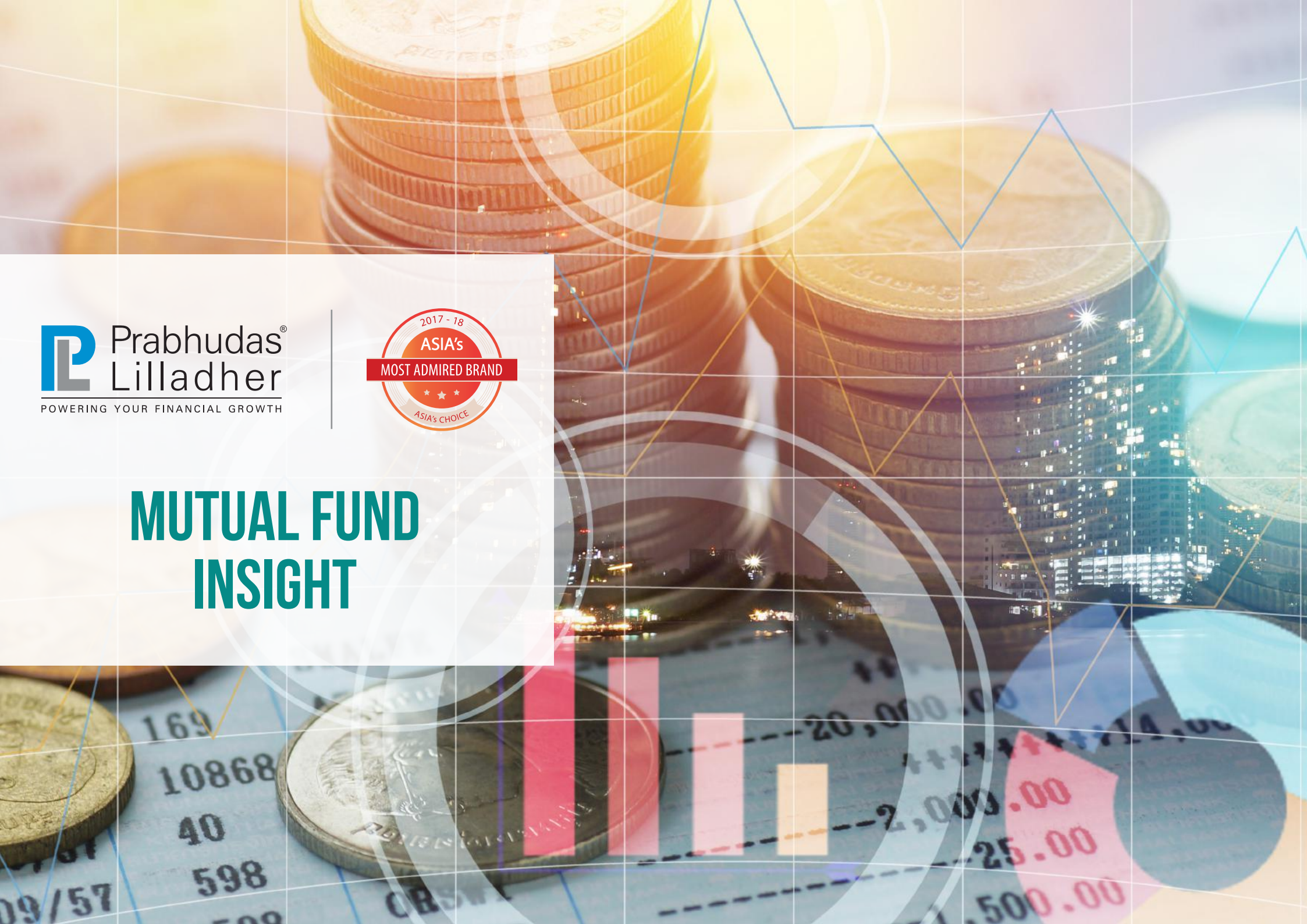


 Prabhudas<sup>®</sup>  
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# MUTUAL FUND INSIGHT



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# FOREWORD

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**JULY 2018**

Dear Investor,

We welcome you to this third edition of our newsletter “**Mutual Fund Insight**”!

At Prabhudas Lilladher we have always believed in offering our customers a variety of investment options which are customized to your investment needs, risk appetite, time frame and financial goals.

Mutual Funds is an interesting product which meets all your investment needs

To popularize Mutual Funds we are pleased to launch a newsletter which aims to inform and educate you to enable you to take informed investment decisions

We hope you will find our newsletter interesting, informative, and relevant and enjoy reading this as much as we did designing it for you.

We welcome your feedback and any queries regarding your investment in mutual funds on [mfss@plindia.com](mailto:mfss@plindia.com)

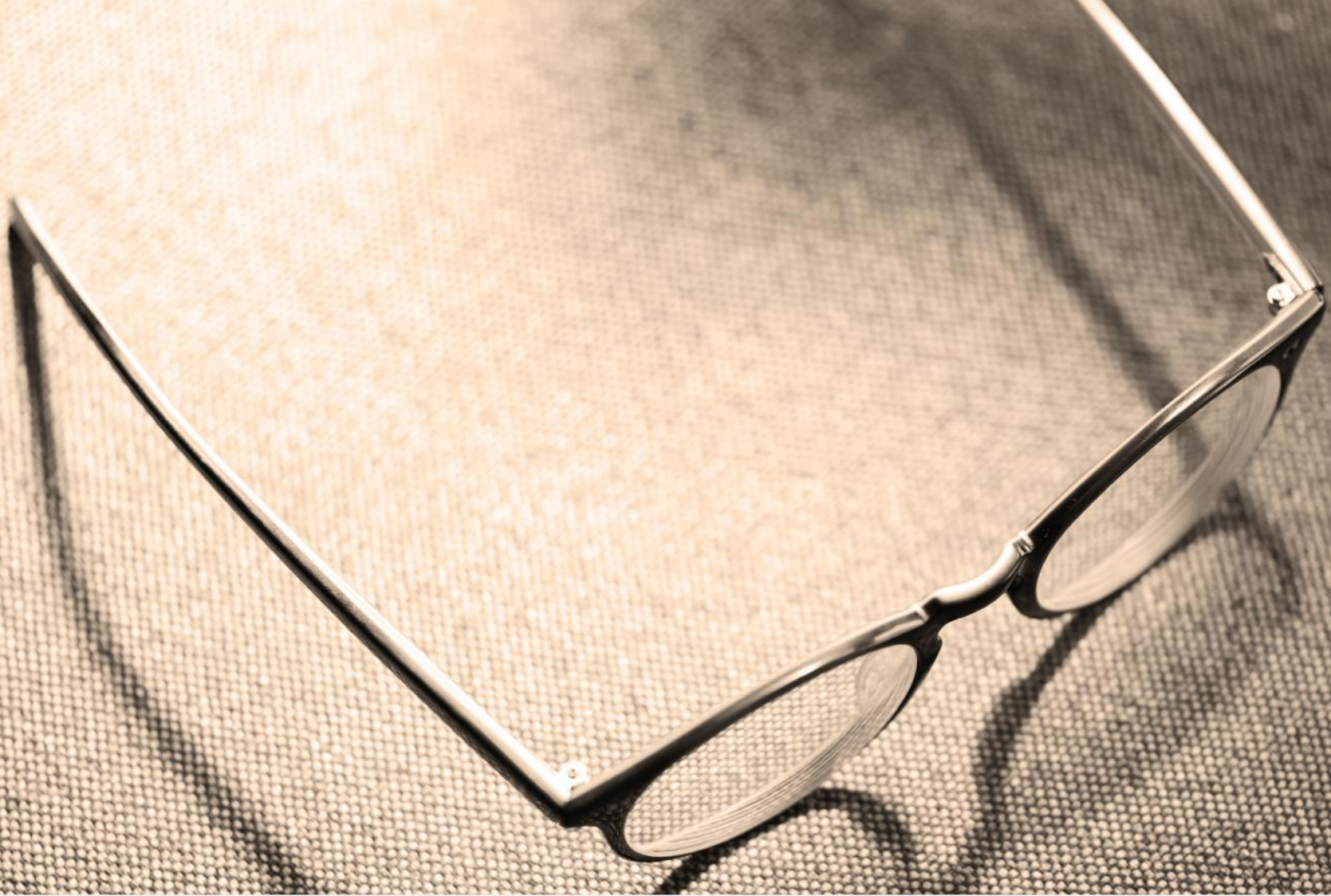
Warm Regards,



**Prashant Mehta**

Assistant Vice President - Mutual Funds and TPP

Email: [PrashantMehta@plindia.com](mailto:PrashantMehta@plindia.com)



# MARKET OUTLOOK

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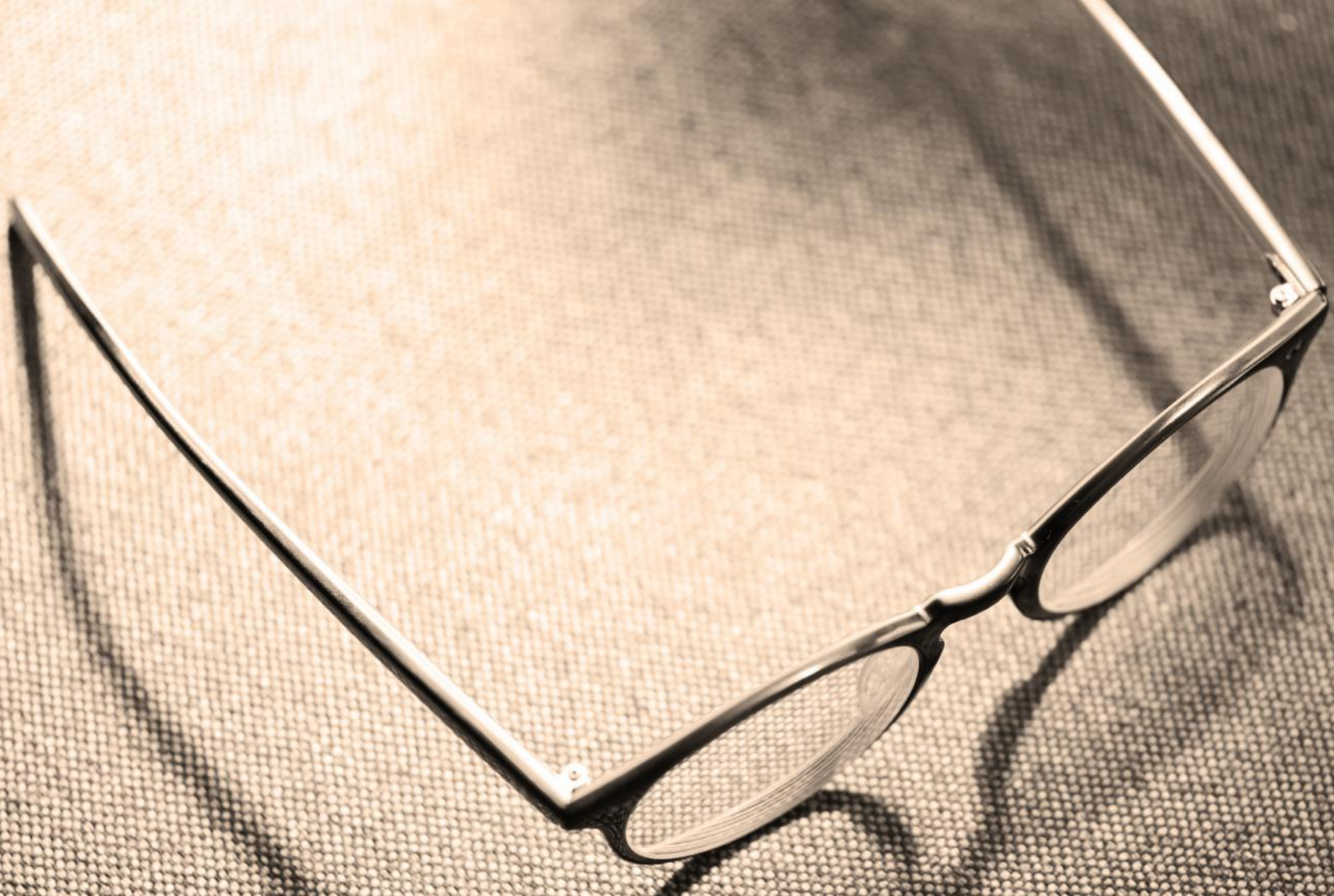
# MONTHLY MARKET OUTLOOK

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JULY 2018

| EQUITY

| FIXED INCOME



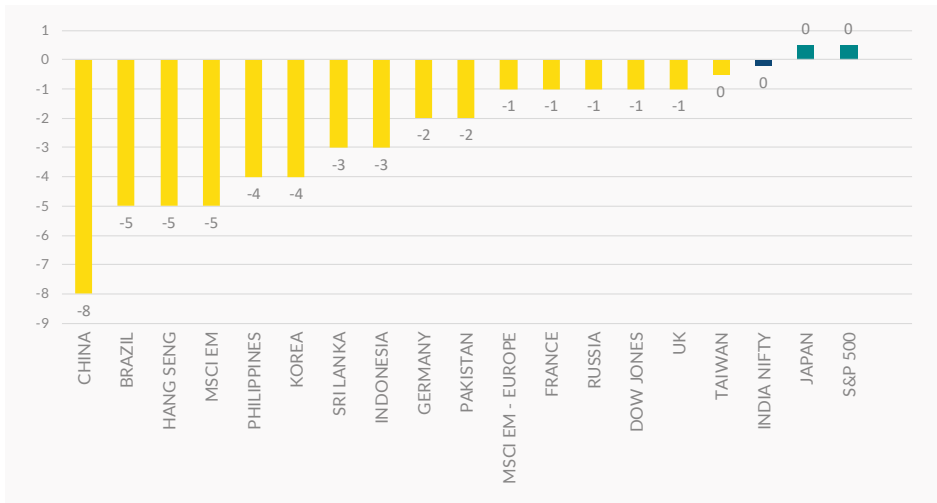
# EQUITY MARKET

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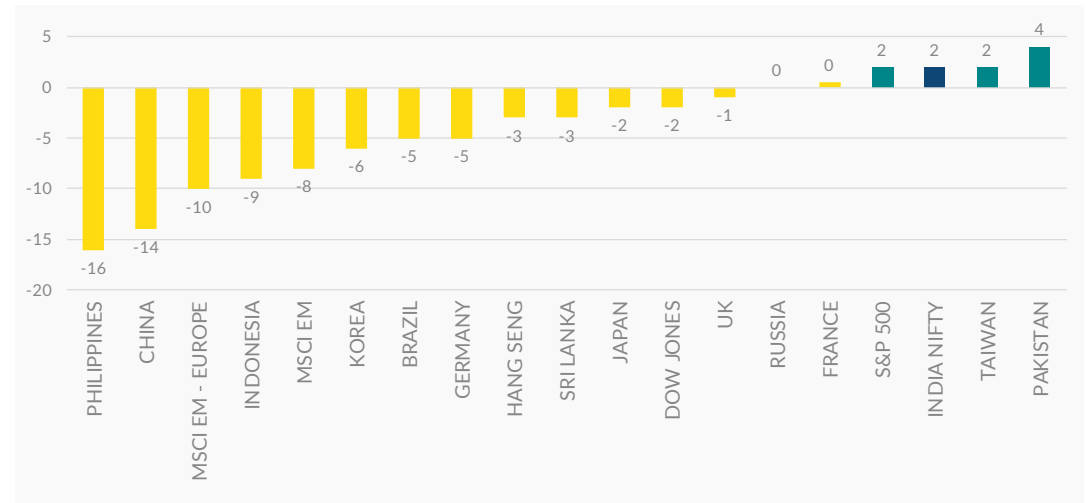


# GLOBAL EQUITY MARKET SNAPSHOT: JUNE 2018

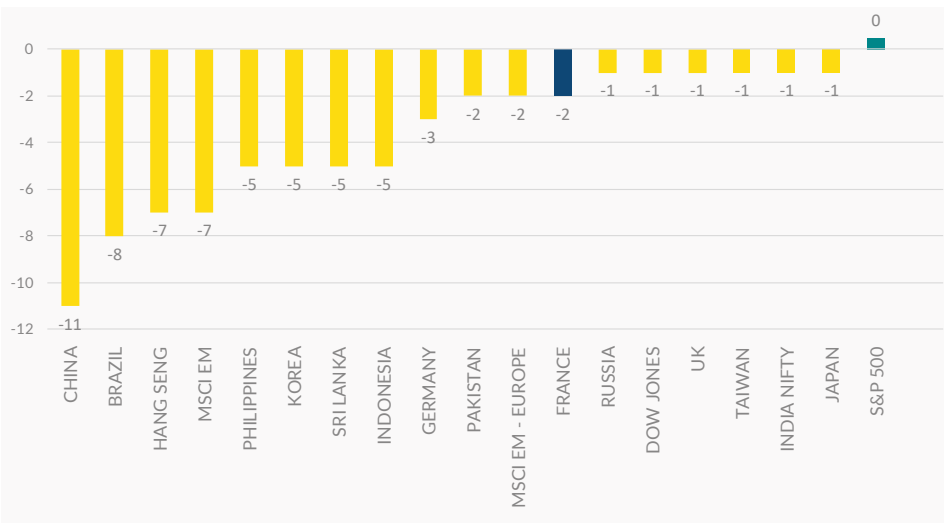
PERFORMANCE IN JUNE 2018 (LOCAL CURRENCY RETURNS)



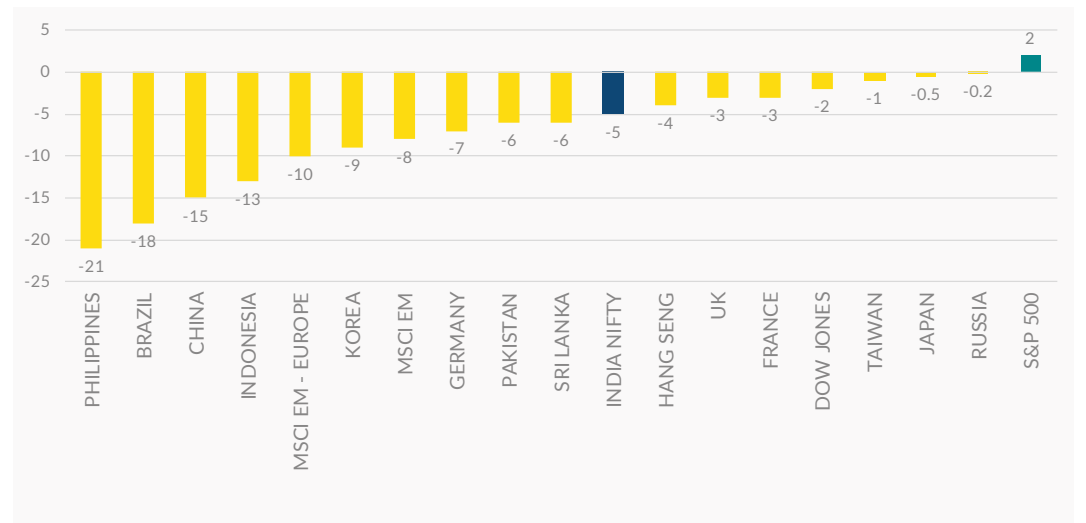
PERFORMANCE YTD (LOCAL CURRENCY RETURNS)



PERFORMANCE IN JUNE 2018 (US\$ RETURNS)



PERFORMANCE YTD (US\$ RETURNS)

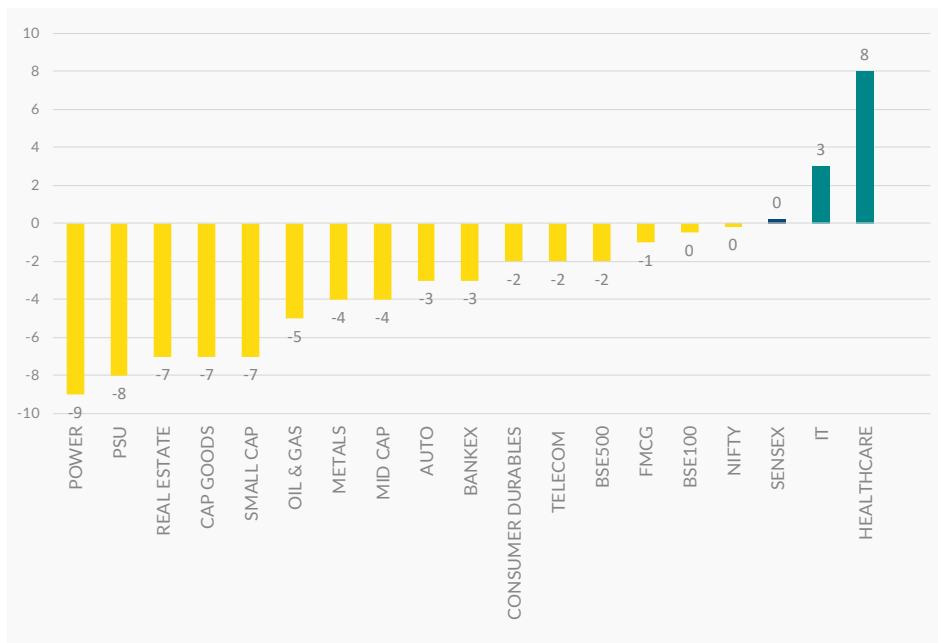


Source: Bloomberg, SBIMF Research

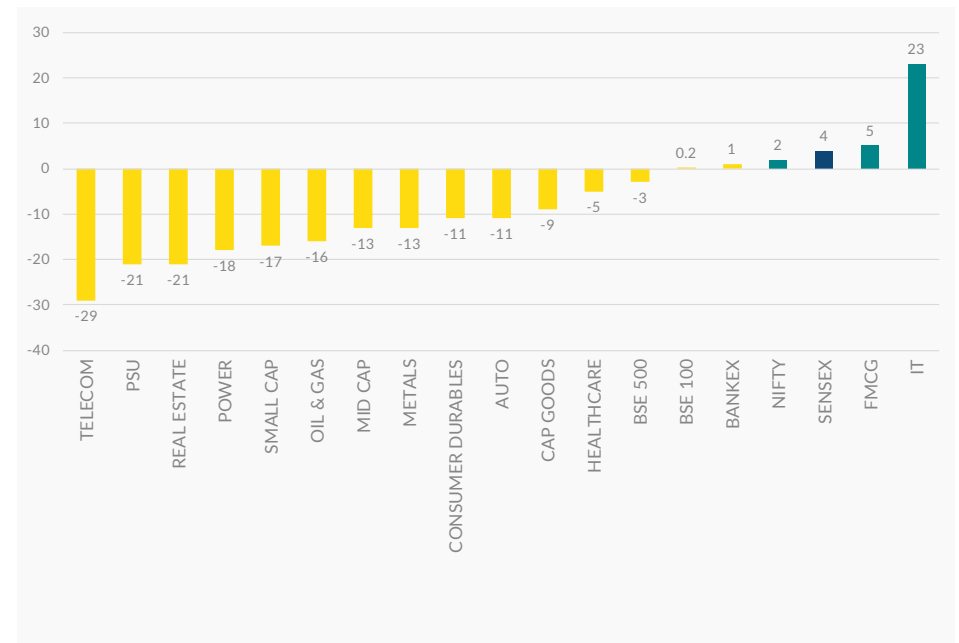


# INDIAN STOCK MARKET SNAPSHOT: JUNE 2018

PERFORMANCE IN JUNE 2018 (LOCAL CURRENCY RETURNS)



PERFORMANCE YTD (LOCAL CURRENCY RETURNS)



- ➔ Indian equity delivered negative returns across most of the sectors (barring IT and Healthcare) in June. NIFTY was down by 0.2% in June. Power sector and PSUs were the worst performers during the month.
- ➔ Both Mid and small-cap index were down by 3.5% and 7.5% respectively during the month.
- ➔ YTD, Nifty is up 1.7% led primarily by 23% rise in the IT sector followed by positive return in FMCG and bank index. Otherwise, most sectors have delivered negative returns on YTD basis. Telecom and PSUs are the laggards (down 29% and 21% respectively).

