



IndiaNivesh
TRUST, WE EARN IT

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Nivesh Wealth

IndiaNivesh Wealth Management

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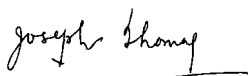
Tabula Rasa

When there is a train of events, it is highly likely that sometimes we may lose sight of, or rather find it difficult to comprehend, the larger impact of the events on the underlying fundamentals of the economy from a holistic perspective. It would therefore be prudent to analyze the each event on its own merits and decipher its overall impact on the investment portfolio. The domestic economy has been showing signs of growth if we go by the recent IIP and GDP numbers. The import duties slapped by the US may impact the domestic steel industry as it is the tenth largest supplier of steel to the US and from Indian perspective, US is the 5 largest global buyer. This may impact only a segment or sector. In other words, since the domestic participation in the markets has been quite encouraging, looking at the continuation of mutual fund flows, in the last few months, the short term disruptions may lead to sector-wise strong investment preferences.

The US economy has been steadier, which has led to rise in bond yields there, and therefore, the repatriation of capital from foreign shores. For India as well the FIIs have been net sellers over the last month both in equities and debt. The rise in US yield does provide an opportunity for the US moneys to return in the wake of the declining interest rate differentials and rising risk of portfolio devaluation due to an appreciating US Dollar. The trend could also be a reflection of the churn ahead of the implementation of the new LTCG tax on equities. It may subside soon as the reactionary rebalancing would have gotten over.

This is also a time to have a relook at the portfolios through comprehensive portfolio reviews. This would help investors to make an objective assessment of how the portfolio objectives are served by the current asset allocation, and also make requisite modifications as required. The rise in yields has taken us to the threshold of attractive fixed income investments with a plethora of fixed maturity plans on offer from mutual funds. Much the same way, equities have definitely become much cheaper to buy and the space in large caps and mid and small caps may be invested into through managed funds with excellent track record, like mutual fund schemes and portfolio management schemes. Investment into long term debt may be initiated as the yield on the current ten year benchmark ascends to close to 7.90 % to 8.10 % levels.

Happy Investing !!!

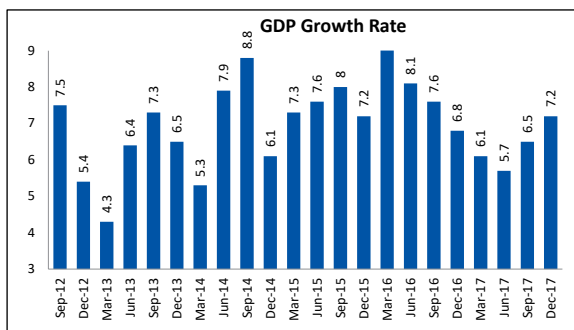


K. Joseph Thomas Ph.D
Director - Wealth Management

India: Macro

GDP

The Q3FY18 GDP was reported at 7.2% as compared to 6.5% in the preceding quarter; second consecutive quarter of uptick in economic activity. With high frequency indicators such as IIP and PMI showing sequential strength in reported numbers, the latest GDP was expected to continue on the revival path. Even though improvement was expected, the reported numbers were better than what market participants had envisaged. The advance estimates of GDP growth for FY18 have now been raised to 6.6%, indicating growth momentum to continue in the 4th quarter of the current fiscal as well. The GVA for Q3FY18 came in at 6.7% as against the growth of 6.2% in the preceding quarter. The recovery in growth rates has given hopes that economy has turned a corner and the worst effects of demonetization and GST induced shocks are behind us. The latest growth figures were supported by the factors such as improvement in economic activity and a favorable base effect.



Source: Bloomberg

Manufacturing continued to remain the key component pulling the weight of overall GDP growth during Q3FY18 as well. Manufacturing growth was reported at 8.1% for Q3FY18, which was marked improvement over the growth rate of 6.9% in the preceding quarter. The government expenditure, as measured by the growth in Public Admin, Defence and Other Services too remained supportive of GDP growth. The expansion in the said sector was reported at 7.2% as against 5.6% in the preceding quarter. Construction activity, largely stalled during the demonetization period, too saw a sharp revival during the previous quarter. The growth was reported at 6.8% as compared to 2.8% in the preceding quarter. The sharp reversal in Agricultural growth came as a surprise; the growth rebounded to 4.1% in Q3FY18 as compared to 2.7% in the preceding quarter.

The expenditure wise GDP classification indicated that the capex too has finally started growing during the previous quarter. The Gross Fixed Capital Formation (GFCF)

expenditure grew at the rate of 12%, thereby taking its contribution to GDP to 32.4% in Q3FY18 as compared to 31% during the corresponding quarter previous fiscal. The Private Final Consumption Expenditure (PFCE), which contributes close to 60% to the GDP, growth remained subdued at 5.6%; signaling that despite the uptick in Agricultural, Manufacturing and Construction (key employment generating segments) growth, the consumer demand is yet to revive meaningfully. The CAD too remains a cause of concern, during the previous quarter the import growth (8.7%) outpaced the exports growth (2.5%).

Our View:

India has regained the title of the world's fastest growing large economy, it definitely indicates that the growth has bottomed out but tells little about the future trajectory. During the year 2017 Indian economy faced growth challenges from demonetization and GST, whereas 2018 will bring its own set of headwinds. The first of those is the anticipated change in the monetary policy stance. The recovery in growth rates can lead to market participants expecting a swift response by RBI to the growing risk of inflation. The effects of the same are already visible in the debt markets. The borrowing rates have inched up as bond yields have moved up in response to inflation numbers. As a response to drying-up of liquidity banks have started increasing the deposit rates, under the new regime of MCLR these would soon translate into higher lending rates. The other concern which has cropped-up recently is the scams and frauds plaguing the banking industry. As the banks set-out to bring their house in order, the availability of credit to corporates may get impacted. Any shortfall in credit for working capital or capex requirements could severely dent the growth prospects over the medium term. We believe growth has bottomed-out, going by the improvement in high frequency indicators and the growth in corporate earnings during the previous quarter. The challenge now remains to take the growth to a higher trajectory, to that effect actions taken by the RBI and government would be critical to keep a cap on interest rates and also to ensure that credit flow to productive parts of the economy is not impacted in the wake of recent banking scams.

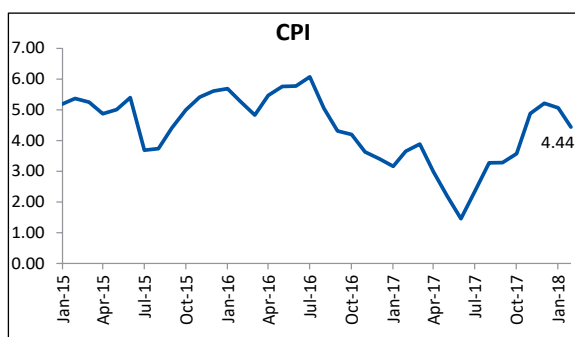
From an investment avenue perspective, we continue to recommend investors to stay at the shorter end of the yield curve and allocate investible surpluses in Short Term and Credit Risk Funds (based on individual risk appetite and investment horizon).

