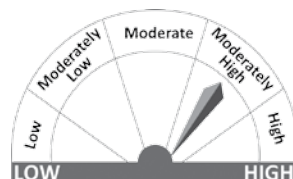
Recommended Funds

Equity - Mid and Small Cap Funds

Scheme Name	Aditya Birla SL Small & Midcap Fund	Canara Rob Emerg Equities Fund	Franklin India Prima Fund	Franklin India Smaller Cos Fund	Kotak Emerging Equity Scheme	L&T Midcap Fund	Sundaram Select Midcap Fund
Scheme Point to Point Returns							
3 Months	16.58	12.66	12.48	13.73	13.53	11.92	13.37
6 Months	22.66	17.22	16.64	18.68	17.11	18.48	18.04
1 Year	57.78	52.53	40.98	44.46	43.87	53.21	42.03
3 Years	25.43	21.43	18.14	20.94	20.26	23.18	20.72
5 Years	27.77	29.04	25.44	30.14	25.09	28.97	26.14
Scheme SIP Returns							
1 Year	48.09	39.19	33.36	39.55	36.11	41.89	36.91
3 Years	33.19	27.81	23.19	26.63	25.99	30.87	26.06
5 Years	32.82	32.67	27.10	31.33	30.15	32.83	29.40
Benchmark	NIFTY MIDCAP 100	NIFTY MIDCAP 100	NIFTY MIDCAP 100	NIFTY MIDCAP 100	S&P BSE Mid-Cap	NIFTY MIDCAP 100	S&P BSE Mid-Cap
Benchmark Point to Point Returns							
3 Months	16.71	16.71	16.71	16.71	15.46	16.71	15.46
6 Months	20.07	20.07	20.07	20.07	22.47	20.07	22.47
1 Year	48.42	48.42	48.42	48.42	49.71	48.42	49.71
3 Years	19.40	19.40	19.40	19.40	20.41	19.40	20.41
5 Years	20.05	20.05	20.05	20.05	20.21	20.05	20.21
Benchmark SIP Returns							
1 Year	40.42	40.42	40.42	40.42	43.51	40.42	43.51
3 Years	26.66	26.66	26.66	26.66	27.58	26.66	27.58
5 Years	25.65	25.65	25.65	25.65	26.40	25.65	26.40
Risk Ratios							
Treynor	15.73	11.32	11.97	14.91	13.11	12.40	13.03
Information Ratio	3.01	1.97	2.24	2.73	2.46	2.07	2.29
AUM in Crs.	1866	3143	6806	7497	3021	2036	6593
Exit Load	1% on or before 365D, Nil after 365D	1% on or before 1Y, Nil after 1Y	1% on or before 1Y	1% on or before 1Y	1% on or before 1Y, Nil after 1Y	1% on or before 1Y, Nil after 1Y	1% on or before 12M
Fund Manager	Jayesh Gandhi	Ravi Gopalakrishnan	R. Janakiraman	R. Janakiraman	Pankaj Tibrewal	Soumendra Nath Lahiri	S Krishnakumar

Returns < 1yr are absolute and returns more than 1yr are CAGR, as on 29th Dec 2017

Data Source: ACEMF



Recommended Funds

Equity Linked Savings Schemes

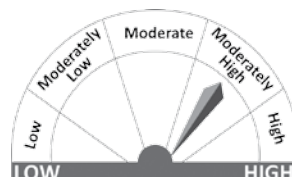
Scheme Name	Aditya Birla SL Tax Relief '96	Axis LT Equity Fund	DSPBR Tax Saver Fund	L&T Tax Advt Fund	Reliance Tax Saver (ELSS) Fund	Sundaram Diversified Equity
Scheme Point to Point Returns						
3 Months	12.43	7.96	9.81	9.71	14.99	9.91
6 Months	19.23	14.70	16.34	15.79	20.29	12.80
1 Year	45.16	38.04	37.57	43.28	47.87	40.16
3 Years	17.87	13.78	16.85	16.95	14.19	15.55
5 Years	22.25	23.08	20.84	19.60	22.95	17.65
Benchmark	S&P BSE 200	S&P BSE 200	NIFTY 500	S&P BSE 200	S&P BSE 100	S&P BSE 200
Benchmark Point to Point Returns						
3 Months	9.30	9.30	10.36	9.30	8.43	9.30
6 Months	13.18	13.18	14.33	13.18	12.24	13.18
1 Year	34.54	34.54	37.24	34.54	32.83	34.54
3 Years	11.18	11.18	12.19	11.18	9.85	11.18
5 Years	14.06	14.06	14.89	14.06	13.04	14.06
Risk Ratios						
Treynor	8.60	5.67	11.39	9.45	6.15	8.98
Information Ratio	2.05	0.75	2.34	2.56	1.20	2.15
AUM in Crs.	4759	16108	3834	2927	10758	2563
Fund Manager	Ajay Garg	Jinesh Gopani	Rohit Singhanian	Soumendra Nath Lahiri	Ashwani Kumar	S. Krishnakumar

