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# MANAGING SHORT TERM LIQUIDITY NEEDS WITH DEBT



Planning for future entails both short term as well as long term needs. It is important to secure and strengthen both and thus attempt to juggle out our investments for both our near future and for our distant future needs. However sometimes we often fail to give adequate attention to our immediate and short term money management needs to the same extent as we do to the long term needs. This fact is most visibly demonstrated in our short term borrowing habits.

When we are in need of some funds, what do we do? It might be due to business capital needs or some unforeseen events or for funding some purchases and so on. So what do we do? There are two plausible solutions to the dilemma in absence of adequate emergency funds:

## LIQUIDATE YOUR ASSETS

One option is you can cash out your long term assets to meet the temporary liquidity need. Leaving aside your assets like gold due to its emotional attachment, financial assets like Bank FD's or mutual funds are often seen as easy solutions. Quite often we may even find that mutual funds are easily redeemed since it's more 'liquid' without considering the current market scenario or the long term impact it may have on our wealth creation plans or life goals. Liquidating Bank FD's may be a better idea but then again, one has to respect his/her risk profile & long term needs too, so as to not compromise on other life goals.

## TAKE A LOAN

Another option not necessarily involving any asset sale under stress, is to arrange for a short /medium term borrowing. Most often, this option is exercised to temporarily bridge a liquidity gap. The good thing about taking a loan is it's easy and timely available, depending upon your relationship with the bank/financial institution. Often there aren't too

many operational hurdles involved, one can get the money in a week's time from applying. Although a handy and preferred option, one must remember that any loan or borrowing comes at a cost and the cost is interest. There are different types of loan options available in the market carrying different features and having different interest rates and terms. As such, it becomes very important that you know the basic / key features of any product, it's advantages & disadvantages, before you opt for one.

Here are a few options available for you to choose from:

**01 PERSONAL LOAN:** One of the most common methods of meeting temporary cash crunch is you can avail a personal loan from banks or other financial institutions.

**Key points to consider:**

- ▶ They are quick and hassle free, especially for smaller amounts.
- ▶ Generally no mortgages or guarantors are required depending upon your financial standing.

- ▶ Interest rates are often high, in double digits.
- ▶ If your CIBIL score is not high, then either you might not get the loan altogether or the rates charged can be higher.
- ▶ There may be some prepayment period limitations and they may carry percentage charges. One has to clear these things out and negotiate if required and get the terms stated clearly in agreement.
- ▶ Late payment of EMIs may attract very high interest rates, so one should be careful that all EMIs are paid in time.

**02 CREDIT CARD:** Another super simple method for temporary financing is to swipe your credit card. However, this option is suitable for smaller amounts needed on urgent basis and/or only when other options are not available.

**Key points to consider:**

Credit Card financing is available in your pocket! There are two ways of using a credit card :- (i) making payments to merchants, and (ii) taking cash advance.

- ▶ Enjoy some interest free credit period, say 20 to 50 days normally, on CC spending as per your payment cycle.
- ▶ No extra documentation or formalities for cash advance. However, only limited amount can be withdrawn as a percentage of credit limit.
- ▶ You can pay only the minimum balance, which is a small percentage of the total bill amount, generally around 5%, without incurring any penalty. The rest gets rolled over.
- ▶ Exorbitant interest rates are charged on all cash advances and amounts getting rolled over. Rates can range from 1.5% to 3% per month, that is a whopping 18% - 36% per annum, the highest in all sorts of organized debts.
- ▶ You may get some benefits like reward points. However, there may be extra costs too like renewal fees, processing charges for cash advances, merchant charges for CC payments, high charges for services, etc., which one needs to consider.

**03 OVERDRAFT / CASH CREDIT:** A financing facility, now also available to salaried persons in addition to business persons. This is very popular in business community for the convenience it provides in managing funds, especially for timing mismatch of payments.

**Key points to consider:**

- ▶ Interest is payable on the amount actually used and not on the entire amount sanctioned.
- ▶ Interest rate here is comparatively lower than Personal Loan or Credit

Card debt but still high.

- ▶ If the overdraft limits are exceeded, the additional charges can be high.
- ▶ The overdraft limits are often revised by banks and one has to be careful.
- ▶ The borrower has to provide a collateral like shares, insurance policies, etc., and these may be seized if payments fail.
- ▶ Over dependence on overdraft facilities may be signs of mismanagement of working capital.

**04 LOAN AGAINST SECURITIES (LAS):**

This is the least popular but a terrific option which is available to everyone. The loan can be taken against investments in the Capital Market, like Equity/Debt mutual funds, shares, RBI Bonds, etc.

**Key points to consider:**

- ▶ An excellent tool providing liquidity to investors against investments without the need to liquidate them. Thus, anyone with investments can avoid selling at distressed prices and compromising on their financial goals.
- ▶ The investments continue to be invested and earn returns as expected. Since the investors' securities are pledged to get the loan, there is no need of a guarantor or a mortgage.
- ▶ Amount sanctioned is a percentage of investments pledged, depending on the nature of the investments.
- ▶ Available at competitive rates between 10.25 to 11.00%, often least among all other options.
- ▶ Interest is charged only on the funds

used by the client and not on the entire sanctioned amount.

- ▶ Loan can be repaid partially / fully at any time as per convenience.
- ▶ Convenient, hassle free and quick process for release of funds and repayment. Can even be done online /digitally.

**LAS @ NJ**

NJ has come up with the Online Loan against Securities facility for investors. Since it is digital, securities are pledged and E-signed and loan is sanctioned immediately. No physical documents are required for the sanction. Since there are so many investors who have invested in shares, Mutual Funds, Bonds, etc., for the long term and do not wish to liquidate their assets mid-way, LAS is a great option which provides the required funds and leaves the investments untouched. You may contact your advisor / NJ Wealth Partner for more details.

**Conclusion:**

Each one of us have faced or may face a liquidity crisis. Being aware of the credit options available and their costs will not only help you in meeting your fund needs but also in ensuring that your overall financial plans are not disturbed. Having said so, remember that adequate emergency funds should be your first source of financing and everyone must strive to create an emergency fund for self. Proper planning and being strict with your finances is how proper discipline in finances can be cultured.

# MR. BUY V/S MR. RENT? WHO'S SMARTER?



The age old Indian Investment doctrine is: the first thing to do when you start earning is "Buy a House", the sooner the better. This way you would build an asset, and stretching your means to finance the house, inculcates thrift at an early age.

Times though have changed now. Owning a home is not something which the new

generation of young working professionals see as a matter of pride or status or even as a security. Quite the opposite, many today see owning a home as a bigger liability and a limiting factor to living an aspiring and a happening life. Today, car, vacations and other white goods

occupy a higher rank on the priority list, much before one even thinks of buying a house. However, there is no denying the fact that the question of buying a house is increasingly being seen as an economical, career-oriented decision, rather than a mere societal and emotional one.

At the center of this economical decision is the Buy Vs. Rent. This is a puzzle that many are trying to figure out. Both have their advantages and disadvantages and before saying anything, let us see the arguments of Ajay and Vijay who find themselves at different ends of this question.

**Ajay:** I am strongly in favour of renting out. I am young and there is no need to get tied up in any particular city especially when I am not sure in which city I would be living in after few years! I would

like to have the flexibility of changing homes as per my preference and locality, whenever I wish. I simply feel free by not getting bogged down by heavy EMIs. This way I can enjoy my life more and even save some money to start my own business few years down the line.

**Vijay:** That's naive to think, owning a house adds burden. Think of it this way, one day you will have to buy a house, so why not today when you have the maximum time left to pay off your EMIs. I assume that your income will only increase



from here and property prices are unlikely to fall dramatically. Besides, owing a house gives you additional sense of security in life knowing that at least you have a roof on your head. In case you wish to move out, you can also put your house on rent to get a second income source. The house stays yours and will appreciate in value too.

**Ajay:** Frankly, I am not convinced on that front. Purely on economical terms, have you also factored in expenses like property registration, maintenance, society dues, etc., apart from all the expenses you will make in your house to spruce it up? As a tenant, I never have to worry about all these things. Besides, I cannot afford to live in a home of my choice given the property prices today. I will have to live out of my skin to pay the EMI's and I have to forget about weekend drives and my vacations. No bro, a house is not my cup of tea at this time.

**Vijay:** To be honest, I haven't actually calculated any figures.

**Ajay:** Why not then work out the calculations first, instead of arguing on general ideas about life. Let the figures do the talking!

### BUY A FLAT WORTH ₹ 75 LAKHS

**Ajay:** Let's say you buy a decent 2 BHK flat worth Rs.75 lakhs in a non-metro city. Your down payment (15%) will be around ₹11.25 lakhs and you will have to take a loan worth ₹63.75 lakhs. Your EMI for 20 years at 8.75% interest will be around ₹56,350. The first question that comes up is, whether you are earning at least ₹80-90,000 per month so that the EMI is affordable. If not, better scale down your house budget to a 1BHK or rent a 2BHK which you can easily get for ₹15-20,000 max. Remember that the rental yield (rent divide by property price) is between 2-3% in all major cities.

