

TATA CAPITAL

Investment Advisory Services

INVESTMENT TRACKER

Feb - Mar 2017



TATA CAPITAL

We only do what's right for you

Foreword

In the midst of global turbulences arising from US in the form of protectionism and impending Fed rate hike, the Indian economy has continued to show resilience. The recent GDP numbers taking into effect the impact of demonetization demonstrated that the disruption caused was short lived. Further, the Reserve Bank of India in its policy statement maintained that the impact of demonetization was likely to be transient and expected that the inflation trajectory is likely to become more proficient considering reversal of impact of demonetization and firming up of commodities prices specifically crude. Hence, a shift from the accommodative stance to neutral stance took the bond markets by absolute surprise with yields inching above the pre-demonetization levels. Equity markets, after a lull post the demonetization, have bounced back sharply with benchmark indices touching new 52 week highs showcasing the underlying strength of fund flows in the economy both from foreign investors as well as channelizing of savings into the capital markets.

Markets in recent times have witnessed heightened volatility across various asset classes. At TATA Capital, we strongly believe that maintaining right asset allocation is key for better risk adjusted returns for any portfolio. Further, we strongly believe that we need to be highly watchful as well as nimble in times of volatility to ensure fair risk reward from client's portfolio. Accordingly, we implement changes in our strategy for asset classes as and when the market dynamics requires us to. In recent times, on the debt part we have been recommending investments more towards accrual strategy compared to duration strategy keeping in view the looming threats of US Fed action and RBI's stance reversal. On equities front, we are consistently suggesting to increase exposure specifically towards diversified funds and for more aggressive investors themes like PSU and infrastructure have been focused up on. Further, the real estate market remains one of the sizeable portion of client's investment, hence prudently we are suggesting movement from residential real estate to more profound commercial real estate funds to ensure more durable and consistent returns.

At TATA Capital, we always ensure that we give the right guidance to our clients for their investments by ensuring in-depth research of products as well as markets. We ensure to maintain highest service standards for all your investment requirements.



Dasvir Ankh

National Head – Wealth Management, Distribution & Advisory
Tata Capital Financial Services Ltd.





Message from Advisory Desk

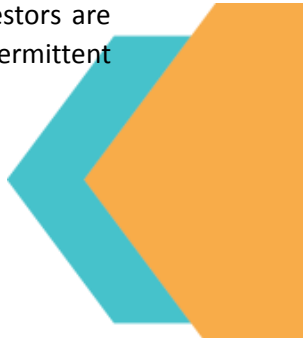
The month of February witnessed domestic events taking centre stage with the Union Budget 2017-18 continuing its focus on fiscal discipline while pushing infrastructure growth and rationalising spending priorities. Further efforts for a clean economy and push for development was evident from the Budget Statement. On the other hand, Reserve Bank of India changed the stance of Monetary policy from accommodative to neutral considering the revival of inflation risks and hawkish monetary policy stance from the US Fed. GDP growth numbers witnessed minimal impact of demonetisation on the Indian economy with a growth rate of 7 percent during the Oct-Dec'16 quarter.

On the global market front, US Fed's monetary policy stance and US President's protectionist policies continued to remain the most coveted factor for directional course of markets. The focus of US President's policies is to spur the US job creation and manufacturing activities which are likely to be done through tighter immigration rules, higher border taxes and border tax adjustments. Further, continued growth woes from European region, Japan and China kept market participants on tenterhooks.

On the Debt market front, the surprise policy moves by the RBI of not only keeping the rates unchanged but also changing the policy stance from accommodative to neutral led to sharp rise in benchmark yields to the pre-demonetisation levels. RBI cited growing risk of inflation accelerating on back of rising commodity prices amid exchange rate volatility. RBI also committed itself to bringing inflation close to 4% range. Further, bond yields continued to rise on back of worse than expected hardening of WPI which came in more than expectation at 5.09% amid rise in core inflation data. In the month gone by, the new 10-year bond yield rose 48 bps m-o-m ending at 6.87% compared to previous month's close of 6.39%.

Going ahead, with rate cuts saga taking a back seat, the entire focus would be on global macroeconomic factors - such as further firming up of crude prices, stronger recovery in US (which could lead to interest rate hike by the US Fed), trend of US treasury yields along with investment trend of FPIs will provide direction to yields in the near to medium term. Yield curve is likely to steepen with liquidity likely to remain sufficient at least till early months of FY 2017-18, however the longer end of the curve would continue to witness adjustments on the upside.

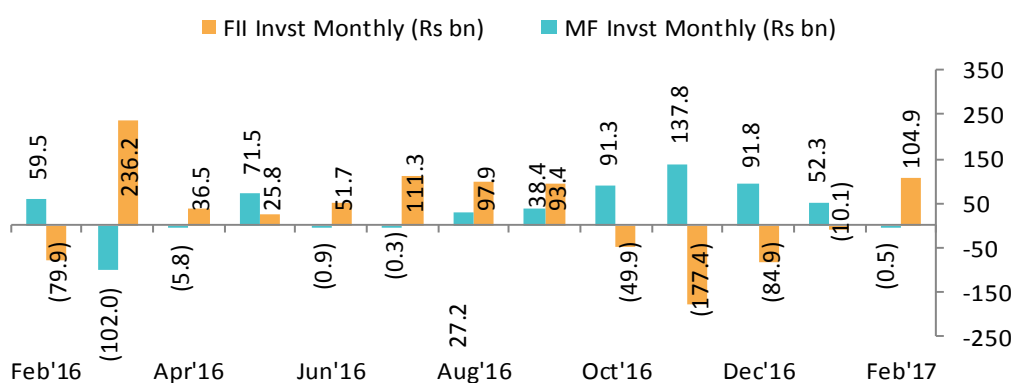
The equities markets have rallied sharply in the past month and indices are hovering near its all-time highs. The earnings announcements not giving nasty surprises and economic activity witnessing earlier than expected pullup post the demonetization blow boosted overall market participants. Strong fund flows from foreign investors and domestic savings getting channelized into the market has supported the recent rally. Going ahead, we remain cautious on the equity markets in the near term considering the current levels and lack of immediate domestic triggers. Further, international events notably the Federal Open Market Committee (FOMC) meeting scheduled during this month on the rate hike decision is to be watched. On an overall basis, we remain positive on the long term prospects of the equities markets given the strong fundamentals of Indian economy. In the near term, we suggest to book profits where possible. Equity markets may witness stock specific action and specific stocks in various sectors may show resilience in volatile markets. Long term investors are suggested to take exposure to equity markets in a staggered manner to benefit from intermittent volatility.



