



POWERING YOUR FINANCIAL GROWTH



MF EQUITY & DEBT: THE WAY FORWARD

SEPTEMBER 2018

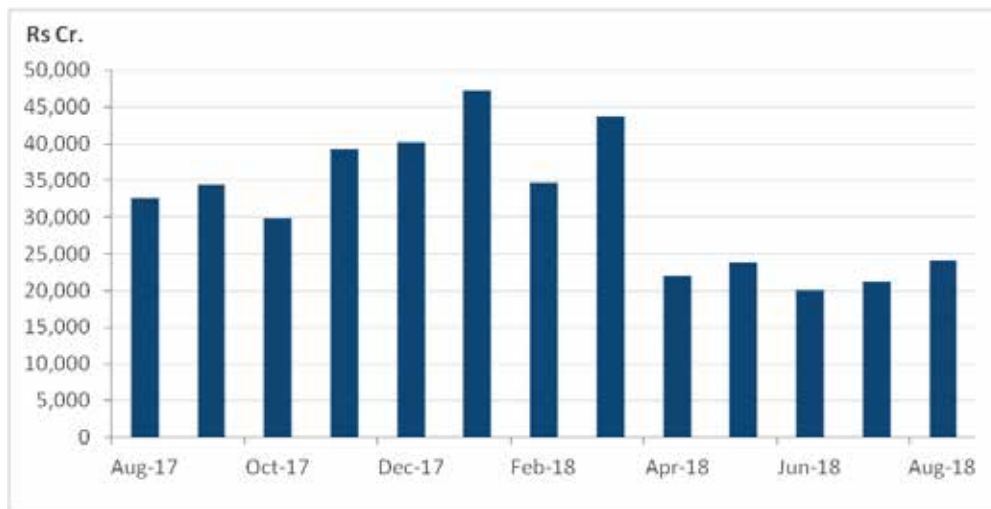
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INDUSTRY TRENDS

INDUSTRY TRENDS

GROSS SALES OF EQUITY MUTUAL FUND (INCLUDING ELSS)



Gross Sales of Equity Mutual Funds has dropped from around Rs 35,000cr-Rs 40,000 cr per month in Sep17-Mar-18 to about Rs 20,000 cr. per month in April-August 2018

NET INFLOWS IN EQUITY MUTUAL FUNDS (INCLUDING ELSS)

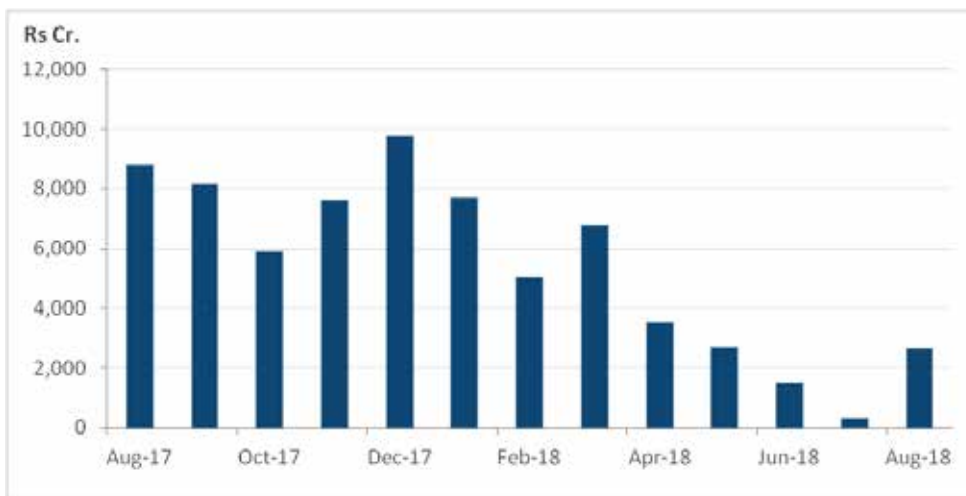


Net Inflows into Equity Mutual Funds has dropped from around Rs 15,000-20,000 cr. per month in Oct 2017-Feb 2018, to around Rs 10,000 cr. pm. in the Apr-August 2018 period

Source: AMFI, PL Research

INDUSTRY TRENDS (CONT.)

NET INFLOWS IN BALANCED FUNDS



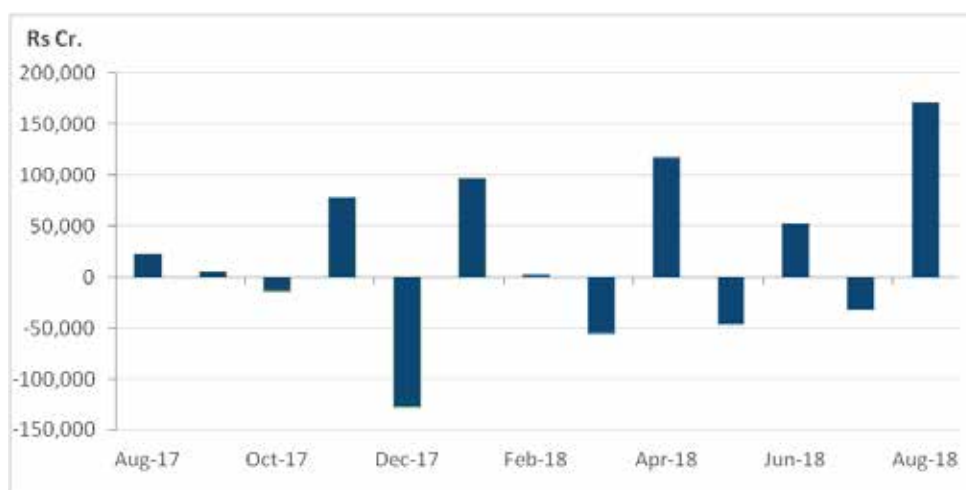
Net inflows into Balanced Funds dropped from about Rs 7,000cr per month in Mar-18, to under Rs 3,000 cr. per month in April-August 2018