**Vijay:** I think I can afford the EMIs. But I guess ₹75 lakhs is less as registration charges, brokerage, etc., should add another ₹10 lakhs.

**Ajay:** Very well, in that case your EMI will be almost ₹59,500/- for a 25 year period for a slightly higher loan amount. Against this, assuming a ₹20,000 rent, your monthly savings will be around ₹40,000 net of EMI which can be invested for the long term. Further, while you will save on the down payment of 15%, let us also account for rent security deposit for 6 months and then invest the

Figures are in ₹ Lakhs	10 yrs	15 yrs	20 yrs	25 yrs
<b>Buy: Value of house</b> (assuming 7% annual appreciation)	183 L	270 L	396 L	582 L
<b>Buy: Outstanding loan</b>	60 L	47 L	30 L	0
<b>Buy: Possible Net worth</b>	123 L	223 L	366 L	582 L
<b>Rent: Value of (a) down payment savings</b>				
<b>(b) monthly savings net of EMI (-) Rent</b> (assuming returns of 12%)	124 L	250 L	474 L	867 L

balance amounts. Now for simplicity sake, let us ignore all society maintenance costs, brokerage / shifting costs for being on rent and income tax benefits which are available for both buyers and renters. Let us quickly work out the numbers:

**Vijay:** Well the figures do tell a story. Looks like saving on EMIs & investing the balance after paying rent can really help you create long term wealth.

**Ajay:** Yeah. But there are many assumptions here. I am assuming that you are going to live in the house that you buy. If there is a rental income, then the figures may change dramatically. Also investing in an upcoming area/locality that is unexplored, under-priced today can fetch you higher capital appreciation in the long run. Also factors like taxation are not considered since I am unsure of the tax scene for the next 20-25 years. Also others, who are now listening to our conversation, will have their own figures to work out and results may differ there.

**Vijay:** Hmmm.... Let us then move beyond numbers and talk in general about the advantages & disadvantages.

**Ajay:** Let us make the case for buying a house first. Here are the possible advantages/ Disadvantages:

- ▶ Sense of ownership, pride and respect that cannot be measured in numbers.
- ▶ Scope for higher capital appreciation for good /upcoming localities.
- ▶ Financial security which can be used when needed however a property is very illiquid and one may also have to wait for long to get the right buyer and the right price. Can be used as a reverse mortgage to support retirement.
- ▶ Tax benefits on both principal as well as interest repayment on your home loan.

It can be a source for rental income in the range of 2-3% yield as of today.

- ▶ Actual costs of owning a house are far more than a naked house and lots of additional expenses occur.

▶ Risk of title clearance, legal issues, paper work and physical hassles increases manifold. Big risk in under-construction projects for delivery.

▶ Finally, affordability is a big challenge and often your dream home in a preferred locality will always be out of your budget.

**Vijay:** Great. Now let me summarise the case for Renting option.

▶ In cases where rental yield is very low, on purely economic basis, it makes more sense to rent if you are not sure of living in that house for another 10-15 years.

▶ Savings from foregone EMIs can be invested to accumulate some wealth in the long run which can then be used to buy a house.

▶ You can enjoy a better lifestyle with more disposable money.

▶ There will be a sense of freedom and you can easily move and relocate to exploit the best career opportunities.

▶ Tax benefits of HRA on rent paid.

▶ Freedom from property maintenance, security and society issues. However, you may not live freely in the house and any changes would require owner's permissions.

▶ More affordable and perhaps the only feasible choice if you want to live in a house /area of your choice today.

▶ May involve frequent changing of home which will involve expenses like brokerage, transportation, home settling hassles, etc.

▶ Can explore investment opportunities in real estate in upcoming cities with low property prices but high rental yields. This way you can also diversify your asset exposure for long term.

**Ajay:** Well looks like both buying & renting have their benefits and pitfalls. In fact, both of us would be right given our own circumstances. But one thing is for sure, one has to make an informed decision and prioritise his financial and family needs in the process.

**Ajay:** Finally, it looks like we have hit a middle ground. It's better that we now leave it to those listening to us to decide what they have to do.

# FUND MANAGER INTERVIEWS



**Mr. Ritesh Jain**  
Chief Investment Officer (CIO)  
BNP Paribas Mutual Fund

Mr. Ritesh Jain has been appointed as Chief Investment Officer (CIO) of BNP Paribas Mutual Fund. In this role, he is responsible for leading a team of investment professionals managing a wide range of funds across different asset classes. Mr. Jain has close to 20 years in the Financial Services Industry and has held leadership positions in various Asset Management Companies. Prior to BNP Paribas Mutual Fund, Mr. Jain was the Chief Investment Officer at Tata Asset Management. Mr. Jain is a forward-thinking leader with a passion for growing businesses in a dynamic market environment. His experience and expertise have entailed significant portfolio growth and development. His investment philosophy is characterized by a long-term view and he believes in a participatory approach to leadership coupled with cross functional collaboration and strong team work.

Mr. Jain is a keen follower of current affairs and his articles regularly feature in leading financial publications such as Economic Times, Mint, The Wall Street Journal et al. He is also the author of a weekly column in ET markets, "What I read" which has a readership of over 50000. Academically, he has completed his Master of Business Economics in 1997. He has an active interest in travelling, playing squash and keeping abreast with local and global affairs.

**Q. A big debate on demonetisation followed the disclosure from RBI that 99% of all currency has returned to the banking system. As a fund house, what would be your take on the net merit or demerit of demonetisation?**

**Answer:** We will have to see Demonetisation in a broader context and in light of the stated agenda of the government to clamp down on the parallel economy. Government has initiated various steps to reduce the size of the parallel economy and widen the Tax base and demonetisation had been a very important and strong step in this endeavour.

One can argue that a strong step like demonetisation has costs which exceed the benefits and probably it is true for the short term, but the jury is still out on that and one has to wait to see what follow-on actions government takes and the results it yields to take a final view on demonetisation

**Q. The government has been making policy and regulatory changes to ensure greater recovery of NPAs including power to banks to initiate recovery proceedings. As a market player, how do you feel these initiatives will impact the markets?**

**Answer:** Banking sector credit growth has hit multi decade lows and for the overall sentiment to improve the credit environment is very critical. As a result of the lingering NPA issue, the burden of financial intermediation is increasingly falling on the non-banking segment of the financial market i.e. NBFC's and Mutual Funds which also means that the risk is getting transferred from one segment to the other and at a pace which is probably not good.

So both from the perspective of enhanced risk taking in the non-banking segment of the financial market as well as for the credit environment to improve, the success of these initiatives is very critical for the long term health of the financial markets.

**Q. Recently RBI reduced the policy repo rate and reverse repo rate by 0.25% to 6% and 5.75% respectively. Please explain why and how does these policy rates impact investor returns in debt funds?**

**Answer:** The bond markets had already factored in the rate cut by RBI and we have seen the returns of debt scheme improving even before the rate cut announcement by RBI. Generally as the interest rates come down, debt funds with longer duration tend to give higher returns because of capital appreciation as bond prices rise with lower yields. RBI Policy rates, to a large extent, determine the overall yields in the bond market and hence any movement in Policy rates becomes important for investors in Debt Funds as they are the signal given by the RBI regarding interest rates in the economy.

**Q. A recent study suggested that farm loan waivers could reach ₹2.7 lakhs across India by 2018. While this might help increase consumption to some extent, it also increases the borrowings of the states. In your view, how does loan waivers impact the economy in general and what does it mean for the debt markets?**

**Answer:** Farm Loan waivers are negative for the debt markets as they increase the supply of state development loans (SDL) in the market and the higher borrowings increase overall interest rates. It also crowds out the private sector investments increasing the funding cost for the productive sectors of the economy.

It also leads to moral hazard and spoils the overall credit culture in the economy and is not a good policy measure to alleviate rural stress.

**Q. What is your take on the interest rates going forward? Accordingly, what is your fund house' duration / investment strategy?**

**Answer:** We believe that Interest rates have bottomed out and we are unlikely to see any further reduction in the policy rates by RBI as we expect Inflation to move higher incrementally. The August CPI Inflation has come in at 3.36% and the core Inflation has shot up from 4.1% to 4.6%, which is worrisome and also the fact that monsoon has not been good with spatial distribution being quite skewed. Globally commodity prices are rising, which does not augur well for Inflation. (Source: CEIC)

The central government fiscal environment is challenging with fiscal deficit already reaching 94% of the budgeted amount. State finances are also likely to deteriorate with the spate of farm loan waivers announced and all this along with an uncertain global environment, we believe that it is better to consider investments in low duration funds like Short Term Income funds and accordingly our approach would be to reduce risk both in terms of duration and credit.

**Q. What would you suggest to a long term investor following an asset allocation strategy and thereby investing in debt?**

**Answer:** Investor could consider short and medium term debt funds in the current environment to a long term investor from an asset allocation perspective.