Inflation

India's headline inflation based on CPI eased for the

second month in a row. The rate of inflation was reported at 4.44% for the month of February 2018 as compared to 5.07% in the previous month and 3.65% seen in Jan 2017. The latest numbers are well below the RBI's target of 5.1% for the last quarter. The continued slide in food and fuel inflation led to easing of the headline numbers. The Consumer Food Price Index (CFPI) eased sharply to 3.26% in Feb'18 as compared to 4.7% in the preceding month. Within food articles the sharpest fall was seen in vegetables and fruits prices.

The fuel and light index eased from 7.73% in the previous month to 6.80% in Jan 2018. The fall in fuel index seems counterintuitive as global oil prices have gained during the last year and the gains in \$/INR have not been enough to set off the same. All the other major components of CPI, except food and fuel, have seen prices remaining sticky during Feb'18. The inflation rate for Housing Index was reported at 8.28%, which was largely unchanged as compared to 8.33% registered in the preceding month.



Source: MOSPI, IndiaNivesh Research

Though headline inflation numbers have eased, the core inflation has remained largely steady. The exclusion of volatile inputs, food and fuel, gives credence to core inflation for reflecting much more realistic picture of underlying price pressures. The static nature of core inflation can be a cause of concern, as any uptick in food or fuel prices can lead to sharp acceleration in headline numbers.

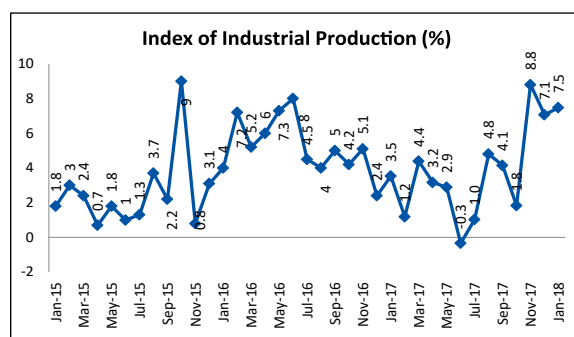
Our View:

The easing of inflation numbers must have come as a huge respite for the domestic debt markets. The pressures from rise in global bond yields and risks of rising inflation have led to sharp upmove in bond yields. The current set of numbers may not lead to immediate easing of yields but should provide some comfort over the near term. The inflation numbers seen in conjunction with the nascent recovery in growth could allay the market fears of RBI adopting a hawkish policy stance.

The markets can draw some comfort from the softening inflation but the inflationary risks over the medium term have not abated. The fall aided by volatile components can turn out difficult to maintain. The seasonal rise in vegetable prices and the government policy of hiking the MSP are some of the risks that can again push the inflation upwards. As was highlighted in the previous communication, we reiterate that the overall trend of inflation depicts a rising trend and would continue to put pressure on the longer end of the curve. The investors should refrain from buying into the short term data and take a bet at the longer end of the curve.

Index of Industrial Production

Industrial production remained on firm footing for the third month in a row; the growth rate for the month of Jan'18 was reported at 7.5%. This remains the best streak of industrial production data after the economy suffered the jolt of demonetization. The reported numbers bettered the performance of the preceding



Source: Bloomberg

month (7.1%) and was also considerably higher than the year ago period (3.5%). The strong performance of manufacturing sector remains the driving factor behind the revival in IIP numbers. The continued robust performance of the manufacturing sector has been one of the major factors behind sustenance of recovery in industrial production. Apart from the uptick in manufacturing activity, the growth numbers also remain supported by a low base.

Despite the strong recent performance, the fiscal year to date growth for FY18 still lags the one recorded in FY17 but the gap is narrowing steadily. The Apr-Jan growth for FY18 stands at 4.1% as against the growth of 5% for comparable period of FY17. If the current momentum continues, the IIP growth for FY18 should be able to match the growth for FY17 (4.6%). The IIP growth registered in FY17 was the strongest in the current series.

The manufacturing growth for Jan'18 was reported at 8.7% as compared to 8.5% in the preceding month and the growth of 2.5% registered in Jan'17. Sixteen out of the twenty three industry groups under manufacturing reported positive growth.

The Mining and Electricity sectors too posted positive growth rates. The mining activity continued to languish at suboptimal growth rates, it grew at 0.01% in Jan'18 as compared to growth of 1.2% in the preceding month. The electricity generation growth improved during Jan'18; the sector grew at the rate of 7.6%, outpacing the growth rate of 4.4% recorded for the preceding month.

The growth in Use-Based categories too remained healthy and indicated a broad based recovery. The double digit growth in Capital Goods continued in the month of Jan'18 as well; the expansion in Jan was 14.6% as compared to growth of 14.4% in the preceding month. Another key indicator of revival in capex cycle, Infrastructure/Construction goods, too grew at a healthy pace. The segment grew at the rate of 6.8%. The growth in Consumer Non-Durables eased as compared to the preceding month but maintained double digit run rate. The Consumer Durables segment witnessed a sharp recovery, a healthy indication of improving demand scenario. The Consumer Durables growth rate was reported at 8% as compared to the sluggish pace of 1.5% in the preceding month.

Our view:

After a prolonged period of subdued industrial growth, the economy now finally seems to have turned a corner. As indicated by the latest set of numbers, the demand scenario seems to be improving as well.

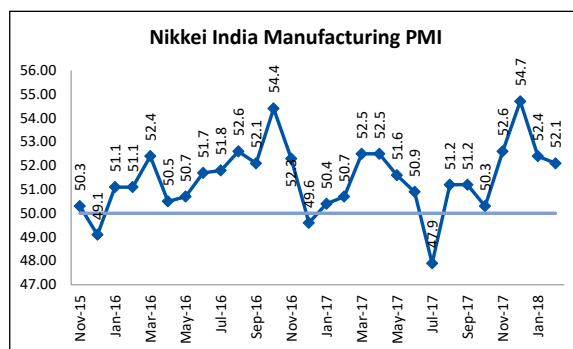
The growth mix is healthy and the volatility in IIP numbers too has remained below par as reflected by the sequential growth in numbers. The key concerns at the current juncture are, 1) the current growth should not turn out to be a statistical mirage, given the support of low base and 2) the impact of the recent scams/frauds in the banking industry on lending activity. If the lending to productive sectors is impacted due to the recent events, it may severely dent the industrial growth rate. We do not expect the sustenance of growth rates to impact bond yields as the inflation pressures have eased in Feb'18.

India PMI

The manufacturing PMI number has been in expansionary mode for the seventh consecutive month, the index number was reported at 52.1 for the month of February. A reporting above 50 indicates expansion. The pace of expansion has slowed though as compared to the

recent high of 54.7 touched in the month of December and has also stayed below the long-run average of 54.1. The survey report indicated that the new orders rose for the fourth consecutive month, but the rate of growth was the lowest in the current upturn. The expansion in manufacturing activity was also supported by external demand for Indian products.

Even as the pace of manufacturing activity has slowed as compared to the previous months, the manufacturers remained optimistic of the twelve month outlook. The manufacturers responded positively to the improving scenario by increasing the purchasing activity and raising their staffing levels. Amid improving business outlook the surge in input cost pressures has emerged as the biggest concern. The input costs inched up in the month of February as well. The cost pressures increased at the sharpest in a year.



Source: Nikkei, IndiaNivesh Research

Our View:

The pace of expansion may have slowed but the latest numbers indicated that the economic revival continues unabated. The improvement in manufacturing leading to job creation is another big positive for the economy. The increase in staffing level indicates that manufacturers' outlook remains strong.