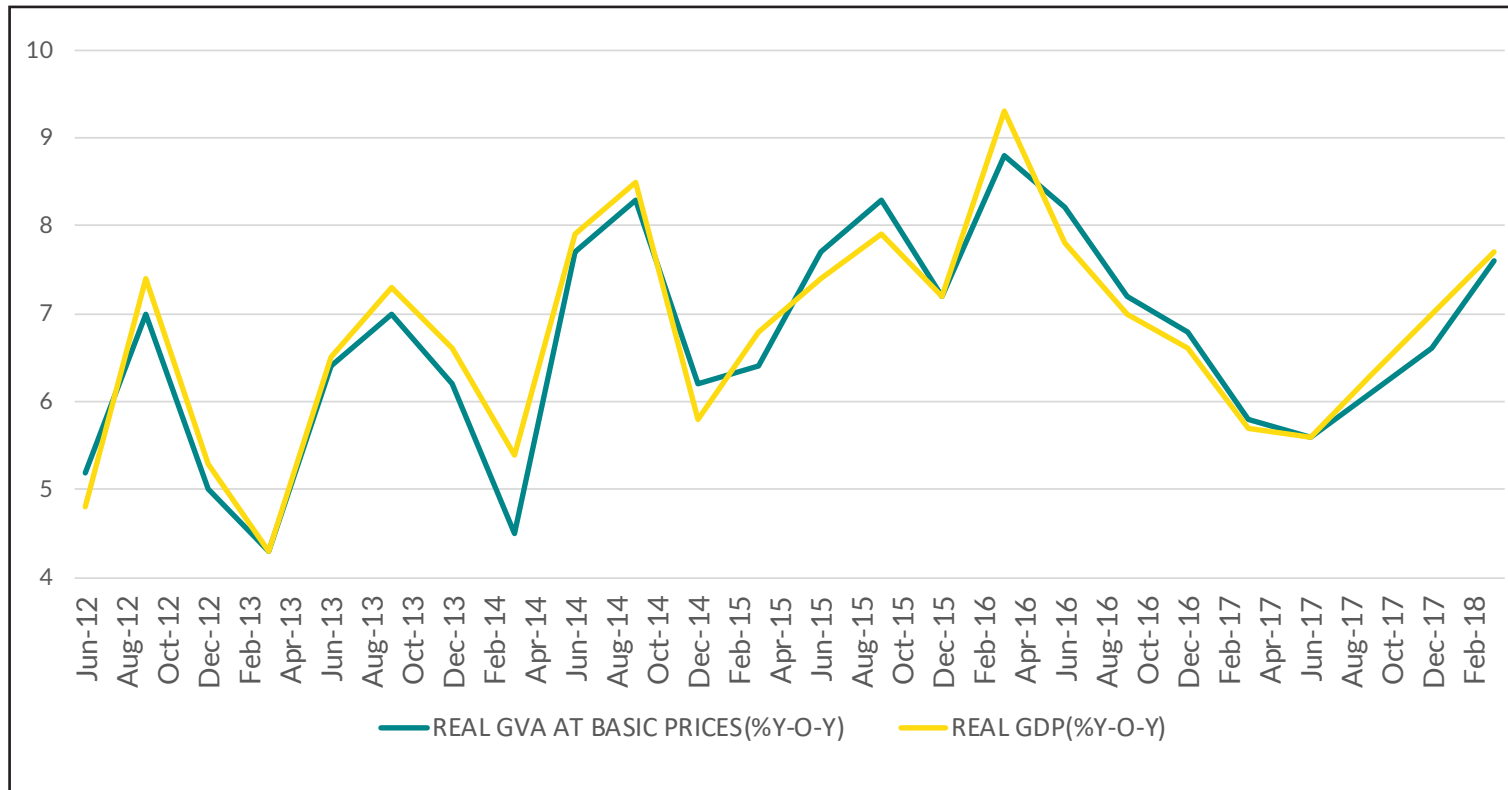
Source: Bloomberg, SBIMF Research





# GROWTH RECOVERY SEEN IN LAST THREE QUARTERS

INDIA'S GROWTH HAS BEEN IMPROVING FOR THREE QUARTERS SINCE Q2 FY18



- ➔ GDP showed 3rd consecutive quarter of growth recovery. 4Q FY18 GDP growth surged to 7.7% y-o-y vs. 7.0% in 3Q FY18.
- ➔ GVA grew by 7.6% in Q4 FY18 vs. 6.6% in 3Q FY18.

Source: CMIE economic outlook, SBIMF Research



# HIGH FREQUENCY INDICATORS INDICATE CONTINUED STRENGTH IN GROWTH

We track 40-50 high frequency indicators to gauge economic health. High frequency indicators points towards some moderation in economic activity during April-May stemming primarily from the manufacturing sector. Nevertheless, the overall momentum continues to hold positive. Services exports and capital goods import have shown nearly three quarters of double digit growth. We expect further improvement in GDP growth during Q1 2018-19.

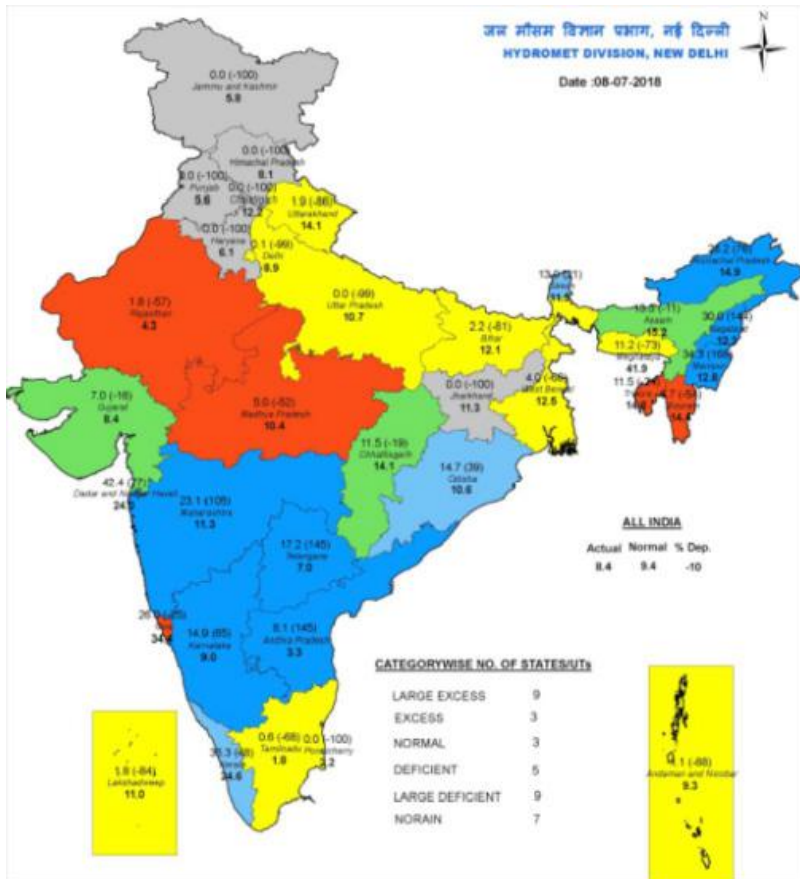
- Green denotes deterioration in growth than previous month
- Yellow denotes improvement in growth than previous month

% GROWTH	DEC-17	JAN-18	FEB-18	MAR-18	APR-18	MAY-18	5YR AVERAGE (JUNE 13-MAY18)
<b>Indicators that are Robust</b>							
Domestic sale of commercial vehicles	52.6	39.7	31.1	24.6	76.0	43.1	4.8
Domestic sale of two-wheelers	41.5	33.4	23.8	18.3	16.9	9.2	8.8
Cement production	17.7	19.6	23.0	13.0	16.5	5.2	4.2
Services exports	15.9	20.4	25.1	15.2	26.6	21.6	4.6
Domestic air traffic	17.4	18.2	23.3	26.9	25.0	16.1	16.8
Capital goods imports	9.8	28.1	28.1	26.2	12.4	36.1	-0.1
Currency in circulation	80.0	75.5	57.1	37.0	32.9	29.8	10.0
Production of consumer non-durables	16.8	10.7	7.3	12.7	7.0	N/A	5.7
Foreign passengers handled	11.7	9.8	10.3	14.1	10.2	6.3	8.8
Retail loans	18.9	20.0	20.4	17.8	19.1	18.6	16.1
<b>Indicators that have recently turned positive</b>							
Coal production	0.3	3.8	1.2	9.1	16.0	12.1	4.5
Mining production	1.2	0.3	-0.4	3.1	5.1	N/A	2.5
Rail freight activity	7.0	6.4	4.1	3.9		6.2	
Capital goods production	13.2	12.4	19.5	-5.7			
<b>Indicators that have weakened in recent months</b>							
Rural wage growth	-1.0	-2.1	-1.1	-0.9	N/A	N/A	0.9
Manufacturing sector output	7.3	7.5	7.0	4.6	4.9	N/A	4.0
Mutual fund AUM	29.8	29.0	25.3	27.7	16.4	17.7	23.2
<b>Indicators that are weak for long</b>							
Bank industrial credit	2.1	1.1	1.0	0.7	1.0	1.4	4.8
Bank credit to infrastructure sector	-0.7	-2.9	-1.9	-1.7	-1.3	-0.7	5.2



# SOWING AND MONSOON TRENDS HAVE BEEN WEAK SO FAR

As of July 8th, all India monsoon is -8.3% below the Long Period Average



Total sowing during the season YTD has declined 14%

THE TOTAL SOWN AREA AS ON 6 <sup>TH</sup> JULY 2018 - IN LAKH HECTARE			
CROP	AREA SOWN IN 2018-19	AREA SOWN IN 2017-18	%Y-O-Y
Rice	67	79	-15
Pulses	34	42	-19
Coarse Cereals	57	66	-13
Oilseeds	64	73	-13
Sugarcane	50	50	2
Jute & Mesta	7	7	0
Cotton	55	72	-24
<b>Total</b>	<b>334</b>	<b>389</b>	<b>-14</b>

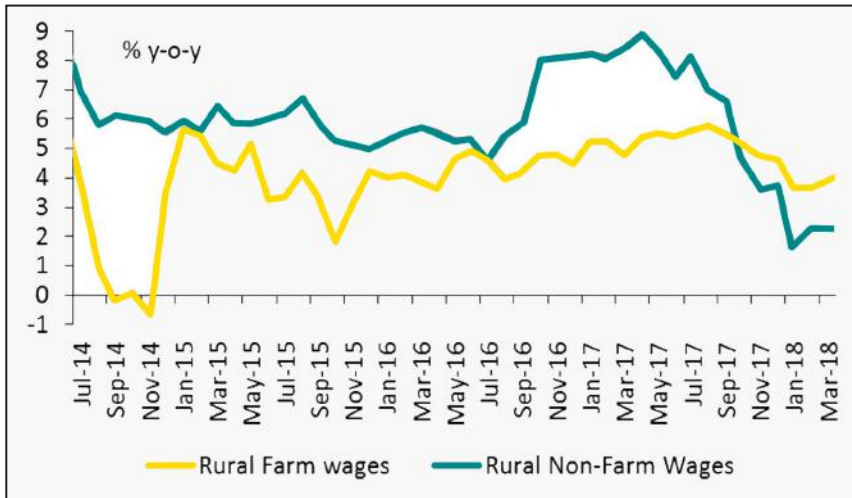
- ➔ Sowing in the Kharif season has seen a sharp decline of ~14% as of 6th July partly due to slow movement of southwest monsoon and delay in MSP announcement.
- ➔ Oilseeds and pulses have seen large declines which could be associated with below MSP wholesale prices (for pulses) and weak rains in states like Gujarat.

Source: IMD, pib.nic.in, SBIMF Research

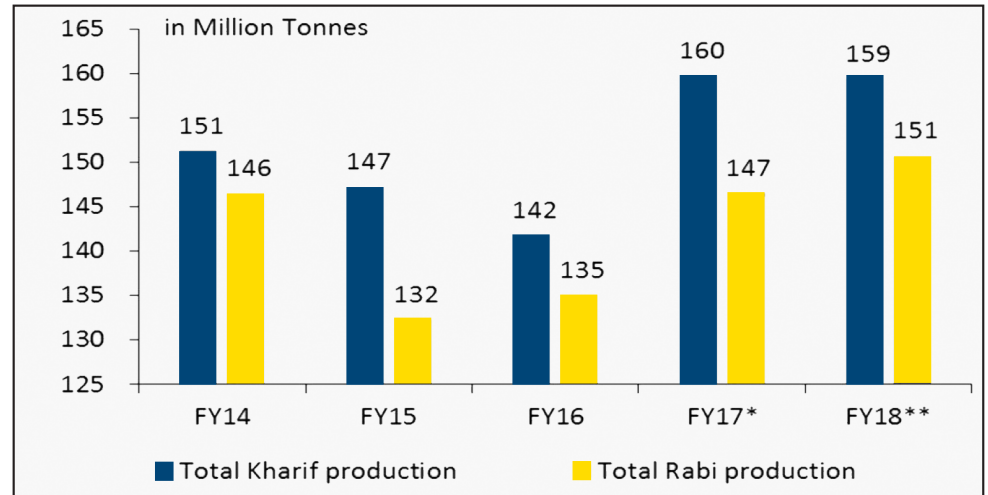


# RURAL DEMAND HAS STRENGTHENED

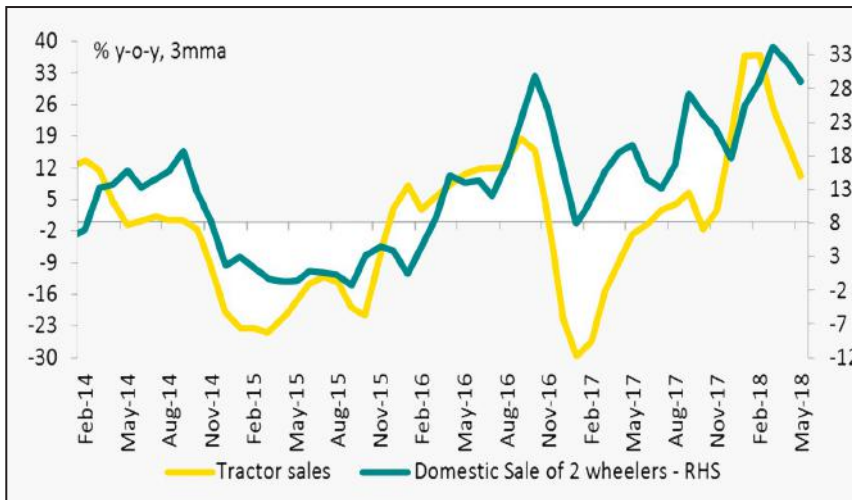
Rural wage growth has moderated



...but agriculture output has improved for 4 consecutive season



Demand for rural oriented products continue to rise



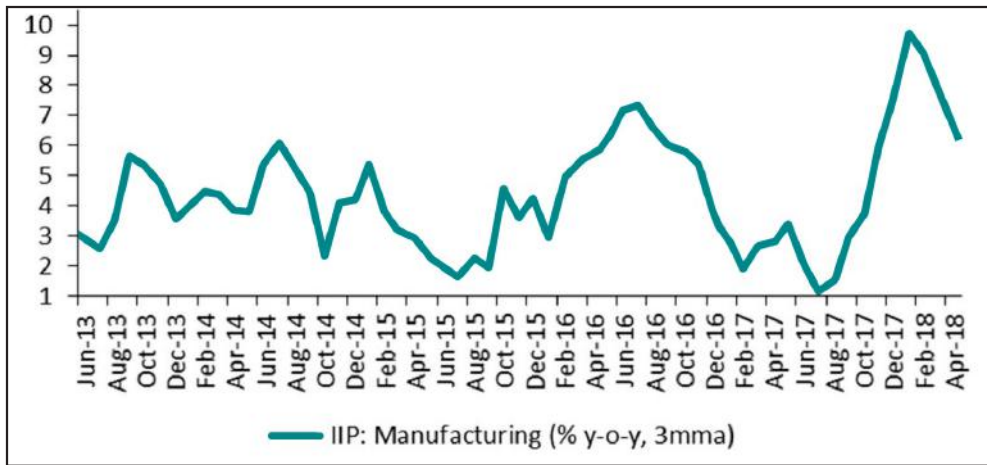
- Rural economy appears to have strengthened
- While the rural wage growth has weakened this year and prices for most agri-products are depressed, the rural population is benefitting from 4th consecutive season of higher output, access to formal lending channel, better roads, electricity and internet penetration.
- In last three years, the government focus has shifted towards rural population and outlay on rural road development, housing, irrigation, electricity penetration and employment has increased.
- Some of the 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.

Source: CMIE economic outlook, Ministry of Agriculture, SBIMF Research, NB: #Average Wage Rates in Rural India for Men: Adjusted Series; \*2016-17 figures are Final Estimates, \*\*2017-18 Kharif and Rabi figures are 3rd advance estimates respectively.

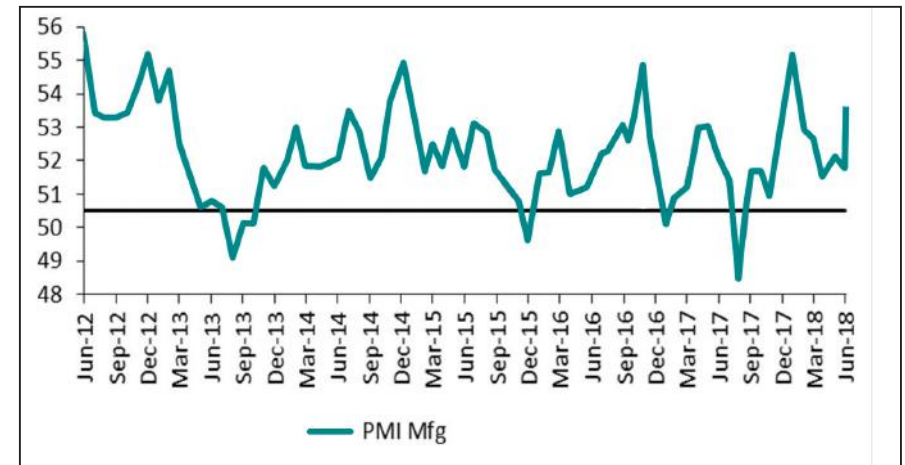


# MANUFACTURING SECTOR IS GIVING MIXED SIGNALS

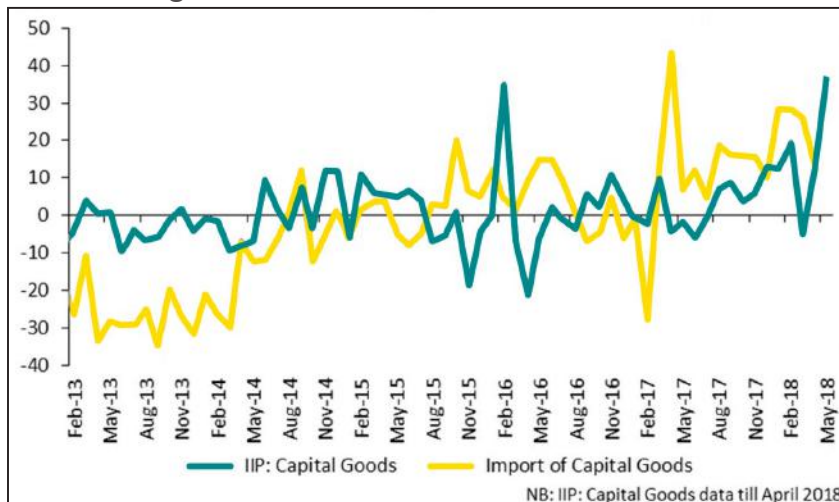
Manufacturing production growth has moderated in March and April 2018



PMI Manufacturing rose to 53.1 in June (The highest this year)



Both the domestic production and imports of capital goods have been on the rising trend



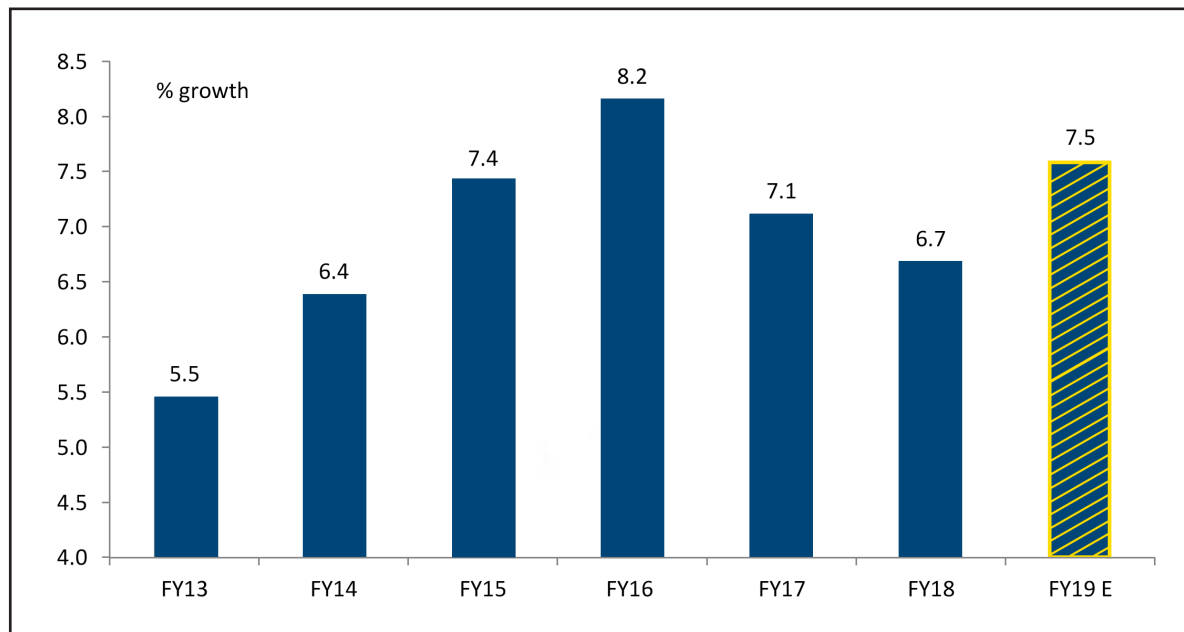
- ➔ Manufacturing sector have given mixed signals off late.
- ➔ IIP manufacturing is witnessing some moderation in last two months. But PMI data shows continues resilience in the manufacturing sector.
- ➔ Import growth has been much higher than exports. Imports of capital goods, in particular, are buoyant.
- ➔ Going forward, we expect manufacturing sector to remain above trend for most part of the year, barring growth intermittent aberrations.