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MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY

## SIP RETURN AS ON 30TH SEPTEMBER 2017

Starting - October Month of	2016	2014	2012	2010	2007	2005
Years	1	3	5	7	10	12
Invested Amount :	1,20,000	3,60,000	6,00,000	8,40,000	12,00,000	14,40,000
Schemes (Diversified Equity)	Returns % - CAGR					
Aditya Birla Sun Life Advantage Fund Gr	27.95	20.83	24.08	21.11	17.64	15.77
Aditya Birla Sun Life Dividend Yield Plus - Growth	17.81	12.92	15.37	13.88	14.69	14.42
Aditya Birla Sun Life Equity Fund - Gr	21.13	19.57	22.51	20.26	17.30	16.08
Aditya Birla Sun Life Frontline Equity Fund - Gr	18.78	14.32	17.04	16.54	15.77	15.61
Aditya Birla Sun Life India GenNext Fund - Gr	22.35	18.43	21.17	20.55	19.36	18.08
Aditya Birla Sun Life India Opportunities Fund - Gr	20.87	11.87	19.39	18.59	16.67	14.35
Aditya Birla Sun Life Midcap Fund - Gr	23.42	19.66	24.44	21.49	19.09	17.91
Aditya Birla Sun Life MNC Fund Gr	22.06	12.62	22.10	21.76	22.11	20.32
Aditya Birla Sun Life Pure Value Fund - Gr	32.70	23.91	29.32	25.87	-	-
Aditya Birla Sun Life Small and Midcap Fund - Gr	28.04	24.91	28.27	24.35	21.19	-
Aditya Birla Sun Life Special Situations Fund - Gr	22.82	18.58	22.07	19.32	-	-
Aditya Birla Sun Life Top 100 Fund - Gr	19.56	14.51	17.49	16.90	15.71	-
Axis Equity Fund - Gr	26.63	13.02	14.63	14.54	-	-
Axis Focused 25 Fund - Gr	31.65	19.38	18.97	-	-	-
Axis MidCap Fund - Gr	22.60	12.37	19.23	-	-	-
Baroda Pioneer Growth Fund - Growth Plan	19.45	13.23	15.47	13.71	12.18	12.14
Baroda Pioneer Mid-cap Fund - Gr	16.13	8.63	7.59	4.90	-	-
BNP Paribas Dividend Yield Fund- Gr	28.37	17.55	19.82	18.40	17.65	16.26
BNP Paribas Equity Fund - Gr	18.71	11.23	15.39	15.43	14.02	13.13
BNP Paribas Midcap Fund - Gr	26.32	18.43	24.28	23.51	20.99	-
BOI AXA Equity Fund - Regular Plan Gr	21.73	12.97	14.49	13.41	-	-
Canara Robeco Emerging Equities Fund - Gr	27.03	21.92	29.84	26.94	24.44	21.46
Canara Robeco Equity Diversified - Gr	22.12	13.02	14.38	13.82	14.16	14.00
Canara Robeco F.O.R.C.E. Fund - Regular Gr	24.15	17.73	19.68	18.24	-	-
Canara Robeco Large Cap Plus Fund - Gr	18.09	12.29	13.60	13.26	-	-
DHFL Pramerica Large Cap Fund - Gr	16.45	11.48	14.64	13.80	12.20	12.07
DHFL Pramerica Midcap Opportunities Fund - Gr	11.00	11.09	-	-	-	-
DSP BlackRock Equity Fund - Reg. Plan - Div	18.36	14.64	17.37	15.56	14.75	14.79
DSP BlackRock Focus 25 Fund - Gr	15.81	13.02	16.85	15.14	-	-
DSP BlackRock Micro Cap Fund - Gr	12.78	20.21	31.29	27.62	25.43	-
DSP BlackRock Opportunities Fund - Gr	19.47	18.41	20.42	18.29	16.45	15.47
DSP BlackRock Small and Mid Cap - Reg Gr	18.33	19.85	25.29	22.37	21.01	-
DSP BlackRock Top 100 Equity Fund Gr	15.07	11.87	13.40	12.57	12.27	12.68
Edelweiss Equity Opportunities Fund - Regular Gr	21.17	12.98	15.64	14.55	13.57	-
Edelweiss Large Cap Advantage Fund - Gr	18.20	11.50	14.20	14.13	-	-
Edelweiss Mid and Small Cap Fund - Regular Gr	23.14	17.42	25.03	23.47	-	-
Edelweiss Prudent Advantage Fund Plan A - Gr	13.31	9.61	12.88	11.71	-	-
Escorts Growth Plan G	19.08	13.90	19.57	17.25	14.42	13.14
Franklin Build India Fund - Gr	14.92	15.54	24.16	22.87	-	-
Franklin India Bluechip Fund Gr	13.01	11.22	13.91	13.24	13.29	13.15
Franklin India Flexi Cap Fund - Gr	14.82	11.25	16.65	16.07	15.49	14.74
Franklin India High Growth Companies Fund - Gr	12.77	12.58	20.42	20.11	18.44	-
Franklin India Opportunities Fund-Gr	17.18	12.86	17.62	16.19	14.04	12.91
Franklin India Prima Fund Gr	17.93	17.35	24.36	23.25	21.23	18.78
Franklin India Prima Plus Gr	14.13	12.32	17.71	17.09	16.15	15.68
Franklin India Smaller Companies Fund - Gr	21.59	20.00	28.42	26.95	23.85	-
HDFC Capital Builder-Gr	20.74	15.95	19.02	17.54	16.75	15.86
HDFC Core and Satellite Fund - Gr	15.42	13.75	16.67	14.23	13.74	12.87
HDFC Equity Fund - Div	14.37	13.23	16.13	14.92	15.25	14.97
HDFC Growth Fund Gr	16.17	13.99	15.14	13.58	13.23	13.38
HDFC Large Cap Fund - Gr	11.12	9.18	10.04	9.98	9.60	8.89
HDFC Mid Cap Opportunities Fund - Gr	18.85	19.25	25.41	23.57	22.68	-
HDFC Premier Multi-Cap Fund - Gr	11.75	10.88	14.29	12.45	12.28	11.72
HDFC Small Cap Fund - Gr	28.98	21.49	22.47	19.88	-	-
HDFC Top 200 Fund - Div	16.06	13.37	15.12	14.06	14.10	14.24
HSBC Dynamic Fund - Gr	16.47	11.30	11.65	10.33	8.99	-
HSBC Equity Fund - Gr	18.59	14.26	14.46	12.92	11.34	11.12
HSBC India Opportunities Fund - Gr	19.88	14.92	18.43	16.95	14.80	13.67
HSBC Midcap Equity Fund - Gr	24.36	18.82	26.02	21.87	17.16	14.75
ICICI Prudential Dynamic Plan - Gr	15.20	14.31	16.28	15.53	15.22	14.91
ICICI Prudential Exports and Other Services Fund - Gr	15.21	10.71	19.68	20.87	18.66	-
ICICI Prudential Focused Bluechip Equity Fund - Gr	20.03	14.55	16.29	15.58	-	-
ICICI Prudential MidCap Fund - Gr	21.30	16.70	24.35	21.85	18.73	16.42
ICICI Prudential Multicap Fund - Gr	10.70	12.91	17.19	16.30	15.02	14.03
ICICI Prudential Select Large Cap Fund - Retail Gr	7.96	9.27	12.42	12.36	-	-
ICICI Prudential Top 100 Fund - Gr	14.01	14.01	15.70	15.22	14.33	13.71
ICICI Prudential Value Discovery Fund Gr	8.66	9.58	18.42	18.70	19.79	18.47
IDFC Classic Equity Fund - Regular Plan - Gr	19.98	17.03	16.64	15.04	12.76	11.91
IDFC Equity Fund - Regular Plan - Gr	21.01	12.83	12.70	12.00	11.15	-
IDFC Focused Equity Fund - Regular Plan - Gr	41.46	20.12	17.09	14.32	12.51	-
IDFC Premier Equity Fund - Regular Plan - Gr	21.20	13.22	18.90	18.57	18.96	19.41
IDFC Sterling Equity Fund - Regular Gr	38.21	22.72	23.27	20.74	-	-
IIFL India Growth Fund - Gr	15.81	14.99	-	-	-	-
Indiabulls Blue Chip Fund - Gr	16.81	13.60	13.92	-	-	-
Invesco India Business Leaders Fund - Gr	16.82	11.80	14.81	14.10	-	-
Invesco India Contra Fund - Gr	21.37	16.44	21.22	19.12	17.60	-
Invesco India Dynamic Equity Fund - Gr	25.56	15.20	16.02	15.36	14.26	-
Invesco India Growth Fund - Gr	26.10	15.91	18.18	16.80	15.29	-
Invesco India Mid N Small Cap Fund - Gr	20.79	15.63	22.47	21.81	-	-
Invesco India Midcap Fund - Gr	18.62	15.00	22.26	21.28	20.42	-
JM Equity Fund Growth Option	12.65	8.01	11.78	11.17	9.27	8.09
JM Multi Strategy Fund - Growth Option	27.55	20.02	21.09	17.93	-	-
Kotak 50 Equity Scheme Div	14.38	11.31	14.55	13.80	12.64	12.41
Kotak Classic Equity Fund - Gr	22.90	14.70	15.41	14.65	13.58	12.81
Kotak Emerging Equity Scheme - Gr	18.57	19.48	26.58	23.77	20.10	-
Kotak Midcap - Gr	15.76	17.91	23.67	21.33	19.12	16.87
Kotak Opportunities Fund - Gr	19.33	16.90	19.43	17.69	15.68	15.12
Kotak Select Focus Fund - Gr	20.45	17.44	20.95	19.41	-	-
L&T Business Cycles Fund - Gr	20.30	15.99	-	-	-	-
L&T Emerging Businesses Fund - Gr	37.94	30.00	-	-	-	-
L&T Equity Fund - Gr	16.76	12.72	16.16	15.04	14.72	14.42
L&T India Large Cap Fund - Gr	14.15	10.41	13.81	13.14	-	-
L&T India Special Situations Fund - Gr	22.76	16.12	18.64	17.61	16.57	-
L&T India Value Fund - Gr	20.01	20.11	25.81	23.47	-	-
L&T Midcap Fund - Gr	33.40	25.51	30.26	26.17	22.54	20.19
LIC MF Growth Fund Gr	16.50	10.36	13.14	12.44	11.49	10.40
Mirae Asset Emerging Bluechip Fund - Gr	26.40	24.89	31.11	28.60	-	-
Mirae Asset India Opportunities Fund - Gr	23.84	17.93	20.68	19.31	-	-
Motilal Oswal Most Focused 25 Fund - Gr	19.47	14.85	-	-	-	-
Motilal Oswal Most Focused Midcap 30 Fund - Gr	9.98	13.59	-	-	-	-