The key cause of concern as highlighted by the PMI report is the continuing pressure of input costs. The manufacturers have been reeling under the burden of rising costs as the space available with them to pass-on the same is minimal. The key risk now is, if the cost burden becomes unbearable and they decide to pass on the same it could adversely impact the consumer based inflation numbers. Apart from the inflation numbers the rise in prices could also impact the nascent recovery in demand. The price sensitive buying can get delayed and thus also denting the manufacturing activity. The core inflation has remained sticky at elevated levels and if wholesale inflation starts reflecting further into consumer prices the RBI can be forced to reverse the easing cycle.

Global: Macro

Global bond yields

Global bond yields continued to maintain an upward bias for major part of February. The strong jobs report from US and the market interpretation of a hawkish stance of new Fed chief too kept the rates elevated. The yields stabilised or trended marginally lower towards the end of February and in the month of March. As compared to the US, yields remained stable in the Euro area, specifically Germany.

The volatility in equity markets benefitted the bond markets. The bond yields remained supported as risk averse money flowed into bonds. The ECB maintaining a status quo and market participants not expecting any change to the bond buying programme till the end of current year too helped in capping the gains in bond yields. The Bank of Japan too maintained status quo in its monetary policy.

Date	US 10 Yr Yield (%)	UK 10 Yr Yield (%)	JP 10 Yr Yield (%)	Germany 10 Yr Yield (%)	India 10 Yr Yield (%)
12-Mar-18	2.868	1.494	0.053	0.632	7.630
28-Feb-18	2.861	1.501	0.053	0.656	7.726
22-Feb-18	2.921	1.546	0.056	0.706	7.746
15-Feb-18	2.910	1.646	0.067	0.764	7.573

Source: Bloomberg,

Outlook

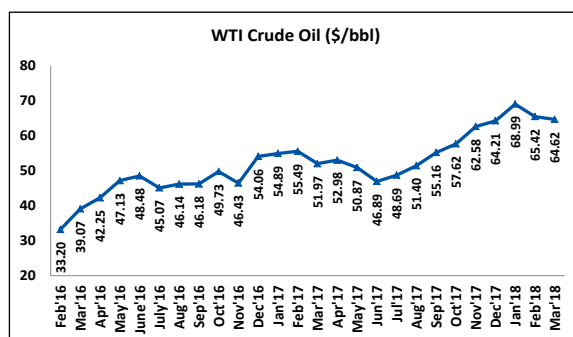
The recent yield movement was largely dictated by the volatility in equity markets. As equity markets corrected from all-time highs, bond yields stabilised. The political developments also played its part in keeping the yields in check, the anti-Euro sentiment witnessed in the elections in Germany and Italy were events that impacted investor sentiment towards risk assets.

Over the near term the global bond yields can be expected to take a breather as the effects of the above mentioned events lingers for some time. The impact of Trump's protectionist policies too can lead to money flowing into safe haven assets. Over the medium to long term we believe global bond yields could continue to move upwards. The monetary policies of global central banks have started taking baby steps toward normalising their policies after maintaining an accommodative stance for multi-year period. Currently there is some divergence in terms of global central bank actions, but as the remaining regions too initiate the normalisation process in the wake of improving growth prospects, the yields can trend higher.

Crude Oil

The oil prices, after touching the recent high in the month of January, corrected in the month of February and the same trend continued in the first half of March. The OPEC nations maintained their commitment to production cuts but the steady gains in US shale oil production is the major factor deciding the trend of oil prices. The OPEC nations' focus towards supporting oil prices has had the unintended consequence of reviving a dormant alternate supply.

The pace of oil stockpiles drawdown slowed considerably in the month of January and since then has infact reversed the trend. The US stockpiles have swelled in the month of February and March. The oil rig count has also continued to improve over the last month. In 2018 itself US has added close to 50 oil rigs.



Source: Bloomberg, IndiaNivesh Research

Outlook

The oil prices recovered from the lows on the back of support from supply restrictions from OPEC nations, now the future price movement could largely be dependent on the non-OPEC supply. The rise in oil prices has resuscitated the alternate oil production methods.

The OPEC report too acknowledged the increasing dominance of non-OPEC supply. In its latest monthly report OPEC has indicated that the increase in daily oil supply from non-OPEC nations will exceed the daily climb in global oil demand. The other factor that can weigh on oil prices is the fear of a global trade war, initiated by the tariffs implemented by the Trump administration. The rise in oil prices, in part, has also materialised because of expectations of improving global growth. If trade war concern are too take hold it can impact the outlook on global growth.

Currency markets

The volatility witnessed in global equity markets supported the safe haven currencies. The USD reversed the weakening trend and strengthened during the month gone by against major global currencies. The factor supporting USD during the previous month was safe haven demand, rising yields and expectations of quickening pace of policy normalisation under the new Fed chief. The other currency to benefit from the safe haven demand was the Japanese Yen. EUR and GBP weakened against the USD.

INR too depreciated against the USD during the previous month. The selling pressure from FIIs in domestic markets led to weakening trend in the domestic currency. The differential in interest rates vis-à-vis developed markets should be supportive of INR going ahead.

Date	GBP/USD	USD/JPY	EUR/USD	USD/INR	USD/CNY
12-Mar-18	1.391	106.420	1.233	65.043	6.330
28-Feb-18	1.376	106.680	1.219	65.175	6.331
22-Feb-18	1.396	106.750	1.233	65.045	6.353
15-Feb-18	1.410	106.130	1.251	63.913	6.342

Source: Bloomberg, IndiaNivesh Research

Outlook

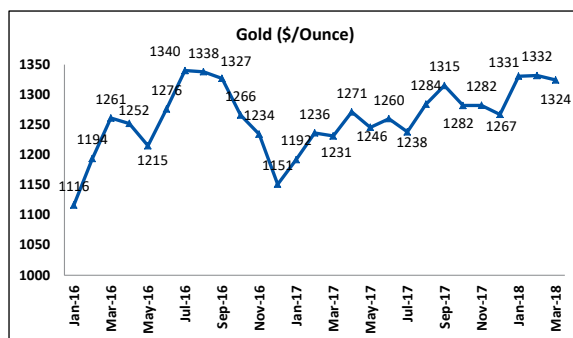
The recent strengthening in USD may not lead to a change in the near to medium term outlook of the currency. The USD can be expected to either stabilise or weaken marginally. Even though the growth indicators have improved over the last one month, the risks of a trade war impacting the current account deficit have started taking hold. Apart from the current account, the outlook on the fiscal deficit remains weak as well. The tax cuts implemented by the US, could help in pushing the growth rates but would also worsen the deficits. The INR could strengthen over the near term on the back of interest differentials and the recent data suggesting easing inflation.

Gold

Gold prices trended lower during the month of February, post the spike witnessed in prices which coincided with the selloff seen in equities. During the first half of March the prices gradually recovered from the lows of the previous month as equity markets remained volatile. The relative strength in USD also kept a lid on price gains of gold. The gold prices have remained resilient in the

wake of rising global bond yields and prospects of a more hawkish policy under the guidance of new US Fed chief. Domestic investors have started to benefit from the weakness in INR. YTD (as on 14th Mar) returns for gold in INR are close to 4% as against -1% for Nifty.

The geopolitical risks remained muted over the period. The news of North Korea and South Korea agreeing to diplomatic talks was followed-up by Trump accepting the prospects of meeting with leader of the rogue nation. Even as the geopolitical risks dissipated at the margins the volatility in financial markets came to the fore. The Trump administration went ahead with its agenda of protectionist policies and introduced tariffs in steel and aluminium.