Source: CMIE economic outlook, SBIMF Research



# OUTLOOK: FY 19 GROWTH IS EXPECTED TO SURGE TO 7.5%

Growth is likely to improve further to 7.5% y-o-y in FY18



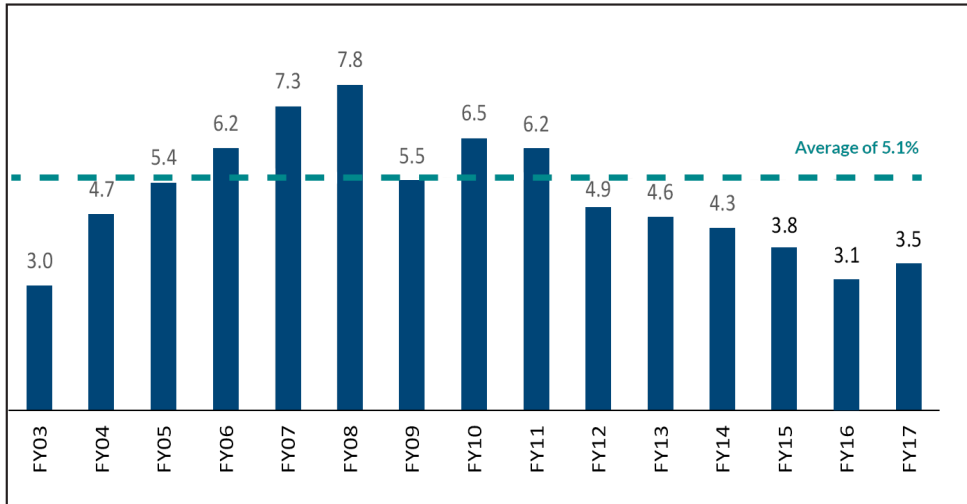
- FY19 growth is expected to surge to 7.5% y-o-y.
- Higher oil prices, widening of trade deficit and any shortfall in monsoon pose downward risk, while government infrastructure push, fading away of GST-related disruptions, rising global growth and improved business sentiments will provide the positive support.

Source: CMIE economic outlook, SBIMF Research



# FY 19 EARNINGS OUTLOOK

Corporate profit as percentage of GDP is likely to have bottomed out

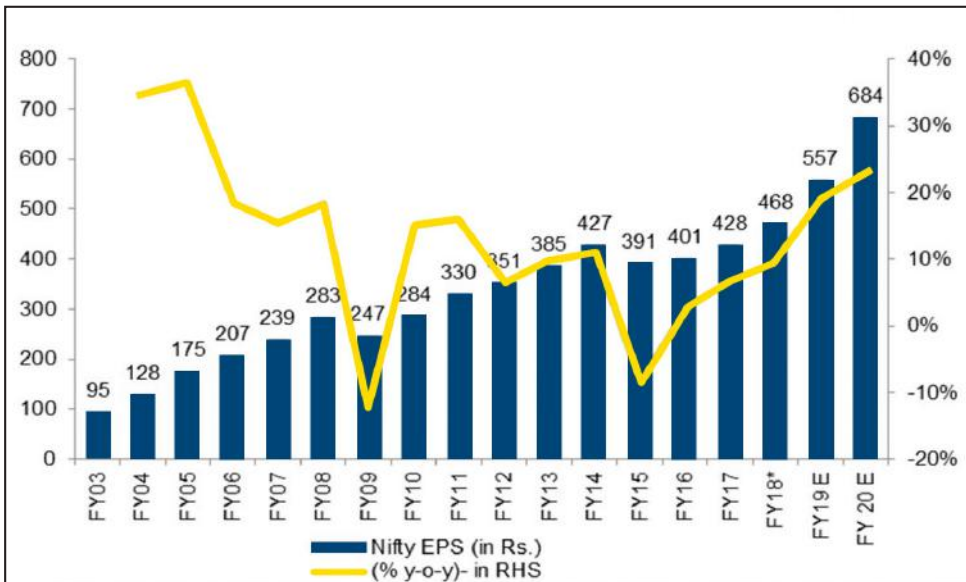


- ➔ We expect FY19 earnings to grow by 19%, aided by the growth tailwinds and favorable base for corporate lenders,
- ➔ Some of the other trends emerging from the results are:
  - Volume growth in the consumption sector was buoyed on the back of a weak base with management commentary too pointing to improvement in rural demand.
  - Banks' earnings thus far have continued to be impacted by the accelerated recognition of impaired loans.
  - In IT sector overall, FY18 results were a beat on estimates with more posting a positive surprise. Midcap results were better than large caps. o Metal sector are being supported by a recovery in global growth and hence steel demand.

- ➔ Corporate profits as percentage of GDP has hit an extremely low point and logically should mean revert.
- ➔ Earnings revival is absolutely critical for such rich valuations to sustain.

Source: MOSL, Capitaline, SBIFM Research

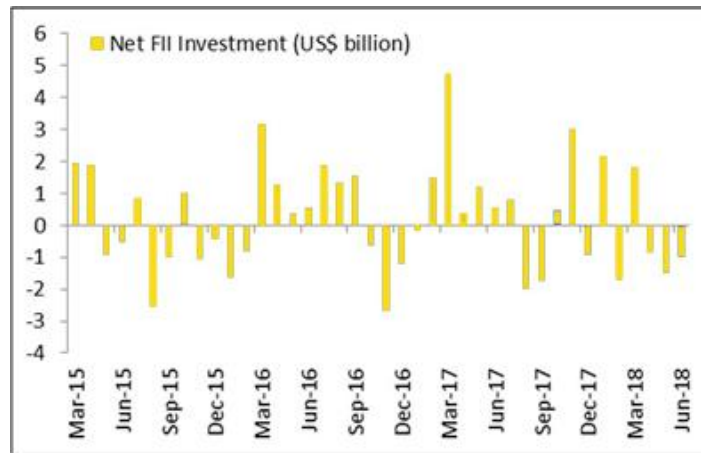
FY19 NIFTY EPS is expected to grow by 19% vs. 9% in FY18



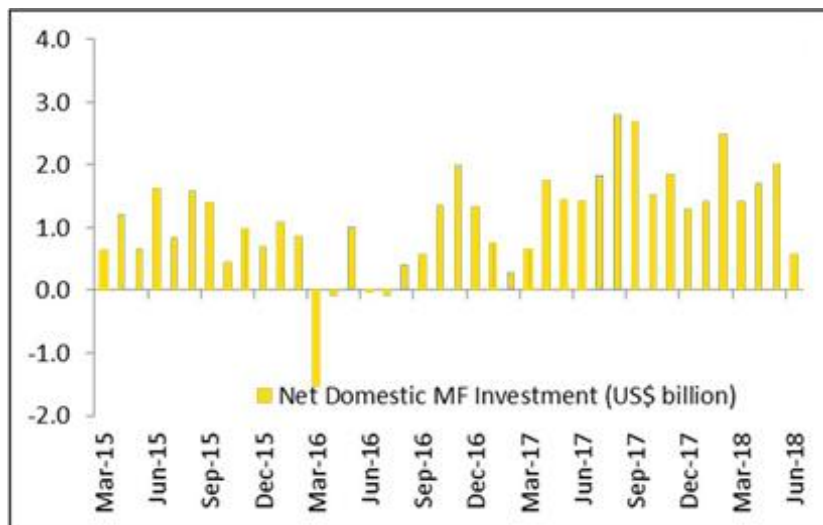


# LIQUIDITY: FIIS PULLED OUT WHILE DIIS WERE NET INVESTORS IN JUNE

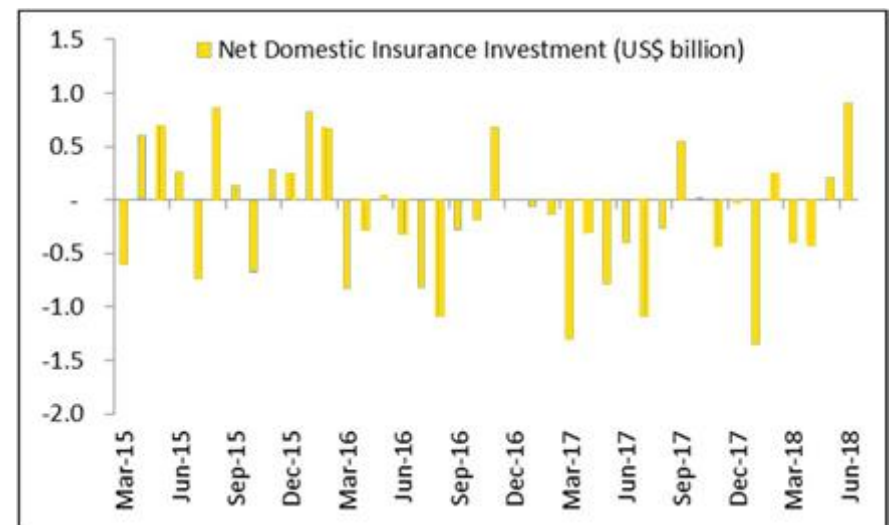
FIIs sold US\$ ~1 billion during the month



Mutual funds continue to invest in Indian equities



Insurance companies were net buyers during the month



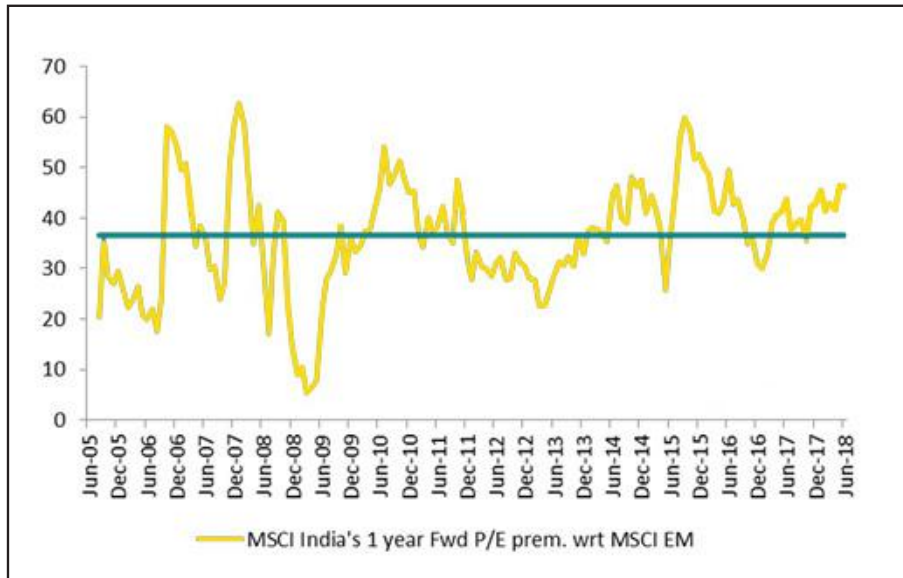
Source:  
Bloomberg,  
SBIMF Research



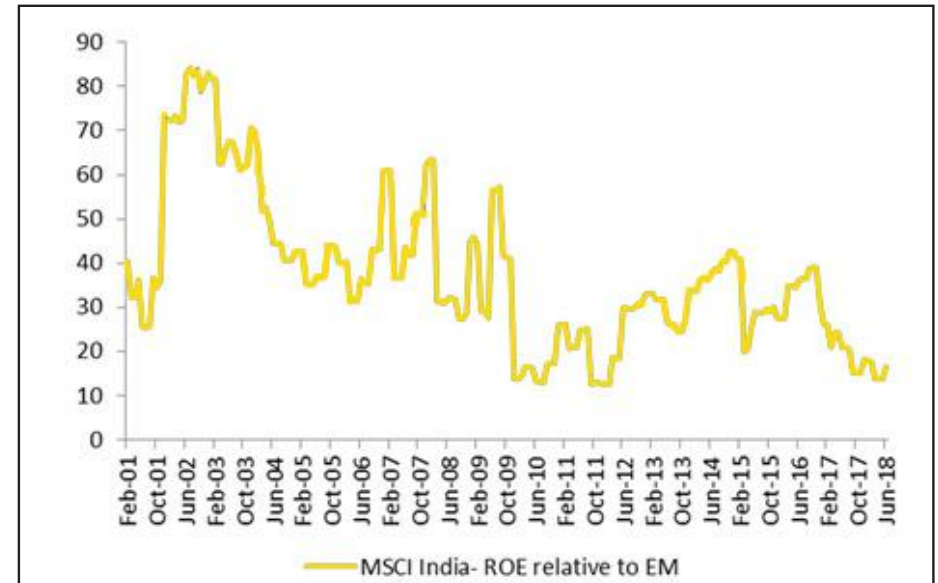


# INDIAN EQUITY VALUATIONS RELATIVE TO EMERGING MARKETS

India's valuation relative to other EMs is slightly above historical average...



...and the relative return on equity (RoE) has fallen

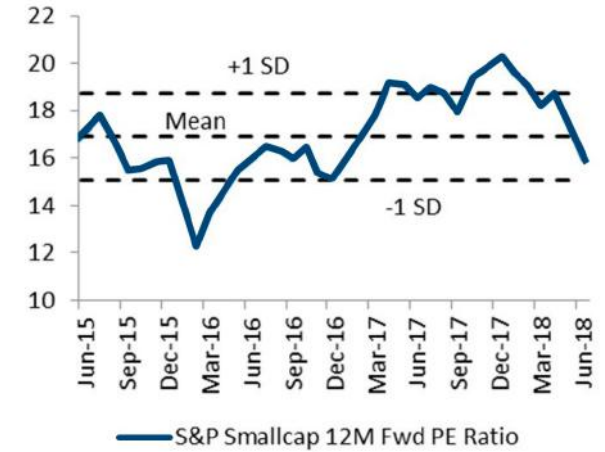
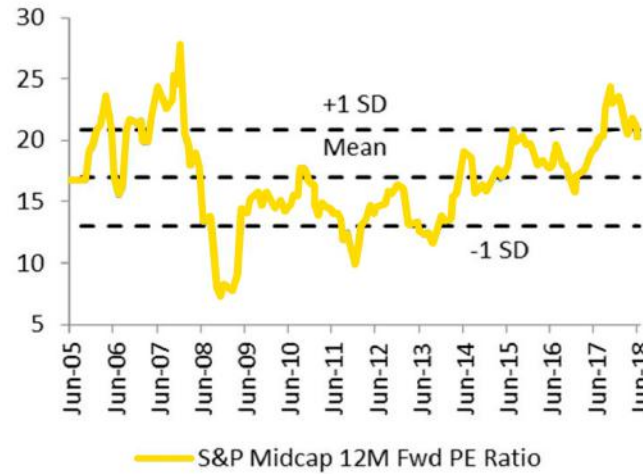
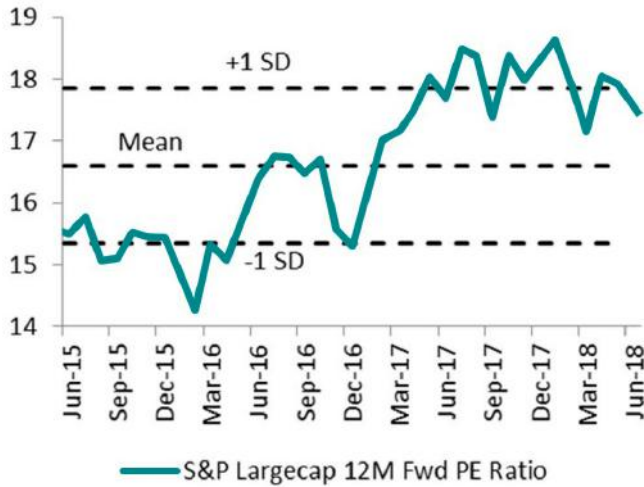


Source: Bloomberg, SBIMF Research

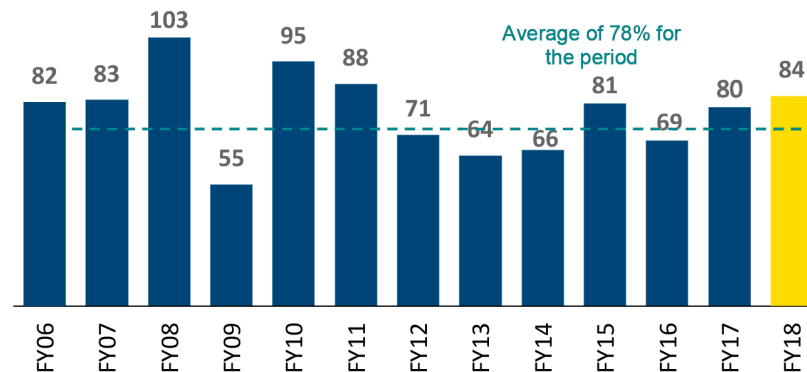


# VALUATIONS ARE RICH

Valuation across the capitalization curve has corrected in 2018, but still remains on higher side



Market Cap to GDP rose to eight year high



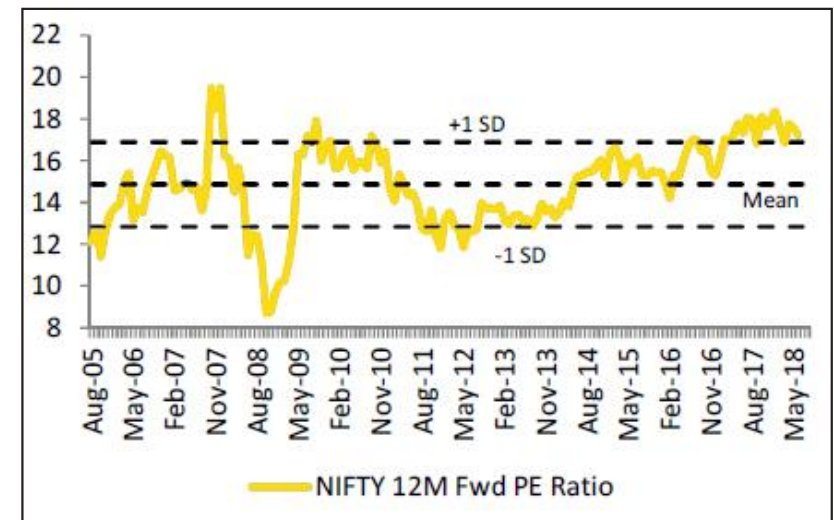
Source: Bloomberg, MOSL, SBIMF Research



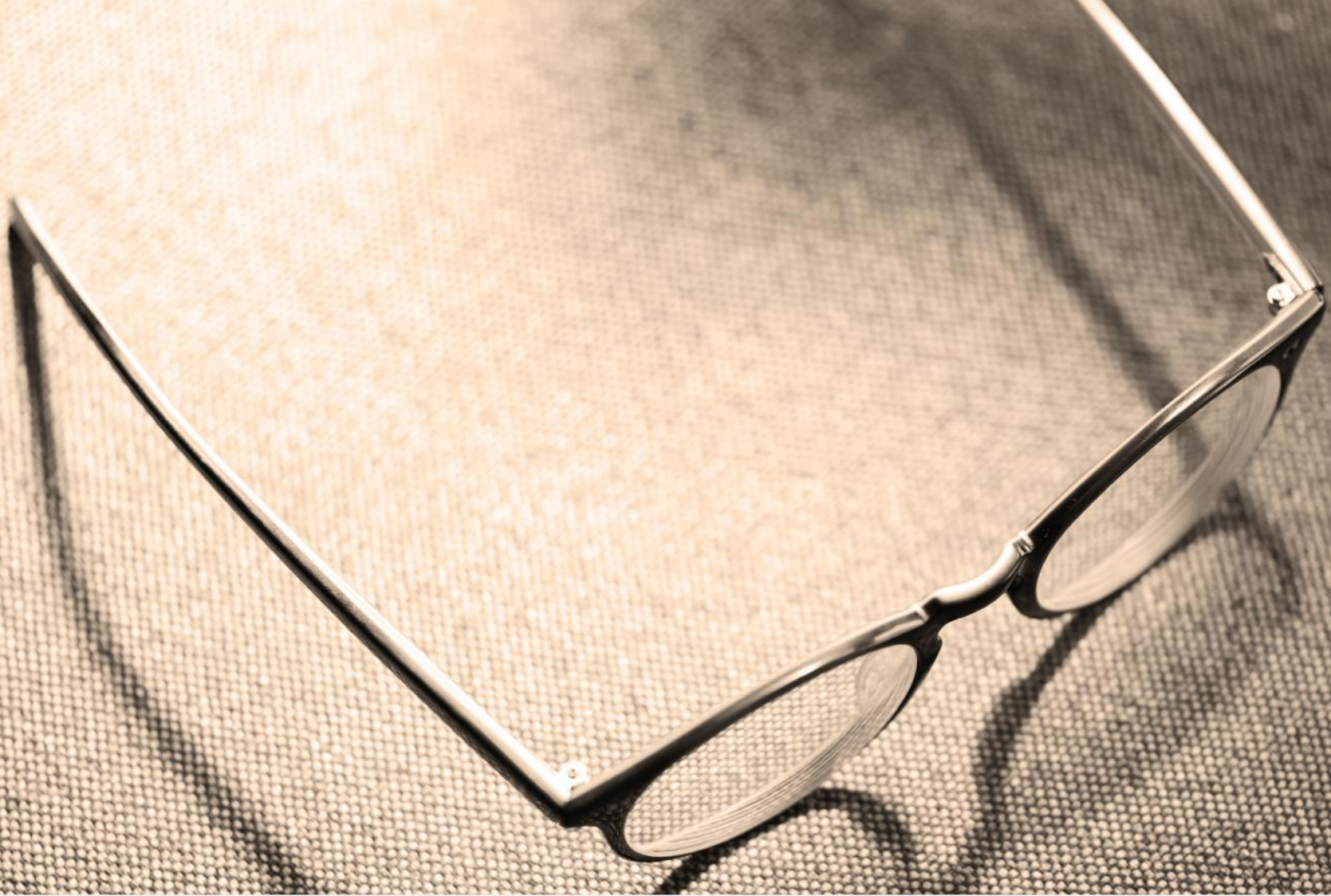
# EQUITY MARKET OUTLOOK

- ➔ Indian NIFTY has risen 1.7% YTD in local currency terms but delivered a negative return of 5.1% in USD terms (owing to 6.7 % depreciation in rupee). IT sector has been the top performer while real estate, PSU and telecoms have been the underperformers. Small and Midcaps continued their underperformance and were down by 17% and 13% respectively on YTD basis. Domestic liquidity is supporting Indian markets. DIIs invested US\$ 8.9 billion, as against FIIs outflow of US\$ 1 billion.
- ➔ Growth momentum is shaping-up in India. Q4 FY18 GDP was up 7.7% and activity data for April-May paints a healthy picture. We expect growth to pick up to 7.5-7.6% in FY19 helped by the favourable base, fading away of GST and demonetization related disruption and cyclical recovery in select segments.
- ➔ We expect 19% growth in FY19 NIFTY earnings aided by the growth tailwinds and favourable base for corporate lenders.
- ➔ Valuation corrections have been pretty sharp for small and mid-caps. While overall markets are likely to exhibit relatively higher volatility with continuing pressure in the mid and small cap space, some of the beaten down names may present interesting opportunities for long term investors.
- ➔ Looking ahead, global developments, monsoon, rural demand and corporate earnings are some of the factors which will be watched by the market.
- ➔ With price and time correction, valuations have come off a bit though remain high relative to history and bond market (yield differential between NIFTY and 10-year G-sec is 100bps higher than long-term average). Against this, and recognizing the fallacy of averages, we remain focused on bottom-up stock picking.