Returns < 1yr are absolute and returns more than 1yr are CAGR, as on 29th Dec 2017

Data Source: ACEMF

Note:

- Investment done in ELSS qualifies for tax deduction under Section 80C of IT Act, 1961
- Investment upto Rs. 1.5 lakh are eligible for deductions from taxable income
- You can save upto Rs. 45,000 tax
- Dual benefit of Tax reduction and Tax-free Capital Gains
- ELSS has 3 years lock-in period



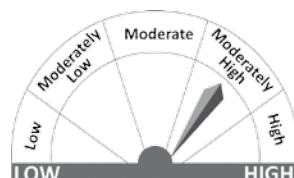
Recommended Funds

Hybrid - Balanced Funds

Scheme Name	Aditya Birla SL Balanced '95 Fund	Canara Rob Balance Scheme	ICICI Pru Balanced Advantage Fund	ICICI Pru Balanced Fund	L&T India Prudence Fund	Reliance Reg Savings Fund- Balanced Plan	SBI Magnum Balanced Fund
Scheme Point to Point Returns							
3 Months	5.70	5.64	5.07	8.21	5.85	6.10	9.01
6 Months	10.22	8.85	8.47	11.02	8.25	10.70	13.28
1 Year	26.78	25.69	19.56	25.65	28.27	30.61	28.35
3 Years	12.66	11.58	11.06	13.50	13.86	13.85	12.78
5 Years	17.46	15.84	14.31	18.59	18.28	16.85	17.96
Scheme SIP Returns							
1 Year	19.97	18.52	16.43	21.39	19.30	22.38	26.47
3 Years	16.45	14.84	13.28	18.22	16.10	17.39	16.08
5 Years	18.20	16.83	14.40	19.10	18.67	18.58	17.99
Benchmark Point to Point Returns	Crisil Balanced Fund Index	Crisil Balanced Fund Index	Crisil Balanced Fund Index	Crisil Balanced Fund Index	Crisil Balanced Fund Index	Crisil Balanced Fund Index	Crisil Balanced Fund Index
Benchmark Point to Point Returns							
3 Months	4.70	4.70	4.70	4.70	4.70	4.70	4.70
6 Months	7.34	7.34	7.34	7.34	7.34	7.34	7.34
1 Year	20.69	20.69	20.69	20.69	20.69	20.69	20.69
3 Years	8.82	8.82	8.82	8.82	8.82	8.82	8.82
5 Years	11.28	11.28	11.28	11.28	11.28	11.28	11.28
Benchmark SIP Returns							
1 Year	14.76	14.76	14.76	14.76	14.76	14.76	14.76
3 Years	12.16	12.16	12.16	12.16	12.16	12.16	12.16
5 Years	11.86	11.86	11.86	11.86	11.86	11.86	11.86
Risk Ratios							
Treynor	9.03	10.56	10.20	6.92	90.15	-187.32	90.02
Information Ratio	0.30	0.07	0.05	0.39	0.25	0.27	0.00
AUM in Crs.	13595	1494	24228	25957	8959	11334	19245
Exit Load	Nil upto 15% of units, 1% in excess of limit on or before 365D and Nil after 365D	1% on or before 1Y, Nil after 1Y	Nil on 15% of units within 18M and 1% for more than 15% of units within 18M, Nil after 18M.	Nil on 10% of units within 1Y and 1% for more than 10% of units within 1Y, Nil after 1Y.	Nil for 10% of units and 1% for remaining units on or before 1Y, Nil after 1Y	Nil for 10% of investments and 1% for remaining on or before 12M, Nil after 12M	Nil for 10% of investments and 1% for remaining investment on or before 12M, Nil after 12M
Fund Manager	Mahesh Patil	Ravi Gopalakrishnan	Manish Banthia	Sankaran Naren	Soumendra Nath Lahiri	Sanjay Parekh	R. Srinivasan

Returns < 1yr are absolute and returns more than 1yr are CAGR, as on 29th Dec 2017