## MF NEWS

Mutual funds can use IRF to hedge risks, says SEBI

Providing more leeway, SEBI allowed mutual funds to use interest rate futures contracts to hedge risks from volatility in interest rates. An IRF provides for future delivery of an interest-bearing security such as government bonds and such contracts provide an avenue to hedge against risks arising from fluctuations in interest rates. Besides, mutual funds will have to disclose about the hedging positions through IRF in respective debt portfolios, details of IRFs used for hedging along with debt and money market securities transacted on its website, and investments made in interest rate derivatives in the monthly portfolio disclosure. In case, the IRF (interest rate future) used for hedging the interest rate risk has different underlying security than the existing position being hedged, SEBI said that it would result in imperfect hedging. Imperfect hedging will be exempted from the gross exposure, up to maximum of 20 per cent of the net assets of the scheme, provided exposure to IRFs is created only for hedging the instrument based on the weighted average modified duration of the bond portfolio or part of the portfolio. Mutual Funds are permitted to resort to imperfect hedging, without it being considered under the gross exposure limits, in case the correlation between the portfolio and the IRF is at least 0.9 at the time of initiation of hedge.

**Indian mutual funds may get nod for trading in commodity derivatives**

India's capital markets regulator is likely to allow mutual funds to trade in commodity derivatives and a decision is expected within six months, a senior official has said. Such a move would help deepen the market and provide hedging opportunities to large companies that trade overseas due to limited liquidity at local exchanges. Portfolio management services and foreign trading houses that export or import from India could also be allowed to participate in commodity futures, said S.K. Mohanty, an executive director with the Securities and Exchange Board of India.