Valuations are nearly 17 times on 1 year forward earnings



Source: Bloomberg, SBIMF Research



# FIXED INCOME OUTLOOK

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# GLOBAL RATES SNAPSHOT FOR JUNE 2018 (DEVELOPED MARKETS)

10 YEAR GSECYIELD (% MTH END)	2016 END	2017 END	MAR-18	APR-18	MAY-18	JUN-18	3M CHANGE (IN BPS)	% CHANGE IN YTD (IN BPS)
Developed market								
US	2.44	2.41	2.74	2.95	2.86	2.86	12	45
Germany	0.21	0.43	0.50	0.56	0.34	0.30	-20	-13
Italy	1.82	1.75	1.53	1.53	2.53	2.41	88	67
Japan	0.05	0.05	0.05	0.06	0.04	0.04	-1	-1
Spain	1.38	1.57	1.16	1.28	1.50	1.32	16	-25
Switzerland	-0.19	-0.15	0.03	0.09	-0.07	-0.06	-9	9
UK	1.24	1.19	1.35	1.42	1.23	1.28	-7	9

- ➔ US bond yields inched up by 12 bps. Despite the hawkish US Fed, the long-term yields have been slow to rise owing to trade war and hence growth concerns in the country.
- ➔ The gap between 2- and 10-year Treasury yields sank under 30bps in June, the smallest since 2007- which underscores the market concerns on US and the global economy from 1-2 years perspective.
- ➔ Bond market in Italy and Spain witnessed a rising yield in last three months on account of their political dynamics. Bonds yields decreased in other key developed markets in last three months.

Source: Bloomberg, SBIMF Research



# EMERGING MARKET BOND YIELDS FOR JUNE 2018

10 YEAR GSECYIELD (% MTH END)	2016 END	2017 END	MAR-18	APR-18	MAY-18	JUN-18	3M CHANGE (IN BPS)	% CHANGE IN YTD (IN BPS)
<b>Emerging Market</b>								
Brazil	11.40	10.26	9.49	9.84	11.46	11.68	218	142
China	3.03	3.88	3.74	3.63	3.63	3.48	-26	-41
India	6.52	7.33	7.40	7.77	7.83	7.90	50	58
Indonesia	7.91	6.29	6.65	6.88	6.95	7.74	110	145
Korea	2.07	2.47	2.63	2.74	2.70	2.73	10	26
Malaysia	4.19	3.91	3.94	4.12	4.19	4.20	26	29
Philippines	4.64	4.93	4.93	6.05	6.24	6.07	115	115
Russia	8.36	7.49	7.05	7.27	7.35	7.68	64	19
Taiwan	1.20	1.03	0.97	0.97	0.97	0.97	0	-6
Thailand	2.65	2.32	2.40	2.44	2.60	2.58	19	26

- ➔ Bond yields in emerging markets (barring China) are inching up amidst global sell-off.
- ➔ Indian bond yields increased by 50 bps in last three months primarily due to supply-driven surge in oil prices since March, rising core inflation, and depreciating rupee.
- ➔ Yields in Brazil inched up sharply by 218 bps in last three months against the fiscal and political risk.

Source: Bloomberg, SBIMF Research



# GLOBAL POLICY RATE SNAPSHOT

Global policy rate is on the rise across most key economies

Policy rate	2014	2015	2016	2017	2018-June end
US	0.25	0.50	0.75	1.50	2.00
Canada	1.00	0.50	0.50	1.00	1.25
China	5.60	4.35	4.35	4.35	4.35
Japan	0.10	0.10	0.10	0.10	0.10
India	8.00	6.75	6.25	6.00	6.25
Australia	2.50	2.00	1.50	1.50	1.50
South Korea	2.00	1.50	1.25	1.50	1.50
Indonesia			4.75	4.25	5.25
Taiwan	1.88	1.63	1.38	1.38	1.38
Thailand	2.00	1.50	1.50	1.50	1.50
Malaysia	3.25	3.25	3.00	3.00	3.25
Singapore	0.08	0.08	0.08	0.08	0.08
Hong Kong	0.50	0.75	1.00	1.75	2.25
Phillippines	4.00	4.00	3.00	3.00	3.50
New Zealand	3.50	2.50	1.75	1.75	1.75
Eurozone	0.05	0.05	0.00	0.00	0.00
UK	0.50	0.50	0.25	0.50	0.50
Switzerland	-0.25	-0.75	-0.75	-0.75	-0.75
Russia	17.00	11.00	10.00	7.75	7.25
Turkey	8.25	7.50	8.00	8.00	17.75
Saudi Arabia	2.00	2.00	2.00	2.00	2.50
Poland	2.00	1.50	1.50	1.50	1.50
South Africa	5.75	6.25	7.00	6.75	6.50
Brazil	11.75	14.25	13.75	7.00	6.50
Mexico	3.00	3.25	5.75	7.25	7.75
Argentina	28.00	21.00	26.00	26.75	37.75
Colombia	4.50	5.75	7.50	4.75	4.25
Chile	3.00	3.50	3.50	2.50	2.50

Source: Bloomberg, SBIMF Research

Red denotes a rate hike

Green denotes a rate cut

NB: \* Indonesia had announced to use new policy benchmark i.e. 7-day reverse report rate as its benchmark policy rate in April 2016.



# INDIA RATES SNAPSHOT FOR JUNE 2018

	DEC-17	MAR-18	APR-18	MAY-18	JUN-18	M-O-M CHANGE (IN BPS)	CHANGE IN YTD (BPS)
1 Yr T-Bill	6.40	6.42	6.63	6.93	7.13	21	73
3M T-Bill	6.20	6.11	6.19	6.40	6.53	13	33
10 year GSec	7.33	7.40	7.77	7.83	7.90	8	58
3M CD***	6.38	7.08	7.05	7.70	6.93	-78	55
12M CD***	6.75	7.37	7.35	8.08	8.07	73	133
3 Yr Corp Bond*	7.66	7.76	8.23	8.38	8.65	27	99
5 Yr Corp Bond*	7.68	7.96	8.36	8.57	8.78	21	109
10 Yr Corp Bond*	7.90	8.17	8.48	8.53	8.73	20	83
1 Yr IRS	6.44	6.44	6.60	6.80	6.94	14	50
5 Yr IRS	6.75	6.76	7.04	7.18	7.33	15	58
Overnight MIBOR Rate	6.20	9.39	6.00	6.00	6.25	25	5
INR/USD	63.9	65.2	66.7	67.4	68.5	-1.5	-6.7
Crude Oil Indian Basket**	62.3	63.8	69.3	75.3	73.8	-2.0	18.6

Source: Bloomberg, PPAC, RBI, SBIMF Research; NB: \*\*Crude oil price is average \$/barrel for the month, rest of the data are % month end; \*Corporate bond rate is for AAA rated bonds, \*\*\* Refers to PSU Banks CD rate; # INR and Oil price changes are % change

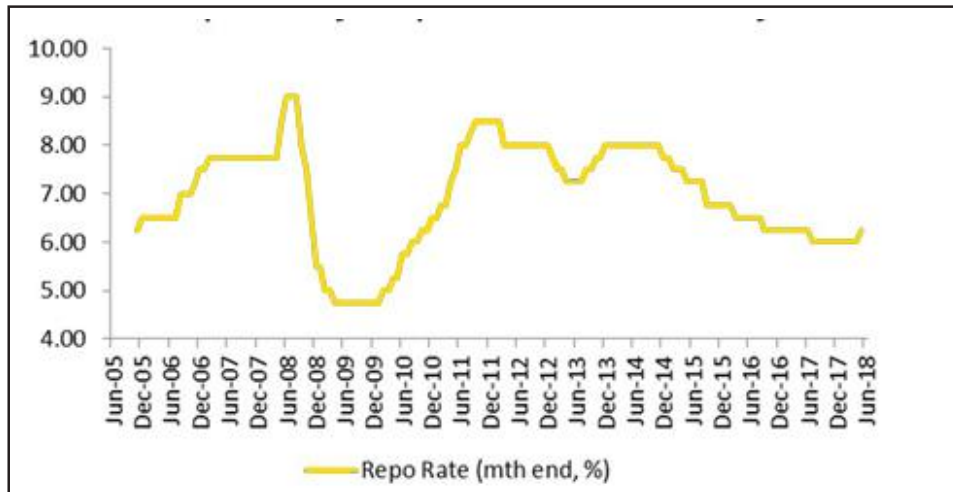
- ➔ Indian bond yields inched up by 8 bps during the month on account of depreciating rupee and RBI hiking repo rate after four and half years.
- ➔ Money market rates, too, inched up during the month.
- ➔ Crude oil prices fell 2% during the month post OPEC's decision to increase the supply.
- ➔ Rupee has depreciated by 1.5% during the month. YTD, rupee has depreciated by 6.7%



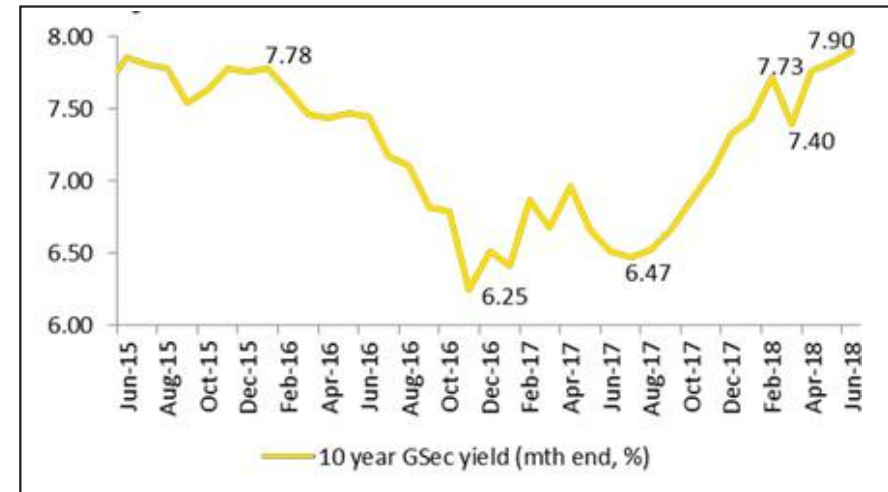


# RBI HIKES REPO RATE AFTER MORE THAN 4 ½ YEARS

RBI hikes repo rate by 25bps after more than 4 ½ years



Bond yields continue to rise



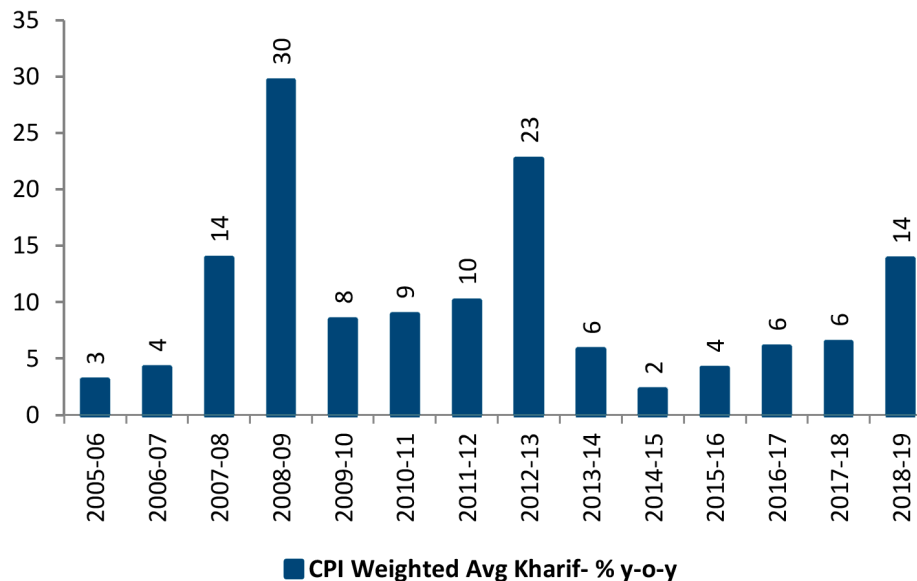
- ➔ RBI hiked the repo rate by 25 bps in June 2018 and maintained the neutral stance. All 6 members voted in favor of the decision.
- ➔ 10 year G-sec did not move much despite the rate hike as markets were already factoring in the hike.
- ➔ Other decisions taken by RBI:
  - For the purpose of computing Liquidity Coverage Ratio, the total carve-out from Statutory Liquidity Ratio available to banks has been increased by 2% and would now be 13% of their NDTL.
  - Banks have been asked to value the state government securities at the observed price instead of the existing practice of valuing it at 25bps over and above the Central government securities.
  - Banks have been allowed to spread their treasury losses for the quarter ending 30 June 2018 equally over four quarters, commencing from the quarter ending June 30, 2018.

Source: Bloomberg, SBIMF Research



# KHARIF MSP RISE HIGHEST IN LAST SIX YEARS

Weighted average rise in Kharif MSP is 14% for FY19 vs. 6% in FY18



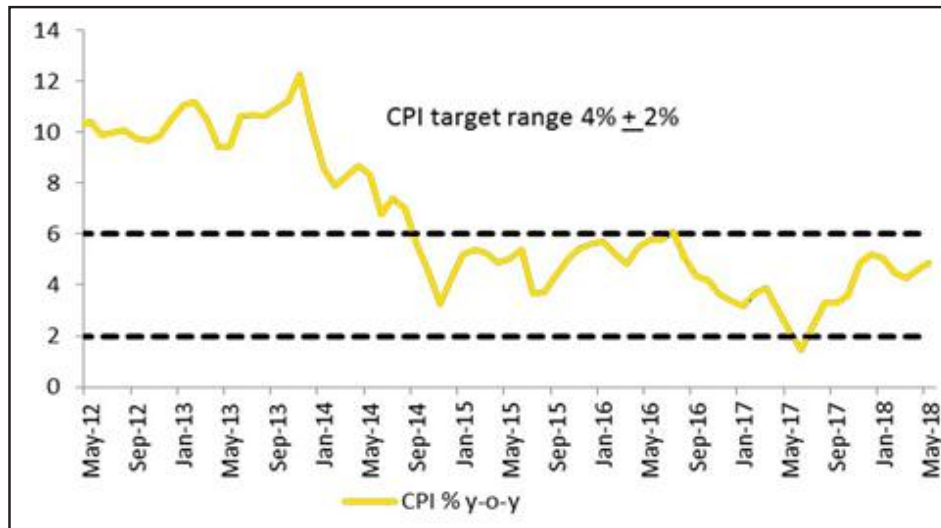
Source: CSO, CACP, CMIE Economic Outlook, Agmarknet.gov.in, SBIMF Research

- ➔ The Government has released the 2018-19 minimum support price (MSP) for the Kharif crops. The prices have been raised by ~14% (in CPI weighted terms) vs. 6% in 2017-18. In the Kharif production weighted terms, the price rise is relatively higher at ~19% vs. 5.6% in 2017-18.
- ➔ This is the sharpest rise since 2012-13.
- ➔ As indicated during the union budget, prices for most of the Kharif items were set at 1.5 times the cost or higher.
- ➔ If we assume a complete pass-through of MSP, it leads to 1.2% pt. impact on the CPI. However, except for paddy, all the other items have largely been dictated by demand-supply forces in last couple of years. Hence, assuming a 50% pass-through, headline CPI is impacted by 59bps.
- ➔ With regards to the fiscal impact, it could take food subsidy bill higher by Rs. 250-300 billion in FY19 (0.2% of GDP).
- ➔ We should see this MSP development as negative from RBI point of view. While the impact on inflation may be contained, RBI may sound-off risks related to second-order impact via increased farm income.
- ➔ Our FY19 inflation projection remains unchanged at 5% in FY19 as we had already penciled a higher food inflation due to the rising import restriction, expectations of higher MSP and likelihood of mean reversion after three years of depressed food prices.

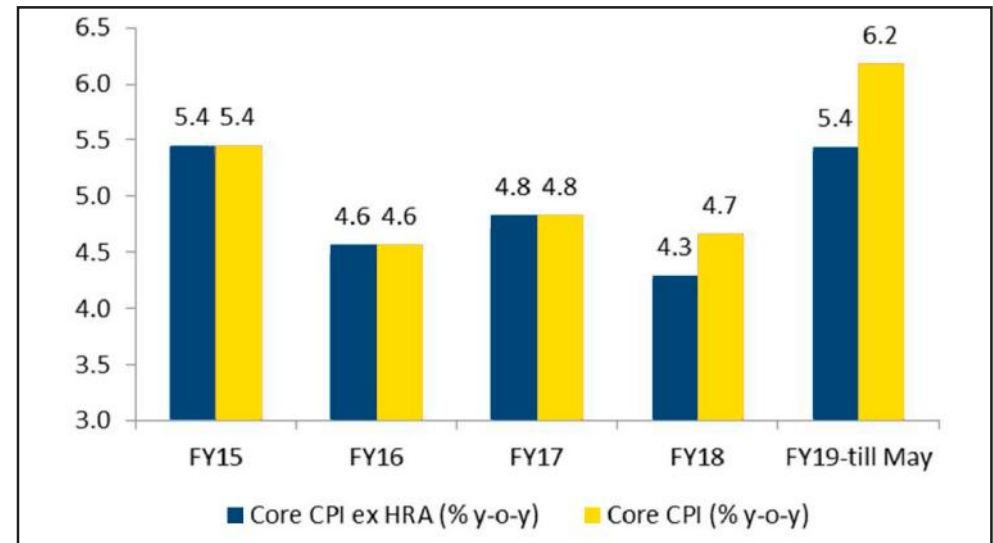


# COST PUSH FACTORS TAKES CORE CPI HIGHER

May CPI inched up to 4.9% y-o-y (vs. 4.6% in May)



Core CPI in Apr-May 2018 has averaged at 6.2%



- ➔ CPI inflation inched up to 4.9% in May 2018. Core inflation was relatively higher at 6.3% y-o-y.
- ➔ May CPI was driven up by fruits and vegetables followed by, fuel (led by LPG and Kerosene) and transportation (on account of increase in petrol and diesel prices). Other items were broadly in line with the trend or muted.
- ➔ The current rise in core inflation to 6%+ is attributed to an adverse statistical impact of HRA implementation, unfavorably low base post demon and pre-GST and cost escalation in select sectors such as clothing and footwear (post demon and GST).
- ➔ We see risk to India's inflation in FY19 from rupee depreciation, rising cost pressures for corporates, higher import duties and some percolation of higher crude prices into the final petroleum products. As such, we expect core CPI and fuel CPI to be higher than 6% for the full year. While we do expect mean reversion in food inflation, we expect it to be sub 4% for the full year.
- ➔ We expect FY19 CPI to average at ~5%.

