



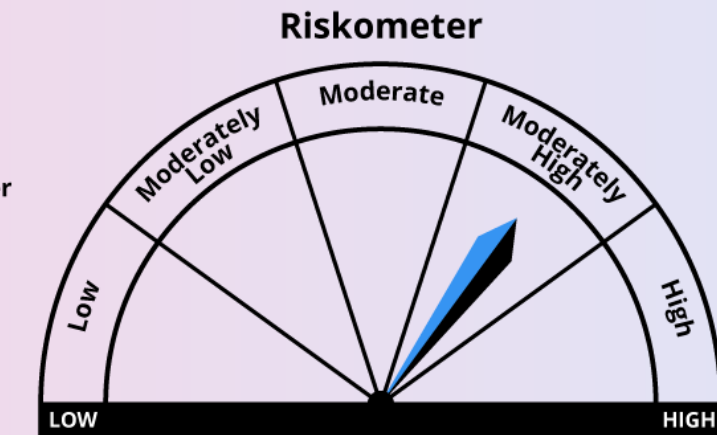
INTRODUCING  
**SHRIRAM**  
**balanced**  
**ADVANTAGE**  
**FUND**

(An Open Ended Dynamic Asset Allocation Fund)

This product is suitable for investors who are seeking\*:

- Capital Appreciation along with generation of income over a long period of time
- Investment in equity, equity related securities & debt, money market instruments while managing risk through active allocation.
- Moderately High Risk