Source: Bloomberg, IndiaNivesh Research

Outlook

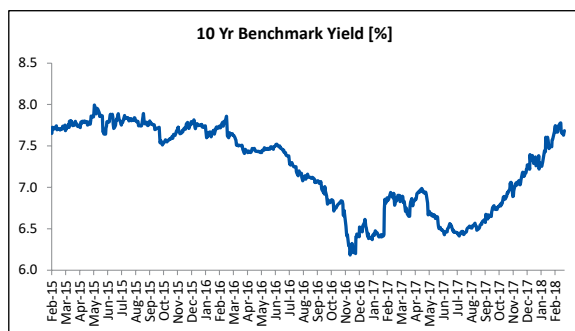
As was discussed in the previous issue as well, the prices of gold have managed to remain steady despite the strong headwinds of rising interest rates. The rise in interest rates tells only one side of the story, rise in interest rates is normally a reaction to existing and potential rise in inflation and same is the case today. If inflationary risks continue to inch-up in developed economies, accordingly gold prices could maintain an upward bias.

The second critical factor is the prospect of a brewing trade war globally. This development can remain supportive of the shining metal. The tariff action in itself may not impact the flow of global trade but it has ignited the possibility of retaliatory action from other countries. If the current actions snowball into a trade war, the volatility in financial markets can only magnify from here. As the equity markets are trading at all-time highs, even if a risk-off sentiment is not triggered the demand of gold as a hedge could benefit the safe haven asset.

India: Fixed Income

The domestic debt markets witnessed a mixed trend during the month gone by, with the yield curve steepening. The longer end of the curve continued to remain in the grip of bears and saw yields hardening whereas the yields at the shorter end of the curve eased marginally. The benchmark 10yr g-sec hardened by more than 10bps to 7.69%; the yield touched a high of 7.78% on 6th March. The shorter end of the curve eased in the range of 3bps to 19bps for varying maturities (T-Bills yields used as a proxy for shorter end yields).

The Union Budget announcement confirming the market fears of fiscal slippage and thereby increased supply of g-secs had already impacted the sentiments. The concerns regarding fiscal slippages and RBI highlighting the upside risks to inflation in its monetary policy led to yields maintaining an upward bias. The outlook was further dented by the reports of scams plaguing the Indian PSU Banks. PSU Banks remain one of the biggest subscribers of government debt. This markets segment was already sitting on government debt pile, over and above what is mandated by the SLR. The selling by PSU Banks was sighted as one of the major reasons for bond yields to spike. Now, as the future outlook remains dim in the wake of huge NPAs and subdued deposit growth, concerns are being raised with regards to smooth passage of the government borrowing programme.



Source: Bloomberg, IndiaNivesh Research

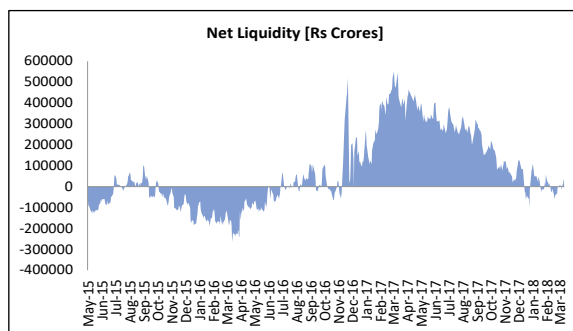
In the previous issue we had discussed that some sections of the market expect FII investment limits can be increased to allay the market concerns regarding oversupply. At that time we had mentioned that the move may not be of much help, as the yields in FIIs home countries are moving with an upward bias. The fears were not misguided and the impact of rising yields globally was felt on domestic yields as well. The FIIs were net sellers of domestic bonds in the month of February. FIIs withdrew Rs. 2,771 crores in the month of February.

The trend was maintained in March as well, with FIIs selling further Rs. 7,000 crores till 14th March.

The combined effect of waning confidence on PSU Banks to see through the government borrowing and rising yields globally has led to domestic bond markets maintaining an upward bias. The sentiments have been impacted such an extent that the latest IIP and CPI reading too failed to have any meaningful impact on domestic yields. The IIP numbers have instilled further confidence that domestic economic growth might have turned a corner and CPI indicated at softening inflation.

View:

Out investment recommendation of staying away from the longer end of the yield curve would have served investors well and we would like to reiterate our stance that investments must be focused at the shorter end of the curve currently. With inflation easing and the g-sec supply not hitting the market until the advent of next financial year, the longer end can ease marginally in the near term. But the headwinds, as discussed in the earlier paragraphs, still persist and the yields can reverse to trade higher from here. The shorter end of the curve too has moved up sharply over the last 2-3 months and is offering a healthy spread over the policy rates. The



Source: Bloomberg, IndiaNivesh Research

liquidity situation remaining close to neutral zone, even during the traditionally tight liquidity scenario should support the yields at the shorter end.

The longer end of the curve can be looked at only if it is offering enough cushion for undertaking the duration risk. At the current juncture, we believe if the sentiments remain weak and the 10yr g-sec yield spike to 7.9% then aggressive investors can consider making opportunistic investments.

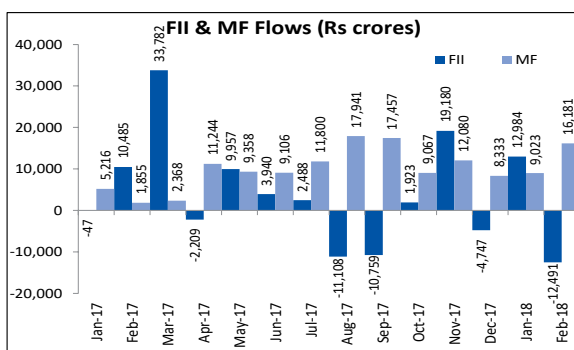
India: Equity Market

Equity markets over the past few weeks have been facing tremendous headwinds owing to multiple factors both globally as well as domestically. On the domestic front, the news about the banking fraud and fears of a contagion on the banking system has kept the sentiments weak. This has led to a significant selling in the PSU bank segment as visible from the PSU bank index, which has lost 15% since the break out of the PNB fraud news. From a global perspective, foreign investors have remained net sellers due to brighter prospects for the US markets. US economy has gained pace in the past few quarters (except for the slight deceleration in the 4th quarter) and ended the year 2017 at 2.3% as compared to 1.5% in the 2016. Moreover, as unemployment rate has shrunk to 4.1%, growing number of economists believe that US is approaching full employment. Rise in US bond yields on account of rising inflationary expectations along with increased expectations of faster rate hikes has been

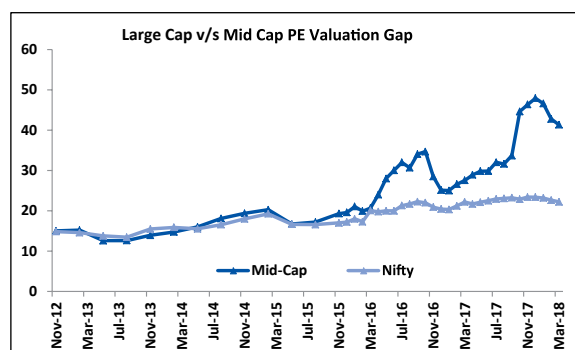
This led to a large number of countries to mull on taking a reciprocal action on the US goods. In all, what it would do is cause more damage to the global industry and trade in the medium term till domestic companies become globally competitive. This could mean further dent to the global economic pace of growth. In the short term, the impact will be felt on exporter to US and the resultant impact on the prices due to excess supply that may float in the system. India is the 10th largest supplier of steel to US and this means that this would surely have an impact on the domestic steel sector in the short term. In the long term expanding trade relations across geographies and competitive capabilities would ensure sustainability of the domestic companies.