Source: CMIE economic outlook, CSO, SBIMF Research



# CENTRAL GOVERNMENT FISCAL: WALKING A TIGHT-ROPE

Apr- May FY19 fiscal deficit at 55% of BE, but better than last year

Key Fiscal Indicators - Central Government Finances

Actual (as % of BE)- April to May	2011	2012	2013	2014	2015	2016	2017	2018
1. Non-debt Receipts	4.2	5.0	3.3	3.1	4.4	4.8	5.4	7.0
a. Tax Revenue (Net)	3.5	5.3	3.1	2.9	2.2	4.7	5.5	6.9
b. Non-tax Revenue	4.5	4.2	4.8	4.6	14.6	5.0	5.3	9.8
c. Non-Debt Capital Receipts	12.4	3.4	1.0	1.3	2.3	5.0	3.1	1.1
2. Expenditure	13.2	12.8	13.1	15.6	14.8	15.1	21	19
a. Revenue Account	12.6	12.9	12.6	15.5	14.7	15.3	22	19
b. Capital Account	17.1	12.0	15.9	16.2	15.6	13.5	17	21
6. Fiscal Deficit	31.7	27.6	33.3	45.3	37.5	42.9	68	55
7. Revenue Deficit	35.8	33.8	38.1	54.2	43.8	56.2	101	78
8. Primary Deficit	65.1	50.0	84.5	178.5	161.0	422.6	1,298	628

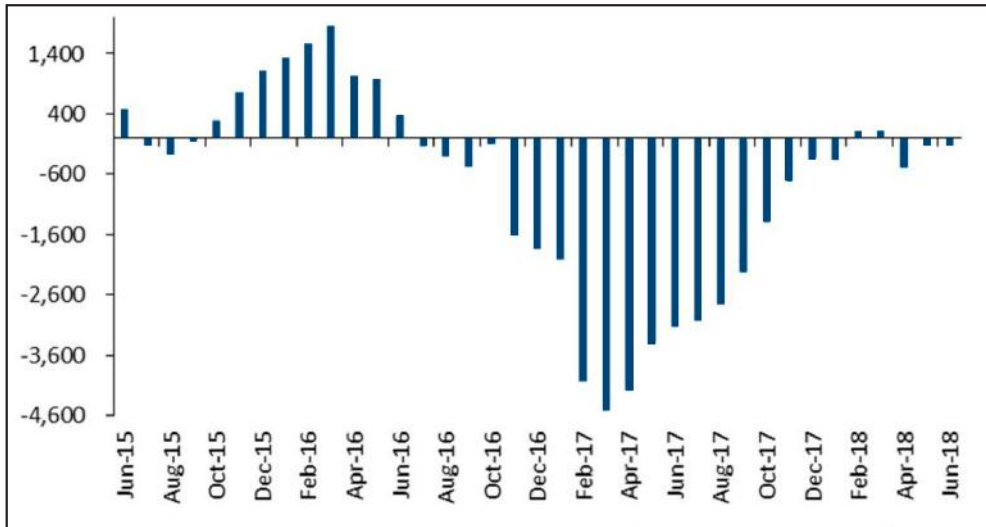
- ➔ Centre's cumulative fiscal deficit for Apr-May 2018 has reached to Rs. 3.5 trillion (55% of the full year budget). This is better than 68% clocked during the corresponding months last year. Both higher receipts and lower expenses explain the low cumulative deficit thus far.
- ➔ 7% of total budgeted receipts have been collected thus far (vs. 5.4% last year), while 19% of the budgeted amount has been spent in the first two months of fiscal year (vs. 21% of BE last year).
- ➔ GST: Government collected the total GST of Rs. 956.1 billion in June (vs. 940.2 billion in May). While the collection has marginally improved, the Q1 run rate (for centre and state combined) at Rs. 977 billion is still lower than required run rate of Rs. 1050 billion (our estimate)/ Rs.1000 billion (government's stated figure).
- ➔ The central government seems to be walking a tight-rope as a). GST collections are marginally lower than the required monthly run-rate b). Any attempt to lower excise duties on petrol and diesel or take the MSP/farm benefits higher would make a fiscal dent, c). FY19 fuel subsidy, budgeted at Rs. 250 billion, could see slippages considering crude at US\$ 75 per barrel which could be offset by higher profit and dividend transfer by the oil companies.

Source: pib.nic.in, CGA, SBIMF Research

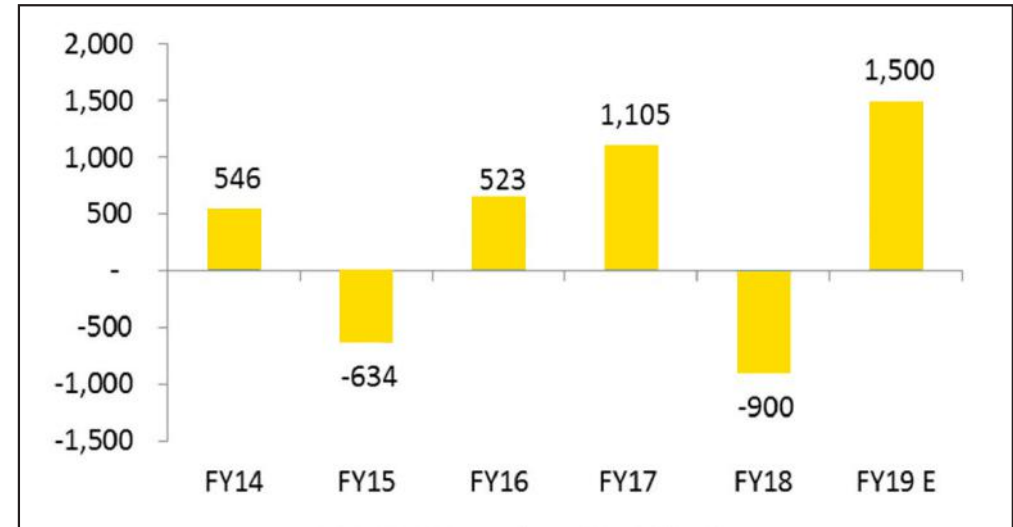


# BANKING SYSTEM LIQUIDITY IS TIGHTENING

Bank liquidity has been in neutral zone for most period in Q1 FY19



We expect at least Rs. 1.5 trillion of OMO purchase in FY19



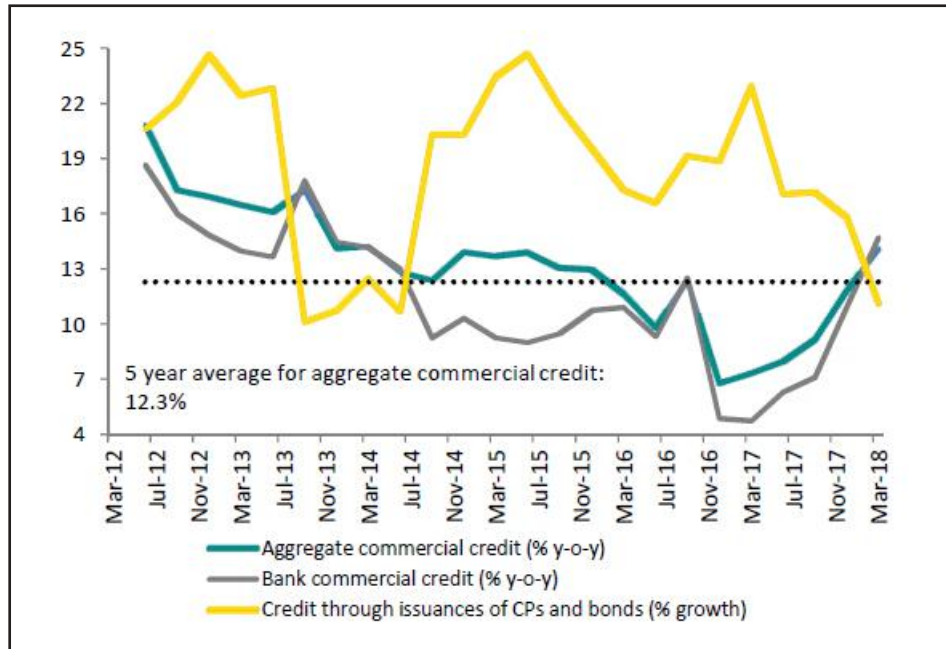
- ➔ Banking system liquidity has gradually tightened in the April-June quarter even as the Net LAF position clocks neutrality. This tightness in liquidity is on account of higher currency leakage, capital outflow from India leading RBI to dip on its FX reserves.
- ➔ Looking ahead in FY19, we have a negative outlook on external account and hence RBI may not have the FX tool to inject liquidity this year. On top of that, the rate of currency withdrawal has shot up for 9 months now. To that extent, we expect at least Rs.1.5 trillion of OMO purchase this year, if not more, failing which the liquidity could see sharp deficit in 2H FY19.
- ➔ In fact, RBI has already conducted two tranche of OMO purchase worth Rs. 100 billion each till date. We expect more to come.

Source: RBI, SBIMF Research

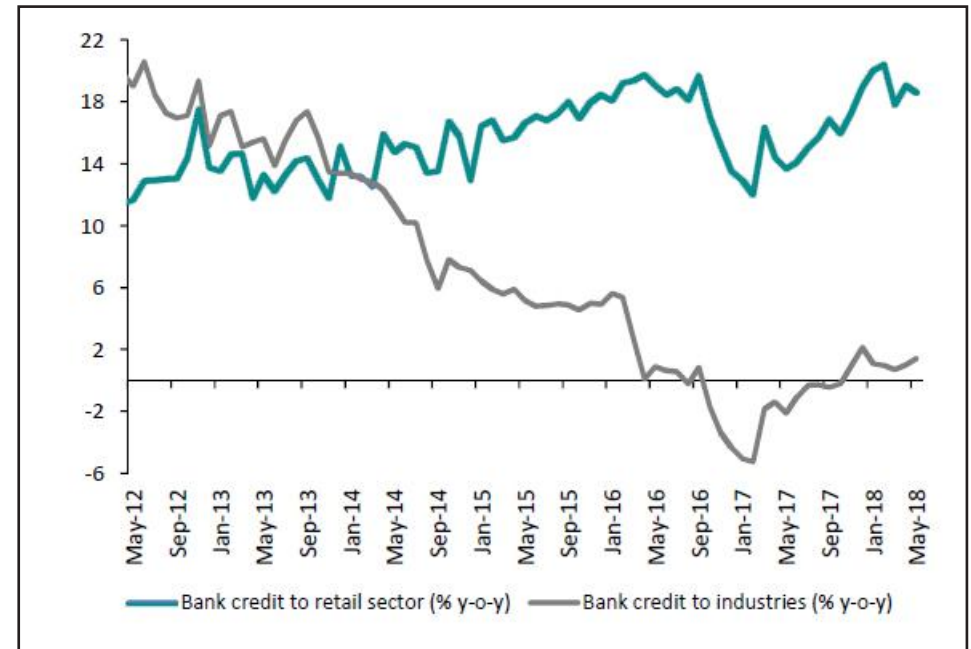


# BANK CREDIT GROWTH HAS IMPROVED

Bank credit growth has improved while credit issuances via CPs and Bonds have moderated.



Within the bank credit, retail lending is growing in double digit while industrial credit is muted

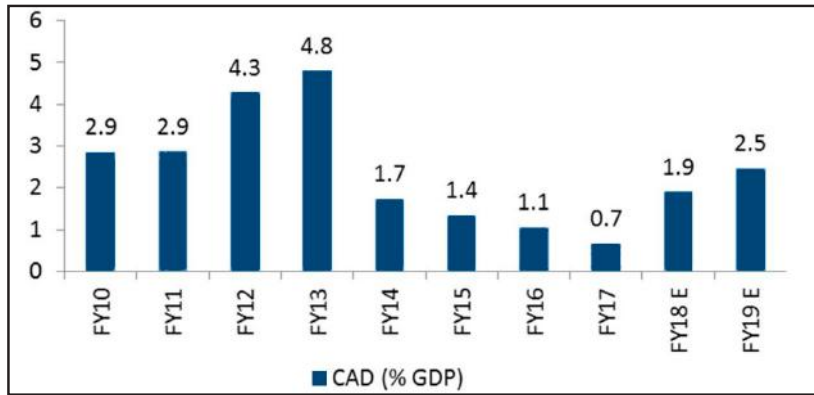


Source: RBI, CMIE Economic Outlook, SBIMF Research



# CURRENT ACCOUNT DEFICIT WIDENED TO 1.9% IN FY18

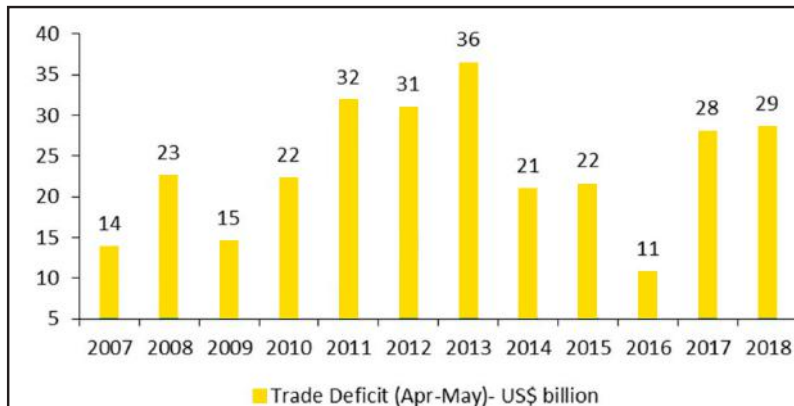
Current account deficit widen to 1.9% FY18 and is likely to increase to 2.5% FY19



Trade deficit in April-May 2018 stands at US\$ 29 billion – highest in last five years



Invisible surplus has increased in FY18 and is likely to rise further in FY19



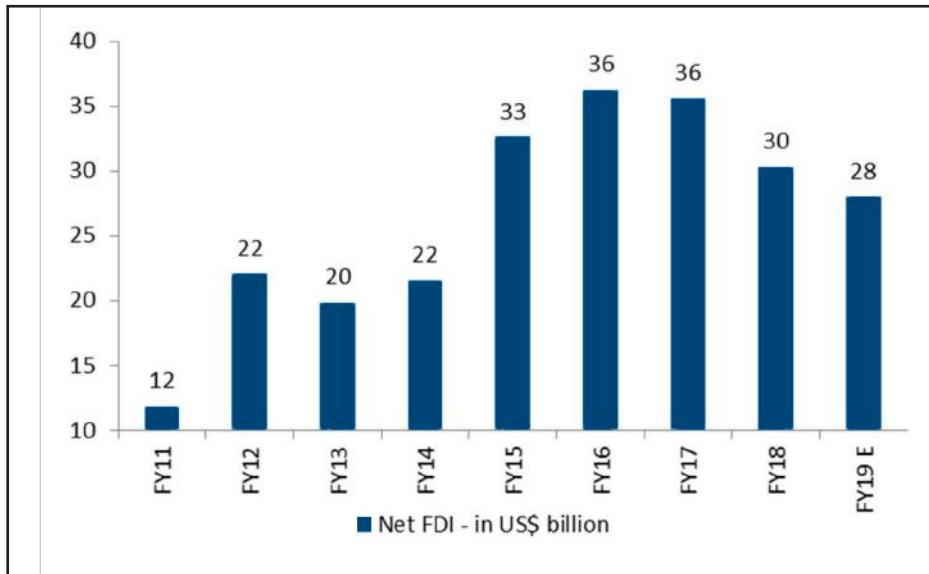
- ➔ The current account deficit for 4QFY18 stood at US\$ 13 billion or 1.9% of GDP vs. 2.1% in Q3FY18 and 0.4% in Q4 FY17.
- ➔ This widening of current account deficit can be majorly explained by sharp rise in the trade deficit in FY18 which had offset the improvement in invisible surplus.
- ➔ For FY18, current account deficit stands at 1.9% of GDP vs. 0.7% of GDP in FY17.
- ➔ We estimate current account deficit to increase further to nearly US\$ 70 billion (~2.5% of GDP) in FY19.

Source: CMIE economic outlook, CSO, SBIMF Research

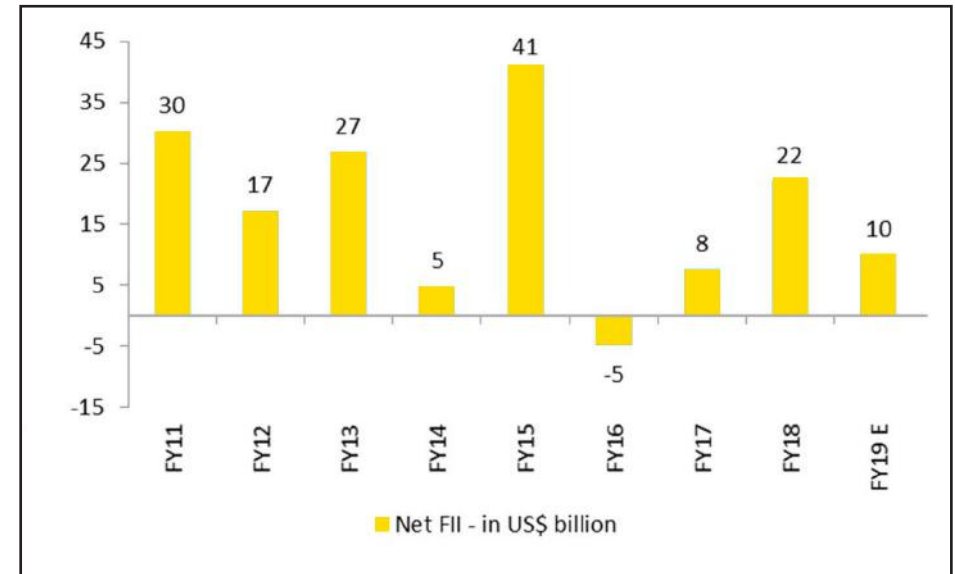


# NET FDI INFLOW MODERATED IN FY18

Net FDI inflows moderated to US\$ 30 billion in FY18..



... while, Net FII increased to US\$ 22 billion in FY18



- ➔ Net FDI inflows moderated to US\$ 30 billion in FY18 from US\$ 36 billion FY17 driven by lower growth in fresh inflows, higher repatriation of earlier investments by foreigners and increase outward investments by Indian conglomerates.
- ➔ While the overall FDI momentum looks healthy for FY19, it may not be large enough to fully fund the current account deficit.
- ➔ Between FY15 to FY17, FDI inflows were sufficient to fund the CAD. But the dynamics have worsened in FY18 and FY19 where net FDI inflows aren't sufficient to offset the sharper rise in trade deficit. This makes Current Account Deficit heavily reliant on portfolio flows which has been choppy FYTD. At the same time, we have US\$ 10 billion of NRI deposits maturing in 2H FY19.

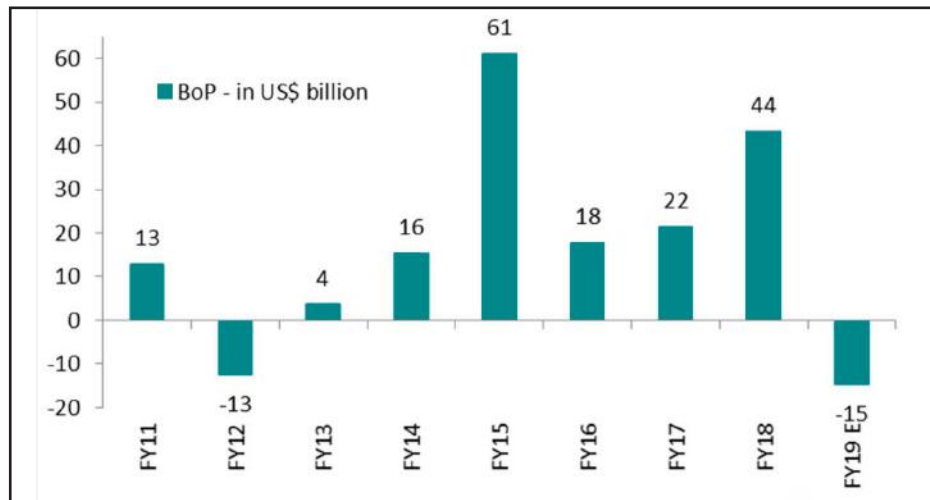
Source: CMIE economic outlook, RBI, SBIMF Research



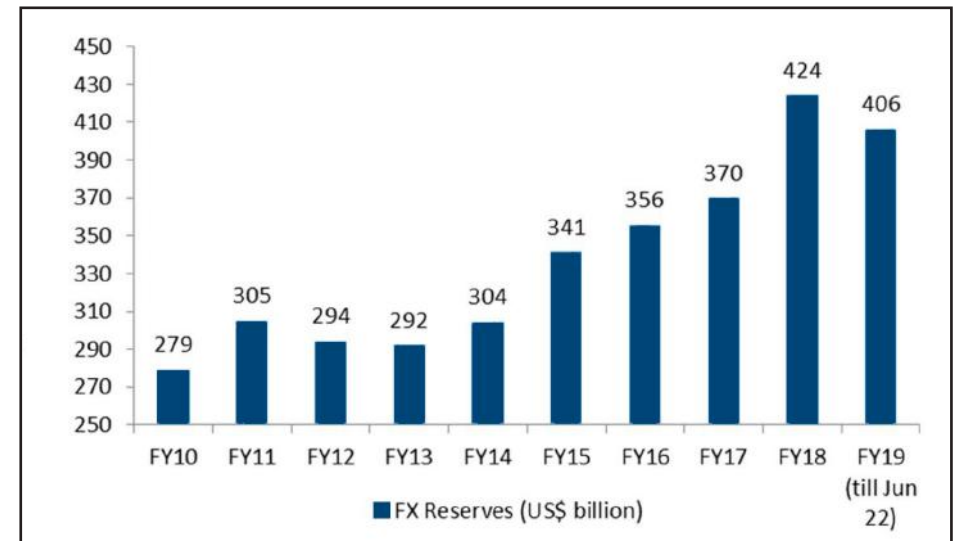


# BOP TO BE NEGATIVE FOR FIRST IN SEVEN YEARS; FX RESERVES STARTED TO FALL

Balance of Payment is likely to be negative in FY19



FX reserves have fallen by US\$ 18 billion FYTD (June 29th)



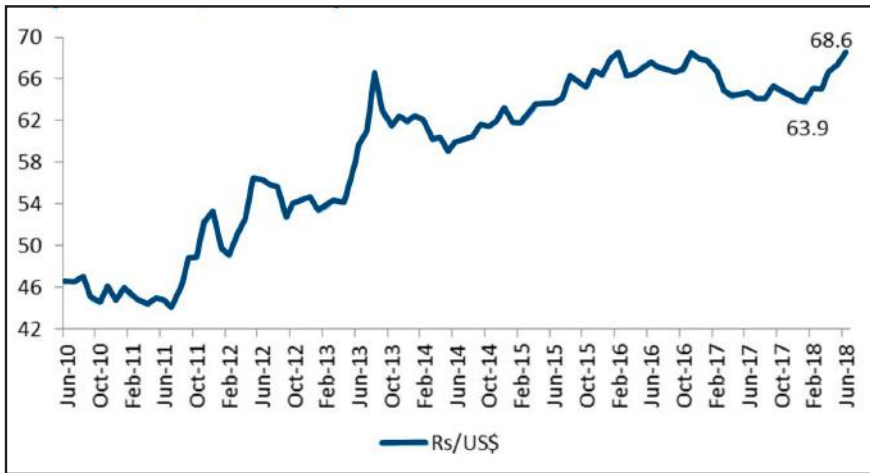
- ➔ BoP surplus in FY18 stood at US\$ 44 billion vs. US\$ 22 billion in FY17.
- ➔ For FY19, we expect both current account deficit to widen and capital account inflow to reduce and consequently Balance of Payment to turn into a deficit of nearly US\$ 15 billion – for the first time in last seven years.
- ➔ RBI increased its FX reserves sharply to US\$ 424 billion vs. US\$ 370 billion in FY17. In FY19, we expect RBI to sell from its FX reserves. FYTD (till June 29th) RBI reserves have already fallen by US\$ 18 billion.