\*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

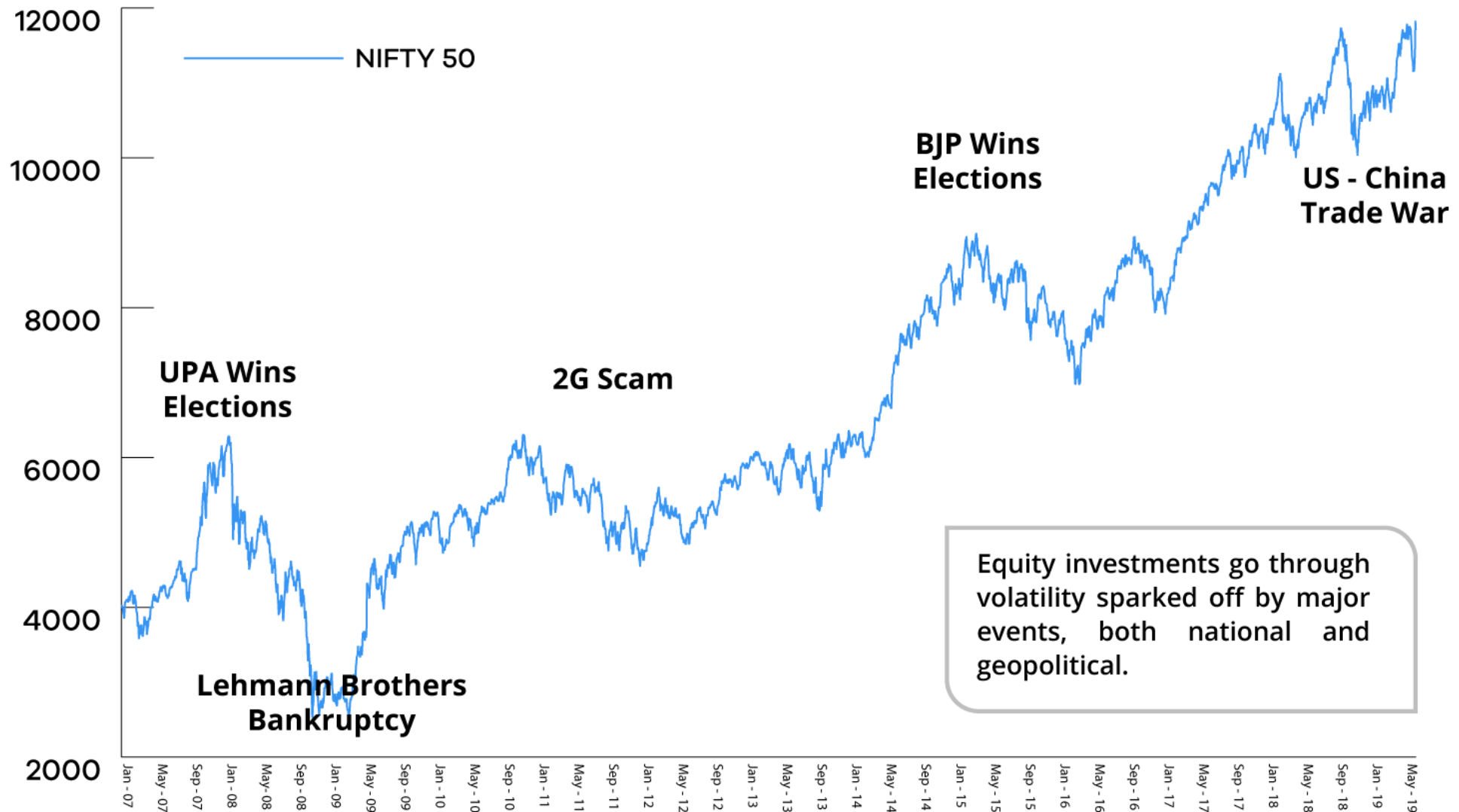


Investors understand that their principal will be at moderately high risk.