NET INFLOWS IN INCOME FUNDS



Net outflows from Income Funds continued for the 4th consecutive month. Outflows moderated to Rs 6,250 cr. in the month of August 2018

NET INFLOWS IN LIQUID FUNDS

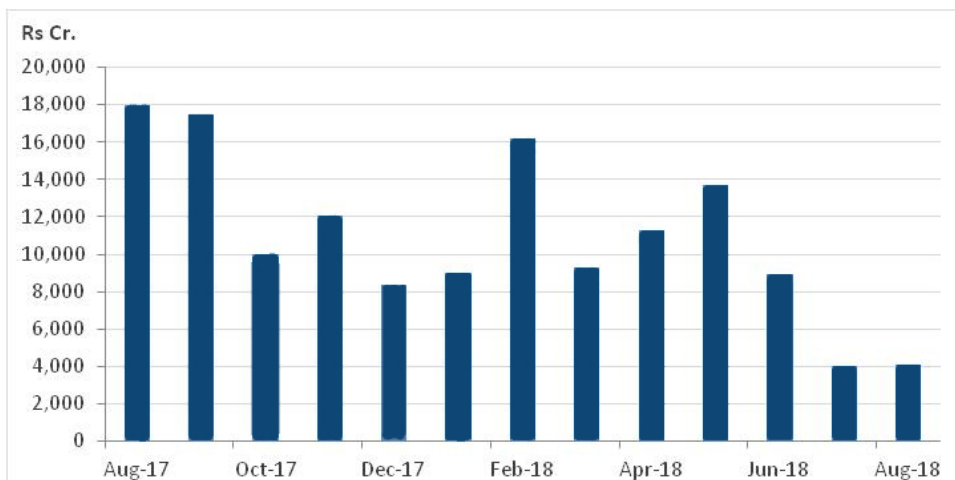


Net Inflows into Liquid Fund peak to its highest level in the past 12 months to Rs 1.71 lakh crore. As funds are kept for short periods, the inflow data remains volatile

(Source: AMFI, PL Research)

INDUSTRY TRENDS (CONT.)

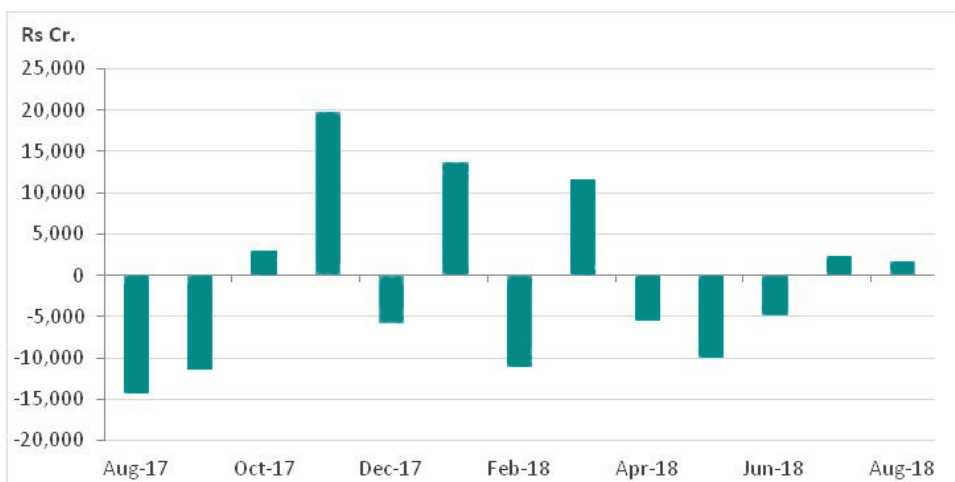
MUTUAL FUND INVESTMENT IN EQUITY



Over the past four months the net purchase of stocks by mutual funds has dropped from about Rs 14,000 crore in May 2018 to about Rs 4,000 crore in August 2018.

(Source: SEBI, PL Research) The data is compiled on the basis of reports submitted to SEBI by custodians (NSDL & CDSL) and it constitutes trades conducted by FIIs & Mutual Funds

FII INVESTMENT IN EQUITY



After three consecutive months of outflows between April 2018 to June 2018, there has been marginal inflows of about Rs3,000-4,000 crore in the months of July & August 2018

(Source: SEBI, PL Research) The data is compiled on the basis of reports submitted to SEBI by custodians (NSDL & CDSL) and it constitutes trades conducted by FIIs & Mutual Funds

INDUSTRY TRENDS (CONT.)