Our View:

The trend of the equities in the past few weeks has been largely a reflection of surrounding developments in the



Source: Bloomberg, IndiaNivesh Research



Source: Bloomberg, IndiaNivesh Research

another factor encouraging foreign investors to return to their respective regions. FIIs being net seller in the debt market over the last month to the tune of Rs. 2,771 crores, is in itself an indication of gradual capital reallocation. From equities, FII have withdrawn nearly Rs. 12,500 crores from the Indian markets indicating a negative overhang from a global liquidity perspective.

On a global landscape, the world may be growing rapidly but rising wave of protectionism across certain developed economies may cast a shadow of doubt on the sustenance of the global growth. On one hand it would be the protectionist measures and on the other hand it would be China, which has been the largest contributor to global growth, is slowing its pace due to environmental issues. Recently, in order to protect its domestic industry from global competition, the US imposed 25% tariff on Steel and 10% tariff on Aluminum.

domestic and global economies along with an overhang of the expectations of being overvalued. The correction in domestic equities at the time of gradual improvement in profitability has resulted in P/E becoming more reasonable. The short term headwinds and negative news may continue to make markets volatile and slip a little further, however the underlying fundamentals remain strong and provide a reason for long term investors to remain calm and invested in the market. As per the latest IMF projections, India is expected to be the fastest large economy yet again in the coming year 2019.

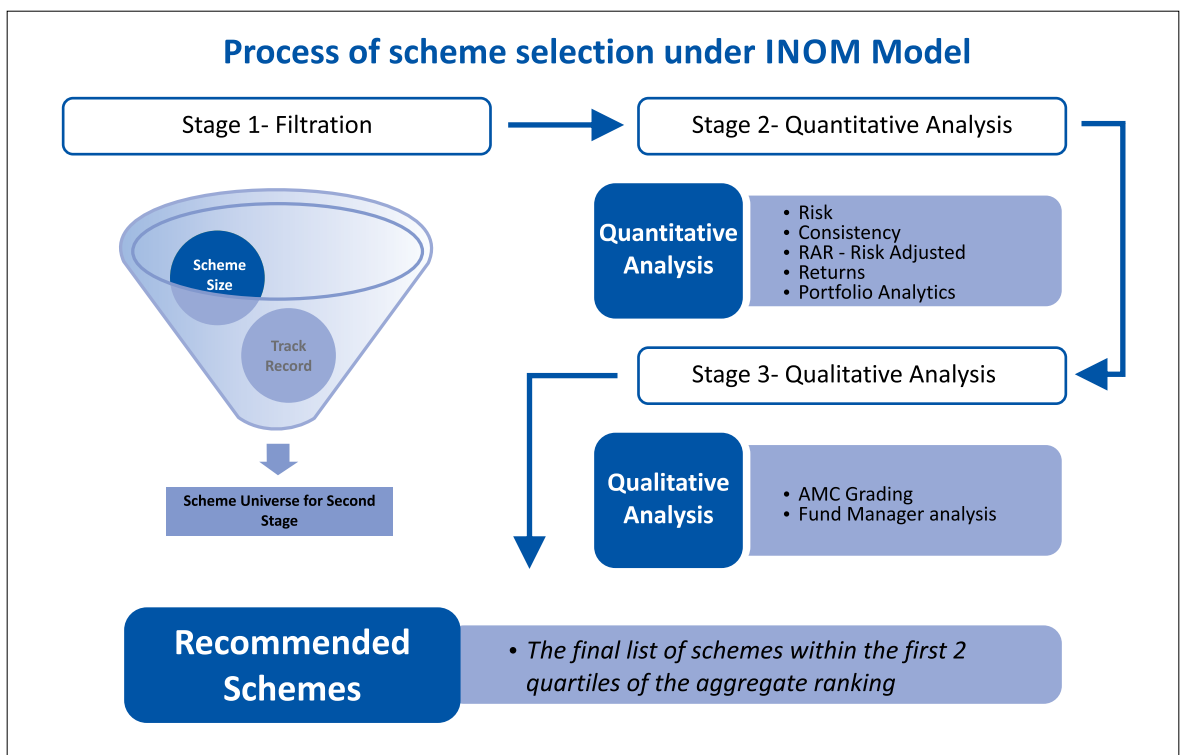
For long term investors, these are events which provide opportunities to invest. From the allocation perspective, we would advise investors to concentrate on large cap stocks and funds while the mid and small cap exposure can be put in a staggered manner through STP and SIPs.

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

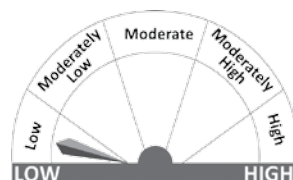
Money Market - Liquid Funds

Scheme Name	Aditya Birla SL Cash Plus	Axis Liquid Fund	Baroda Pioneer Liquid Fund	Invesco India Liquid Fund	L&T Liquid Fund	Reliance Liquid-Treasury Plan	Tata Money Market Fund-Reg	UTI Money Market Fund-Inst
Point to Point Returns								
2 Weeks	6.66	6.67	6.64	6.65	6.67	6.61	6.54	6.58
1 Month	6.64	6.63	6.61	6.63	6.63	6.61	6.56	6.60
3 Months	6.57	6.57	6.57	6.54	6.56	6.51	6.52	6.52
6 Months	6.52	6.55	6.51	6.51	6.54	6.48	6.50	6.49
1 Year	6.66	6.70	6.67	6.68	6.70	6.66	6.67	6.66
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	6.82	6.82	6.82	6.82	6.82	6.82	6.82	6.82
1 Month	6.97	6.97	6.97	6.97	6.97	6.97	6.97	6.97
3 Months	6.52	6.52	6.52	6.52	6.52	6.52	6.52	6.52
6 Months	6.49	6.49	6.49	6.49	6.49	6.49	6.49	6.49
1 Year	6.68	6.68	6.68	6.68	6.68	6.68	6.68	6.68
AUM in Crs.	43,997	25,142	8,758	12,316	13,995	29,242	12,755	15,375
Average Maturity (Days)	37	34	19	45	33	43	36	31
Exit Load	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Fund Manager	Kaustubh Gupta	Devang Shah	Hetal P. Shah	Krishna Venkat Cheemalapati	Shriram Ramanathan	Anju Chhajjer	Amit Somani	Amandeep Singh Chopra

Returns < 1yr are annualised and returns more than 1yr are CAGR, as on 28th Feb 2018