## SIP RETURN AS ON 30TH SEPTEMBER 2017

Starting - October Month of	2016	2014	2012	2010	2007	2005
Years	1	3	5	7	10	12
Invested Amount :	1,20,000	3,60,000	6,00,000	8,40,000	12,00,000	14,40,000
Schemes (Diversified Equity)	Returns % - CAGR					
Motilal Oswal MOST Focused Multicap 35 Fund - Gr	29.99	23.32	-	-	-	-
Principal Dividend Yield Fund - Gr	27.48	18.22	17.48	15.28	14.06	12.81
Principal Emerging Bluechip Fund - Gr	29.34	23.02	27.93	25.47	-	-
Principal Growth Fund Gr	27.18	19.72	21.13	19.48	16.08	13.97
Principal Large Cap Fund - Gr	15.59	12.40	14.81	13.96	13.59	-
Principal SMART Equity Fund - Gr	8.63	7.84	11.06	-	-	-
Quantum Long Term Equity Fund - Gr	12.57	14.14	16.15	15.52	16.08	-
Reliance Equity Opportunities Fund - Gr	18.21	10.07	15.10	15.46	16.77	16.07
Reliance Focused Large Cap Fund - Gr	12.58	11.24	14.13	13.90	11.39	-
Reliance Growth Fund Gr	20.20	16.12	19.51	17.35	15.61	15.21
Reliance Mid & Small Cap Fund - Gr	15.97	15.68	23.18	21.13	18.78	-
Reliance Quant Plus Fund - Gr	18.55	11.78	12.06	11.28	-	-
Reliance Regular Savings Fund Equity Plan - Gr	25.93	15.89	18.62	16.89	15.62	15.91
Reliance Small Cap Fund - Gr	29.20	24.55	32.90	29.01	-	-
Reliance Top 200 Fund - Gr	19.69	13.96	17.41	16.46	14.93	-
Reliance Vision Fund Gr	23.16	14.12	17.64	15.38	13.63	12.99
Sahara Growth Fund Gr	13.11	10.33	11.32	10.66	10.05	10.48
Sahara Midcap Fund - Gr	21.20	21.23	23.91	20.57	18.56	17.16
Sahara Wealth Plus Fund Variable - Gr	17.13	14.68	17.81	16.81	15.64	14.64
SBI Blue Chip Fund - Gr	15.07	13.21	17.43	17.17	15.35	-
SBI Contra Fund - Regular Div	17.72	12.62	15.08	13.61	11.68	11.34
SBI Emerging Businesses Fund - Regular Plan - Gr	21.48	14.76	18.19	18.28	18.96	17.09
SBI Magnum Equity Fund - Div	10.02	10.09	13.69	13.45	13.11	12.99
SBI Magnum Global Fund - Div	14.35	10.04	18.04	18.31	17.69	16.06
SBI Magnum MidCap Fund - Gr	10.59	13.99	23.72	23.21	19.97	17.38
SBI Magnum Multicap Fund - Gr	22.17	17.55	21.36	19.32	15.95	14.18
SBI Magnum Multiplier Fund - Div	16.95	13.79	18.57	17.52	15.71	14.95
SBI Small & Midcap Fund - Gr	42.16	27.56	34.82	30.46	-	-
Sundaram Equity Multiplier Fund - Gr	20.09	15.99	18.37	16.01	13.66	-
Sundaram Rural India Fund - Gr	19.92	22.94	23.57	20.38	17.37	-
Sundaram S.M.I.L.E. Fund - Gr	21.02	17.99	27.23	23.58	20.10	18.75
Sundaram Select Focus - Gr	24.16	13.13	13.43	11.99	10.43	10.48
Sundaram Select MidCap - Gr	19.28	19.75	26.06	23.47	21.51	19.99
Tata Dividend Yield Fund - Gr	10.84	11.76	15.42	14.54	15.20	14.86
Tata Equity Opportunities Fund Regular Plan - Gr	14.15	12.10	16.30	15.82	14.41	13.54
Tata Equity P/E Fund Gr	29.39	23.57	25.49	21.81	19.18	18.27
Tata Ethical Fund - Gr	15.24	8.37	13.61	14.23	14.33	13.47
Tata Large Cap Fund - Gr	15.44	11.38	13.56	13.20	12.80	12.68
Tata Mid Cap Growth Fund - Gr	24.01	16.52	24.05	22.20	19.47	17.59
Taurus Bonanza Fund Gr	12.11	8.70	11.64	10.74	9.61	8.78
Taurus Discovery Fund - Gr	24.54	18.41	22.63	20.80	16.75	14.23
Taurus Ethical Fund - Gr	12.76	7.16	12.66	12.37	-	-
Taurus Starshare Growth	18.55	11.65	13.62	12.82	12.18	11.73
Templeton India Growth Fund Gr	24.28	18.07	18.88	16.53	15.10	14.75
Union Equity Fund - Gr	14.47	8.78	10.81	-	-	-
Union Small and Midcap Fund - Gr	18.47	11.89	-	-	-	-
UTI Bluechip Flexicap Fund - Gr	24.14	13.31	14.41	13.66	12.13	-
UTI Dividend Yield Fund - Gr	14.52	11.43	12.87	11.71	12.29	12.76
UTI Equity Fund - Div	16.24	10.69	14.51	14.50	14.55	14.09
UTI India Lifestyle Fund - Gr	15.61	10.64	12.09	12.19	12.55	-
UTI Master Share - Div	13.87	9.57	12.78	12.27	11.68	11.44
UTI Mid Cap Fund - Gr	14.45	13.60	23.95	22.66	20.93	18.60
UTI MNC Fund - Gr	18.70	11.32	19.35	19.26	19.77	18.37
UTI Opportunities Fund - Gr	14.46	9.08	11.68	11.99	13.14	13.26
UTI Top 100 Fund - Gr	18.64	12.56	14.97	14.15	13.03	12.13
<b>Average Return of Above Funds</b>	<b>19.60</b>	<b>15.04</b>	<b>18.66</b>	<b>17.40</b>	<b>15.82</b>	<b>14.60</b>
<b>Maximum Return</b>	<b>42.16</b>	<b>30.00</b>	<b>34.82</b>	<b>30.46</b>	<b>25.43</b>	<b>21.46</b>
<b>Minimum Return</b>	<b>7.96</b>	<b>7.16</b>	<b>7.59</b>	<b>4.90</b>	<b>8.99</b>	<b>8.09</b>
<b>Universe</b>	<b>155</b>	<b>155</b>	<b>147</b>	<b>142</b>	<b>113</b>	<b>84</b>
<b>ELSS / Tax Savings Schemes</b>						
Aditya Birla Sun Life Tax Plan - Div	27.13	16.98	20.83	19.25	16.67	15.06
Aditya Birla Sun Life Tax Relief 96 Fund - Div	27.36	17.47	21.56	19.61	16.83	15.50
Axis Long Term Equity Fund - Gr	25.48	14.55	20.95	20.82	-	-
Baroda Pioneer Elss 96 - Div	18.11	13.20	15.80	14.38	12.58	11.49
BNP Paribas Long Term Equity Fund - Gr	23.75	12.85	17.31	17.17	15.48	-
BOI AXA Tax Advantage Fund - Regular - Growth	33.83	17.46	18.42	16.53	-	-
Canara Robeco Equity Tax Saver Fund - Div	16.62	11.00	13.98	13.65	14.29	14.44
DHFL Pramerica Tax Plan - Gr	22.38	15.68	17.66	16.01	13.30	-
DSP BlackRock Tax Saver Fund - Gr	19.14	17.70	20.71	19.24	17.36	-
Edelweiss ELSS Fund - Gr	16.47	12.05	15.68	15.24	-	-
Franklin India Taxshield Gr	14.17	11.93	17.36	16.85	16.40	15.65
HDFC Long Term Advantage Fund - Gr	15.87	15.37	17.31	16.14	15.57	14.40
HDFC Tax saver - Div	15.16	13.84	16.73	15.26	15.03	14.18
HSBC Tax Saver Equity Fund - Gr	21.51	16.51	18.64	17.58	15.98	-
ICI Prudential Long Term Equity Fund - Regular Gr	7.84	9.64	15.38	15.46	15.89	14.73
IDFC Tax Advantage (ELSS) Fund - Regular Gr	33.08	19.23	21.10	19.56	-	-
Invesco India Tax Plan - Gr	19.18	13.91	18.70	17.79	17.16	-
JM Tax Gain Fund - Growth Option	28.41	18.32	20.20	17.81	-	-
Kotak Tax Saver - Gr	15.73	14.65	17.92	15.95	13.99	-
L&T Tax Advantage Fund - Gr	27.18	19.27	20.11	17.83	16.77	-
LIC MF Tax Plan Gr	16.48	11.50	15.09	14.04	12.12	10.81
Motilal Oswal Most Focused Long Term Fund - Gr	29.95	-	-	-	-	-
Principal Personal Tax Saver - Gr	14.32	11.70	14.40	13.60	12.19	11.62
Principal Tax Savings Fund	26.80	19.54	21.03	19.52	15.95	13.74
Quantum Tax Saving Fund - Gr	12.63	14.17	16.18	15.53	-	-
Reliance Tax Saver Fund - Gr	22.00	15.64	21.79	20.38	18.89	17.29
Sahara Tax Gain Fund Gr	16.03	11.74	13.97	13.15	13.30	13.21
SBI Magnum Tax Gain Fund - Div	13.81	10.79	15.36	15.11	13.83	13.15
Sundaram Diversified Equity (Tax Saver) Fund - Div	18.63	15.93	17.71	16.05	13.89	13.42
Tata India Tax Savings Fund Regular Plan - Div	26.29	18.98	21.41	19.39	17.25	15.66
Taurus Tax Shield - Gr	22.04	14.95	15.50	13.85	13.13	13.10
Union Tax Saver Scheme - Gr	12.40	7.34	11.02	-	-	-
UTI Long Term Equity Fund (Tax Saving) - Div	12.30	10.36	13.24	12.61	11.54	10.60
<b>Average Return of Above Funds</b>	<b>20.37</b>	<b>14.51</b>	<b>17.60</b>	<b>16.62</b>	<b>15.02</b>	<b>13.78</b>
<b>Maximum Return</b>	<b>33.83</b>	<b>19.54</b>	<b>21.79</b>	<b>20.82</b>	<b>18.89</b>	<b>17.29</b>
<b>Minimum Return</b>	<b>7.84</b>	<b>7.34</b>	<b>11.02</b>	<b>12.61</b>	<b>11.54</b>	<b>10.60</b>
<b>Universe</b>	<b>33</b>	<b>32</b>	<b>32</b>	<b>31</b>	<b>25</b>	<b>18</b>
<b>S&amp;P BSE SENSEX</b>	<b>13.95</b>	<b>8.65</b>	<b>9.99</b>	<b>9.90</b>	<b>9.62</b>	<b>9.51</b>
<b>NIFTY 50</b>	<b>16.08</b>	<b>10.28</b>	<b>11.30</b>	<b>10.87</b>	<b>10.31</b>	<b>10.16</b>

## NEWS UPDATE

### India on firm growth path with bold moves like note ban, GST: Opec

India is experiencing some of the greatest structural changes as bold new reforms like note ban and GST have put the country firmly on a sustainable growth path, oil cartel Opec's Secretary General Mohammed Barkindo has said. Speaking at the India Energy Forum by CERAWEEK, he said the country's expanding middle class represents a growing source of demand, not just for energy but for goods and services from around the world. Reforms, including demonetisation policy, the Goods and Services Tax (GST), and efforts to diversify the energy mix have all been designed to move the country toward sustainable growth and stability, he said.

### India expected to become \$6 trillion economy in 10 years: Morgan Stanley

India is expected to be a \$6 trillion economy, the third largest in the world, in the next 10 years, majorly helped by digitisation, says a report. According to global brokerage Morgan Stanley, India's digitisation drive would provide a boost of 50-75 basis points to GDP growth in the coming decade. We estimate that digitisation will provide a boost of 50-75 basis points to GDP growth and forecast that India will grow to USD 6 trillion economy and achieve upper-middle income status by 2026-27, according to Morgan Stanley head India research and India equity strategist Ridham Desai. We expect India's real and nominal GDP growth to compound annually by 7.1 per cent and 11.2 per cent respectively over the coming decade, he added.

### Amid economic slowdown, Modi govt sticks to FY18 borrowing target

An economic slowdown following the launch of a nationwide Goods and Service Tax (GST) in July have put federal revenues under pressure, raising worries that New Delhi will struggle to trim its fiscal deficit. In February, Finance Minister Arun Jaitley had budgeted to raise 5.8 trillion rupees (\$88.57 billion) in 2017/18 via bond sales to bridge the