MUTUAL FUND INVESTMENT IN DEBT



Mutual Fund investment in debt has been inconsistent in the past four months. In August 2018, mutual funds purchased Rs 27,500 crore of debt securities

(Source: SEBI, PL Research) The data is compiled on the basis of reports submitted to SEBI by custodians (NSDL & CDSL) and it constitutes trades conducted by FIIs & Mutual Funds

FII INVESTMENT IN DEBT



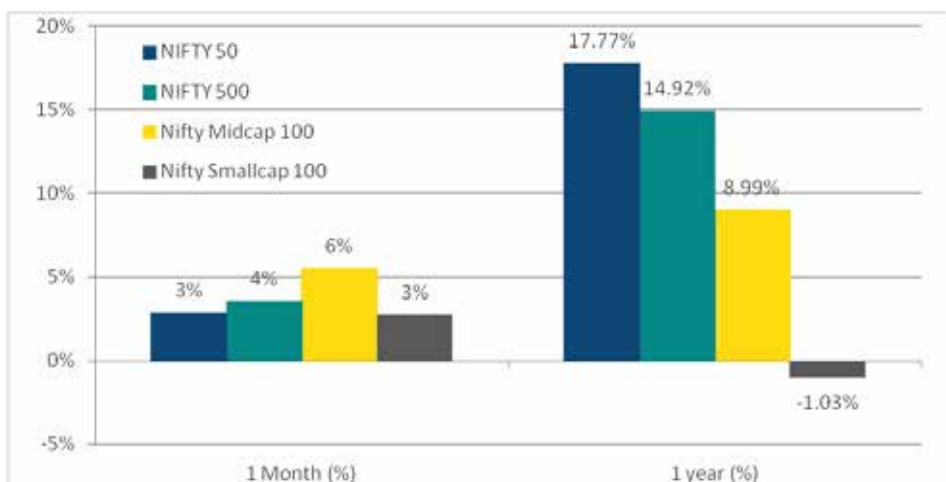
FIIs sold nearly Rs 50,000 crore of debt investments between March-June 2018. There has been marginal inflows, totalling Rs 3,462 crore in July-August 2018

(Source: SEBI, PL Research) The data is compiled on the basis of reports submitted to SEBI by custodians (NSDL & CDSL) and it constitutes trades conducted by FIIs & Mutual Funds

EQUITY MARKET OUTLOOK

EQUITY MARKET OUTLOOK

The equity market was exuberant in the month of August 2018. The Nifty 50 rallied by nearly 3% over the month. The Nifty Mid Cap 100 rallied by over 6% from its lows in July 2018. The Nifty Small Cap 100 also gained by nearly 3%.



(Source: ACE MF, PL research)*Data as on August 31, 2018

The market was riding on positives such as normal monsoons, stabilisation of the economy post demonetisation, ironing out of GST issues, and government focus on housing, electrification, and infrastructure development.

Going ahead, the market will be affected by the following factors:

WEAKENING RUPEE

The rupee fall, which was first seen as a healthy correction, is now leading to a fear of higher interest rates. Investors are worried about the inflationary effect of a weak currency. The rupee has depreciated by about 2% in August 2018. On a YTD basis the rupee has depreciated by about 10%. A slip in fiscal deficit, higher inflation and rising crude can further add pressure on the rupee.

UPCOMING STATE AND GENERAL ELECTIONS

Although BJP has gained strength in recent no confidence motion and election of Deputy speaker in upper house, run upto 2019 looks uncertain. Rajasthan, Madhya Pradesh, and Chattisgarh will go for Vidhan Sabha polls in December 2018. The 2018 state elections will be an acid test for the BJP and an upset can put the market in a tailspin.

VALUATIONS REMAIN EXPENSIVE

The Nifty 50 is driven by stocks in select segments like Domestic Consumption, Private Banks, IT and Automobiles. Nifty and Sensex does not reflect the pain in broader markets. The Nifty Midcap 100 Index trades at a premium to the Nifty 50 index, with a trailing P/E of 60x as compared to a trail P/E of 28x of the Nifty 50.

GLOBAL CONCERNS

There has been an uptrend in global inflation and interest rates with varying magnitudes. The uptrend in inflation has been in both Developed Markets and Emerging Markets. Rising oil prices, concerns of trade wars and tighter monetary stance of the US dented sentiments during the past quarter and could create headwinds in the coming months.

FUND HOUSE VIEWS ON THE EQUITY MARKET

AFTER INTERACTING WITH MULTIPLE FUND HOUSES, WE HAVE CONSOLIDATED AND SUMMARISED THEIR VIEW ON THE EQUITY MARKET AS BELOW:

Going ahead, the market will be affected by the following factors:

EXPECT HIGH VOLATILITY OVER THE SHORT-TO-MEDIUM TERM

Higher global interest rates, volatility in crude oil price, and the Government's commitment towards fiscal discipline in the run-up to the 2019 elections will continue to create elevated volatility in the market over the next 12 months. Political turbulence with every state election, right up to the run up to the general elections is expected to add to the market jitters. Hence, investors should keep a long-term outlook and tone down their expectations over the short-term.