Equity Markets

Equity markets made a sharp come back in the month of February after witnessing volatility post the demonetization decision and ongoing results season. Strong fund flows from domestic as well as international market participants have been the key driver for the run up in the past month. The Union Budget which was presented on the first day of the month, maintained the balanced between fiscal prudence and growth impetus in a fairly efficient manner thereby lifting overall market sentiment which resulted in positive equity market reaction for the day. The RBI policy of keeping a status quo on rates and reversing its stance from accommodative to neutral, did come as a surprise as market participants were hoping for a cut post government's demonetization move. The volatility however was short lived as indices bounced back supported by strong fund flows. Further the FM's commentary that the economic activity is likely to witness "V-shape" recovery post the demonetization move added to the positive sentiment. All an all, Sensex closed 3.9% up, while Nifty was down 3.7% during the period (31st Jan'17 to 28th Feb'17).

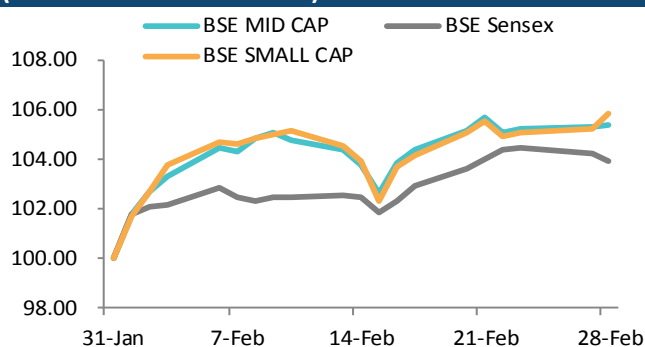
FII & Mutual Funds trends (Feb'17)



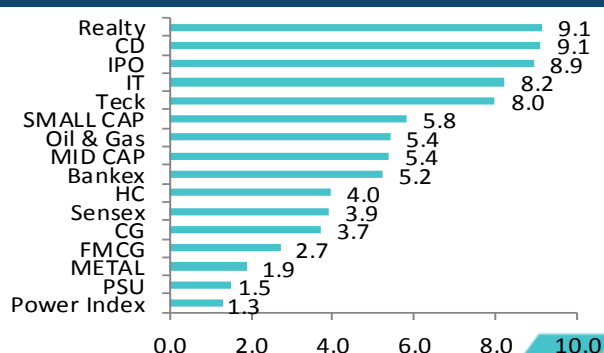
Source: BSE India

Equity markets – Performance

Markets closed in green during the period (31st Jan'17 to 28th Feb'17)



Indices* movement between 31st Jan'17 to 28th Feb'17



Source: BSE India, *S&P BSE Sectoral Indices



Equity markets – Outlook

The equities markets have rallied sharply in the past month and indices are hovering near its all-time highs. The earnings announcements not giving nasty surprises and economic activity witnessing earlier than expected pullup post the demonetization blow boosted overall market participants. Strong fund flows from foreign investors and domestic savings getting channelized into the market has supported the recent rally.

Going ahead, while we continue to favour equities as an asset class, considering the current higher levels and lack of immediate domestic triggers, markets could witness volatility in the near term. Further, international events notably the Federal Open Market Committee (FOMC) meeting scheduled during this month on the rate hike decision is to be watched. While the hike in interest rate by the US Fed is mostly factored in, the tone of the policy on the further hikes will be watched closely by the market participants. The aggressive guidance could trigger fund outflows in the near term. Also, the start of the BREXIT process and its repercussions globally are yet to be completely assessed and may lead to volatility in international markets.

Domestically, Indian economy continues to enjoy more stable macros compared to its peers. The recent GDP numbers released came in as a surprise to be better than projected and suggests that the economy to be back on track swiftly post the demand deceleration witnessed after demonetization impact. We would however await further economic indicators to come to a broad based conclusion. The corporate results for the forthcoming quarter also need to maintain the recovery track to underline solid fundamental shift. On an overall basis, we remain positive on the long term prospects of the equities markets given the strong fundamentals of Indian economy. In the near term, we suggest to book profits where possible. Equity markets may witness stock specific action and specific stocks in various sectors may show resilience in volatile markets. Long term investors are suggested to take exposure to equity markets in a staggered manner to benefit from intermittent volatility.