Source: CMIE economic outlook, RBI, SBIMF Research



# RUPEE DEPRECIATED AGAINST KEY GLOBAL CURRENCIES DURING 1H 2018

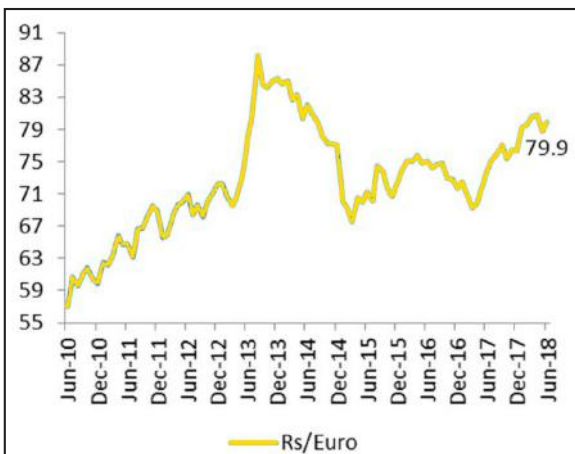
Rupee vs. US\$: 6.7% depreciation



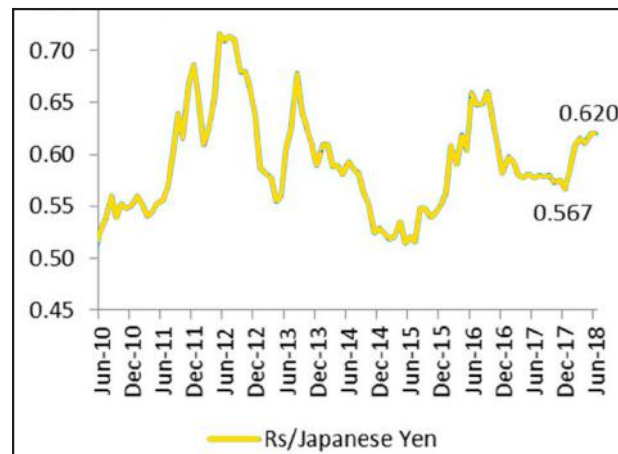
Rupee vs. British Pound: 4.3% depreciation



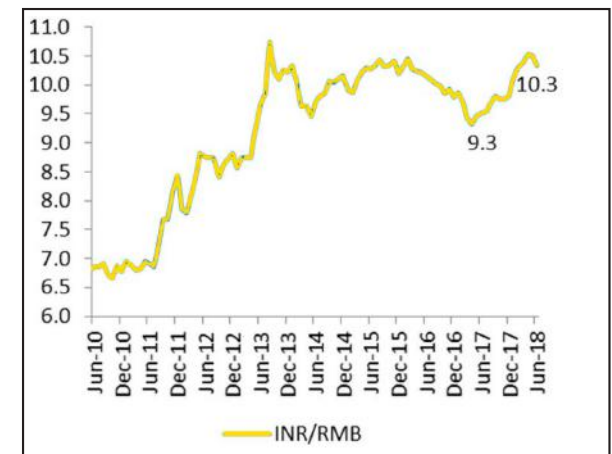
Rupee vs. Euro: 4.3% depreciation



Rupee vs. Yen: 8.5% depreciation



Rupee vs. Yuan: 5.1% depreciation



Source: CMIE Economic Outlook, Bloomberg, SBIMF Research

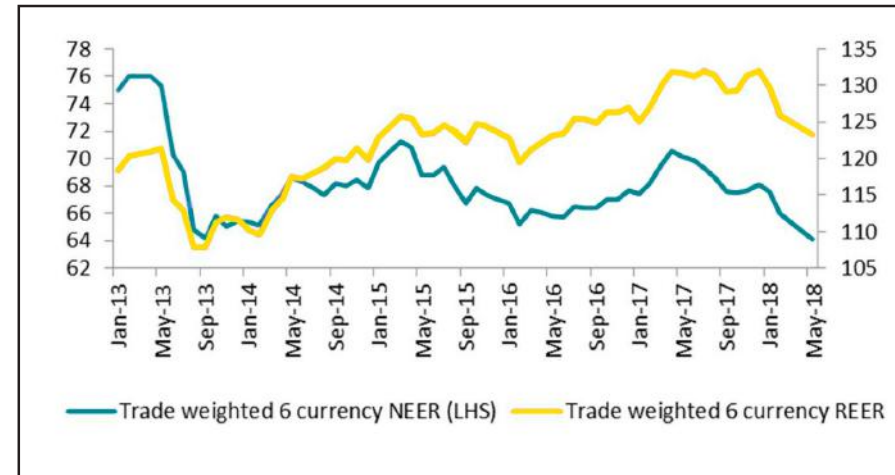


# RUPEE HAS UNDER-PERFORMED OTHER EMERGING MARKET CURRENCIES

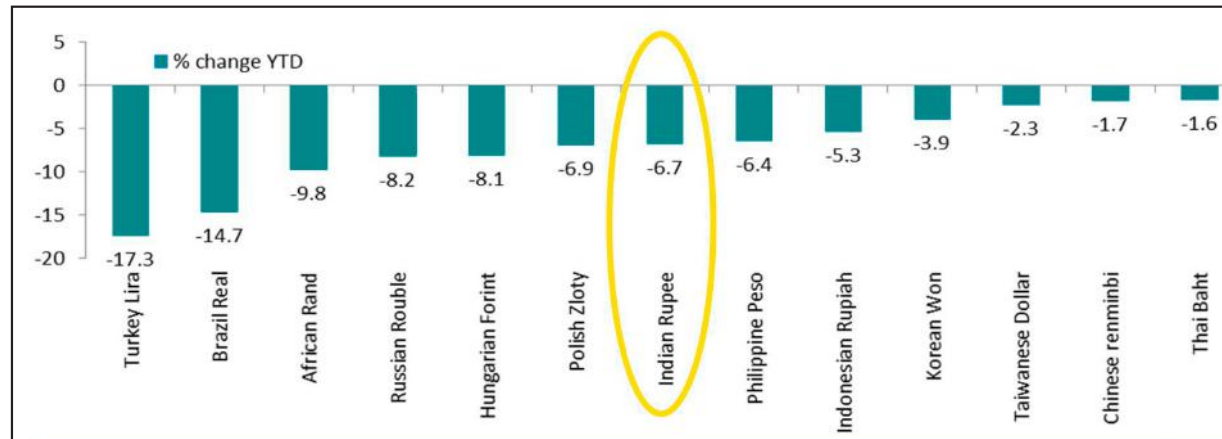
Dollar strengthened by 4.2% FYTD (till July 6th)



Both REER and NEER has moderated in 2018



Rupee has been an under-performer in the EM currency Basket YTD

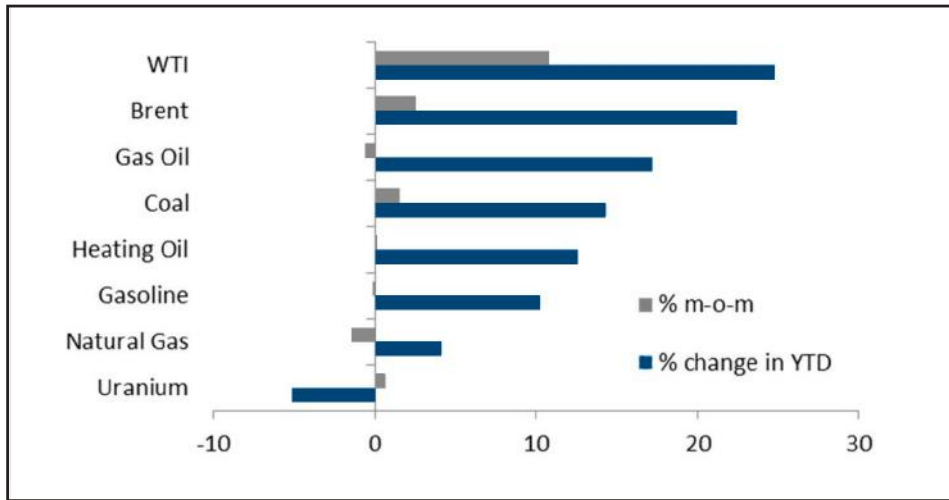


Source: CMIE Economic Outlook, Bloomberg, SBIMF Research

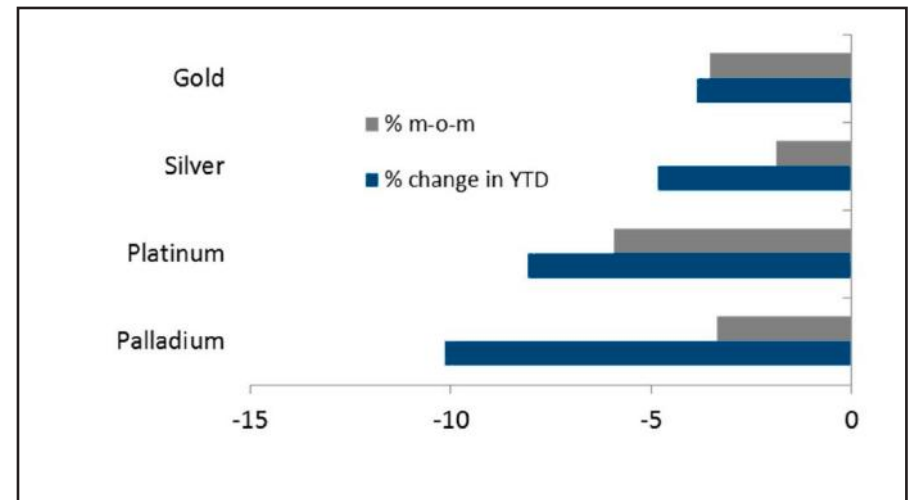


# COMMODITY: ENERGY PRICES ROSE WHILE METAL PRICES FELL

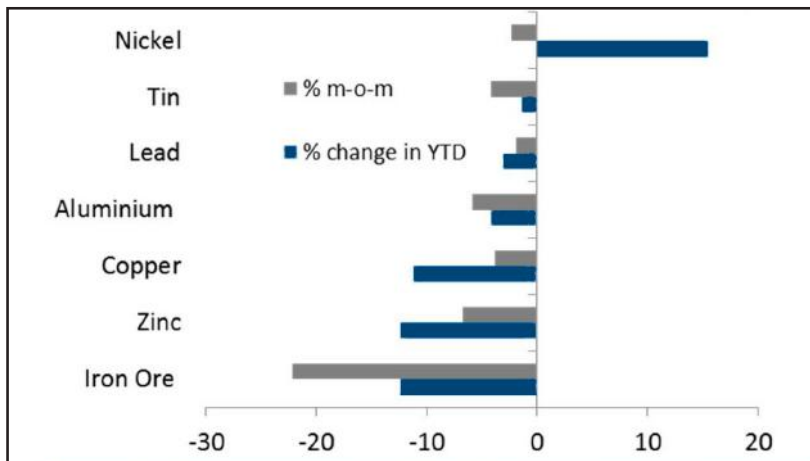
Energy prices have increased YTD



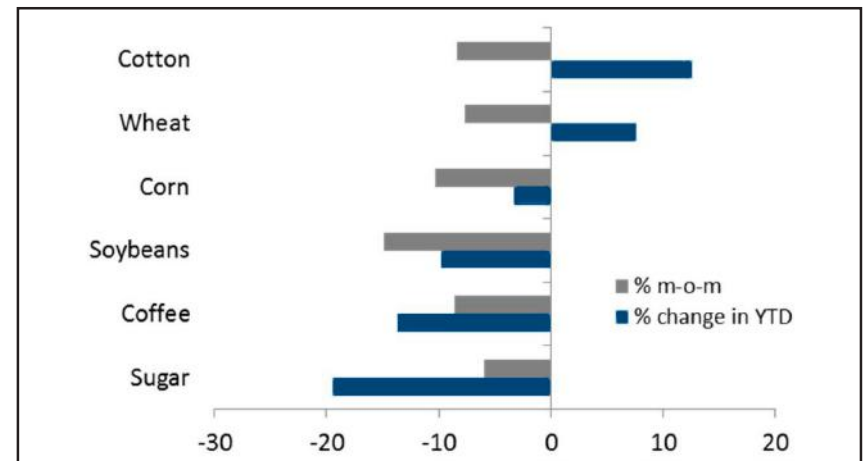
Prices of precious metals have fallen YTD



Barring nickel, metal prices fell YTD



Sugar prices have fallen while wheat prices have risen YTD



Source: CMIE Economic Outlook, Bloomberg, SBIMF Research



# FII MOVEMENTS IN DEBT MARKET

India witnessed FII debt outflows of nearly US\$ 6 billion (till 8th July) of the total EM FII debt outflows of nearly US\$ 13 billion YTD (till 8th July)

NET FII IN DEBT (USD MN)	2015	2016	2017	2018 (TILL 8 <sup>TH</sup> JULY)
India	7,560	-6,459	22,970	-5,985
Brazil	-12,341	30,495	9,116	-4,795
Malaysia	4,597	1,851	-621	-3,412
South Africa	396	1,886	4,270	-2,913
Chile	-1,616	3,912	-9,209	-1,703
Indonesia	7,621	7,653	12,062	-487
Egypt	-74	-823	6,194	0
Mexico	432	-2,089	-479	231
Philippines	1,553	812	440	2,134
Thailand	-645	9,455	10,621	3,443
<b>Total for the 10 economies</b>	<b>7,483</b>	<b>46,693</b>	<b>55,365</b>	<b>-13,486</b>

Source: Bloomberg, SBIMF Research



# 2013 AND TODAY: DEFINITELY BETTER

		MAY-13	MAY-18	BETTER OR WORSE	COMMENTS
<b>Fiscal Situation- Worse</b>					
Central Fiscal Deficit	(% GDP)	4.9%	3.5%	Better	FY13 vs. FY18 figure
State Fiscal Deficit	(% GDP)	2.0%	3.0%	Worse	FY13 vs. FY18 figure
Total Bond Supply	Rs. Trillion	7.6	11.5	Worse	FY14 vs. FY19; A major buyer PSU Banks are out of market
<b>Inflation- Better</b>					
CPI	□ y-o-y	10.4	4.7	Better	Preceding 6 month avg
CPI- Outlook	□ y-o-y	10.0	5.0	Better	FY14 vs. FY19
<b>External Account- Better</b>					
CAD	US\$ bn	88	50	Better	FY13 vs. FY18E
CAD	□ GDP	4.8	1.9	Better	FY13 vs. FY18E
BoP	US\$ bn	4	27	Better	FY13 vs. FY18E
FX Reserves	US\$ bn	259	420	Better	May 2013 vs. May 2018
Import Cover	months	7.2	10.9	Better	May 2013 vs. Latest as of Mar 2018
FX Reserves/St Debt	Ratio	3.1	4.1	Better	May 2013 vs. Latest as of Mar 2018
FX Reserves/ (1 yr CAD+ ST Debt)	Ratio	1.6	2.9	Better	May 2013 vs. Latest as of Mar 2018
FX Reserves/ Outstanding FII Stock	Ratio	0.6	0.6	Same	May 2013 vs. Latest as of Mar 2018
Gold Imports	US\$ bn	54	34	Better	FY13 vs. FY18
<b>Growth- Better</b>					
GDP	□ y-o-y	4.8	6.8	Better	2H FY13 vs. 2H FY18
GDP- Outlook	□ y-o-y	6.5	7.6	Better	FY14 vs. FY19
<b>External Situation- Better</b>					
Crude Oil - Brent	US\$ bbl	103	78	Better	During the month
DXY	□ Change	4.0	0.0	Better	In preceding 6 months
Rs./US\$	□ Change	-4.0	-5.2	Same	In preceding 6 months
REER	Trade wt 6 ccy	121	125	Same	May 2013 vs. Latest as of Mar 2018
<b>Rates- Better</b>					
India Real Rate (Policy rate- CPI)	bps	-120	130	Better	April 2018 vs. May 2013
India-US Real Rate Differential (10 yr-CPI)	bps	-190	270	Worse	April 2018 vs. May 2013
<b>Proximity to Election</b>					
General election	months	12	12	Same	

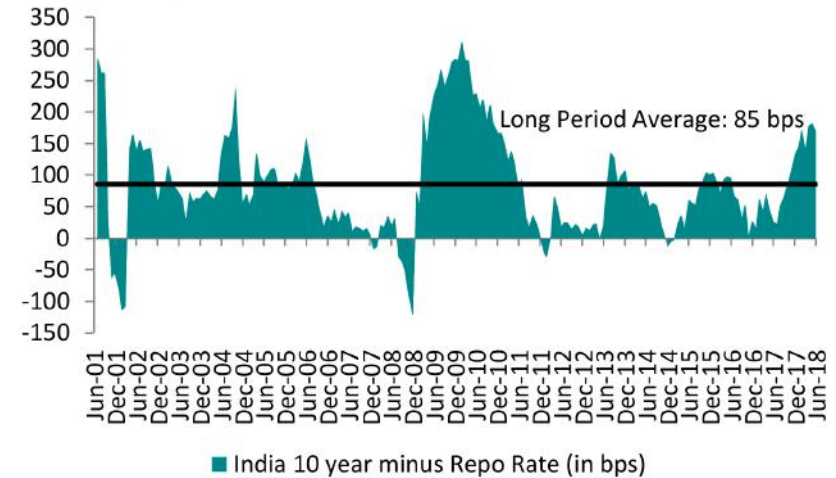


# DEBT MARKET VALUATIONS: ATTRACTIVE

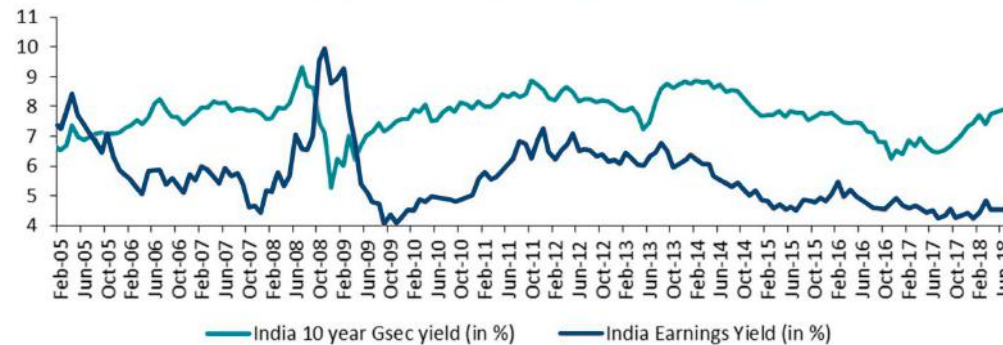
3% is still an attractive real returns for foreign investors

	CPI Inflation May 2018	Real Rate (in %)	Sovereign Credit Rating by Moody's	Sovereign Credit Rating by S&P
Brazil	2.9	8.8	Ba2-	BB-
Russia	2.4	5.3	Ba1	BB+
South Africa	4.4	4.3	Baa3-	BB+
Indonesia	3.2	4.5	Baa3	BBB-
<b>India</b>	<b>4.9</b>	<b>3.0</b>	<b>Baa2</b>	<b>BBB-</b>
China	1.8	1.7	A1	A+
Thailand	1.5	1.1	Baa2	BBB
Korea	1.5	1.2	Baa1	BBB+
Malaysia	1.8	2.4	Aa2	AA
Philippines	4.6	1.5	A3	A-
US	2.8	0.1	Aaa	AA+
Taiwan	1.6	-0.7	Aa3	AA-

Differential between 10-year yield and Repo rate is higher than average



G-sec yield relative to equity earnings yield higher than long-term trend



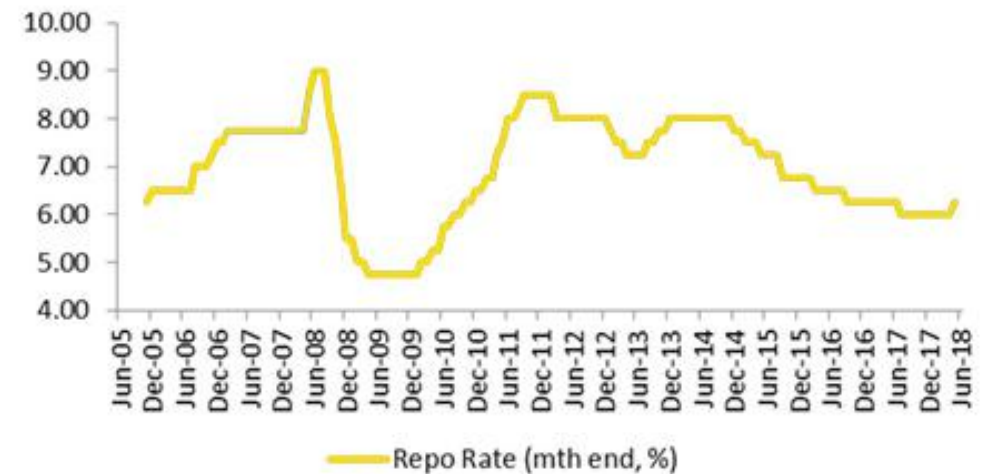
Source: Bloomberg, SBIMF Research



# POLICY RATE OUTLOOK

- ➔ After 4 ½ years, RBI hiked the repo rate by 25 bps and maintained the neutral stance. All 6 members voted in favor of the decision.
- ➔ The MPC has narrowed its inflation projection to 4.8-4.9% in 1H (vs. 4.7-5.1% in April) and raised the 2H expectation to 4.7% (as against 4.4% in 2H) with risks tilted to the upside.
- ➔ On the growth front, MPC seems to be more confident of its 7.4% growth projection for FY19. Interestingly the MPC views the output gap to have almost closed, which could have a bearing on future actions.
- ➔ RBI was concerned with the evolution of international oil prices, core inflation and the impending announcement of MSP increases. Since the June meeting, the core inflation has worsened but oil prices have cooled off a bit.
- ➔ MSP details have been released now and entails a ~15% rise in Kharif items (when weighted to the CPI basket) and 24% in simple average terms, the sharpest increase in last six years. While the overall impact on CPI may be contained, RBI may be worried about second-order impact.
- ➔ Against the backdrop of depreciating rupee, high MSP, rising core inflation, sharp FII outflow, another rate hike looks likely this year.