## SIP VALUE AS ON 30TH SEPTEMBER 2017

Starting - October Month of	2016	2014	2012	2010	2007	2005
Years	1	3	5	7	10	12
Invested Amount :	1,20,000	3,60,000	6,00,000	8,40,000	12,00,000	14,40,000
Schemes (Diversified Equity)	Investment Value ₹					
Aditya Birla Sun Life Advantage Fund Gr	136,429	485,688	1,082,437	1,772,538	3,018,547	3,940,744
Aditya Birla Sun Life Divdnt Yield Fund - Growth	130,617	434,989	877,796	1,372,603	2,577,900	3,601,301
Aditya Birla Sun Life Equity Fund - Gr	132,537	477,349	1,042,743	1,720,083	2,963,831	4,022,269
Aditya Birla Sun Life Frontline Equity Fund - Gr	131,182	443,704	914,047	1,508,304	2,730,507	3,898,495
Aditya Birla Sun Life India GenNext Fund - Gr	133,241	469,886	1,009,878	1,737,951	3,310,869	4,595,899
Aditya Birla Sun Life India Opportunities Fund - Gr	132,388	428,555	967,572	1,621,800	2,865,351	3,585,098
Aditya Birla Sun Life Midcap Fund - Gr	133,853	477,939	1,091,850	1,796,432	3,262,344	4,542,699
Aditya Birla Sun Life MNC Fund Gr	133,070	433,119	1,032,481	1,813,556	3,838,913	5,340,133
Aditya Birla Sun Life Pure Value Fund - Gr	139,102	506,435	1,225,169	2,095,647	-	-
Aditya Birla Sun Life Small and Midcap Fund - Gr	136,481	513,328	1,195,334	1,986,758	3,653,674	-
Aditya Birla Sun Life Special Situations Fund - Gr	133,511	470,891	1,031,937	1,664,211	-	-
Aditya Birla Sun Life Top 100 Fund - Gr	131,633	444,866	924,144	1,527,452	2,721,878	-
Axis Equity Fund - Gr	135,682	435,628	862,120	1,404,857	-	-
Axis Focused 25 Fund - Gr	138,517	476,125	97,857	-	-	-
Axis MidCap Fund - Gr	133,381	431,592	963,839	-	-	-
Baroda Pioneer Growth Fund - Growth Plan	131,566	436,892	879,835	1,363,955	2,254,372	3,100,742
Baroda Pioneer Mid-cap Fund - Gr	129,637	409,054	725,143	998,226	-	-
BNP Paribas Dividend Yield Fund- Gr	136,668	464,222	977,533	1,610,467	3,019,468	4,069,865
BNP Paribas Equity Fund - Gr	131,140	424,660	878,083	1,450,032	2,487,170	3,308,602
BNP Paribas Midcap Fund - Gr	135,506	469,938	1,087,632	1,929,197	3,612,988	-
BOI AXA Equity Fund - Regular Plan Gr	132,885	435,304	859,181	1,349,814	-	-
Canara Robeco Emerging Equities Fund - Gr	135,909	493,004	1,240,348	2,176,191	4,353,122	5,764,574
Canara Robeco Equity Diversified - Gr	133,108	435,638	856,802	1,369,430	2,505,972	3,504,634
Canara Robeco F.O.R.C.E. Fund - Regular Gr	134,269	465,382	974,262	1,601,809	-	-
Canara Robeco Large Cap Plus Fund - Gr	130,782	431,099	840,692	1,342,432	-	-
DHFL Pramerica Large Cap Fund - Gr	129,825	426,166	862,196	1,368,696	2,257,272	3,086,572
DHFL Pramerica Midcap Opportunities Fund - Gr	126,621	423,811	-	-	-	-
DSP BlackRock Equity Fund - Reg. Plan - Div	130,997	445,845	921,793	1,457,156	2,587,143	3,691,862
DSP BlackRock Focused 25 Fund - Gr	129,505	435,768	910,340	1,435,589	-	-
DSP BlackRock Micro Cap Fund - Gr	127,715	481,851	1,283,871	2,229,698	4,591,182	-
DSP BlackRock Opportunities Fund - Gr	131,643	470,026	992,401	1,605,422	2,832,111	3,864,130
DSP BlackRock Small and Mid Cap - Reg Gr	130,981	479,466	1,114,933	1,853,952	3,619,376	-
DSP BlackRock Top 100 Equity Fund Gr	129,067	428,680	836,947	1,310,507	2,266,933	3,213,273
Edelweiss Equity Opportunities Fund - Regular Gr	132,563	435,340	883,637	1,405,319	2,427,843	-
Edelweiss Large Cap Advantage Fund - Gr	130,842	426,310	853,094	1,384,504	-	-
Edelweiss Mid and Small Cap Fund - Regular Gr	133,692	463,368	1,107,376	1,926,029	-	-
Edelweiss Prudent Advantage Fund Plan A - Gr	127,984	414,885	825,900	1,270,674	-	-
Escorts Growth Plan G	131,331	441,071	971,671	1,546,260	2,540,039	3,311,184
Franklin Build India Fund - Gr	128,931	451,385	1,084,489	1,885,996	-	-
Franklin India Bluechip Fund Gr	127,811	424,599	847,075	1,341,645	2,391,429	3,312,907
Franklin India Flexi Cap Fund - Gr	128,871	424,768	905,467	1,483,019	2,689,732	3,678,783
Franklin India High Growth Companies Fund - Gr	127,670	432,882	991,725	1,710,924	3,151,033	-
Franklin India Opportunities Fund-Gr	130,249	434,631	927,066	1,489,653	2,489,875	3,261,706
Franklin India Prima Fund Gr	130,690	462,921	1,089,728	1,911,740	3,660,832	4,814,621
Franklin India Prima Plus Gr	128,467	431,287	929,057	1,537,580	2,787,081	3,916,299
Franklin India Smaller Companies Fund - Gr	132,804	480,217	1,199,725	2,176,869	4,215,272	-
HDFC Capital Builder-Gr	132,316	453,950	958,871	1,562,332	2,877,461	3,963,455
HDFC Core and Satellite Fund - Gr	129,225	440,134	905,894	1,389,735	2,449,443	3,251,326
HDFC Equity Fund - Div	128,609	436,892	894,195	1,423,960	2,654,854	3,735,767
HDFC Growth Fund Gr	129,663	441,625	872,800	1,357,742	2,384,722	3,363,556
HDFC Large Cap Fund - Gr	126,692	412,288	770,259	1,194,971	1,967,690	2,509,366
HDFC Mid Cap Opportunities Fund - Gr	131,220	475,269	1,117,176	1,933,094	3,959,275	-
HDFC Premier Multi-Cap Fund - Gr	127,067	422,551	855,009	1,304,672	2,267,314	3,015,739
HDFC Small Cap Fund - Gr	137,012	490,080	1,041,694	1,697,503	-	-
HDFC Top 200 Fund - Div	129,596	437,757	872,487	1,381,065	2,497,645	3,560,000
HSBC Dynamic Fund - Gr	129,840	425,097	801,371	1,209,946	1,904,885	-
HSBC Equity Fund - Gr	131,070	443,351	858,541	1,326,634	2,156,572	2,899,508
HSBC India Opportunities Fund - Gr	131,816	447,469	945,256	1,530,210	2,592,389	3,427,758
HSBC Midcap Equity Fund - Gr	134,390	472,461	1,133,502	1,820,726	2,941,842	3,681,803
ICICI Prudential Dynamic Fund - Gr	129,094	443,638	897,324	1,454,815	2,651,775	3,721,629
ICICI Prudential Exports and Other Services Fund - Gr	129,102	421,503	974,362	1,757,665	3,188,563	-
ICICI Prudential Focused Bluechip Equity Fund - Gr	131,906	445,124	897,653	1,457,860	-	-
ICICI Prudential MidCap Fund - Gr	132,635	458,732	1,089,568	1,819,229	3,200,530	4,113,250
ICICI Prudential Multicap Fund - Gr	126,444	434,908	917,334	1,495,318	2,623,298	3,510,386
ICICI Prudential Select Large Cap Fund - Retail Gr	124,816	412,842	816,737	1,300,500	-	-
ICICI Prudential Top 100 Fund - Gr	128,401	441,734	884,790	1,439,015	2,528,837	3,438,350
ICICI Prudential Value Discovery Fund Gr	125,354	414,716	945,057	1,627,751	3,386,909	4,715,529
IDFC Classic Equity Fund - Regular Plan - Gr	131,877	460,880	905,322	1,430,144	2,325,638	3,054,328
IDFC Equity Fund - Regular Plan - Gr	132,469	434,422	822,406	1,283,820	2,135,336	-
IDFC Focused Equity Fund - Regular Plan - Gr	143,955	481,019	915,112	1,393,792	2,294,887	-
IDFC Premier Equity Fund - Regular Plan - Gr	132,576	436,873	956,200	1,620,511	3,239,285	5,024,214
IDFC Sterling Equity Fund - Regular Gr	142,166	498,357	1,061,808	1,749,418	-	-
IIFL India Growth Fund - Gr	129,451	447,850	-	-	-	-
Indiabulls Blue Chip Fund - Gr	130,035	439,204	847,180	-	-	-
Invesco India Business Leaders Fund - Gr	130,044	428,141	865,850	1,383,140	-	-
Invesco India Contra Fund - Gr	132,677	457,095	1,011,106	1,652,354	3,011,032	-
Invesco India Dynamic Equity Fund - Gr	135,072	449,252	891,824	1,446,227	2,518,432	-
Invesco India Growth Fund - Gr	135,384	453,702	939,625	1,521,764	2,661,591	-
Invesco India Mid N Small Cap Fund - Gr	132,345	451,953	1,041,819	1,817,127	-	-
Invesco India Midcap Fund - Gr	131,086	447,971	1,036,435	1,783,203	3,504,107	-
JM Equity Fund Growth Option	127,598	405,364	804,095	1,246,678	1,933,957	2,383,035
JM Multi Strategy Fund - Growth Option	136,207	480,352	1,007,762	1,584,046	-	-
Kotak 50 Equity Scheme Div	128,617	425,138	860,407	1,368,762	2,310,726	3,156,178
Kotak Classic Equity Fund - Gr	133,552	446,062	878,707	1,410,499	2,429,149	3,239,847
Kotak Emerging Equity Scheme - Gr	131,058	476,804	1,148,681	1,946,533	3,445,204	-
Kotak Midcap - Gr	129,423	466,528	1,071,962	1,786,619	3,267,288	4,239,147
Kotak Opportunities Fund - Gr	131,497	460,025	968,475	1,570,572	2,717,648	3,772,868
Kotak Select Focus Fund - Gr	132,143	463,523	1,004,522	1,669,449	-	-
L&T Business Cycles Fund - Gr	132,057	454,258	-	-	-	-
L&T Emerging Businesses Fund - Gr	142,018	549,230	-	-	-	-
L&T Equity Fund - Gr	130,008	433,767	894,785	1,429,813	2,581,581	3,602,901
L&T India Large Cap Fund - Gr	128,479	419,684	844,944	1,337,064	-	-
L&T India Special Situations Fund - Gr	133,473	455,059	950,258	1,566,320	2,849,375	-
L&T India Value Fund - Gr	131,894	480,945	1,128,002	1,926,204	-	-
L&T Midcap Fund - Gr	139,494	517,470	1,252,478	2,118,093	3,928,200	5,294,048
LIC MF Growth Fund Gr	129,854	419,396	831,352	1,304,270	2,174,325	2,767,761
Mirae Asset Emerging Bluechip Fund - Gr	135,554	513,175	1,277,742	2,305,883	-	-
Mirae Asset India Opportunities Fund - Gr	134,090	466,689	998,105	1,663,483	-	-
Motilal Oswal Most Focused 25 Fund - Gr	131,581	447,039	-	-	-	-
Motilal Oswal Most Focused Midcap 30 Fund - Gr	126,019	439,118	-	-	-	-
Motilal Oswal Most Focused Multicap 35 Fund - Gr	137,584	502,446	-	-	-	-
Principal Dividend Yield Fund - Gr	136,164	468,565	923,782	1,442,312	2,492,120	3,240,174
Principal Emerging Bluechip Fund - Gr	137,218	500,384	1,185,913	2,066,546	-	-