PREFERENCE FOR LARGE CAP STOCKS

Even though mid caps and small cap have corrected, fund managers believe there is room for further correction given the expensive valuations. The affinity for large caps continues given the relatively better valuations and the conviction that the formalisation of the economy will help large companies to achieve a bigger market share.

RURAL DEMAND STRENGTHENING

Agriculture output has increased for the fourth consecutive season, with the total Kharif Production rising to 159 MT in FY18 from 142 MT in FY16, while Rabi Production rose to 151 MT from 135 MT over the same period. The higher output can be attributed to access to formal lending channel, better roads, electricity and internet penetration. Additionally, indicators like sales of two-wheelers, FMCG goods, tractors and fertilizer – which provides a gauge to rural demand have picked up in last two-three quarters.

CONSUMPTION SECTOR TO BENEFIT

Urban consumption indicators are showing a positive momentum. An increase in financial savings, increasing household debt and rising income level will continue to boost the consumption theme going ahead. FY19 demand outlook for consumer oriented companies such as FMCG, autos, paints remain strong buoyed by the pick-up in rural demand and urbanisation trends.

POSITIVE ON PHARMACEUTICALS

Pharma companies are coming out of their bottom in earnings. The hangover of the US FDA import ban on the respective plants of a few major companies is now getting over.

IT MAY DELIVER SUBDUED RETURNS IN THE NEAR TERM

With the rally in stock prices of IT stocks valuations are high, as the expected earnings growth has already been factored in the stock prices. Hence, returns over the short-term would be subdued, though the long-term growth prospects remain intact.

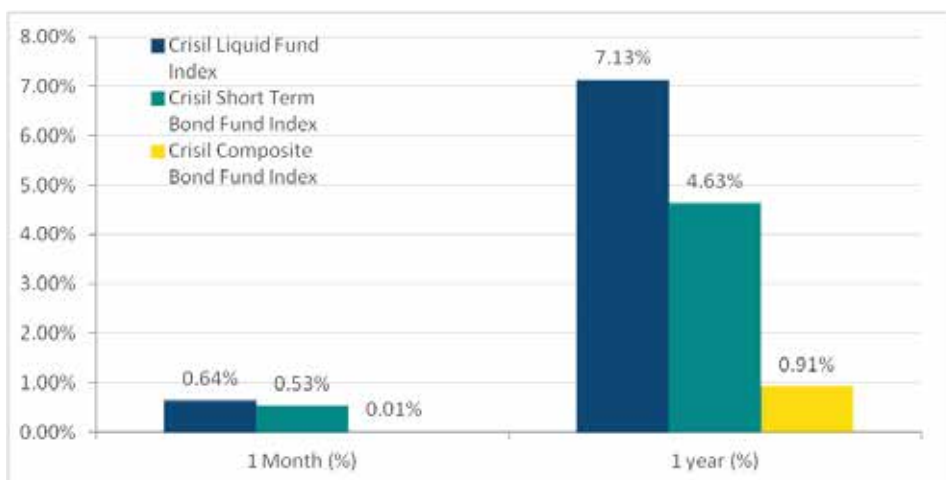
CAPITAL GOODS MAY SEE A TURNAROUND IN BUSINESS CYCLE

Various infrastructure projects are seeing a pick-up in onground implementation as reflected in the results of capital goods companies. Public spending continues to drive capex. Many state governments are focusing on infrastructure development and emerging as important source of fresh orders for the sector.

DEBT MARKET OUTLOOK

DEBT MARKET OUTLOOK

The 10-year benchmark G-Sec yields after easing to 7.7% at the beginning of August 2018, gradually rose over the month to breach the 8% mark beginning September. Over the past year, the G-Sec yield has risen by 150 bps from 6.50% a year ago.



(Source: ACE MF, PL research)*Data as on August 31, 2018

Funds investing on the longer end of the yield curve delivered subdued returns. Over the past year, the Liquid Fund Index returned 7.13%, while the Short-term and Composite Bond Fund Index delivered disappointing returns of 4.63% and 0.91% respectively.

Going ahead, the market will be affected by the following factors:

FUTURE UPSIDE RISK TO INFLATION

Though retail inflation eased for the month of July 2018 to under 5%, it failed to revive sentiments. This was mainly owing to the RBI raising interest rates by 25 bps at the beginning of August to 6.25%. The monetary policy members cited a sustained and broad-based rise in core inflation owing to strong demand conditions. Hence, inflation may tick upwards in the following months.

GOVERNMENT BORROWING

The RBI notified that the Centre will borrow Rs 2.88 trillion via sale of dated securities during April-September, which is about 48% of its annual borrowing plan. Auctions of government securities worth Rs 600 billion were scheduled for August 2018. The cost of borrowing for the government rose for the 11th consecutive month at Rs 48,000 crore in July 2018, according to a monthly report by Care Ratings. The size of market borrowing will influence the G-Sec yields going ahead.