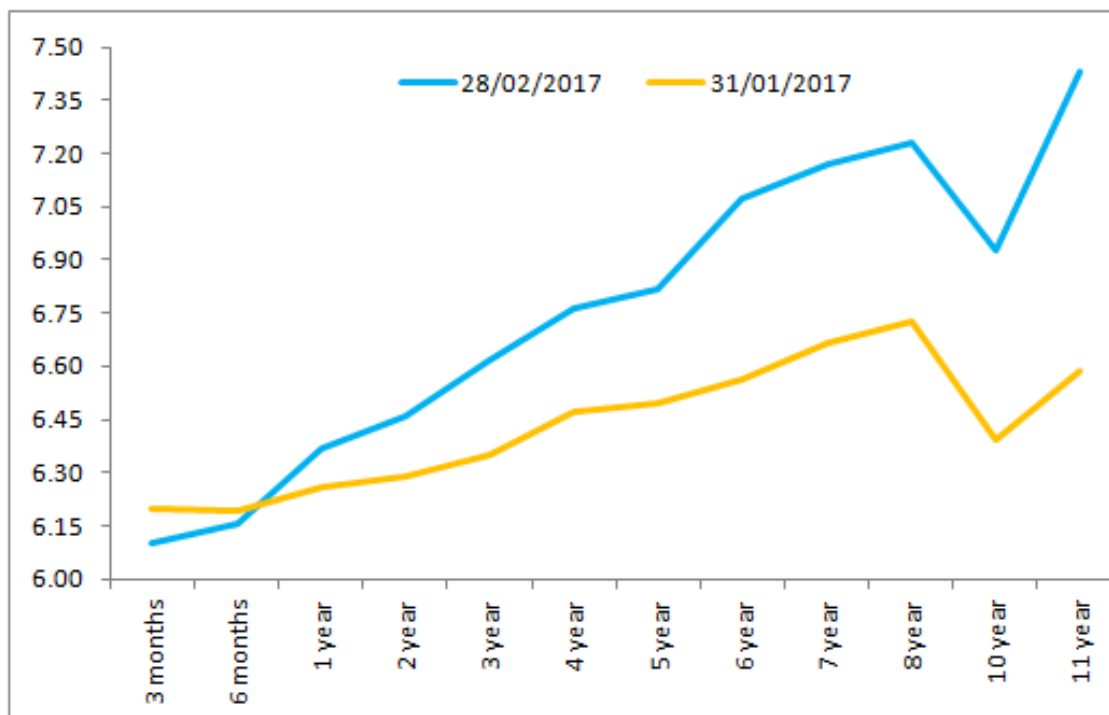
Debt markets - Key Influencers

Factors	Short term Outlook	Medium Term Outlook
Inflation	Increase	Increase
Impacted by note ban, retail inflation fell to 3.17% in January mainly on account of declining prices of food items including vegetables and pulses. Consumer Price Index-based inflation stood at 3.41% in December 2016 and at 5.69% in January 2016. However, the core-CPI inflation, excluding food & beverages and fuel & light, inched higher to 5.1% in January from 4.9% in December. The stickiness in core inflation despite continued decline in other parts of the index remains a concern. It is expected that the retail inflation will going forward, may rise due to reversal in the base effect and the seasonal rise in prices of perishables.		
Currency	Depreciate	Neutral
In the initial month, the local currency received support as gains registered by domestic equities following the announcement of the budget augured well for the local unit. A large uptick in foreign capital flows too boosted the rupee against the dollar. Moreover, weakness in the greenback globally following the US Fed's monetary policy statement also aided the domestic currency. However, some downfall was witnessed after Federal Reserve Chairman Janet Yellen hinted that the Fed might raise interest rates at an upcoming meeting to be held in March. For the month, the rupee appreciated by 1.59%. Going forward, the local currency will watch out for the EU summit, to be held on March 9-10, where British PM Theresa May could trigger Britain's exit from the European Union (EU) along with US Fed meet to be held on March 15-16.		
Monetary Policy	Neutral	Neutral
The Reserve Bank kept the benchmark repo rate unchanged at 6.25%. The status quo maintained by RBI was contrary to market expectations which was expecting a 25 bps cut in rates post a balanced Union budget and support to the sagging economy post demonetization. In addition, in a surprise move the apex bank changed its stance from accommodative to neutral citing increased inflationary expectations notably in the later part of the year. The RBI has clearly laid out the direction to target 4% CPI on a durable basis in context of stubborn core inflation. The RBI has given clear justifiable reasons in the form of global uncertainty and firming up of commodity prices along with revival of vegetable inflation post re-monetization as key risks, which needs to be watched. Further, any review on the stance of monetary policy by RBI is likely to be post Q3 of 2017-18 only. Hence, we think that it's almost official flag off to the end of rate cut cycle.		

Debt markets – Performance

Indicators	28/02/17	31/01/17	Change
Domestic Indicators			
10-Yr G-sec (%)	6.87	6.39	48 bps
CP 1 Year (%)	7.20	7.25	5 bps
Corporate 5 Year (%)	7.42	7.00	42 bps
Overnight Call Rates (%)	5.95	6.10	15 bps
Five Year OIS (%)	5.73	6.18	45 bps
International Indicators			
Libor 3 mnth (%)	1.05	1.04	1 bps
US Treasury 2 Yr. (%)	1.30	1.22	8 bps
US 10 Yr (%)	2.42	2.48	6 bps