Data Source: ACEMF

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



Recommended Funds

Debt - Ultra Short Term Funds

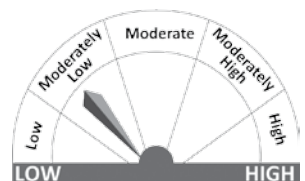
Scheme Name	Aditya Birla SL Savings Fund	Baroda Pioneer Treasury Adv Fund	HDFC FRIF-Short Term Plan	ICICI Pru Flexible Income Plan	Kotak Low Duration Fund	Kotak Treasury Advantage Fund	Tata Ultra ST Fund
Point to Point Returns							
2 Weeks	4.36	4.07	2.04	5.31	2.94	4.81	4.88
1 Month	6.07	5.82	4.91	5.99	5.28	6.07	6.07
3 Months	5.16	5.54	4.43	4.96	4.76	5.20	5.19
6 Months	5.53	5.89	5.34	5.46	5.58	5.57	5.65
1 Year	6.95	7.03	6.52	6.67	6.67	6.46	6.60
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	-0.54	6.82	6.82	6.82	6.82	-0.54	6.82
1 Month	1.29	6.97	6.97	6.97	6.97	1.29	6.97
3 Months	1.62	6.52	6.52	6.52	6.52	1.62	6.52
6 Months	3.01	6.49	6.49	6.49	6.49	3.01	6.49
1 Year	5.67	6.68	6.68	6.68	6.68	5.67	6.68
AUM in Crs.	18,918	1,697	18,217	20,821	5,521	6,002	4,487
Average Maturity (Days)	277	350	344	356	442	168	215
Exit Load	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Fund Manager	Kaustubh Gupta	Alok Sahoo	Shobhit Mehrotra	Rahul Goswami	Deepak Agrawal	Deepak Agrawal	Akhil Mittal

Returns < 1yr are annualised and returns more than 1yr are CAGR, as on 28th Feb 2018

Data Source: ACEMF

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

*These schemes fall in the moderate profile as per the risk-o-meter. Please refer to Income Funds section to see the suitable risk-o-meter.



Recommended Funds

Debt - Short Term Funds

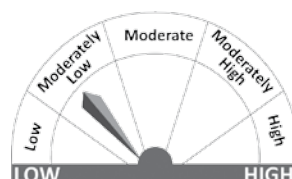
Scheme Name	Aditya Birla SL Short Term Fund	Axis Short Term Fund	DHFL Pramerica Short Maturity Fund	HDFC Short Term Opportunities Fund	ICICI Pru Short Term Plan	L&T ST Income Fund-Reg	SBI Short Term Debt Fund
Point to Point Returns							
1 Month	2.63	1.89	2.49	4.10	2.31	3.03	1.90
3 Months	2.42	2.00	2.46	3.38	1.55	3.74	1.90
6 Months	3.50	3.10	3.36	4.27	2.26	4.92	2.83
1 Year	6.16	5.42	6.26	6.06	5.80	7.07	5.42
3 Years	8.15	7.53	7.97	7.86	7.95	8.69	7.55
5 Years	8.84	8.07	8.61	8.57	8.56	8.90	8.19
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
Point to Point Returns							
1 Month	1.29	1.29	1.29	1.29	1.29	1.29	1.29
3 Months	1.62	1.62	1.62	1.62	1.62	1.62	1.62
6 Months	3.01	3.01	3.01	3.01	3.01	3.01	3.01
1 Year	5.67	5.67	5.67	5.67	5.67	5.67	5.67
3 Years	7.77	7.77	7.77	7.77	7.77	7.77	7.77
5 Years	8.49	8.49	8.49	8.49	8.49	8.49	8.49
AUM in Crs.	17,961	6,165	1,590	10,056	8,813	1,241	7,793
Average Maturity (Years)	1.92	1.90	2.03	1.43	2.57	1.37	1.84
Exit Load	Nil	Nil	0.50% on or before 6M, Nil after 6M	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
Fund Manager	Maneesh Dangi	Devang Shah	Puneet Pal	Anil Bamboli	Manish Banthia	Vikas Garg	Rajeev Radhakrishnan

Returns < 1yr are annualised and returns more than 1yr are CAGR, as on 28th Feb 2018

Data Source: ACEMF

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

*These schemes fall in the moderate profile as per the risk-o-meter. Please refer to Income Funds section to see the suitable risk-o-meter.



Recommended Funds

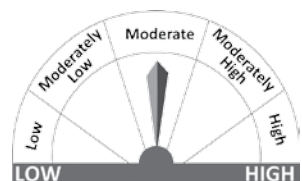
Debt - Income Funds

Scheme Name	Aditya Birla SL Income Plus	ICICI Pru Income Opportunities Fund	ICICI Pru Income	Kotak Bond Fund	UTI Bond Fund
Point to Point Returns					
1 Month	-15.30	-7.85	-13.06	-12.08	-9.18
3 Months	-8.93	-2.55	-6.09	-8.58	-7.70
6 Months	-5.44	-0.67	-4.35	-5.77	-4.30
1 Year	3.13	4.75	4.36	1.81	3.13
3 Years	5.73	7.29	6.94	5.22	6.64
5 Years	7.04	8.33	7.71	6.62	7.84
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
Point to Point Returns					
1 Month	-11.95	-11.95	-11.95	-11.95	-11.95
3 Months	-5.59	-5.59	-5.59	-5.59	-5.59
6 Months	-2.38	-2.38	-2.38	-2.38	-2.38
1 Year	4.25	4.25	4.25	4.25	4.25
3 Years	7.59	7.59	7.59	7.59	7.59
5 Years	8.26	8.26	8.26	8.26	8.26
AUM in Crs.	1,521	3,982	1,362	2,052	1,595
Average Maturity (Years)	7.65	4.84	8.65	6.12	5.58
Exit Load	Nil	1% on or before 6M, Nil after 6M	Nil	0.20% on or before 3M, Nil after 3M	Nil
Fund Manager	Pranay Sinha	Manish Banthia	Manish Banthia	Abhishek Bisen	Amandeep Singh Chopra

Returns < 1yr are annualised and returns more than 1yr are CAGR, as on 28th Feb 2018

Data Source: ACEMF

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



Recommended Funds

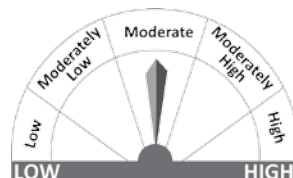
Debt - Credit Risk Funds

Scheme Name	Aditya Birla SL Corp Bond Fund	ICICI Pru Corporate Bond Fund	Kotak Income Opportunities Fund	Reliance Reg Savings Fund-Debt Option
Point to Point Returns				
1 Month	2.44	-1.21	2.82	1.60
3 Months	3.02	0.65	3.23	2.40
6 Months	3.76	1.95	4.12	4.02
1 Year	7.72	5.82	6.13	6.22
3 Years		7.74	8.41	8.21
5 Years		8.44	8.77	8.78
Benchmark	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	1.29	1.29	1.29	-11.95
3 Months	1.62	1.62	1.62	-5.59
6 Months	3.01	3.01	3.01	-2.38
1 Year	5.67	5.67	5.67	4.25
3 Years	7.77	7.77	7.77	7.59
5 Years	8.49	8.49	8.49	8.26
AUM in Crs.	5,605	7,881	5,127	10,606
Average Maturity (Years)	2.25	3.30	2.24	2.63
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 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	Manish Banthia	Deepak Agrawal	Prashant Pimple