FISCAL DEFICIT CROSSES 86% OF THE BUDGET ESTIMATE

The Fiscal Deficit reached 86.5% of the Budget estimate for FY19, in just four months. The total expenditure was Rs 8.89 lakh crore or 36.4% of the Budget Estimate. The central government is running extremely tight on this year's budget targets. GST collection is below the required trend. Risks of slipping on non tax receipts run high owing to ambitious spectrum and disinvestment targets. Large MSP announcement, scaling up of benefits in various government schemes will entail additional fiscal cost. This could create headwinds for the bond market.

FUND HOUSE VIEWS ON THE DEBT MARKET

AFTER MEETING MULTIPLE FUND HOUSES, WE HAVE CONSOLIDATED AND SUMMARISED THEIR VIEW ON THE DEBT MARKET AS BELOW:

Going ahead, the market will be affected by the following factors:

RATE HIKE CYCLE IN NOT OVER

Back-to-back hikes in the policy rate, despite maintaining a neutral stance, indicate that this could be the beginning of the rate-hike cycle. Bond yields are trading higher with a gap of 150 bps over the policy rate in expectation of future hikes. When and how many rate hikes may not be sure as it will be dependent on incoming macro data and developments. But, the rate hike is certainly not the last. The upcoming monetary policy meetings will be minutely read to infer future course of actions. Thus, at the moment it would be best to avoid long duration bonds.

IMPROVING CREDIT QUALITY

CRISIL reported 1,402 upgrades against 839 downgrades during fiscal 2018, a credit ratio of 1.67 times. The number of downgrades has been the lowest in the past five fiscals, signalling an improvement in credit quality. Thus, well managed credit risk funds provide investors with an opportunity to earn a higher yield on a risk-adjusted basis. Credit profile of companies has been improving across sectors. As the economic recovery cycle is expected to sustain, the outlook for the credit market remains positive.

HIGH CREDIT RISK SPREADS TO BENEFIT CREDIT RISK FUNDS

The spread between AAA bonds and AA rated bonds is around 80-90 bps, while the difference is almost 100-120 bps between AAA and A rated bonds. This significant gap in yields offers a good opportunity to earn better returns for those who do not mind the additional risk..

BANKING LIQUIDITY CONTINUES TO REMAIN NEUTRAL

Liquidity does not seem a major concern currently. Core liquidity moved into deficit territory on the back of increasing currency in circulation and forex Intervention to stabilize the domestic currency markets. As a result, the RBI conducted OMO purchases during the month to infuse additional liquidity. RBI is expected to continue asset purchases in an attempt to maintain a neutral liquidity environment. Interbank call money rates hovered near the repo rate for most of the month owing to comfortable systemic liquidity.

TACTICAL ASSET ALLOCATION

TACTICAL ASSET ALLOCATION

WHAT IS TACTICAL ASSET ALLOCATION?

- ➔ Tactical asset allocation, maintains a mix of equity and debt, but is focused on taking a more active approach of positioning a portfolio into asset classes or sub-categories of asset classes that have the most potential for gains
- ➔ A tactical approach involves making a judgment call on where the economy and the financial markets may be headed
- ➔ Tactical allocation also involves shifting allocations within an asset class. For example, an equity portion of a portfolio may be shifted to include more small-cap stocks, more large-cap stocks, or other areas where there is a short-term opportunity
- ➔ Take for example an investors willing to accept more risk in their asset allocation, the traditional aggressive or moderately aggressive investor would be very aggressively positioned at market bottoms, when stock valuations are low
- ➔ Such tactical shifts in allocation provides as investors with the opportunity to earn higher returns with a marginal increase in risk

TACTICAL VIEW: THE IDEAL STRATEGY

TACTICAL VIEW: THE IDEAL STRATEGY

EQUITY INVESTMENTS

- ➔ Preference should be towards large caps funds
- ➔ Invest in Mid cap and Small cap Funds through Systematic Investment Plans (SIPs) for the long term
- ➔ Asset allocation funds or equity-oriented Hybrid Funds are best suited to ride out the market volatility
- ➔ Very aggressive investors can opt for Sector Funds in the Pharma and Consumption space.

DEBT INVESTMENTS

- ➔ Stick to Low Duration and Short Duration Funds to deal with the market volatility
- ➔ Debt schemes, such as Floater Funds, with an accrual strategy will help capture the current elevated yields
- ➔ Dynamic Bond Funds can help position the duration of the portfolio to benefit from the volatility in the debt market over the medium term
- ➔ Credit Risk funds offer investors with the opportunity to earn a higher return as compared to similar funds with the same duration

MODEL PORTFOLIOS BASED ON TACTICAL VIEW

Based on the market outlook, we have put together three model portfolio's based on the investor's risk profile. You may invest in the suggested schemes in the recommended allocation.

AGGRESSIVE RISK PORTFOLIO

This portfolio is suitable for those investors who are seeking long-term capital growth. The portfolio is majorly invested in equity mutual funds, which have the potential to deliver superior long-term returns. The ideal investment horizon is 3-5 years or more.