G-Sec Yield Curve

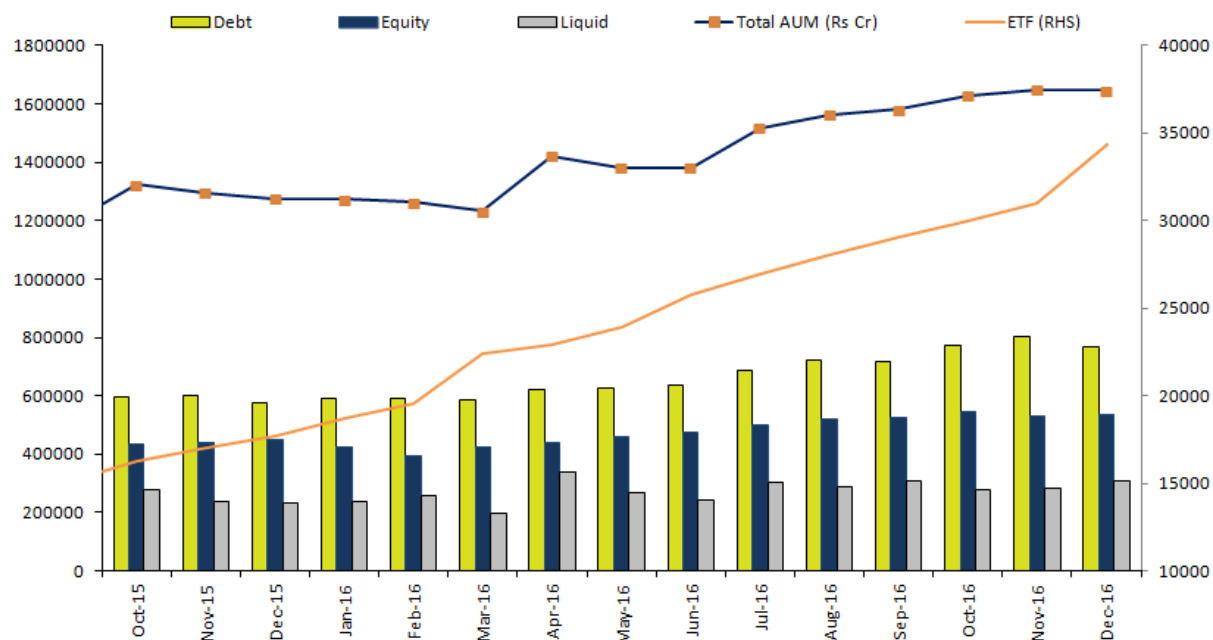


Debt markets - Outlook

RBI surprised the markets with not only keeping the rates unchanged but also changing the policy stance from accommodative to neutral in its February policy meet. RBI cited growing risk of inflation accelerating on back of rising commodity prices amid exchange rate volatility. RBI also committed itself to bringing inflation close 4% range. Bond markets reacted sharply to this surprise move and the yields had witnessed massive surge in yield by 30-35 bps post the policy announcement. Moreover, bond yields continued to rise on back of worse than expected hardening of WPI which came in more than expectation at 5.09% amid rise in core inflation data. In the month gone by, the new 10-year bond yield rose 48 bps m-o-m ending at 6.87% compared to previous month's close of 6.39%.

Going ahead, with rate cuts saga taking a back seat, the entire focus would be on global macroeconomic factors - such as possible rise in crude prices, stronger recovery in US (which could lead to interest rate hike by the US Fed), trend of US treasury yields along with investment trend of FPIs will provide direction to yields in the near to medium term. Yield curve is likely to steepen with liquidity likely to remain sufficient at least till early months of FY 2017-18, however the longer end of the curve would continue to witness adjustments on the upside.

AUM Movement (Rs. in Crore)



Debt category saw rise in its AUM m-o-m. The assets under Debt category rose by 4.65% m-o-m. The AUM increased from Rs. 7.67tn in Dec'16 to Rs. 8.03tn in Jan'17. The category accounts for 46.20% of the overall assets of the Indian MF industry. The fall in AUM was due to outflows witnessed in Gilt categories. Except Gilt Fund category, all other debt categories witnessed AUM growth in Jan'17 as compared to Dec'17.

Equity assets registered rise in AUM in Jan'17 from Rs. 5.35tn in Dec'16 to Rs. 5.68tn in Jan'17. Equity AUM rose by 6.19% m-o-m. The category accounts for 32.68% of the overall assets of the Indian MF industry. The category rose on back of combined inflows witnessed in Equity, Balanced and ELSS funds. The total inflow witnessed during the month under review was Rs. 0.08tn.

Liquid fund assets under management rose during the period under review. It grew by 4.26% m-o-m. The AUM increased from Rs. 3.09tn in Dec'16 to Rs. 3.22tn in Jan'17. It witnessed net inflows of Rs. 0.11tn during the month.

The total industry's AUM rose 5.51%, or Rs. 0.91tn, and touched a new high at Rs. 17.37tn in Jan'17 as against Rs. 16.46tn seen in previous month. The AUM rose on back of strong inflows witnessed in income, equity and ELSS funds. While, only Gilt and Gold ETF categories saw AUM fall in Jan'17 as against Dec'16.

The other ETFs category witnessed maximum growth in AUM m-o-m; it rose from Rs.0.29n in Dec'16 to Rs.0.37tn in Jan'17. It grew the maximum by 29.75% m-o-m. However, the AUM of Gold ETF fell during the month by 2.74% to Rs. 0.06tn in Jan'17. The overall ETF category accounts for only 2.48% of the overall assets of the Indian MF industry.

Investment Strategy

Model Portfolios

	Safe	Moderate	Growth	High-Growth
Cash	15%	10%	5%	5%
Liquid MF	Liquid Scheme Recommendations			
Debt	75%	70%	40%	25%
Debt MF	Short Term Income Funds			
Debt MF			Credit Funds	Credit Funds
MIP	MIP (Conservative)	MIP		
Corporate Fixed Deposit	HDFC LTD/ Bajaj Finance LTD/ Mahindra Finance Ltd	HDFC LTD /DHFL / Bajaj Finance LTD/ Mahindra Finance Ltd	Shriram Transport Finance/ DHFL	Shriram Transport Finance/ DHFL
Bonds/NCDs	As Available			
Equity	5%	15%	50%	65%
Mutual Funds	Large Cap MF	Large Cap MF	Large Cap MF	Large Cap MF
Mutual Funds	Balanced MF	Diversified MF	Diversified MF	Diversified MF
Mutual Funds		Balanced MF	Balanced MF	Mid- Cap MF
Mutual Funds	NA	NA	Mid- Cap MF	Mid- Cap MF
PMS	NA	NA	PMS	PMS
Gold	5%	5%	5%	5%
Gold ETF (Bees)	Gold ETF			