Repo rate likely to increase by another 25 bps in 2018



Source: CMIE Economic Outlook, RBI, Bloomberg, SBIMF Research





# DEBT MARKET OUTLOOK

- ➔ After nearly four and a half years, RBI hiked the repo rate by 25bps in its latest monetary policy meeting held in June. Policymakers were concerned with the evolution of international oil prices, and the impending announcement of MSP increases. The market had already priced in at least 50bps of rate hike this year hence did not react much post the rate action.
- ➔ Global sentiment has soured against emerging markets in recent weeks. With the US dollar strengthening and global financial conditions tightening, capital flows to emerging markets have meaningfully slowed.
- ➔ The debt markets in key emerging economies have witnessed a sharp reversal of FII money YTD, exceeding US\$ 12 billion vis-à-vis an inflow of US\$ 55 billion in 2017. Of this, nearly 50% has been from India alone. As a result, emerging market bonds and currencies have fallen in value and in particular, Indian rupee has been an under-performer.
- ➔ India 10 year G-sec, at 7.90%, has risen by 50bps during the quarter and 58bps YTD.
- ➔ Looking ahead, we expect one more 25bps hike in the next six months. But more than the rate hike, the unfolding fiscal dynamics, farm price reactions to the MSP decisions, bank credit demand and global developments remain important variables where considerable uncertainties persist.
- ➔ The equilibrium policy response in emerging markets to a sudden slowing is to absorb the pressure through a combination of exchange rate depreciation, FX reserves drawdown and higher domestic interest rates.
- ➔ As such, we continue to see pressure on rupee and domestic liquidity for the remainder of the year. We have been running relatively lower duration and will continue to exploit tactical opportunities.

Valuations look attractive at G-sec vs. Repo rate





# **OUR INVESTMENT OUTLOOK**

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# MARKET OUTLOOK (JULY 2018)

ASSET CLASS	OUTLOOK
EQUITY	<p>Indian Nifty has risen 1.7% in YTD in local currency terms till June 30 but has delivered a negative return of 5.1% in USD terms(due to a 6.7% depreciation in Rupee versus the US Dollar) IT sector has been the top performer while Real Estate, PSU and Telecoms have been the underperformers. Small and Mid Caps continued their underperformance and were down by 17% and 13% respectively on YTD Basis. Domestic Liquidity is supporting Indian Markets. DIIs invested USD 8.90 Billion as against FII outflows of USD 1 Billion Growth momentum is shaping up in India. Q4 FY18 GDP was up 7.7% and activity data for April-May paints a healthy picture. We expect Growth to pick up to 7.5% -7.6% in FY19 due to a favourable base effect, fading away of GST and Demonetisation related effects and a cyclical recovery in select segments.</p> <p><b>We expect 19% growth in FY19 NIFTY Earnings aided by Growth Tailwinds and a favourable base effect for Corporate Lenders.</b> Valuation corrections have been sharp for Small and Mid Caps. Overall Markets may exhibit higher volatility due to this, However some of the beaten down names may present interesting opportunities for Long Term Investors. Looking ahead global developments, monsoon, rural demand and corporate earnings remain the key factors for Equities.</p> <p><b>Currently Large-Cap valuations are attractive over Mid and Small Caps. However investors having a time frame of more than 3 years may invest in mid and small cap funds for better returns. We Recommend that all investors should invest only through an Asset Allocation Process which takes into account their Risk Profile For Staggered Investments Investors should consider the SIP/STP route</b></p>



# MARKET OUTLOOK (JULY 2018)

ASSET CLASS	OUTLOOK
DEBT	<p>After nearly four and half years, RBI hiked the Repo rate by 25 bps in its MPC meeting in June over inflation concerns due to rise in International Crude Oil Prices and announcement of MSP price increases. The 10 Year G-sec yield is at 7.90% levels and has risen by 50 bps in this Quarter and by 58 bps on YTD basis The Bond Markets have factored atleast 50 bps of Rate Hikes this Fiscal Year Global sentiment has been against emerging markets as the US Dollar is strengthening and tighter monetary conditions in US and Europe is leading to FII outflows from Indian Debt markets. YTD Outflows from Indian Debt markets by FIIs have exceeded USD 6 Billion</p> <p>Due to this the Indian Rupee has been depreciating and has lost 7% on YTD basis against the USD Headwinds due to US 10 Year Bond Yield Movements, Global Crude Oil Prices and Geo-Political Tensions may keep the Indian Bond Markets Volatile.</p> <p><b>We Recommend that all investors should invest only through an Asset Allocation Process which takes into account their Risk Profile Recommend Funds with higher Yield to Maturity with a Lower Portfolio Macaulay Duration (Short Duration) Funds Investors who would like to benefit from volatility may consider investing in Medium to Long Duration Schemes either in Lumpsum Mode OR through the SIP/SWP Mode</b></p>
HYBRID-BALANCED	<p>Dynamically managed asset allocation between equity and debt</p> <p><b>Recommend for all investors who have a Moderate Risk Appetite and Time Frame of 3 Years and Above with an Objective to Invest in an Asset Allocation Based Portfolio which is Dynamically Rebalanced</b></p>



## RECOMMENDED FUNDS

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# MF RECOMMENDATIONS

## SUMMARY MODEL PORTFOLIOS JULY 2018

EQUITY FUNDS							
CATEGORY	SCHEME	1 YEAR	BENCHMARK RETURNS	2 YEARS	BENCHMARK RETURNS	3 YEARS	BENCHMARK RETURNS
LARGE CAP FUNDS	AXIS BLUECHIP FUND(G)	21.8778	14.0855	17.5536	14.9421	11.5711	9.6380
	IDFC LARGE CAP FUND-REG(G)	10.0674	14.0855	14.6293	14.9421	8.5113	9.6380
	ICICI PRU BLUECHIP FUND(G)	10.8872	14.0855	14.2221	14.9421	10.5413	9.6380
<b>BENCHMARK NIFTY 50 TRI</b>							
LARGE AND MID CAP	SUNDARAM LARGE AND MID CAP FUND(G)	12.8368	11.0619	18.6331	17.1787	12.5753	12.8556
	LIC MF LARGE & MIDCAP FUND-REG(G)	5.6415	11.0619	17.7615	17.1787	12.2128	12.8556
	MIRAE ASSET EMERGING BLUECHIP-REG(G)	4.9827	11.0619	18.7088	17.1787	16.3576	12.8556
<b>NIFTY LARGEMIDCAP 250 INDEX - TRI</b>							
MULTI CAP	PARAG PARIKH LONG TERM EQUITY FUND-REG(G)	15.6903	11.2976	17.3863	15.6364	12.7063	10.8766
	MOTILAL OSWAL MULTICAP 35 FUND-REG(G)	8.9797	11.2976	19.0388	15.6364	13.5109	10.8766
	MIRAE ASSET INDIA EQUITY FUND-REG(G)	9.9652	11.2976	16.8618	15.6364	12.3224	10.8766
<b>BENCHMARK NIFTY 500 - TRI</b>							
MID CAP	L&T MIDCAP FUND-REG(G)	5.2636	2.9052	19.9649	14.9913	15.4630	12.0068
	AXIS MIDCAP FUND(G)	16.1104	2.9052	15.7132	14.9913	9.1210	12.0068
	EDELWEISS MID CAP FUND-REG(G)	9.7213	2.9052	16.3074	14.9913	11.1349	12.0068
<b>BENCHMARK NIFTY MIDCAP 100 - TRI</b>							



# MF RECOMMENDATIONS

EQUITY FUNDS							
CATEGORY	SCHEME	1 YEAR	BENCHMARK RETURNS	2 YEARS	BENCHMARK RETURNS	3 YEARS	BENCHMARK RETURNS
SMALL CAP	L&T EMERGING BUSINESSES FUND-REG(G)	8.7521	-0.0789	25.3876	12.3515	21.6953	11.2708
	HDFC SMALL CAP FUND-REG(G)	18.0213	-0.0789	23.9191	12.3515	18.9290	11.2708
	RELIANCE SMALL CAP FUND(G)	11.5037	-0.0789	22.4905	12.3515	19.6600	11.2708
<b>BENCHMARK NIFTY SMALLCAP 100 - TRI</b>							
DIVIDEND YIELD FUND	TEMPLETON INDIA EQUITY INCOME FUND(G)	9.9592	11.0252	15.8707	17.5874	10.6995	11.2840
	ICICI PRU DIVIDEND YIELD EQUITY FUND(G)	-0.4811	11.0252	13.6888	17.5874	10.9626	11.2840
	UTI DIVIDEND YIELD FUND-REG(G)	7.4611	11.0252	12.8715	17.5874	8.8101	11.2840
<b>BENCHMARK NIFTY DIV OPPS 50 - TRI</b>							
VALUE FUND	IDFC STERLING VALUE FUND-REG(G)	9.9610	10.6485	20.6939	15.2305	13.0965	10.5711
	TATA EQUITY P/E FUND(G)	9.6988	10.6485	19.6667	15.2305	14.7241	10.5711
	HDFC CAPITAL BUILDER VALUE FUND(G)	12.8887	10.6485	16.8266	15.2305	12.3687	10.5711
<b>BENCHMARK NIFTY 500 - TRI</b>							
CONTRA FUND	INVESCO INDIA CONTRA FUND(G)	16.0864	10.6485	18.7836	15.2305	13.4893	10.5711
	KOTAK INDIA EQ CONTRA FUND(G)	18.1677	10.6485	17.8649	15.2305	11.2541	10.5711
	SBI CONTRA FUND-REG(G)	2.0644	10.6485	9.2615	15.2305	7.0022	10.5711
<b>BENCHMARK NIFTY NIFTY 500 - TRI</b>							
FOCUSSED FUND	IDFC FOCUSED EQUITY FUND-REG(G)	14.2810	10.6485	22.2940	15.2305	12.0562	10.5711
	AXIS FOCUSED 25 FUND(G)	19.5984	10.6485	21.9305	15.2305	14.3878	10.5711
	SBI FOCUSED EQUITY FUND-REG(G)	15.1437	10.6485	15.4580	15.2305	13.0099	10.5711



# MF RECOMMENDATIONS

SECTOR FUNDS							
CATEGORY	SCHEME	1 YEAR	BENCHMARK RETURNS	2 YEARS	BENCHMARK RETURNS	3 YEARS	BENCHMARK RETURNS
<b>BENCHMARK NIFTY 500 - TRI</b>							
AUTO SECTOR	UTI TRANSPORTATION & LOGISTICS FUND-REG(G)	5.1402	1.9829	13.2729	10.3064	10.4344	8.5735
<b>BENCHMARK NIFTY AUTO - TRI</b>							
BANKING AND FINANCIAL SERVICES SECTOR	SBI BANKING & FINANCIAL SERVICES FUND-REG(G)	13.5108	15.9162	20.3093	23.0827	16.9036	13.9327
	RELIANCE BANKING FUND(G)	5.2338	15.9162	20.2069	23.0827	12.8327	13.9327
	ADITYA BIRLA SL BANKING & FINANCIAL SERVICES FUND-REG(G)	8.1326	15.9162	18.7019	23.0827	16.8957	13.9327
<b>BENCHMARK NIFTY SMALLCAP 100 - TRI</b>							
FMCG SECTOR	MIRAE ASSET GREAT CONSUMER FUND-REG(G)	15.7215	9.0722	20.8146	15.8839	13.5801	14.2972
	SBI CONSUMPTION OPP FUND-REG(G)	15.5832	9.0722	18.5612	15.8839	17.0625	14.2972
	ICICI PRU FMCG FUND(G)	8.4567	9.0722	13.2085	15.8839	12.3125	14.2972
<b>BENCHMARK NIFTY DIV OPPS 50 - TRI</b>							
ENERGY AND POWER SECTOR	DSPBR NATURAL RES & NEW ENERGY FUND-REG(G)	5.5452		22.9307		18.9304	
	RELIANCE POWER & INFRA FUND(G)	0.3785		13.8647		9.3485	
<b>NOT ABLE TO DEFINE AS DSP BR AND RELIANCE HAVE DIFFERENT INDEX CONSTRUCTION</b>							
INFRA-STRUCTURE SECTOR	L&T INFRASTRUCTURE FUND-REG(G)	5.4641	-3.0042	19.8357	4.5503	12.7601	-1.3281
	IDFC INFRASTRUCTURE-REG(G)	-1.3283	-3.0042	18.9038	4.5503	8.7480	-1.3281
	FRANKLIN BUILD INDIA FUND(G)	2.2328	-3.0042	11.5115	4.5503	8.6344	-1.3281
<b>BENCHMARK NIFTY INFRA - TRI</b>							





# MF RECOMMENDATIONS

SECTOR FUNDS							
CATEGORY	SCHEME	1 YEAR	BENCHMARK RETURNS	2 YEARS	BENCHMARK RETURNS	3 YEARS	BENCHMARK RETURNS
PHARMA AND HEALTHCARE FUNDS	RELIANCE PHARMA FUND(G)	11.0676	-1.0307	2.5399	-5.0934	2.1088	-5.0787
	UTI HEALTHCARE FUND-REG(G)	-2.6287	-1.0307	-4.7417	-5.0934	-4.3891	-5.0787
	SBI HEALTHCARE OPP FUND-REG(G)	-9.0262	-1.0307	-8.7328	-5.0934	-6.8532	-5.0787
<b>BENCHMARK NIFTY S&amp;P BSE HEALTH CARE - TRI</b>							
TECH-NOLOGY SECTOR FUNDS	FRANKLIN INDIA TECHNOLOGY FUND(G)	31.3876	32.4850	15.7492	10.9701	11.4197	8.0534
	ICICI PRU TECHNOLOGY FUND(G)	40.0554	32.4850	15.7003	10.9701	12.4982	8.0534
<b>BENCHMARK S&amp;P BSE TECK INDEX - TRI</b>							
GLOBAL FUNDS	ADITYA BIRLA SL INTL. EQUITY FUND-A(G)	18.0906	12.2560	14.0726	13.8486	5.3864	9.4914
	ICICI PRU US BLUECHIP EQUITY FUND(G)	17.0892	12.2560	15.0031	13.8486	11.8037	9.4914
	FRANKLIN ASIAN EQUITY FUND(G)	11.5671	12.2560	15.8733	13.8486	9.7513	9.4914
<b>BENCHMARK S&amp;P BSE TECK INDEX - TRI</b>							
MNC FUNDS	UTI MNC FUND-REG(G)	13.6386	18.4432	13.3670	24.1967	8.8507	14.0779
	ADITYA BIRLA SL MNC FUND(G)	9.7554	18.4432	11.5040	24.1967	7.9680	14.0779
	SBI MAGNUM GLOBAL FUND-REG(G)	7.7413	18.4432	10.0094	24.1967	7.3887	14.0779
<b>BENCHMARK NIFTY MNC - TRI</b>							
ELSS FUNDS	MOTILAL OSWAL LONG TERM EQUITY FUND-REG(G)	8.8416	9.5284	22.0825	15.2305	16.1907	10.5711
	ADITYA BIRLA SL TAX RELIEF '96(ELSS U/S 80C OF IT ACT)(G)	12.7768	9.5284	17.2254	15.2305	12.8012	10.5711
	IDFC TAX ADVT(ELSS) FUND-REG(G)	10.7357	9.5284	18.6580	15.2305	10.7459	10.5711
<b>BENCHMARK NIFTY 500 - TRI</b>							



# MF RECOMMENDATIONS

OVERNIGHT FUNDS	ABSOLUTE					FUND FACT	RATIO
	DIVREINVEST						
	NON CORPORATE						25-JUN-2018 TO 02-JUL-2018
	1 Day	3 Day	1 Week	2 Week	1 Month	AUM	Sharpe
SBI Overnight Fund-Reg(G)	0.0164	0.0504	0.1173	0.2343	0.4923	180.1373	11.5528
HDFC Overnight Fund(G)	0.0164	0.0503	0.1162	0.2325	0.4714	106.7493	0.7998
Benchmark							

CBLO Index/CCIL MIBOR not available in ACE MF

LIQUID FUNDS	ABSOLUTE					FUND FACT	
	DIVREINVEST						
	NON CORPORATE						
Scheme Name	1 Week	2 Week	1 Month	3 Months	6 Months	AUM	EXPRATIO
Category: Benchmark							
Crisil 91 Day T-Bill Index	0.1416	0.2735	0.5552	1.5943	3.2411		
Crisil Liquid Fund Index	0.1592	0.3080	0.6865	1.8037	3.6351		
Category: Liquid							
Mirae Asset Cash Management-Reg(G)	0.1505	0.2941	0.6512	1.7845	3.5141	3101.1650	0.1900
DHFL Pramerica Insta Cash Fund(G)	0.1527	0.2967	0.6464	1.7872	3.5489	11571.3153	0.1200
L&T Liquid Fund(G)	0.1491	0.2987	0.6464	1.7888	3.5570	17462.0700	0.1400



# MF RECOMMENDATIONS

Ultra Short Duration Funds	Absolute							FUND FACT	RATIO	
	DivReinvest									02-APR-2018 TO 02-JUL-2018
	Non Corporate									
Scheme Name	1 Week	2 Week	1 Month	3 Months	6 Months	9 Months	1 Year	AUM	EXPRATIO	Sharpe
Category: Benchmark										
Crisil Liquid Fund Index	0.1592	0.3080	0.6865	1.8037	3.6351	5.2940	7.0280			
Category: Ultra Short Duration										
SBI Magnum Ultra Short Duration Fund-Reg(G)	0.1699	0.3231	0.7079	1.9088	3.6780	5.3184	7.0225	3095.2433	0.2000	0.4571
BOI AXA Ultra Short Duration Fund-Reg(G)	0.1472	0.3192	0.6384	1.6478	3.5493	5.2235	7.3742	753.4495	0.5500	0.3360
Indiabulls Ultra Short Term Fund(G)	0.1547	0.3253	0.6402	1.5321	3.3487	4.7850	6.6777	404.6591	0.7000	0.2595

LOW DURATION FUNDS	Absolute					FUND FACT	RATIO
	DivReinvest						02-JAN-2018 TO 02-JUL-2018
	Non Corporate						
Scheme Name	1 Month	3 Months	6 Months	9 Months	1 Year	AUM	Sharpe
Category: Benchmark							
Crisil Liquid Fund Index	0.6865	1.8037	3.6351	5.2940	7.0280		
Crisil Short Term Bond Fund Index	0.6759	0.5914	2.2595	2.9375	4.7117		
Category: Low Duration							
Tata Treasury Advantage Fund(G)	0.7988	1.6228	3.3810	4.8796	6.6995	4146.8811	0.3035
SBI Magnum Low Duration Fund(G)	0.7534		3.3675	4.8522	6.5496	9483.2296	0.2818
Edelweiss Low Duration Fund-Reg(G)	0.7640	1.5862	3.3204	4.9745	6.7131	685.8184	0.2615



# MF RECOMMENDATIONS

MONEY MARKET FUNDS	ABSOLUTE				CAGR	FUND FACT	RATIO
	DIVREINVEST				DIVREINVEST		01-NOV-2017 TO 02-JUL-2018
	NON CORPORATE				NON CORPORATE		
Scheme Name	3 Months	6 Months	9 Months	1 Year	2 Years	AUM	Sharpe
Category: Benchmark							
Crisil Liquid Fund Index	1.8037	3.6351	5.2940	7.0280	6.9353		
Category: Money Market							
Invesco India Money Market Fund(G)	1.8574	3.5768	5.3214	7.0405	6.9597	511.3979	0.5821
ICICI Pru Money Market Fund(G)	1.8039	3.5823	5.2378	6.9446	6.9231	11382.8084	0.4729
Kotak Money Market Scheme(G)	1.7611	3.5399	5.2066	6.9272	6.9322	8396.1867	0.4552

SHORT DURATION FUNDS	ABSOLUTE				CAGR	FUND FACT	RATIO
	DIVREINVEST				DIVREINVEST		01-JUL-2017 TO 02-JUL-2018
	NONCORPORATE				NON CORPORATE		
Scheme Name	6 Months	9 Months	1 Year	2 Years	3 Years	AUM	Sharpe
Category: Benchmark							
Crisil Short Term Bond Fund Index	2.2595	2.9375	4.7117	6.7481	7.4562		
Category: Short Duration							
Baroda Pioneer ST Bond Fund(G)	2.8916	4.2367	6.1594	7.8060	8.0374	253.3050	0.1544
Franklin India ST Income Plan(G)	3.0318	4.2936	6.7337	8.7811	8.1628	10182.2781	0.1255
HDFC Short Term Debt Fund(G)	2.6123	3.7766	5.6557	7.0729	7.5759	10460.4431	0.0804



# MF RECOMMENDATIONS

Medium Duration Funds	Absolute			CAGR		Fund Fact	Ratio
	DivReInvest			DivReInvest			01-Jul-2016 To 02-Jul-2018
	Non Corporate			Non Corporate			
Scheme Name	9 Months	1 Year	2 Years	3 Years	4 Years	AUM	Sharpe
Category: Benchmark							
Crisil Composite Bond Fund Index	-0.2311	1.3644	6.2328	7.4781	8.3870		
Crisil Short Term Bond Fund Index	2.9375	4.7117	6.7481	7.4562	7.9782		
Category: Medium Duration							
Franklin India Income Opportunities Fund(G)	4.4793	6.8957	8.7906	8.2993	8.8487	3575.6540	0.2941
SBI Magnum Medium Duration Fund-Reg(G)	2.4928	4.1343	8.0325	8.2908	9.0624	1698.2697	0.1420
UTI Medium Term Fund-Reg(G)	3.0257	5.1742	7.5945	8.0930		205.1680	0.1403
Benchmark							