TOTAL EQUITY EXPOSURE: 90%

TOTAL DEBT EXPOSURE: 10%

SUGGESTED ALLOCATION

SCHEME NAME	ALLOCATION (%)
Large Cap Funds	50%
Mid Cap Funds	20%
Sector Funds	20%
Short Duration Funds	10%

SUGGESTED PORTFOLIO WITH THE TOP RATED FUNDS

CATEGORY NAME	SCHEME NAME	ALLOC (%)	1-YEAR (%)	2-YEARS (%)	3 YEARS (%)	FUND MANAGER
Large Cap	- Axis Bluechip Fund	20	21.84	18.47	15.16	Shreyash Devalkar
	- UTI Mastershare	20	17.11	14.36	12.04	Swati Kulkarni
	- ICICI Pru Bluechip Fund	10	14.86	16.02	14.77	Sankaran Naren
Mid Cap	-Axis Mid cap Fund	10	25.45	19.34	13.77	Shreyash Devalkar
	-HDFC Mid-Cap Opportunities Fund	10	11.61	14.31	16.13	Chirag Setalvad
Sector	- Reliance Pharma Fund	10	27.65	4.87	2.26	Sailesh Raj Bhan
	- UTI India LifeStyle Fund	10	19.72	15.92	13.21	Lalit Nambiar
Short Duration	- Franklin India ST Income Plan	5	6.61	8.50	8.16	Santosh Kamath
	- UTI ST Income Fund	5	4.65	6.60	7.56	Sudhir Agarwal
TOTAL		100				

*Returns as on August 31, 2018

MODERATE RISK PORTFOLIO

This portfolio is suitable for those investors with a seeking a moderate risk-moderate returns. Investors can gain from the long-term gains of equity as well as the income generation and stability of debt investments. The ideal investment horizon should be at least 2 years.

TOTAL EQUITY EXPOSURE: 50%

TOTAL DEBT EXPOSURE: 50%

SUGGESTED ALLOCATION

SCHEME NAME	ALLOCATION (%)
Aggressive Hybrid Funds*	50%
Large Cap Funds	15%
Short Duration Funds	20%
Low Duration Funds	10%
Credit Risk Funds	5%

*Aggressive Hybrid Funds maintain an approximate allocation of 70% to equity and 30% to debt. Hence, with an allocation of 50% in the portfolio, the net contribution to equity will be 35%, while the net exposure to debt in the portfolio will be 15%.

SUGGESTED PORTFOLIO WITH THE TOP RATED FUNDS

CATEGORY NAME	SCHEME NAME	ALLOC (%)	1-YEAR (%)	2-YEARS (%)	3 YEARS (%)	FUND MANAGER
Aggressive Hybrid Fund	- ICICI Pru Equity & Debt Fund(G)	25	9.69	12.51	13.38	Sankaran Naren
	- Reliance Equity Hybrid Fund	25	8.70	13.30	13.02	Sachin Parekh
Large Cap Funds	- Axis Bluechip Fund	5	21.84	18.47	15.16	Shreyash Devalkar
	- UTI Mastershare	5	17.11	14.36	12.04	Swati Kulkarni
	- ICICI Pru Bluechip Fund	5	14.86	16.02	14.77	Sankaran Naren
Short Duration	- Franklin India ST Income Plan	10	6.61	8.50	8.16	Santosh Kamath
	- UTI ST Income Fund	10	4.65	6.60	7.56	Sudhir Agarwal
Low Duration Funds	- Kotak Low Duration Fund	5	6.66	7.39	7.93	Deepak Agrawal
	- UTI Treasury Advantage Fund	5	6.61	7.25	7.78	Sudhir Agarwal
Credit Risk Fund	- Franklin India Credit Risk Fund-Reg(G)	2.5	6.57	8.20	8.19	Santosh Kamath
	- Aditya Birla SL Credit Risk Fund	2.5	5.72	8.00	8.61	Maneesh Dangi
TOTAL		100				

*Returns as on August 31, 2018

CONSERVATIVE RISK PORTFOLIO

This portfolio is suitable for those risk-averse investors who are seeking a moderate to low risk portfolio. The portfolio is predominantly invested in debt with a marginal exposure to equity. The ideal investment horizon is 1-2 years.

TOTAL EQUITY EXPOSURE: 20%

TOTAL DEBT EXPOSURE: 80%

SUGGESTED ALLOCATION

SCHEME NAME	ALLOCATION (%)
Large Cap Funds	20%
Low Duration Funds	30%
Short Duration Funds	30%
Floater Funds	20%

SUGGESTED PORTFOLIO WITH THE TOP RATED FUNDS

CATEGORY NAME	SCHEME NAME	ALLOC (%)	1-YEAR (%)	2-YEARS (%)	3 YEARS (%)	FUND MANAGER
Large Cap Funds	- Axis Bluechip Fund	7.5	21.84	18.47	15.16	Shreyash Devalkar
	- UTI Mastershare	7.5	17.11	14.36	12.04	Swati Kulkarni
	- ICICI Pru Bluechip Fund	5	14.86	16.02	14.77	Sankaran Naren
Low Duration Funds	- Kotak Low Duration Fund	15	6.66	7.39	7.93	Deepak Agrawal
	- UTI Treasury Advantage Fund	15	6.61	7.25	7.78	Sudhir Agarwal
Short Duration	- Franklin India ST Income Plan	15	6.61	8.50	8.16	Santosh Kamath
	- UTI ST Income Fund	15	4.65	6.60	7.56	Sudhir Agarwal
Floater Funds	- HDFC Floating Rate Debt Fund(G)	10	6.39	7.11	7.70	Shobhit Mehrotra
	- Aditya Birla SL FRF- Long Term Plan(G)	10	6.30	7.19	7.96	Kaustubh Gupta
	TOTAL	100				