Our Product Recommendations

Equity Mutual Funds – BUY Recommendations & Performance

Category	Absl (%)		CAGR (%)		Std. Dev.	Sharpe
	6 Months	1 Year	3 Years	5 Years	1 Year	1 Year
Large Cap Funds						
Birla Sun Life Top 100 Fund	5.3	32.4	20.4	17.5	4.3	0.5
ICICI Prudential Top 100 Fund	7.9	37.8	19.1	15.6	3.8	0.6
SBI Bluechip Fund	2.0	27.3	21.3	18.6	4.5	0.4
Mid and Small Cap Funds						
Mirae Asset Emerging Bluechip Fund	10.9	49.5	36.5	29.1	4.7	0.6
DSP BlackRock Micro Cap Fund	7.9	50.4	42.7	29.8	4.9	0.6
HDFC Mid-Cap Opportunities Fund	6.4	45.6	30.9	24.0	4.9	0.6
Canara Robeco Emerging Equities	7.4	45.7	38.1	27.1	5.5	0.5
Franklin India Smaller Companies Fund	4.5	40.7	35.5	29.4	4.8	0.5
Reliance Small Cap Fund	12.5	47.1	38.8	29.4	5.1	0.6
Diversified Funds						
L&T India Value Fund	12.3	44.2	34.5	24.4	4.9	0.6
Kotak Select Focus Fund	7.1	38.1	25.3	20.0	4.5	0.5
SBI Magnum Multi Cap Fund	5.1	35.5	26.3	19.5	4.7	0.5
Mirae Asset India Opportunities Fund	6.9	37.2	22.9	18.9	4.5	0.5
Motilal Oswal MOST Focused Multicap 35 Fund	11.0	41.0	--	--	5.1	0.5
Franklin India High Growth Companies Fund	7.7	38.2	28.8	23.1	4.6	0.5
DSP BlackRock Opportunities Fund	7.2	43.6	24.1	18.3	5.2	0.5
IDFC Classic Equity Fund	8.3	37.7	17.2	15.0	4.3	0.5
ELSS Funds						
Axis Long Term Equity Fund	-0.2	21.4	22.7	21.3	4.6	0.3
DSP BlackRock Tax Saver Fund	5.9	40.7	25.1	19.9	5.0	0.5
Franklin India Taxshield	3.9	28.1	23.0	17.6	4.1	0.4
Reliance Tax Saver (ELSS) Fund	7.8	40.8	28.7	20.5	4.9	0.5
Balanced Fund						
ICICI Prudential Balanced	8.0	34.4	21.3	18.2	2.8	0.7
Franklin India Balanced Fund	2.5	22.9	20.2	15.9	3.1	0.4
L&T India Prudence Fund	6.0	25.7	21.6	17.7	3.4	0.4
HDFC Balanced Fund	5.9	31.2	21.2	16.9	3.3	0.5
Reliance RSF - Balanced	5.7	27.9	20.9	16.4	3.6	0.4
Sectoral & Thematic						
SBI Magnum COMMA Fund	17.5	64.1	25.5	9.4	4.8	0.8
SBI PSU Fund - Growth	16.1	49.6	19.3	5.7	3.8	0.8
Kotak Infrastructure & Economic Reform Fund	6.0	36.4	29.6	15.5	4.6	0.5
L&T Infrastructure Fund	12.7	53.7	32.0	16.8	5.3	0.6
Canara Robeco Infrastructure Fund	4.1	33.0	27.7	13.9	5.1	0.4

New Entrants

Less than one-year absolute, CAGR returns more than one year, Returns as on 28 Feb 2017

Equity Mutual Funds – HOLD Recommendations & Performance

Category	Absl (%)		CAGR (%)		Std.Dev.	Sharpe
<i>Large Cap Funds</i>	6 Months	1 Year	3 Years	5 Years	1 Year	1 Year
<i>Birla Sun Life Frontline Equity Fund</i>	3.9	31.7	20.0	17.4	4.5	0.4
<i>ICICI Prudential Focused Bluechip Equity Fund</i>	6.1	33.9	18.3	15.2	4.0	0.5
<i>Mid and Small Cap Funds</i>	6 Months	1 Year	3 Years	5 Years	1 Year	1 Year
<i>SBI Magnum Midcap Fund</i>	2.9	35.4	29.5	26.9	4.9	0.4
<i>ELSS Funds</i>	6 Months	1 Year	3 Years	5 Years	1 Year	1 Year
<i>IDFC Tax Advantage (ELSS) Fund</i>	6.0	34.0	20.7	18.4	5.0	0.4
<i>Balanced Fund</i>	6 Months	1 Year	3 Years	5 Years	1 Year	1 Year
<i>Tata Balanced Fund - Plan A</i>	1.6	23.3	20.5	17.2	3.5	0.4
<i>SBI Magnum Balanced Fund</i>	2.4	20.7	19.5	17.8	3.2	0.3

Less than one-year absolute, CAGR returns more than one year, Returns as on 28 Feb 2017

Equity Mutual Funds – 3Q FY17 Rankings Update

New Entrants

Category	Large-Cap
Scheme Name	ICICI Prudential Top 100 Fund
Rationale	This large cap oriented scheme has its exposure split into large, mid and small cap segments, with large cap constituting ~78% of the portfolio. The scheme has a fairly concentrated portfolio of 38 stocks and hence volatility in returns can be witnessed. The scheme has been able to beat the benchmark in the 9 out of the past 12 quarters. The fund is an aggressive large-cap scheme and is suggested from a 3-5 year investment horizon.
Category	Mid and Small Cap Funds
Scheme Name	HDFC Mid-Cap Opportunities Fund
Rationale	True to its name, the fund invests more than 50% into mid-cap category and has the flexibility to allocate 25-30% into the large cap segment. The fund has been a consistent performer. However, the performance took a hit during 2015 majorly because of its conservative portfolio in an upward trending market. The scheme is a conservative mid-cap scheme and has proven to be a great bet during volatile times. It has beaten its benchmark in 9 out of the past 12 quarters. The same is suggested from diversification perspective with a horizon of 3-5 years.
Category	Diversified Funds
Scheme Name	SBI Magnum Multi Cap Fund
Rationale	This diversified scheme has around 50-55% in large caps, ~34% in mid-caps and ~9% into small caps. The fund follows a growth style of investing. The scheme is ranked amongst the top three schemes in the category in our internal ranking model. It has beaten its benchmark in the 10 out of the past 12 quarters. The fund's consistent track record makes it a good long term bet.