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Data Source: ACEMF

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



Recommended Funds

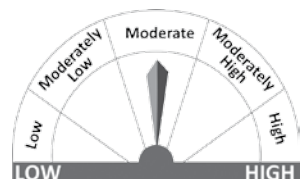
Debt - Gilt Funds

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	-9.36	-13.59	-13.20	-16.56	-10.92
3 Months	-6.56	-9.22	-9.67	-10.71	-9.14
6 Months	-4.88	-7.46	-6.24	-6.07	-6.00
1 Year	2.93	3.16	3.03	2.98	2.72
3 Years	6.43	6.86	7.13	7.12	6.82
5 Years	7.96	7.73	8.62	9.59	8.90
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	-11.11	-11.11	-11.11	-11.11	-11.11
3 Months	-5.23	-5.23	-5.23	-5.23	-5.23
6 Months	-3.19	-3.19	-3.19	-3.19	-3.19
1 Year	4.18	4.18	4.18	4.18	4.18
3 Years	7.30	7.30	7.30	7.30	7.30
5 Years	8.30	8.30	8.30	8.30	8.30
AUM in Crs.	1,834	831	1,006	2,242	568
Average Maturity (Years)	7.21	11.81	7.59	7.79	6.41
Exit Load	Nil	Nil	0.25% on or before 15D, Nil after 15D	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



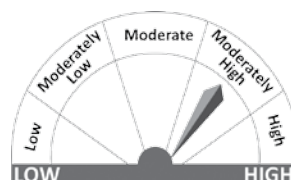
Recommended Funds

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	-0.76	0.27	-0.53	-0.30	-0.73	-1.09
6 Months	2.57	5.64	5.10	5.91	6.06	3.37
1 Year	15.96	26.12	15.36	19.21	21.21	17.82
3 Years	8.67	12.10	9.70	9.55	11.95	11.66
5 Years	17.80	17.69	19.29	17.48	16.20	21.33
Scheme SIP Returns						
1 Year	7.09	14.44	9.71	12.71	12.14	8.16
3 Years	14.01	19.30	13.64	16.35	18.50	17.00
5 Years	15.80	18.51	17.41	16.36	17.29	19.68
Benchmark	S&P BSE 200	NIFTY 50	NIFTY 50	NIFTY 50	S&P BSE 200	NIFTY 200
Benchmark Point to Point Returns						
3 Months	0.25	1.18	1.18	1.18	0.25	0.19
6 Months	6.13	5.85	5.85	5.85	6.13	6.19
1 Year	18.99	18.17	18.17	18.17	18.99	18.91
3 Years	7.70	5.63	5.63	5.63	7.70	7.50
5 Years	14.74	13.00	13.00	13.00	14.74	14.68
Benchmark SIP Returns						
1 Year	11.81	11.56	11.56	11.56	11.81	11.69
3 Years	15.04	13.41	13.41	13.41	15.04	14.98
5 Years	14.36	12.24	12.24	12.24	14.36	14.23
Risk Ratios						
Treynor	11.37	11.08	10.87	10.52	12.10	13.76
Information Ratio	1.54	2.14	0.97	2.36	1.90	2.10
AUM in Crs.	19705	3074	11616	16275	2530	17803
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 28th Feb 2018

Data Source: ACEMF



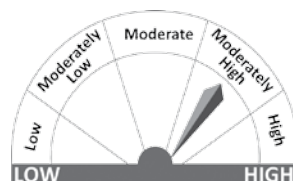
Recommended Funds

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 Equity Fund	Tata Equity P/E Fund
Scheme Point to Point Returns						
3 Months	-5.06	-3.76	0.56	-1.90	-0.92	0.69
6 Months	-0.90	6.54	7.65	3.01	5.78	7.49
1 Year	16.44	16.02	14.95	17.51	22.13	23.78
3 Years	12.13	9.52	10.82	11.10	12.56	14.68
5 Years	22.87	22.90	19.19	19.63	21.52	24.11
Scheme SIP Returns						
1 Year	2.94	8.91	9.96	7.02	12.16	14.59
3 Years	16.11	14.92	14.76	16.38	18.51	23.25
5 Years	20.48	20.11	17.33	18.38	20.09	24.58
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	0.25	0.08	0.25	0.08	0.25	1.68
6 Months	6.13	6.83	6.13	6.83	6.13	7.66
1 Year	18.99	20.14	18.99	20.14	18.99	18.93
3 Years	7.70	8.55	7.70	8.55	7.70	5.19
5 Years	14.74	15.64	14.74	15.64	14.74	12.62
Benchmark SIP Returns						
1 Year	11.81	12.52	11.81	12.52	11.81	13.61
3 Years	15.04	16.00	15.04	16.00	15.04	13.32
5 Years	14.36	15.33	14.36	15.33	14.36	11.71
Risk Ratios						
Treynor	14.57	8.85	13.28	12.51	12.55	15.01
Information Ratio	2.08	1.25	0.88	1.70	3.28	1.69
AUM in Crs.	5819	7639	2873	2386	6785	2799
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 28th Feb 2018

Data Source: ACEMF



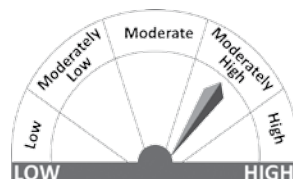
Recommended Funds

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	-2.91	-0.25	0.75	-0.45	-1.22	-1.16	-1.73
6 Months	11.92	8.78	8.93	11.03	9.26	8.05	8.39
1 Year	28.93	27.32	20.22	24.89	20.39	29.33	20.02
3 Years	19.97	17.19	13.82	16.80	15.86	18.90	15.90
5 Years	28.28	30.34	26.04	30.39	26.26	30.03	27.19
Scheme SIP Returns							
1 Year	15.67	15.23	14.06	16.87	12.64	15.78	13.04
3 Years	25.75	22.76	18.90	21.56	20.31	25.16	20.13
5 Years	28.23	29.04	23.90	27.62	26.40	28.98	25.39
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	-2.16	-2.16	-2.16	-2.16	-2.79	-2.16	-2.79
6 Months	8.29	8.29	8.29	8.29	7.49	8.29	7.49
1 Year	19.32	19.32	19.32	19.32	22.21	19.32	22.21
3 Years	14.44	14.44	14.44	14.44	15.27	14.44	15.27
5 Years	21.12	21.12	21.12	21.12	21.30	21.12	21.30
Benchmark SIP Returns							
1 Year	10.94	10.94	10.94	10.94	12.64	10.94	12.64
3 Years	19.55	19.55	19.55	19.55	20.29	19.55	20.29
5 Years	21.40	21.40	21.40	21.40	22.10	21.40	22.10
Risk Ratios							
Treynor	18.90	13.30	15.62	18.67	16.84	14.51	16.42
Information Ratio	2.92	1.93	1.89	2.41	2.08	2.05	1.87
AUM in Crs.	2070	3235	6500	7128	3027	2313	6256
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 28th Feb 2018