**NFO OPENS:**  
**JUNE 14, 2019**

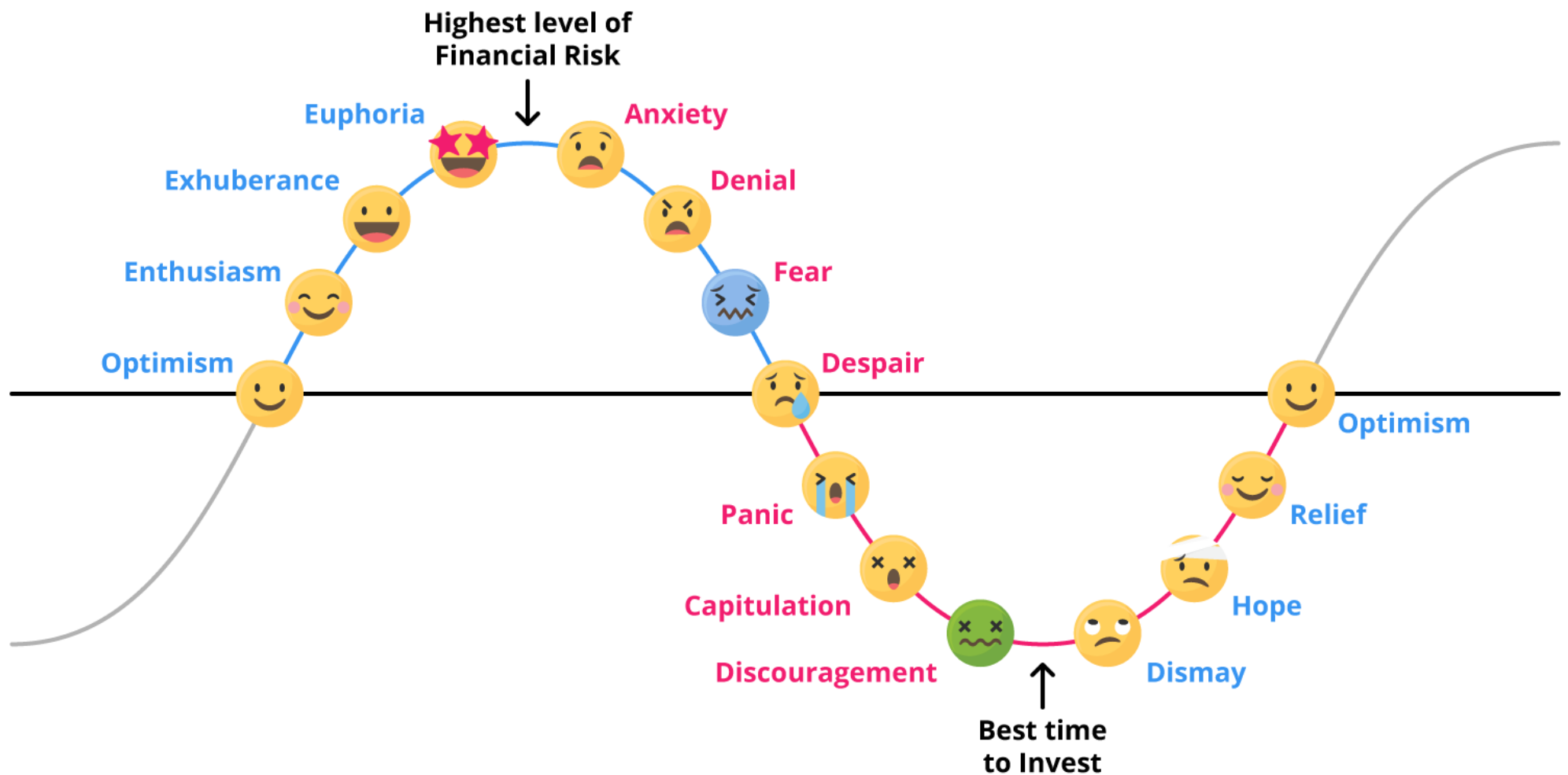
**NFO CLOSES:**  
**JUNE 28, 2019**

# Volatility – Equity's Unavoidable Trait

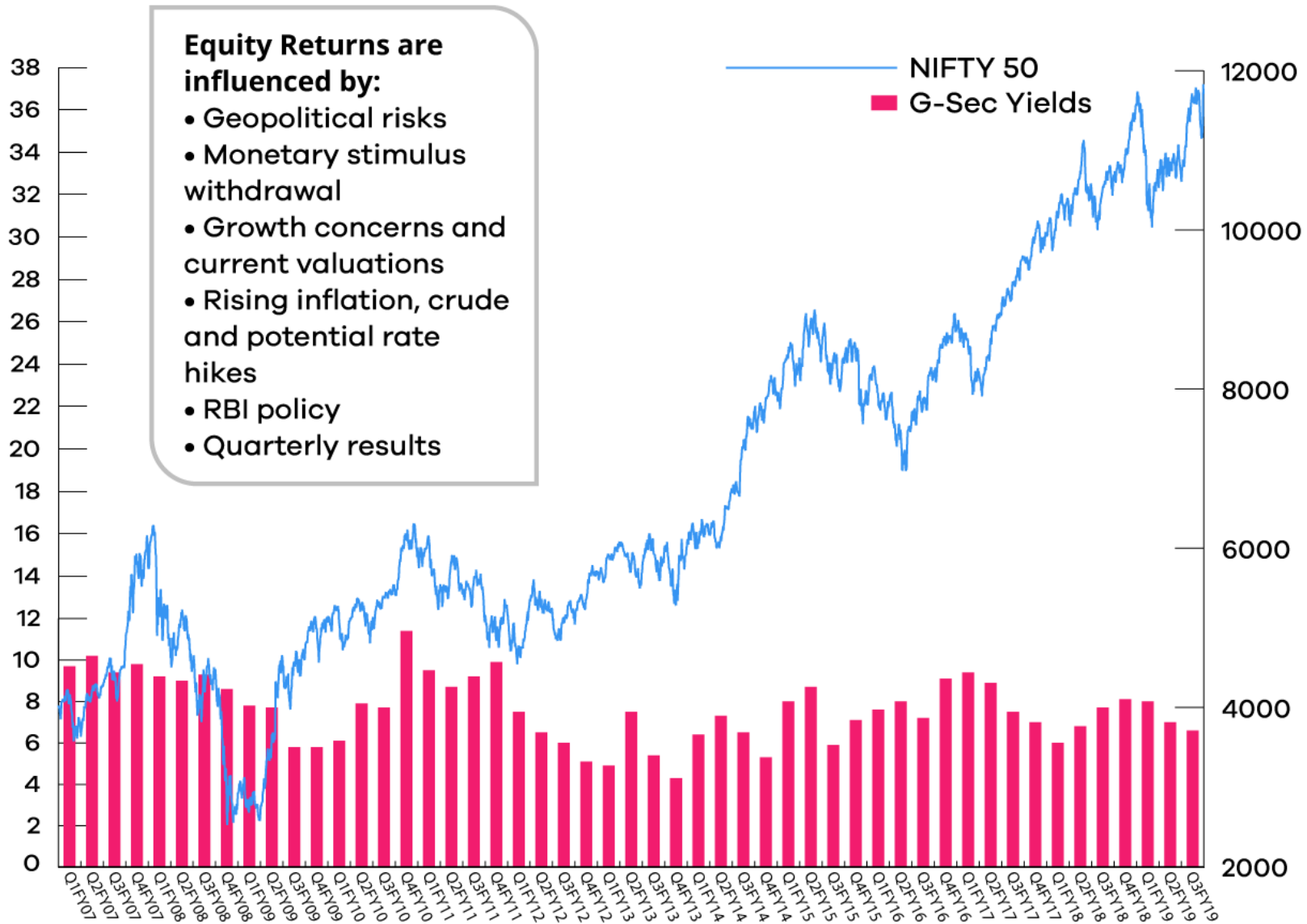