Category	Diversified Funds
Scheme Name	DSP BlackRock Opportunities Fund
Rationale	This is a large-cap biased diversified scheme with more than 75% invested into the large cap category. The fund's performance has seen a notable improvement in the past one year and has beaten the benchmark in 11 out of the past 12 quarters. The fund also takes active calls depending on market opportunities giving it a slight tactical bend. This albeit raises the risk quotient of the scheme and can be considered from a diversification perspective over a 3-5 year investment horizon.
Category	Balanced Funds
Scheme Name	HDFC Balanced Fund
Rationale	The fund runs a 70:30 allocation in Equity and debt category respectively. The equities allocation is tilted more towards midcaps taking it towards on slightly aggressive side. The debt portion is invested into highly rated papers. The fund has climbed in our internal rankings owing to its recent superior performance. The scheme has outperformed its benchmark in the 9 out of the past 12 quarters. The fund's 10-year performance can be compared to vanilla equity funds. The scheme is suggested from diversification perspective.
Category	Sectoral & Thematic
Scheme Name	SBI PSU Fund
Rationale	SBI PSU Fund is our Thematic Pick. The key recommendation rationale behind it is the post demonetization effects and the likely beneficiaries of this move. The demonetization move has resulted into widened tax base driving higher tax revenues and liquidity with the government. The same is expected to get channelized into higher public spending and PSUs are likely being its primary beneficiaries. Richard D'souza is the fund manager of this fund, who is also the fund manager for SBI COMMA Fund which was recommended last year as our previous thematic idea (Generated returns ~33% in one year). The scheme has a concentrated portfolio of 19 stocks spread across 6 sectors with Energy being the largest (~51%). The same is recommended to High Growth investors with a horizon of 2 years.
Category	Sectoral & Thematic
Scheme Name	Infrastructure Funds
Rationale	Infrastructure funds are also recommended since past one year and are yet to gain traction in our view. Nevertheless, we believe given the rise in public spending and the government's push towards infrastructure developments, this sector is poised to give lucrative returns in the coming 5-7 years given its still low valuations. The clients can consider going through the SIP route for the next 8-12 months into this segment and hold the investment for at least 5 years in order to generate attractive returns.

Equity PMS Offerings

Sr. No	Name of the PMS	Fund Manager	Theme	Ticket Size	Suitable for	Our View
1	Tata Consumption ¹		Consumption related	50 Lacs	Growth & High-Growth	HOLD/BOOK PROFIT
2	ICICI PIPE	Aditya Sood	Small Cap	25 Lacs	High Growth	BUY
3	Motilal Oswal NTDOP ²	Manish Sonthalia	Small and Mid Cap	25 Lacs	High Growth	HOLD
4	Birla Core Equity PMS ²	Vishal Gajwani, Ms. Natasha Lulla	Diversified	25 Lacs	Growth & High-Growth	HOLD/BOOK PROFIT
5	Motilal Oswal IOP	Varun Goel	Small and Mid Cap	25 Lacs	Growth & High-Growth	BUY
6	Kotak Special Situations Value Strategy	Anshul Saigal	Diversified	25 Lacs	Growth & High-Growth	BUY

1: Due to change in fund management, we suggest no fresh buying

2: The strategy is closed for investment; existing investors can continue to hold.

Name of the PMS	Theme			Suitable for		
Tata Consumption	Consumption related			Growth & High-Growth		
Investment Strategy: This thematic portfolio would have companies that have the ability to generate sustainable stakeholder value through their positioning to capture the transformational changes of the Indian economy on the basis of changing demographic profile, rapid urbanization and resilience of rural demand i.e. Indian consumption opportunities. Stock selection would focus on companies possessing long-term competitive advantage underscored by brand loyalty and which are continuously introducing products/ideas to create new markets.						
Suitability: On a fundamental basis, we believe that India is at an inflexion point as far as discretionary consumer spending is concerned. As the economy revives and GDP growth picks up, increase in the consumer disposable income is expected to drive growth in the consumption related sectors in India. The portfolio is suitable for Growth and High-Growth investors with an investment horizon of 3-5 years.						
Model Portfolio Performance:	1-Month	3-Month	6-Month	1 Year	3 Year	Since Inception (Dec'10)
Consumption Portfolio	5.04%	-0.72%	6.56%	27.48%	102.09%	184.99%
Nifty 50	4.59%	-0.75%	-0.89%	13.19%	40.59%	55.49%

Returns <= 1 year: Absolute. Returns > 1 year CAGR, 31st Jan'17

Name of the PMS	Theme	Suitable for		
ICICI PIPE	Small Cap	High-Growth		
Investment Strategy: The PMS PIPE portfolio follows an approach similar to private equity by taking stakes in small and mid-cap companies available at a discount to intrinsic value. The PMS is a focused portfolio of 10-15 stocks comprising of listed small and mid-cap Indian companies. The target universe of investee companies includes emerging companies starting from 281st company ranked in terms of Full Market Cap (below INR 2500 crore as on March 15, 2013).				
Suitability: The theme of the PIPE PMS aims to ride the small-cap wave by investing in true to label small-cap companies at a very early stage in their evolution, thus providing an opportunity for investors to take part in their growth. The portfolio is a high risk high return proposition with a long term horizon of 3-5 years given its concentrated theme of 10-15 stocks from the universe of small-cap companies. The portfolio is suitable for High-Growth investors with an investment horizon 5 years.				
Model Portfolio	3-Month	6-Month	1 Year	Since Inception (Nov'13)
Performance:				
PIPE Portfolio Series 1	-13.55%	-2.36%	20.92%	39.12%
S&P BSE Small-Cap	-4.77%	5.08%	19.01%	27.04%