Data Source: ACEMF



Recommended Funds

Equity Linked Savings Schemes

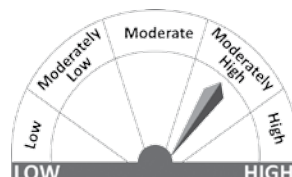
Scheme Name	Aditya Birla SL Tax Relief '96	Axis LT Equity Fund	DSPBR Tax Saver Fund	L&T Tax Advt Fund	Reliance Tax Saver (ELSS) Fund	Sundaram Diversified Equity
Scheme Point to Point Returns						
3 Months	0.32	1.41	-2.38	0.80	-4.75	-0.98
6 Months	11.18	7.25	3.71	7.71	5.16	5.22
1 Year	27.81	24.92	17.36	25.74	19.93	18.34
3 Years	12.37	10.09	12.50	13.89	8.32	11.59
5 Years	22.92	23.87	21.03	20.43	23.32	17.98
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	0.25	0.25	0.08	0.25	0.21	0.25
6 Months	6.13	6.13	6.83	6.13	5.44	6.13
1 Year	18.99	18.99	20.14	18.99	18.22	18.99
3 Years	7.70	7.70	8.55	7.70	6.49	7.70
5 Years	14.74	14.74	15.64	14.74	13.68	14.74
Risk Ratios						
Treynor	10.94	7.93	15.69	12.42	9.27	12.49
Information Ratio	2.06	0.75	1.82	2.54	1.39	1.85
AUM in Crs.	5032	16161	3905	2989	10345	2632
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 28th Feb 2018

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



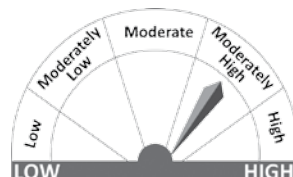
Recommended Funds

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	-1.71	0.51	0.18	-0.54	-0.19	-0.08	-1.00
6 Months	2.28	3.91	4.34	5.92	3.39	4.62	6.32
1 Year	13.47	15.56	12.09	14.53	16.01	18.05	17.41
3 Years	9.45	9.36	9.22	11.05	10.45	11.14	9.53
5 Years	17.38	16.66	14.71	18.59	18.95	17.63	17.58
Scheme SIP Returns							
1 Year	5.85	9.04	8.71	10.36	8.14	11.02	12.16
3 Years	12.98	13.03	11.46	15.66	13.73	15.25	13.13
5 Years	15.73	15.35	13.04	17.19	16.81	16.99	15.79
Benchmark Point to Point Returns	CRISIL Hybrid 35+65 - Aggressive Index	CRISIL Hybrid 35+65 - Aggressive Index	CRISIL Hybrid 35+65 - Aggressive Index	CRISIL Hybrid 35+65 - Aggressive Index	CRISIL Hybrid 35+65 - Aggressive Index	CRISIL Hybrid 35+65 - Aggressive Index	CRISIL Hybrid 35+65 - Aggressive Index
Benchmark Point to Point Returns							
3 Months	-0.17	-0.17	-0.17	-0.17	-0.17	-0.17	-0.17
6 Months	3.83	3.83	3.83	3.83	3.83	3.83	3.83
1 Year	14.71	14.71	14.71	14.71	14.71	14.71	14.71
3 Years	8.84	8.84	8.84	8.84	8.84	8.84	8.84
5 Years	13.72	13.72	13.72	13.72	13.72	13.72	13.72
Benchmark SIP Returns							
1 Year	8.43	8.43	8.43	8.43	8.43	8.43	8.43
3 Years	12.99	12.99	12.99	12.99	12.99	12.99	12.99
5 Years	13.25	13.25	13.25	13.25	13.25	13.25	13.25
Risk Ratios							
Treynor	-162.45	-18.36	-54.86	44.08	-13.70	-10.24	-7.93
Information Ratio	0.60	0.31	0.30	0.69	0.47	0.51	0.26
AUM in Crs.	13967	1532	25663	27801	9645	12387	21404
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 28th Feb 2018

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	CA/GDP	Debt/GDP
BRICS						
Brazil	2.10%	6.75%	9.49%	2.84%	-0.48%	74%
Russia	1.80%	7.50%	7.07%	2.20%	2.11%	13%
India	7.20%	6.00%	7.63%	4.44%	-1.39%	70%
China	6.80%	4.35%	3.88%	2.90%	1.38%	46%
South Africa	1.50%	6.75%	8.08%	4.40%	-2.10%	52%
Americas						
United States	2.50%	1.50%	2.81%	2.20%	-2.32%	105%
Canada	2.90%	1.25%	2.15%	1.70%	-2.98%	92%
Mexico	1.50%	7.50%	7.56%	5.34%	-1.61%	48%
Europe						
Germany*	2.90%	0.00%	0.58%	1.40%	7.89%	68%
UK	1.40%	0.50%	1.43%	3.00%	-4.61%	88%
France*	2.50%	0.00%	0.83%	1.20%	-1.19%	96%
Italy*	1.60%	0.00%	2.01%	0.60%	2.91%	132%
Spain*	3.10%	0.00%	1.40%	1.10%	1.70%	99%
Portugal*	2.40%	0.00%	1.81%	0.60%	0.46%	126%
Greece*	1.90%	0.00%	4.23%	0.10%	0.90%	179%
Poland	5.10%	1.50%	3.23%	1.40%	0.10%	54%
Switzerland	1.90%	-0.75%	0.10%	0.60%	9.88%	33%
Asia						
Japan	2.00%	-0.10%	0.05%	1.40%	4.00%	250%
Australia	2.90%	1.50%	2.71%	1.90%	-3.10%	41%
New Zealand	2.90%	1.75%	2.88%	1.60%	-2.70%	25%
Indonesia	5.19%	4.25%	6.69%	3.18%	-1.71%	28%
Singapore	3.60%	0.59%	2.40%	0.00%	19.32%	112%
South Korea	3.00%	1.50%	2.71%	1.40%	5.62%	39%
Philippines	6.60%	3.00%	6.37%	4.50%	-0.32%	42%
Malaysia	5.90%	3.25%	3.96%	2.70%	2.98%	53%

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

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Contacts

Dr. K Joseph Thomas	Director - Wealth Management	Mumbai	+91-9594013662
Sanket P Desai	Head - MF Research & Advisory	Mumbai	+91-9619200278
Amit Rawal	AVP - MF Research & Advisory	Mumbai	+91-7045780023
Narayana Swamy PV	Head - Sales & Strategy	Mumbai	+91-9821525947
Sandeep Singh	Senior Manager – Sales	Mumbai	+91-9004688740
Namrata Vora	Relationship Manager	Mumbai	+91-9920284484
Sunita Karkera	Manager - Customer Service	Mumbai	+91-7738393413
Anand Singh	Regional Head – North	Delhi	+91- 9971493313
Aakash Sharma	Manager - Sales & Customer Support	Delhi	+91-9811898906
Aditya Kumar Jain	Regional Head – East	Kolkata	+91-9830970958
Alok Chiranya	Team Leader	Kolkata	+91- 9007056355
Vinod Kalra	Regional Head – Punjab	Chandigarh	+91-9988100022
Krishnachander C	Regional Head – South	Chennai	+91-9884036432
Digvijay Mohite	Area Manager	Kolhapur	+91-8691047470
Raj Kumar Saini	Branch Manager	Kota	+91-9166880777
Shailesh S Gharpure	Regional Manager	Nagpur	+91-8691047474

Investor Support & Services

Phone: 022: 6240 6309

Email: wealthsupport@indianivesh.in

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Corporate Office: Lodha Supremus, 17th Floor, Senapati Bapat Marg, Lower Parel (West), Mumbai - 400 013.

Registered Office: 601 & 602, Sukh Sagar, N. S. Patkar Marg, Girgaum Chowpatty, Mumbai - 400 007.

Tel (Board): 022 6240 6240 | Fax: 022 6240 6241 | CIN: U67120MH2006PLC158634