## NEWS UPDATE

fiscal deficit of 3.2 percent of GDP. However, the deficit has already crossed 92 percent of the full-year target. Adding to the concern, GST collections fell 3.6 percent in August from July. Yet, Economic Affairs Secretary Subhash Chandra Garg said that the Govt would leave the full-year borrowing target intact and sell bonds worth 2.08 trillion rupees (\$31.77 billion) between October and March.

### Cement demand growth expected to be around 3.5-4% in FY18

Rating agency ICRA has downgraded its forecast for cement demand growth to 3.5-4 per cent for 2017-18 on account of delay in revival in the first half of the fiscal. According to the agency, the cement demand is expected to be muted in the second quarter of FY2017-18 due to issues such as monsoons and the GST implementation. However, ICRA expects the cement demand to rebound from the October-December quarter onwards. Demand in the first quarter was "adversely impacted" led by factors as shortage of sand in a few southern and northern states, implementation of the Real Estate Regulatory Authority (RERA) and slowdown in the construction activity in West.

### Realty sector to have over 17 mn workforce by 2025: Credai

The realty sector is likely to add another 8 million jobs by 2025 driven by initiatives like new real estate regulatory law and the GST, says a report. According to realtor's body CREDAI and consultant CBRE's joint report 'Assessing the Economic Impact of India's Real Estate', the contribution of real estate sector in the country's GDP is expected to double at 13 per cent by 2025. The potential employment opportunities in the real estate sector are expected at 17.2 million jobs by 2025 up from 9.2 million in 2016. The economic contribution of the real estate sector is projected to increase significantly during the period from 6.3 per cent in 2016 to almost 13 per cent in 2025, CBRE said in a statement.