Returns <= 1 year: Absolute. Returns > 1 year CAGR, 31st Jan'17

Name of the PMS	Theme	Suitable for			
Motilal Oswal NTDOP	Small & Mid Cap	High-Growth			
Investment Strategy: The Strategy aims to deliver superior returns by investing in stocks from sectors that can benefit from the Next Trillion Dollar GDP growth. It aims to predominantly invest in Small and Mid-Cap stocks with a focus on non-Nifty companies. The stock portfolio would consist of 15-20 scrips with individual stock allocation limit of around 10% for Mid-caps and 5% for Small caps.					
Suitability: This small & mid-cap focused portfolio strives to invest in companies from sectors which are poised to benefit from the GDP growth and the growth in the discretionary spending. The small and mid-cap spectrum of universe offer better valuations and therefore increased returns potential in this space albeit with a higher investment horizon and volatility. The strategy is therefore suggested to High-Growth investors with an investment horizon 5 years.					
Model Portfolio	3-Month	6-Month	1 Year	3 Year	5 Year
Performance:					
Motilal Oswal NTDOP	-5.74%	-0.56%	30.38%	37.57%	32.46%
Nifty Free Float Midcap 100	-3.13%	4.34%	23.62%	26.91%	16.77%

Returns <= 1 year: Absolute. Returns > 1 year CAGR, 31st Jan'17

Name of the PMS	Theme	Suitable for			
Birla Core Equity PMS	Diversified	Growth and High-Growth			
Investment Strategy: The PMS consists of 25-30 stocks selected from a multi-cap universe. The strategy followed is of value investing based on quantitative screeners supported by fundamental research. One of the most important tools used to identify growth industries and businesses at attractive valuations is the P-score (Piotroski – Score) methodology. P-Score measures the overall strength of the firm’s financial position and the improvement (delta) in the financial position of the firm. The PMS offers a differentiation through an investment strategy that buys High P-score stocks and shorts Low P-score stocks within its universe.					
Suitability: The PMS has a multi-cap universe, with a mid & small-cap bias (around 65% in mid & small-cap currently). The strategy offers differentiation led by its selection methodology and proven track record due to its strong patronage in stringent policies and processes. The strategy is therefore suggested to Growth and High-Growth investors with an investment horizon 3-5 years.					
Model Portfolio	3-Month	6-Month	1 Year	3 Year	5 Year
Performance:					
Birla Core Equity PMS	-7.35%	-2.18%	16.53%	41.93%	33.33%
CNX 500	-1.63%	0.67%	16.40%	16.14%	12.55%

Absolute returns as on 31st Jan'17 till 1 year and annualized for greater than 1 year

Name of the PMS	Theme		Suitable for		
Motilal Oswal IOP	Small & Mid Cap		Growth & High-Growth		
Investment Strategy: In Feb'16 Motilal Oswal AMC repositioned the multi cap PMS as the new small and midcap strategy PMS under the fund manager Varun Goel. The PMS would have a concentrated portfolio of 15-20 stocks. The focus is to pick high growth small and midcap stocks which will be the mid and large cap stocks of tomorrow. IOP average market cap is 6,000 Crores.					
Suitability: This small & mid-cap focused portfolio focuses to capitalize on three themes viz. Rise in Discretionary Spending, Make in India, and the Infrastructure Push by the government. The portfolio construction is done keeping in view these three key themes. The strategy is levered to the economic & manufacturing revival of India story. The strategy is therefore suggested to Growth & High-Growth investors with an investment horizon 5 years.					
Model Portfolio	3-Month	6-Month	1 Year	3 Year	5 Year
Performance:					
Motilal Oswal IOP	-6.04%	15.26%	45.70%	29.16%	20.98%
BSE 200	-3.13%	4.34%	23.62%	26.91%	16.77%

Absolute returns as on 31st Jan'17 till 1 year and annualized for greater than 1 year

Name of the PMS	Theme		Suitable for		
Kotak Special Situations Value Strategy	Diversified		Growth & High-Growth		
Investment Strategy: The main objective of this strategy is to generate capital appreciation through investments in equities with a medium to long-term perspective. This strategy invests in all listed equity and equity related instruments with emphasis on capturing Value and Special Situation opportunities.					
Suitability: This diversified portfolio with a mid & small cap bias would comprise 10-20 stocks having Nifty 500 as its benchmark. The portfolio strategy is a mix of value & special situation opportunities. The value strategy aims to identify companies trading at a discount to its intrinsic value and offer lucrative investment opportunities. The special situations strategy keeps an eye on the probability of occurrence of one or more corporate events, rather than market events. Such situations could include; Price Related situations, Merger Related situations, Corporate Restructuring such as spin offs, management change, asset sales etc. While the value strategy is expected to provide long term returns, the special situations strategy is likely to be used as a yield kicker to boost overall portfolio returns. The strategy is suggested for growth & high-growth investors from 3-5 year investment horizon.					
Model Portfolio Performance:	3-Month	6-Month	1 Year	3 Year	5 Year
Kotak Special Situations Value	-2.40%	15.60%	29.80%	47.30%	NA
NIFTY 500	1.60%	0.70%	12.00%	16.10%	NA