Data Source: ACEMF



IndiaNivesh Model Portfolios

	I-Conserve	I-Build	I-Balance	I-Grow	I-Multiply
	■ Equity	■ Risk Free Debt	■ Long/Short Debt	■ Alternative	
Risk Suitability	Conservative Aggressive				
(A) Debt - Conservative	65%	50%	30%	20%	15%
Fixed Deposits - Banks/Corporates					
Bonds - PSU Bonds, Tax Free Bonds, etc.					
Fixed Maturity Plans and Interval Funds					
Liquid/Ultra Short Term/Arbitrage Funds					
(B) Debt - Aggressive/Duration	30%	35%	30%	20%	15%
Short Term Funds					
Income Funds					
MIPs					
Accrual Funds					
Gilt-Medium to Long Term					
(C) Equity	5%	15%	30%	40%	50%
Diversified Equity Funds					
Direct Equity/Derivatives					
Equity PMS					
Private Equity					
(D) Alternate	0%	0%	10%	20%	20%
Gold ETFs/Funds					
Real Estate Products (REITs)					
Structured Products					
(A)+(B)+(C)+(D)	100%	100%	100%	100%	100%

I-Conserve – The most conservative of the portfolios; the focus here is preservation of capital combined with the ability to generate consistent alpha over risk free or bank deposit rate. The marginal exposure to equity is maintained so as to create a synthetic conservative structure, akin to a MIP.

I-Build – The focus is to improve the return profile without disproportionately increasing the risk profile. The allocation to equity goes up and also to duration debt, as the concentration to conservative debt goes down.

I-Balance/I-Grow/I-Multiply – The need for further improvement in returns also increases the risk in the portfolio, thereby emphasising further diversification. One more basket is introduced in these portfolios in the form of Alternate Asset Class. The allocation to Equity and Alternate Asset Class increases in these portfolios as the focus on capital appreciation is on upward trajectory. The Alternate Asset Class works as an effective diversifier as well, given the fact that they may not strictly have a positive correlation to Equity.

Key Global Economic Variables

Country	GDP Growth	Policy Rate	10yr Yield	Inflation	CAD/GDP	Debt/GDP
BRICS						
Brazil	1.40%	7.00%	9.91%	2.95%	-0.62%	69%
Russia	1.80%	7.75%	7.43%	2.50%	2.11%	17%
India	6.30%	6.00%	7.21%	5.21%	-1.39%	70%
China	6.80%	4.35%	4.01%	1.80%	1.02%	46%
South Africa	0.80%	6.75%	8.48%	4.60%	-2.10%	52%
Americas						
United States	2.30%	1.50%	2.55%	2.10%	-2.32%	106%
Canada	3.00%	1.00%	2.17%	2.10%	-2.82%	92%
Mexico	1.50%	7.25%	7.57%	6.77%	-1.42%	48%
Europe						
Germany*	2.80%	0.00%	0.55%	1.70%	7.84%	68%
UK	1.70%	0.50%	1.29%	3.00%	-4.61%	89%
France*	2.30%	0.00%	0.83%	1.20%	-1.06%	96%
Italy*	1.70%	0.00%	1.99%	0.90%	2.75%	133%
Spain*	3.10%	0.00%	1.50%	1.10%	1.79%	99%
Portugal*	2.50%	0.00%	2.02%	1.50%	0.54%	130%
Greece*	1.30%	0.00%	3.78%	0.70%	0.90%	179%
Poland	4.90%	1.50%	3.28%	2.10%	0.10%	54%
Switzerland	1.20%	-0.75%	-0.07%	0.80%	9.88%	33%
Asia						
Japan	2.10%	-0.10%	0.09%	0.60%	3.97%	250%
Australia	2.80%	1.50%	2.79%	1.80%	-2.00%	41%
New Zealand	2.70%	1.75%	2.87%	1.90%	-2.60%	25%
Indonesia	5.06%	4.25%	6.08%	3.61%	-1.34%	28%
Singapore	3.10%	1.26%	2.07%	0.60%	18.80%	112%
South Korea	3.80%	1.50%	2.64%	1.50%	5.62%	39%
Philippines	6.90%	3.00%	5.59%	3.30%	-0.32%	42%
Malaysia	6.20%	3.00%	3.86%	3.40%	3.01%	53%

*Eurozone Members. Data Source: Bloomberg / Trading economics. CPI yearly change is considered for inflation

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At IndiaNivesh, we believe in engaging with the customers by identifying their needs, goals and objectives and fulfilling them through a scientific and process-based approach. We believe in building enduring and long term relationships with our clients. Consistently providing service at a level that exceeds customer expectations through our focus on quality is a part of our business principles.



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