## SIP VALUE AS ON 30TH SEPTEMBER 2017

Starting - October Month of	2016	2014	2012	2010	2007	2005
Years	1	3	5	7	10	12
Invested Amount :	1,20,000	3,60,000	6,00,000	8,40,000	12,00,000	14,40,000
Schemes (Diversified Equity)	Investment Value ₹					
Principal Growth Fund Gr	135,996	478,348	1,008,754	1,673,474	2,775,784	3,497,322
Principal Large Cap Fund - Gr	129,325	431,809	865,811	1,376,260	2,430,675	-
Principal SMART Equity Fund - Gr	125,214	404,351	789,981	-	-	-
Quantum Long Term Equity Fund - Gr	127,552	442,575	894,451	1,454,806	2,776,431	-
Reliance Equity Opportunities Fund - Gr	130,848	417,628	872,072	1,451,463	2,881,060	4,017,894
Reliance Focused Large Cap Fund - Gr	127,555	424,720	861,518	1,373,458	2,162,745	-
Reliance Growth Fund Gr	131,999	455,072	970,238	1,551,874	2,706,734	3,797,141
Reliance Mid & Small Cap Fund - Gr	129,549	452,279	1,059,652	1,773,892	3,209,111	-
Reliance Quant Plus Fund - Gr	131,046	428,024	809,630	1,251,357	-	-
Reliance Regular Savings Fund Equity Plan - Gr	135,286	453,612	949,621	1,526,607	2,708,529	3,975,147
Reliance Small Cap Fund - Gr	137,136	510,858	1,332,034	2,339,124	-	-
Reliance Top 200 Fund - Gr	131,708	441,429	922,339	1,503,857	2,610,241	-
Reliance Vision Fund Gr	133,704	442,479	927,431	1,447,598	2,435,335	3,278,316
Sahara Growth Fund Gr	127,870	419,180	794,974	1,224,286	2,015,000	2,782,538
Sahara Midcap Fund - Gr	132,577	488,380	1,078,223	1,739,009	3,171,634	4,321,855
Sahara Wealth Plus Fund Variable - Gr	130,221	445,971	931,352	1,522,681	2,710,881	3,655,652
SBI Blue Chip Fund - Gr	129,022	436,802	922,829	1,541,941	2,670,110	-
SBI Contra Fund - Regular Div	130,565	433,147	871,573	1,359,162	2,196,239	2,942,622
SBI Emerging Businesses Fund - Regular Plan - Gr	132,741	446,476	939,819	1,603,703	3,239,291	4,300,982
SBI Magnum Equity Fund - Div	126,045	417,761	842,605	1,351,498	2,369,479	3,277,130
SBI Magnum Global Fund - Div	128,600	417,461	936,415	1,605,711	3,025,874	4,016,835
SBI Magnum MidCap Fund - Gr	126,378	441,652	1,073,189	1,908,455	3,420,726	4,386,194
SBI Magnum Multicap Fund - Gr	133,135	464,250	1,014,350	1,663,991	2,756,347	3,545,073
SBI Magnum Multiplier Fund - Div	130,120	440,410	948,474	1,561,195	2,721,296	3,731,355
SBI Small & Midcap Fund - Gr	144,342	531,822	1,392,495	2,460,186	-	-
Sundaram Equity Multiplier Fund - Gr	131,938	454,220	943,963	1,480,142	2,440,049	-
Sundaram Rural India Fund - Gr	131,842	499,882	1,069,379	1,727,468	2,974,882	-
Sundaram S.M.I.L.E. Fund - Gr	132,474	467,075	1,166,349	1,933,559	3,444,721	4,806,876
Sundaram Select Focus - Gr	134,279	436,313	837,197	1,283,359	2,055,424	2,781,048
Sundaram Select MidCap - Gr	131,469	478,539	1,134,705	1,926,134	3,715,448	5,223,328
Tata Dividend Yield Fund - Gr	126,528	427,870	878,776	1,404,998	2,647,775	3,708,122
Tata Equity Opportunities Fund Regular Plan - Gr	128,479	429,977	897,772	1,469,988	2,539,002	3,399,351
Tata Equity P/E Fund Gr	137,247	504,095	1,119,379	1,816,549	3,278,272	4,652,620
Tata Ethical Fund - Gr	129,121	407,513	840,928	1,389,415	2,527,930	3,384,007
Tata Large Cap Fund - Gr	129,234	425,559	839,851	1,339,677	2,330,780	3,212,657
Tata Mid Cap Growth Fund - Gr	134,188	457,630	1,081,731	1,841,999	3,330,645	4,447,336
Taurus Bonanza Fund Gr	127,278	409,441	801,251	1,227,903	1,968,593	2,491,967
Taurus Discovery Fund - Gr	134,495	469,765	1,045,850	1,752,956	2,877,484	3,556,952
Taurus Ethical Fund - Gr	127,663	400,407	821,599	1,300,804	-	-
Taurus Starshare Growth	131,046	427,188	841,068	1,321,826	2,255,392	3,017,264
Templeton India Growth Fund Gr	134,345	467,576	955,612	1,507,324	2,633,643	3,680,817
Union Equity Fund - Gr	128,671	409,959	785,142	-	-	-
Union Small and Midcap Fund - Gr	130,998	428,658	-	-	-	-
UTI Bluechip Flexicap Fund - Gr	134,267	437,400	857,421	1,361,550	2,248,954	-
UTI Dividend Yield Fund - Gr	128,695	425,837	825,764	1,270,583	2,268,667	3,228,425
UTI Equity Fund - Div	129,705	421,363	859,642	1,402,681	2,558,287	3,523,426
UTI India Lifestyle Fund - Gr	129,338	421,081	810,075	1,292,437	2,299,079	-
UTI Master Share - Div	128,315	414,654	823,870	1,296,035	2,195,591	2,960,509
UTI Mid Cap Fund - Gr	128,655	439,235	1,079,125	1,872,110	3,602,081	4,756,768
UTI MNC Fund - Gr	131,136	425,205	966,507	1,660,315	3,383,397	4,685,856
UTI Opportunities Fund - Gr	128,665	411,723	802,043	1,283,604	2,372,330	3,335,786
UTI Top 100 Fund - Gr	131,101	432,753	869,297	1,385,482	2,358,686	3,097,295
<b>Average Value of Above Funds</b>	<b>131,626</b>	<b>448,760</b>	<b>957,605</b>	<b>1,575,133</b>	<b>2,787,952</b>	<b>3,709,343</b>
<b>Maximum Value</b>	<b>144,342</b>	<b>549,230</b>	<b>1,392,495</b>	<b>2,460,186</b>	<b>4,591,182</b>	<b>5,764,574</b>
<b>Minimum Value</b>	<b>124,816</b>	<b>400,407</b>	<b>725,143</b>	<b>998,226</b>	<b>1,904,885</b>	<b>2,383,035</b>
<b>Universe</b>	<b>155</b>	<b>155</b>	<b>147</b>	<b>142</b>	<b>113</b>	<b>84</b>
<b>ELSS / Tax Savings Schemes</b>						
Aditya Birla Sun Life Tax Plan - Div	135,966	460,525	1,001,570	1,659,572	2,864,494	3,758,720
Aditya Birla Sun Life Tax Relief 96 Fund - Div	136,098	463,726	1,019,370	1,681,339	2,889,486	3,869,501
Axis Long Term Equity Fund - Gr	135,029	445,152	1,004,527	1,754,303	-	-
Baroda Pioneer Elss 96 - Div	130,790	436,721	887,029	1,396,725	2,302,817	2,971,384
BNP Paribas Long Term Equity Fund - Gr	134,041	434,560	920,152	1,541,861	2,688,408	-
BOI AXA Tax Advantage Fund - Regular - Growth	139,735	463,656	945,224	1,507,738	-	-
Canara Robeco Equity Tax Saver Fund - Div	129,925	423,277	848,522	1,361,389	2,522,983	3,608,106
DHFL Pramerica Tax Plan - Gr	133,255	452,295	927,979	1,480,202	2,393,469	-
DSP BlackRock Tax Saver Fund - Gr	131,450	465,367	999,230	1,660,295	2,975,197	-
Edelweiss ELSS Fund - Gr	129,840	429,618	884,417	1,440,054	-	-
Franklin India Taxshield Gr	128,493	428,927	921,179	1,524,583	2,823,768	3,908,728
HDFC Long Term Advantage Fund - Gr	129,488	450,313	920,121	1,486,835	2,701,250	3,597,526
HDFC TaxSaver - Div	129,074	440,696	907,250	1,441,227	2,624,305	3,546,534
HSBC Tax Saver Equity Fund - Gr	132,757	457,526	950,198	1,564,401	2,761,611	-
ICICI Prudential Long Term Equity Fund - Regular Gr	124,745	415,065	878,023	1,451,249	2,747,565	3,678,053
IDFC Tax Advantage (ELSS) Fund - Regular Gr	139,314	475,120	1,008,126	1,678,352	-	-
Invesco India Tax Plan - Gr	131,412	441,138	951,548	1,576,064	2,940,664	-
JM Tax Gain Fund - Growth Option	136,689	469,217	986,665	1,577,303	-	-
Kotak Tax Saver - Gr	129,403	445,760	933,870	1,477,128	2,483,109	-
L&T Tax Advantage Fund - Gr	135,994	475,386	984,449	1,578,593	2,880,968	-
LIC MF Tax Plan Gr	129,845	426,297	871,744	1,380,214	2,248,156	2,841,333
Motilal Oswal Most Focused Long Term Fund - Gr	137,562	-	-	-	-	-
Principal Personal Tax Saver - Gr	128,578	427,509	857,344	1,358,698	2,256,304	2,996,611
Principal Tax Savings Fund	135,777	477,159	1,006,335	1,675,669	2,756,433	3,443,660
Quantum Tax Saving Fund - Gr	127,588	442,788	895,116	1,454,857	-	-
Reliance Tax Saver Fund - Gr	133,040	452,010	1,024,917	1,727,378	3,228,070	4,359,917
Sahara Tax Gain Fund Gr	129,579	427,738	848,279	1,337,146	2,393,159	3,326,587
SBI Magnum Tax Gain Fund - Div	128,278	421,951	877,617	1,433,800	2,462,014	3,313,122
Sundaram Diversified Equity (Tax Saver) Fund - Div	131,095	453,851	928,932	1,482,358	2,469,568	3,372,493
Tata India Tax Savings Fund Regular Plan - Div	135,490	473,527	1,015,657	1,668,064	2,955,804	3,909,671
Taurus Tax Shield - Gr	133,062	447,632	880,455	1,370,819	2,371,076	3,301,784
Union Tax Saver Scheme - Gr	127,453	401,444	789,076	-	-	-
UTI Long Term Equity Fund (Tax Saving) - Div	127,394	419,358	833,199	1,311,942	2,179,701	2,804,098
<b>Average Value of Above Funds</b>	<b>132,068</b>	<b>445,166</b>	<b>928,379</b>	<b>1,517,424</b>	<b>2,636,815</b>	<b>3,478,213</b>
<b>Maximum Value</b>	<b>139,735</b>	<b>477,159</b>	<b>1,024,917</b>	<b>1,754,303</b>	<b>3,228,070</b>	<b>4,359,917</b>
<b>Minimum Value</b>	<b>124,745</b>	<b>401,444</b>	<b>789,076</b>	<b>1,311,942</b>	<b>2,179,701</b>	<b>2,804,098</b>
<b>Universe</b>	<b>33</b>	<b>32</b>	<b>32</b>	<b>31</b>	<b>25</b>	<b>18</b>
<b>S&amp;P BSE SENSEX</b>	<b>128,363</b>	<b>409,154</b>	<b>769,321</b>	<b>1,191,886</b>	<b>1,969,425</b>	<b>2,612,881</b>
<b>NIFTY 50</b>	<b>129,612</b>	<b>418,924</b>	<b>794,522</b>	<b>1,233,414</b>	<b>2,041,949</b>	<b>2,725,140</b>

**DISCLAIMER:** We have taken due care and caution in compilation of this booklet. The information has been obtained from various reliable sources. However it does not guarantee the accuracy, adequacy or completeness of any information and are not responsible for any errors or omissions of the results obtained from the use of such information. Investors should seek proper financial advice regarding the appropriateness of investing in any of the schemes stated, discussed or recommended in this newsletter and should realise that the statements regarding future prospects may or may not realise. Mutual fund investments are subject to market risks. Please read the offer document carefully before investing. Past performance is for indicative purpose only and is not necessarily a guide to the future performance.

## NEWS UPDATE

### Digital India to drive FMCG consumption worth \$45-bn by 2020

Underlining the rapid growth of digital in India, 40 per cent of consumption in the Fast Moving Consumer Goods (FMCG) segment worth \$45 billion will be driven digitally by 2020. According to the report by Google India and Boston Consulting Group (BCG), there will be 650 million Internet users by 2020, with the highest growth coming from non-metros owing to increasing mobile penetration. This mass reach will have a big impact for FMCG companies and influence categories such as baby-care and beauty.

### Net direct tax collections grow 16% to ₹ 3.86 lakh cr in April-Sept

The provisional figures of direct tax collections up to September 2017 show that net collections are at Rs 3.86 lakh crore, which is 15.8 per cent higher than the net collections for the corresponding period last year, Central Board of Direct Taxes (CBDT) has said. The net direct tax collections represent 39.4 per cent of the total budget estimates of direct taxes for 2017-18 (₹ 9.8 lakh crore). Gross collections (before adjusting for refunds) have increased by 10.3 per cent to ₹4.66 lakh crore during April to September, 2017. The refunds amounting to ₹79,660 crore have been issued during April to September, 2017.

### Government sets up high-level 5G India forum, eyes rollout by 2020

Aiming to keep pace with the global rollout of 5G, the Indian government has set up a High-Level 5G India 2020 Forum, Communications Minister Manoj Sinha has said. We want to keep pace with the global technology adoption. India does not want to stay behind in 5G rollout. That is the reason we have constituted this committee. 5G will enhance GDP, create employment and digitise the economy, he added. The government will create a corpus of ₹ 500 crore for 5G rollout.