Recommended Fixed Deposits

Name of the FD	Credit Rating	Rationale	Interest Payout Options				
			Mthly	Qrtly	Half-yrly	Yrly	Cum
Bajaj Finance	FAAA	Bajaj Finance has a very strong patronage and is among the largest consumer and SME finance companies in India. Also, the company has delivered strong financial performance on a continuous basis. The credit of AAA indicates that the degree of safety regarding timely payment of interest and principal is very strong.	√	√	√	√	√
DHFL	FAAA	Diwan Housing Finance Company Ltd. (DHFL) is one of the premier institutes in mid-small segment Home Loan sector. With over three decades into the business, the company also has sound financials. CARE has recently revised DHFL fixed deposit rating from CARE AA+ (FD) to CARE AAA (FD) indicating highest safety.	√	√	√	√	√
HDFC	FAAA	Housing Development Finance Corporation Ltd (HDFC) is one of the respected financial groups in India, started operation in 1977 and have wide network of more than 283 offices in India. HDFC has received "AAA" rating for its deposit products indicates highest safety from CRISIL and ICRA for consecutive 16 years	√	√	√	√	√
HUDCO	AAA	Housing & Urban Development Corporation Ltd. (HUDCO), incorporated in 1970, is a public sector company fully owned by Govt. of India for financing of housing and urban infrastructure activities in India. The company's FDs are rated AAA (ICRA), indicating high safety	×	√	√	√	√

Name of the FD	Credit Rating	Rationale	Interest Payout Options				
			Mthly	Qrtly	Half-yrly	Yrly	Cum
MMFSL	FAAA	Mahindra Financial Service Ltd (MMFSL), a subsidiary of Mahindra and Mahindra, is a deposit-taking, asset financing NBFC that provides financing for cars, tractors and commercial vehicles. The highest credit rating of 'AAA' by CRISIL, comfortable capital adequacy, and good pedigree are the key arguments for taking the exposure.	×	✓	✓	×	✓
PNBHFL	FAAA	PNB Housing Finance Limited is a Non-Banking Financial Company Incorporated in the Year 1988 and provides long term housing finance for construction / purchase / repair & renovation of residential housed / flats to individual (resident and NRIs) and corporate. The company scores well on credibility, financials and has sustainable growth model.	✓	✓	✓	✓	✓
Shriram Transport Finance	AAA/ AA+	Shriram Transport Finance Company (STFC) is India's largest asset financing non-banking financial corporation (NBFC) with over Rs 30,000 crore of assets under management (AUM). This FD scheme has been assigned a FAAA/stable rating by Crisil and an MAA+/stable rating by ICRA, indicating high level of safety.	✓	✓	✓	✓	✓

Debt Fund Recommendations

Liquid Funds

Liquid fund is a category of mutual fund which invests primarily in money market instruments like certificate of deposits, treasury bills, commercial papers and term deposits having maturity of up to 91 days.

Recommended Schemes	HDFC Liquid Fund	IDFC Cash Fund	ICICI Liquid Fund	Birla Cash Plus Fund	SBI Premier Liquid Fund
Corpus (Rs. Cr)	32568	11484	32374	29972	22778
Avg Maturity (Days)	43	24	29	37	29
7 days returns (percent)	6.48	6.38	6.65	6.57	6.54
1 mth Return (percent)	6.47	6.49	6.56	6.53	6.47
Asset Profile (percent)					
AAA/P1+	104	102	104	80	97
AA+/P1	2	1	1	2	0
Below AA+	0	0	0	9	0
Cash/Call/Others	-6	-3	-4	9	3

Simple Annualized Returns as on 28 Feb '17, Portfolio as on Jan'17

Ultra-Short Term Funds

Ultra-short-term funds invest in fixed-income instruments which are mostly liquid and can have short-term maturities higher than 91 days.

Recommended Schemes	IDFC Ultra Short Term Fund	ICICI Flexible Income Plan	Birla Sun Life Savings Fund	HDFC FRIF STF
Corpus (Rs. Cr)	4964	21040	18025	13616
Avg Maturity (Days)	270	387	635	558
7 days returns (percent)	8.29	8.80	6.16	7.70
1 mth Return (percent)	6.50	6.27	3.93	4.66
Asset Profile (percent)				
AAA/P1+	72	77	75	74
AA+/P1	20	3	8	13
Below AA+	7	15	13	10
Cash/Call/Others	1	4	4	3

Simple Annualized Returns as on 28 Feb '17, Portfolio as on Jan'17

Short Term Income Funds

Recommended Schemes	HDFC HIF – S T P	ICICI STP	Reliance Short Term Fund	BSL ST Opportunities Fund	IDFC SSIF-ST-Plan B
Corpus (Rs. Cr)	2273	9428	17155	5615	5921
Avg Maturity (Days)	1427	1201	1179	2015	653
3 month returns (percent)	-0.22	0.94	1.69	-2.92	4.03
6 mth Return (percent)	8.18	8.17	7.43	6.23	7.24
Asset Profile (percent)					
AAA/P1+	62	79	83	66	89
AA+/P1	5	2	13	8	7
Below AA+	27	14	1	22	0
Cash/Call/Others	5	5	3	4	4

Simple Annualized Returns as on 28 Feb '17, Portfolio as on Jan'17

Credit Funds

Recommended Schemes	UTI Income Opportunities Fund	DSP BR Income Opportunities Fund	SBI Corporate Bond Fund	Reliance RSF Debt Fund	L&T Income Opportunities Fund
Corpus (Rs. Cr)	2310	6077	2737	8447	2443
Avg Maturity (days)	726	1106	1069	876	1073
1 mth Return (percent)	3.57	0.62	3.03	3.32	2.18
6 mth Return (percent)	9.19	8.43	8.65	8.71	9.27
Asset Profile (percent)					
AAA/P1+	33	59	33	29	25
AA+/P1	6	4	9	16	0
Below AA+	42	38	52	51	64
Cash/Call/Others	19	0	6	4	10

Simple Annualized Returns as on 28 Feb '17, Portfolio as on Jan'17



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