*Returns as on August 31, 2018

RECOMMENDED MUTUAL FUNDS AS PER TACTICAL VIEW

Below is the list of the top funds picked using PL's proprietary
SPARK methodology for the categories recommended
as per the Tactical view

RECOMMENDED MUTUAL FUNDS AS PER TACTICAL VIEW

EQUITY FUNDS

LARGECAP

The scheme will invest predominantly in large cap stocks. The scheme can invest 80%-100% of the portfolio is invested in large cap stocks, as defined by SEBI

SCHEME NAME	FUND MANAGER	MANAGING SINCE	AUM (RS CR)	1 YEAR (%)	2 YEARS (%)	3 YEARS (%)	EXPENSE RATIO
Axis Bluechip Fund	Shreyash Devalkar	Nov-16	2,568.10	21.84	18.47	15.16	2.54
UTI Mastershare	Swati Kulkarni	Nov-06	5,530.66	17.11	14.36	12.04	2.33
ICICI Pru Bluechip Fund	Sankaran Naren	Jul-17	18,747.28	14.86	16.02	14.77	2.11
Benchmark - NIFTY 50 - TRI				19.75	17.11	14.88	

MIDCAP

The scheme will invest predominantly in mid cap stocks. The fund needs to invest a minimum of 65% of the assets in midcap stocks as defined by SEBI

SCHEME NAME	FUND MANAGER	MANAGING SINCE	AUM (RS CR)	1 YEAR (%)	2 YEARS (%)	3 YEARS (%)	EXPENSE RATIO
Axis Midcap Fund	Shreyash Devalkar	Nov-16	1,564.37	25.45	19.34	13.77	2.53
HDFC Mid-Cap Opportunities Fund	Chirag Setalvad	Mar-08	21,149.08	11.61	14.31	16.13	2.25
Franklin India Prima Fund	R. Janakiraman	Mar-14	6,617.15	10.80	12.61	15.09	2.12
UTI Mid Cap Fund	Lalit Nambiar	Jan-16	4,036.12	8.09	9.44	10.22	2.35
Sundaram Mid Cap Fund	S. Krishnakumar	Nov-12	6,137.74	6.00	11.73	13.73	2.12
Benchmark - NIFTY 100 - TRI				10.15	15.13	16.08	

HYBRID FUNDS

AGGRESSIVE HYBRID

Aggressive hybrid will invest 65%- 80% of total assets in equities and 20%-35% in debt instruments

SCHEME NAME	FUND MANAGER	MANAGING SINCE	AUM (RS CR)	1 YEAR (%)	2 YEARS (%)	3 YEARS (%)	EXPENSE RATIO
ICICI Pru Equity & Debt Fund	Sankaran Naren	Dec-15	28,633.37	9.69	12.51	13.38	2.23
Reliance Equity Hybrid Fund	Sanjay Parekh	Mar-12	14,202.63	8.70	13.30	13.02	2.12
Franklin India Equity Hybrid Fund	Lakshmikanth Reddy	May-16	2,053.93	8.67	9.05	10.02	2.22
UTI Hybrid Equity Fund	V. Srivatsa	Jan-15	6,512.63	8.26	11.36	11.52	2.33
L&T Hybrid Equity Fund	Soumendra Nath Lahiri	Dec-12	10,935.86	6.90	12.26	11.44	2.26
CRISIL Hybrid 35+65 - Aggressive Index (Equity:65%, Debt:35%)				11.90	13.05	12.87	

RECOMMENDED MUTUAL FUNDS AS PER TACTICAL VIEW

SECTOR FUNDS

SECTOR FUNDS – CONSUMPTION

The investment in equity of the Consumption sector will be minimum 80% of total assets

SCHEME NAME	FUND MANAGER	MANAGING SINCE	AUM (RS CR)	1 YEAR (%)	2 YEARS (%)	3 YEARS (%)	EXPENSE RATIO
UTI India LifeStyle Fund	Lalit Nambiar	Jul-11	290.62	19.72	15.92	13.21	2.61
Aditya Birla SL India GenNext Fund	Anil Shah	Sep-13	874.88	13.14	15.67	16.23	2.58
Sundaram Rural and Consumption	S.Krishnakumar	Jan-16	2,649.66	8.34	14.87	20.01	2.20
Benchmark - NIFTY CONSUMPTION - TRI				21.49	18.21	17.33	

SECTOR – PHARMA

The investment in equity of the Pharma sector will be minimum 80% of total assets.