Crisil Medium Term Duration Index data not available in ACE MF

Medium to Long Duration Funds	Absolute	CAGR			Fund Fact	Ratio
	DivReInvest	DivReInvest				01-Jul-2013 To 02-Jul-2018
	Non Corporate	NonCorporate				
Scheme Name	1 Year	3 Years	5 Years	7 Years	AUM	Sharpe
Category: Benchmark						
Crisil Composite Bond Fund Index	1.3644	7.4781	7.6700	8.2379		
Category: Medium to Long Duration						
ICICI Pru Bond Fund(G)	2.0399	7.1273	7.5491	8.4279	3461.1172	0.0482
UTI Bond Fund-Reg(G)	0.6578	7.3224	7.2675	8.6294	1181.3759	0.0444
SBI Magnum Income Fund-Reg(G)	1.8504	7.8077	6.8750	8.4207	1760.6466	0.0371
Benchmark						

Crisil Medium to Long Term Duration Index data not available in ACE MF



# MF RECOMMENDATIONS

Long Duration Funds	CAGR					Fund Fact	Ratio
	DivReinvest						01-Jul-2011 To 02-Jul-2018
	NonCorporate						
Scheme Name	5 Years	7 Years	9 Years	10 Years	12 Years	AUM	Sharpe
Category: Benchmark							
Crisil Composite Bond Fund Index	7.6700	8.2379	7.3980	7.8343	7.2954		
Category: Long Duration							
IDFC Bond Fund - Long Term Plan-Reg(G)	6.9468	8.2498	7.1373	8.1521	8.0580	885.0557	0.0604
ICICI Pru Long Term Bond Fund(G)	6.9727	8.0693	6.9245	8.7401	8.3988	1185.1154	0.0484

Dynamic Bond Funds	Absolute				CAGR				Fund Fact	Ratio
	DivReinvest				DivReinvest					01-Jul-2015 To 02-Jul-2018
	NonCorporate				NonCorporate					
Scheme Name	3 Months	6 Months	1 Year	2 Years	3 Years	5 Years	10 Years	SINCE INCEPTION	AUM	Sharpe
Category: Benchmark										
Crisil Composite Bond Fund Index	-0.8810	0.4321	1.3644	6.2328	7.4781	7.6700	7.8343			
Category: Dynamic Bond										
JM Dynamic Debt Fund-Reg(G)	1.6781	3.5563	7.2537	7.6106	7.9754	8.3828	7.5698	6.9108	261.6027	0.6986
Franklin India Dynamic Accrual Fund(G)	0.5442	2.6635	6.3070	8.6599	8.8487	8.6242	8.2929	8.9108	3351.9051	0.2378
Kotak Dynamic Bond Fund-Reg(G)	0.0417	1.5890	3.8513	7.4718	8.4396	8.5123	8.2694	8.2726	784.4231	0.1001



# MF RECOMMENDATIONS

Corporate Bond Funds	Absolute				CAGR				Fund Fact	Ratio
	DivReInvest				DivReInvest					
	NonCorporate				NonCorporate					
Scheme Name	3 Months	6 Months	1 Year	2 Years	3 Years	5 Years	10 Years	SINCE INCEPTION	AUM	Sharpe
Category: Benchmark										
Crisil Composite Bond Fund Index	-0.8810	0.4321	1.3644	6.2328	7.4781	7.6700	7.8343			
Category: Corporate Bond										
Reliance Prime Debt Fund(G)	1.0637	2.8574	6.0430	7.1395	7.6287	8.1013	8.0064	7.5953	7086.9238	0.2961
Tata Corp Bond Fund-Reg(G)	1.1056	2.8062	5.7986	6.5844	7.0574	7.7498	7.8512	7.9091	564.6078	0.2923
Kotak Corporate Bond Fund(G)	1.5074	3.2095	6.4542	7.6897	7.8636	7.9772	8.0483	8.1012	1244.2149	0.2502

Credit Risk Funds	Absolute				CAGR				Fund Fact	Ratio
	DivReInvest				DivReInvest					
	NonCorporate				NonCorporate					
Scheme Name	3 Months	6 Months	1 Year	2 Years	3 Years	5 Years	10 Years	SINCE INCEPTION	AUM	Sharpe
Category: Benchmark										
Crisil Short Term Bond Fund Index	0.5914	2.2595	4.7117	6.7481	7.4562	8.1483	8.0570			
Category: Credit Risk Fund										
BOI AXA Credit Risk Fund-Reg(G)	1.4908	3.5805	7.5301	9.1410	9.7338			9.5006	1533.4111	0.3061
Sundaram Short Term Credit Risk Fund(G)		2.9969	6.3551	6.6165	6.9286	8.2864	6.3056	6.1046	485.2295	0.2739
Baroda Pioneer Credit Risk Fund-A(G)		2.3665	5.7551	8.4717	8.9833			9.2654	978.3482	0.2675



# MF RECOMMENDATIONS

Banking and PSU Fund	Absolute				CAGR				Ratio
	DivReInvest				DivReInvest				01-Jul-2015 To 02-Jul-2018
	NonCorporate				NonCorporate				
Scheme Name	6 Months	1 Year	2 Years	3 Years	5 Years	10 Years	SINCE INCEPTION	AUM	Sharpe
Category: Banking and PSU Fund									
SBI Banking and PSU Fund-Reg(G)	3.1307	6.2111	6.8642	7.4046	8.2429		7.9681	2104.3515	0.3635
Axis Banking & PSU Debt Fund(G)	2.5614	6.0526	6.9245	7.3933	8.0484		8.2319	815.9584	0.2551
UTI Banking & PSU Debt Fund-Reg(G)	2.4496	5.5753	7.7423	8.2565			8.5386	681.1138	0.2187
Category: Benchmark									
Crisil Short Term Bond Fund Index	2.2595	4.7117	6.7481	7.4562	8.1483	8.0570			
NIFTY PSU BANK - TRI	-22.8868	-15.8157	1.2784	-4.9004	1.0074	7.3802			
Benchmark									

CRISIL Banking and PSU Debt Fund index is not available





# MF RECOMMENDATIONS

Gilt Fund	Absolute			CAGR					Fund Fact	Ratio
	DivReInvest			DivReInvest						01-Jul-2015 To 02-Jul-2018
	NonCorporate			NonCorporate						
Scheme Name	3 Months	6 Months	1 Year	2 Years	3 Years	5 Years	10 Years	SINCE INCEPTION	AUM	Sharpe

Category: Benchmark

I-BEX (I-Sec Sovereign Bond Index)	-0.6904	0.7620	1.1310	6.1728	7.7347	7.8157	9.2304			
Category: Gilt										
Edelweiss Government Securities Fund-Reg(G)	0.0028	0.8807	2.9853	5.6559	7.0299			8.4941	191.4646	0.0692
DHFL Pramerica Gilt Fund(G)	-0.6129	0.6119	1.6519	5.9674	6.8944	6.6923		6.7885	158.4181	0.0691
Reliance Gilt Securities Fund(G)	-0.1935	1.1764	0.0356	7.2916	8.2579	7.9711		8.6877	991.5611	0.0604

Benchmark

CRISIL Gilt Index/Dynamic Gilt Index is not available in ACEMF only I-Bex Index values are available



# MF RECOMMENDATIONS

Gilt Fund with 10 Years Constant Duration	Absolute			CAGR				Fund Fact	Ratio	
	DivReInvest			DivReInvest					01-Jul-2015 To 02-Jul-2018	
	NonCorporate			NonCorporate						
Scheme Name	3 Months	6 Months	1 Year	2 Years	3 Years	5 Years	10 Years	SINCE INCEPTION	AUM	Sharpe
Category: Benchmark										
Crisil 10 Yr Gilt Index	-1.5258	-1.0479	-3.5822	3.6714	5.6941	5.2762	6.7142			
Category: Gilt										
SBI Magnum Constant Maturity Fund(G)		2.2862	4.6370	8.0318	8.5742	9.2747	8.4875	7.7823	411.3225	0.1686
Benchmark										

No other Gilt Benchmark is currently available in ACE MF

Floating Rate Fund	Absolute			CAGR		Fund Fact	Ratio
	DivReInvest			DivReInvest			01-Jul-2017 To 02-Jul-2018
	NonCorporate			NonCorporate			
Scheme Name	6 Months	9 Months	1 Year	2 Years	3 Years	AUM	Sharpe
Category: Benchmark							
Crisil Liquid Fund Index	3.6351	5.2940	7.0280	6.9353	7.2504		
Category: Floating Rate							
DHFL Pramerica Floating Rate Fund(G)	3.0866	4.4765	6.2787	7.0224	7.4391	538.7546	0.2442
Aditya Birla SL FRF-Long Term Plan(G)	3.1633	4.6067	6.4830	7.5864	8.0093	5728.9977	0.2396
Franklin India Floating Rate Fund(G)	3.1720	4.6781	6.1603	6.0487	6.1137	221.2660	0.2373



# MF RECOMMENDATIONS

Conservative Hybrid Fund	Absolute			CAGR	CAGR				Fund Fact	Asset Allocation				Ratio	
	DivReInvest				DivReInvest					AUM	Equity				01-Jul-2015 To 02-Jul-2018
	NonCorporate				NonCorporate						Cash				
Scheme Name	3 Months	6 Months	1 Year	2 Years	3 Years	5 Years	10 Years	SINCE INCEPTION	AUM	Equity	Cash	Debt	Other	Sharpe	
Category: Benchmark															
CRISIL Hybrid 85+15 - Conservative Index	-0.3302	0.3384	2.9653	7.6359	8.0419	9.0022									
Category: Conservative Hybrid Fund															
Indiabulls Savings Income Fund-Reg(G)	-0.4147	2.2884	14.0627	11.0710				10.1072	104.1606	17.1951	3.7648	79.0402	0.0000	0.0921	
ICICI Pru Regular Savings Fund(G)	1.2921	1.4830	4.9241	9.6897	9.3990	11.3452	10.5392	10.1853	1640.6523	11.8472	2.5353	84.7447	0.8728	0.0747	
UTI Regular Savings Fund-Reg(G)		1.9025	6.7521	8.8375	8.5380	10.8968	10.2322	9.9464	2596.1655	24.9592	9.2618	65.6119	0.1671	0.0677	

Balanced Hybrid Fund	Absolute				CAGR				Fund Fact	Ratio	
	DivReInvest				DivReInvest					AUM	01-Jul-2015 To 02-Jul-2018
	NonCorporate				NonCorporate						Sharpe
Scheme Name	3 Months	6 Months	1 Year	2 Years	3 Years	5 Years	10 Years	SINCE INCEPTION	AUM	Sharpe	
Category: Balanced Hybrid Fund											
UTI ULIP(G)	1.8705	2.6913	9.1850	10.2468	9.2560	11.2200	11.4581	11.1854	4287.1749	0.0579	

No Relevant Benchmark index available in ACE MF



# MF RECOMMENDATIONS

Aggressive Hybrid Fund	Absolute				CAGR				Fund Fact	Ratio
	DivReInvest				DivReInvest					01-Jul-2015 To 02-Jul-2018
	NonCorporate				NonCorporate					
Scheme Name	3 Months	6 Months	1 Year	2 Years	3 Years	5 Years	10 Years	SINCE INCEPTION	AUM	Sharpe
Category: Aggressive Hybrid Fund										
Principal Hybrid Equity Fund(G)	-0.1613	-2.8769	11.3994	17.5772	13.3278	17.5398	12.6869	11.4629	1407.8926	0.0521
ICICI Pru Equity & Debt Fund(G)	-1.3800	-5.0315	4.9402	12.2143	10.3537	17.3791	14.2402	14.4152	28266.4662	0.0420
Sundaram Equity Hybrid Fund(G)	2.9866	1.9888	10.6259	12.3416	9.8637	12.0723	9.9178	12.6268	1088.9335	0.0405
Benchmark										
CRISIL Hybrid 35+65 - Aggressive Index	1.4497	-0.1140	8.2420	12.1885	9.6194	13.2072				

Dynamic Asset Allocation Fund	Absolute				CAGR				Fund Fact	Ratio
	DivReInvest				DivReInvest					01-Jul-2015 To 02-Jul-2018
	NonCorporate				NonCorporate					
Scheme Name	3 Months	6 Months	1 Year	2 Years	3 Years	5 Years	10 Years	SINCE INCEPTION	AUM	Sharpe
Category: Benchmark										
CRISIL Hybrid 35+65 - Aggressive Index	1.4497	-0.1140	8.2420	12.1885	9.6194	13.2072				
Category: Dynamic Asset Allocation										
SBI Dynamic Asset Allocation Fund-Reg(G)		8.3904	9.8045	10.4047	9.2388			8.4653	202.0623	0.0405
DSPBR Dynamic Asset Allocation Fund-Reg(G)	0.1686	-0.1072	3.6097	7.4717	7.3099			8.3889	864.3977	0.0352
Invesco India Dynamic Equity Fund(G)	0.9598	-1.3546	11.0242	13.4440	8.7443	15.2697	13.7576	10.1962	1101.1021	0.0290



# MF RECOMMENDATIONS

Multi Asset Allocation Funds	Absolute				CAGR				Fund Fact	Ratio
	DivReInvest				DivReInvest					01-Jul-2015 To 02-Jul-2018
	NonCorporate				NonCorporate					
Scheme Name	3 Months	6 Months	1 Year	2 Years	3 Years	5 Years	10 Years	SINCE INCEPTION	AUM	Sharpe
Category: Benchmark										
Crisil Composite Bond Fund Index	-0.8810	0.4321	1.3644	6.2328	7.4781	7.6700	7.8343			
Gold-International	-7.6224	-5.6253	-0.0725	-3.6878	2.1525	-0.0612	2.8574			
NIFTY 50 - TRI	4.8239	2.9052	13.4785	14.5708	9.4456	14.1081	11.3742			
Weighted Average Index	2.4383	1.5576	9.7006	11.0774	8.3228	11.4036	9.8146			
Category: Multi Asset Allocation										
SBI Multi Asset Allocation Fund-Reg(G)		-0.7498	4.8683	6.6159	7.6073	9.9763	8.4826	7.7893	361.3523	0.0769
HDFC Multi-Asset Fund(G)		-2.1347	3.5934	6.8880	7.1588	9.7919	9.8176	9.0743	154.0303	0.0503
ICICI Pru Multi-Asset Fund(G)	-2.1564	-5.6237	5.6385	13.4316	10.3167	17.5726	14.2543	22.7137	11090.5046	0.0365
<b>Benchmark</b>										
Synthetic Benchmark										
70% of Nifty 50 TRI										
20% of CRISIL Composite Bond Fund Index										
10% of Gold- International Price returns										



# MF RECOMMENDATIONS

Arbitrage Funds	Absolute						CAGR					Fund Fact	Ratio
	DivReInvest						DivReInvest						01-Jul-2017 To 02-Jul-2018
	NonCorporate						NonCorporate						
Scheme Name	1 Week	1 Month	3 Months	6 Months	9 Months	1 Year	2 Years	3 Years	5 Years	10 Years	SINCE INCEPTION	AUM	Sharpe
Category: Arbitrage Fund													
Indiabulls Arbitrage Fund-Reg(G)	0.4160	0.7946	1.8554	3.3021	4.8599	6.4706	6.4406	6.5109			6.9862	306.2059	0.1184
Reliance Arbitrage Fund(G)	0.1998	0.4740	1.6150	3.5158	4.8608	6.4073	6.2942	6.2256	7.2420		7.9894	8122.7318	0.1124
Kotak Equity Arbitrage Scheme(G)	0.1639	0.4386	1.5419	3.0449	4.5199	6.1698	6.1955	6.2348	7.3132	7.3965	7.5214	11763.8769	0.1045
Category: Benchmark													
Crisil Liquid Fund Index	0.1592	0.6865	1.8037	3.6351	5.2940	7.0280	6.9353	7.2504	8.0253	7.5717			



# MF RECOMMENDATIONS

Equity Sav-ings Funds	Absolute					CAGR				Fund Fact	Asset Allocation			Ratio
	DivReInvest					DivReInvest								01-Jul-2015 To 02-Jul-2018
	NonCorporate					NonCorporate								
Scheme Name	3 Months	6 Months	9 Months	1 Year	2 Years	3 Years	5 Years	10 Years	SINCE IN-CEPTION	AUM	Equity	Cash	Debt	Sharpe
Category: Benchmark														
CRISIL Hybrid 35+65 - Ag-gressive Index	1.4497	-0.1140	5.1535	8.2420	12.1885	9.6194	13.2072							
Category: Eq-uity Savings														
Kotak Equi-ty Savings Fund(G)	2.2154	1.9600	5.1242	7.8743	9.2150	7.8880			8.4997	2179.5233	62.5598	41.4920	16.0418	0.0639
HDFC Eq-uity Savings Fund(G)	0.0953	-1.4114	2.1614	3.7274	11.0778	9.6788	10.4353	10.0280	9.4241	7445.2522	65.6848	1.6798	24.3996	0.0612
ICICI Pru Eq-uity Savings Fund(G)	0.2340	-0.2329	2.9647	4.6417	8.1201	7.8895			7.2654	2674.0481	66.2210	50.4857	18.4856	0.0477



# MF RECOMMENDATIONS

Retirement Funds	Absolute				CAGR	CAGR				Fund Fact	Asset Allocation				Ratio
	DivReinvest					DivReinvest					01-Jul-2015 To 02-Jul-2018				
	NonCorporate					NonCorporate									
Scheme Name	3 Months	6 Months	9 Months	1 Year	2 Years	3 Years	5 Years	10 Years	SINCE INCEPTION	AUM	Equity	Cash	Debt	Other	Sharpe
Category: Benchmark															
CRISIL Hybrid 35+65 - Aggressive Index	1.4497	-0.1140	5.1535	8.2420	12.1885	9.6194	13.2072								
CRISIL Hybrid 85+15 - Conservative Index	-0.3302	0.3384	1.0278	2.9653	7.6359	8.0419	9.0022								
Category: Solution Oriented															
Tata Retirement Sav Fund - Prog Plan(G)	1.1006	-2.9608	4.8364	12.1455	19.3992	14.9942	19.9590		17.0638	474.8745	94.7129	5.2871	0.0000	0.0000	0.0523
Tata Retirement Sav Fund - Cons Plan(G)	0.2199	-1.1585	1.1011	3.9085	9.0933	8.0724	10.7667		10.0386	135.0244	29.8536	15.5425	54.6039	0.0000	0.0516
UTI Retirement Benefit Pension	-1.1677	-2.1109	2.3865	4.0106	9.3602	8.8371	11.1632	10.2263	10.5366	2611.2901	38.1152	4.4647	55.9429	1.4772	0.0505





# MF RECOMMENDATIONS

Children's Funds	Absolute				CAGR				Fund Fact	Asset Allocation			Ratio
	DivReInvest				DivReInvest								01-Jul-2015 To 02-Jul-2018
	NonCorporate				NonCorporate								
Scheme Name	3 Months	6 Months	1 Year	2 Years	3 Years	5 Years	10 Years	SINCE INCEPTION	AUM	Equity	Cash	Debt	Sharpe
Category: Benchmark													
CRISIL Hybrid 35+65 - Aggressive Index	1.4497	-0.1140	8.2420	12.1885	9.6194	13.2072							
CRISIL Hybrid 85+15 - Conservative Index	-0.3302	0.3384	2.9653	7.6359	8.0419	9.0022							
Category: Solution Oriented													
UTI CCF - Savings Plan-Scholarship	-0.2137	-0.4679	5.0409	9.3690	8.8950	13.0586	7.1787	4.1260	3774.6929	38.4941	12.4233	48.8541	0.0530
HDFC Children's Gift Fund	-0.2622	-2.9787	6.8412	13.6146	10.5129	17.9671	16.6526	16.8011	2226.4001	67.6602	14.3174	18.0069	0.0415
ICICI Pru Child Care Fund-Gift Plan	-0.3000	-2.0265	6.2665	9.6058	9.6723	18.4175	12.7124	16.6007	591.7701	63.9823	17.6165	15.5669	0.0367



# MF RECOMMENDATIONS

FOF Funds Domestic	Absolute				CAGR				Fund Fact	Asset Allocation			Ratio
	DivReInvest				DivReInvest								01-Jul-2015 To 02-Jul-2018
	NonCorporate				NonCorporate								
Scheme Name	3 Months	6 Months	1 Year	2 Years	3 Years	5 Years	10 Years	SINCE INCEPTION	AUM	Equity	Cash	Debt	Sharpe
Category: FoFs													
IDFC All Seasons Bond Fund-Reg(G)	0.6225	2.0268	4.0955	6.3212	7.0024	7.8988	7.8791	7.4385	162.0277	0.0000	-0.1863	0.0000	0.1507
ICICI Pru Advisor Series-Debt Mgmt Fund(G)	0.8861	2.5400	5.1709	7.5953	9.3994	8.7062	7.6957	7.2452	232.3256	0.0000	0.9726	0.0000	0.1186
IDFC Asset Alloc-Cons-Reg(G)	0.7845	1.0043	5.0739	8.1773	7.5837	9.4686		8.7363	23.8756	0.0000	1.5570	0.0000	0.0853



# MF RECOMMENDATIONS

FOF Funds International	Absolute				CAGR				Fund Fact	Asset Allocation				Ratio	
	DivReInvest				DivReInvest					AUM	Equity	Cash	Debt	Other	01-Jul-2015 To 02-Jul-2018
	NonCorporate				NonCorporate										Sharpe
Scheme Name	3 Months	6 Months	1 Year	2 Years	3 Years	5 Years	10 Years	SINCE INCEPTION	AUM	Equity	Cash	Debt	Other	Sharpe	
Category: FoFs															
DSPBR US Flexible Equity Fund-Reg(G)		6.8838	18.1672	17.1711	11.4859	13.5282		15.6031	190.8202	0.0000	5.0557	0.0000	94.9443	0.0453	
Edelweiss Gr China Equity Off-Shore Fund-Reg(G)	1.7296	2.4137	24.9291	24.3065	9.8109	13.8807		12.4217	50.1629	0.0000	0.4469	0.0000	99.5531	0.0419	
Franklin India Feeder - Franklin U.S. Opportunities Fund(G)	14.8783	19.5194	30.5330	21.8992	12.1971	15.7077		18.1459	597.0496	0.0000	0.3332	0.0000	99.6668	0.0371	

Notes:

Data Source: ACE MF Software

Data as on July 2, 2018

Fund Recommendations are based on an Internal Fund Research and Selection Process

Disclaimer: Mutual Fund Returns are not guaranteed



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Prabhudas Lilladher Pvt. Ltd.

MFSS Desk, 3rd Floor, Sadhana House,  
570, P.B. Marg, Worli, Mumbai 400018

Tel: 022 6632 2366 | 1860 210 2222

WhatsApp: 022 6632 2366

Email: [mfss@plindia.com](mailto:mfss@plindia.com)

[www.plindia.com](http://www.plindia.com)

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