SCHEME NAME	FUND MANAGER	MANAGING SINCE	AUM (RS CR)	1 YEAR (%)	2 YEARS (%)	3 YEARS (%)	EXPENSE RATIO
Reliance Pharma Fund	Sailesh Raj Bhan	Mar-06	2,266.32	27.65	4.87	2.26	2.47
UTI Healthcare Fund	V. Srivatsa	Feb-17	427.55	15.92	-0.30	-2.18	2.41
Benchmark - NIFTY PHARMA - TRI				14.37	-5.88	-7.37	

RECOMMENDED MUTUAL FUNDS AS PER TACTICAL VIEW

DEBT FUNDS

LOW DURATION

The investment in Debt & Money Market instruments will be such that the Macaulay duration of the portfolio is between 6 months to 12 months

SCHEME NAME	FUND MANAGER	MANAGING SINCE	AUM (RS CR)	1 YEAR (%)	2 YEARS (%)	3 YEARS (%)	EXPENSE RATIO
Kotak Low Duration Fund	Deepak Agrawal	Oct-16	4,859.66	6.66	7.39	7.93	1.03
UTI Treasury Advantage Fund	Sudhir Agarwal	Oct-12	10,842.99	6.61	7.25	7.78	0.31
SBI Magnum Low Duration Fund	Rajeev Radhakrishnan	Aug-08	8,291.26	6.60	6.97	7.44	0.49
Reliance Low Duration Fund	Amit Tripathi	Mar-07	13,895.82	6.39	6.93	7.47	0.58
ICICI Pru Savings Fund	Rahul Goswami	Sep-12	18,235.05	6.38	7.27	7.82	0.45
Benchmark - Crisil Liquid Fund Index				7.13	6.95	7.22	

SHORT DURATION

The investment in Debt & Money Market instruments will be such that the Macaulay duration of the portfolio is between 1 year to 3 years

SCHEME NAME	FUND MANAGER	MANAGING SINCE	AUM (RS CR)	1 YEAR (%)	2 YEARS (%)	3 YEARS (%)	EXPENSE RATIO
Franklin India ST Income Plan	Santosh Kamath	Apr-14	10,854.77	6.61	8.50	8.16	1.18
HDFC Short Term Debt Fund	Anil Bamboli	Jul-11	10,501.76	5.54	6.79	7.56	0.40
L&T Short Term Bond Fund	Shriram Ramanathan	May-16	2,725.94	4.80	6.20	6.99	0.81
UTI ST Income Fund	Sudhir Agarwal	Oct-12	9,961.10	4.65	6.60	7.56	0.88
Axis Short Term Fund	Devang Shah	Nov-12	5,170.94	4.60	6.32	7.22	0.99
Benchmark - Crisil Short Term Bond Fund Index				4.68	6.39	7.40	

FLOATER

The scheme will invest minimum 65% of total assets in floating rate instruments

SCHEME NAME	FUND MANAGER	MANAGING SINCE	AUM (RS CR)	1 YEAR (%)	2 YEARS (%)	3 YEARS (%)	EXPENSE RATIO
HDFC Floating Rate Debt Fund	Shobhit Mehrotra	Dec-16	12,323.59	6.39	7.11	7.70	0.38
Aditya Birla SL FRF-Long Term Plan	Kaustubh Gupta	Apr-17	5,834.95	6.30	7.19	7.96	0.39
ICICI Pru Floating Interest Fund	Nikhil Kabra	Dec-16	9,409.98	5.72	6.91	7.49	1.30
Benchmark - Crisil Short Term Bond Fund Index				4.68	6.39	7.40	

RECOMMENDED MUTUAL FUNDS AS PER TACTICAL VIEW

DYNAMIC BOND FUNDS

Investment will be in Debt & Money Market instruments can be across durations depending on the fund managers views on the debt market

SCHEME NAME	FUND MANAGER	MANAGING SINCE	AUM (RS CR)	1 YEAR (%)	2 YEARS (%)	3 YEARS (%)	EXPENSE RATIO
Franklin India Dynamic Accrual Fund	Sachin Padwal-Desai	Feb-06	3,441.66	6.24	8.29	8.75	1.77
Benchmark - Crisil Composite Bond Fund Index				1.06	5.07	7.23	

CREDIT RISK FUNDS

The scheme will invest minimum 65% of its total assets in corporate bonds (only AA and below rated instruments)

SCHEME NAME	FUND MANAGER	MANAGING SINCE	AUM (RS CR)	1 YEAR (%)	2 YEARS (%)	3 YEARS (%)	EXPENSE RATIO
Franklin India Credit Risk Fund	Santosh Kamath	Apr-14	7,099.92	6.57	8.20	8.19	1.75
Aditya Birla SL Credit Risk Fund	Maneesh Dangi	Apr-15	7,868.52	5.72	8.00	8.61	1.69
ICICI Pru Credit Risk Fund	Manish Banthia	Jan-18	11,147.47	5.55	7.15	7.70	1.79
Reliance Credit Risk Fund	Prashant Pimple	Aug-10	10,912.32	5.33	6.98	7.86	1.86
L&T Credit Risk Fund	Shriram Ramanathan	Nov-12	3,881.53	4.82	6.90	7.87	1.90
Benchmark - Crisil Composite Bond Fund Index				1.06	5.07	7.23	

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