Source: Nifty 50 data taken from nseindia.com

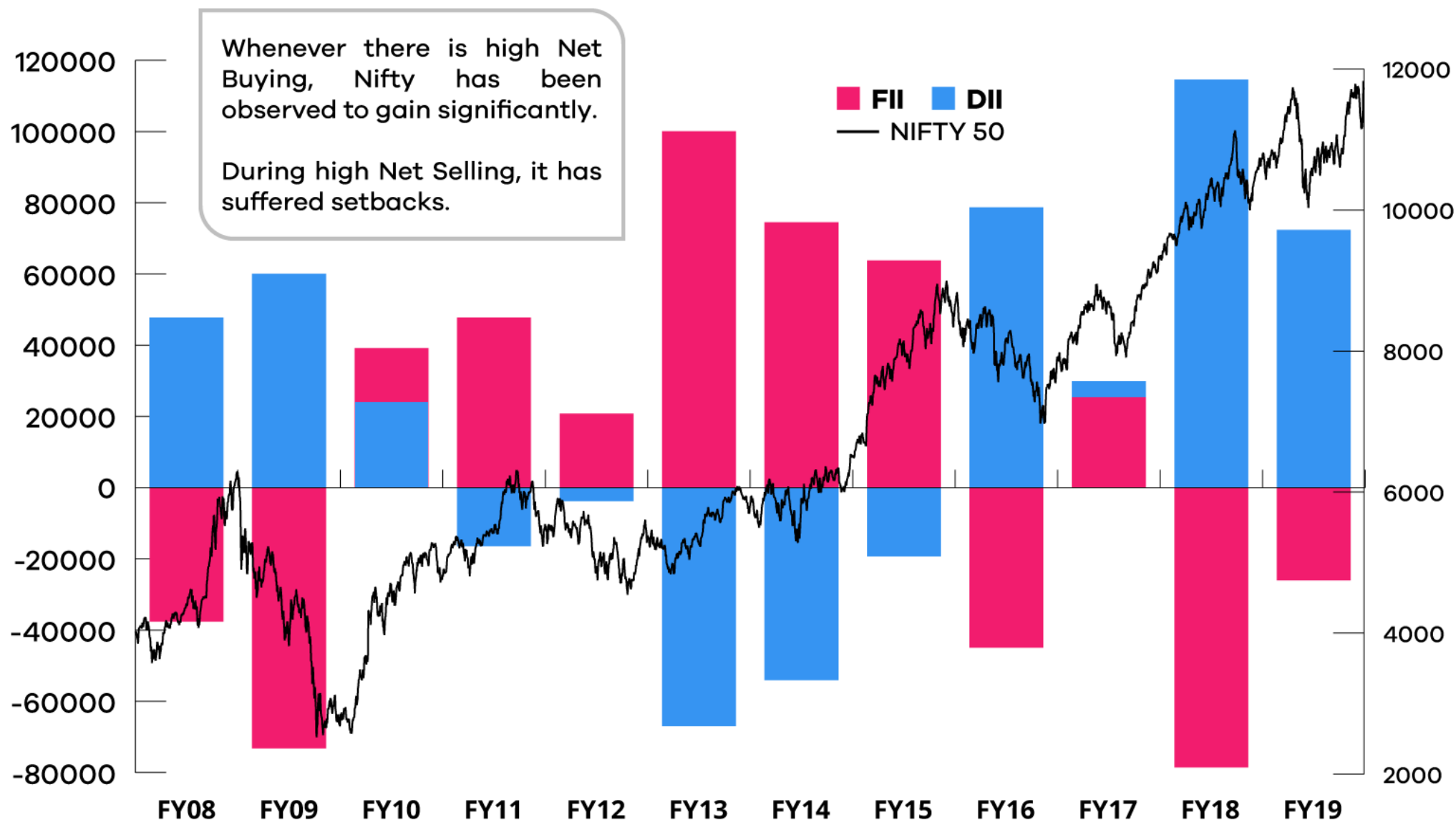
# Volatility – Effect on Investors



# Volatility - Macro-economic Influences on Equity

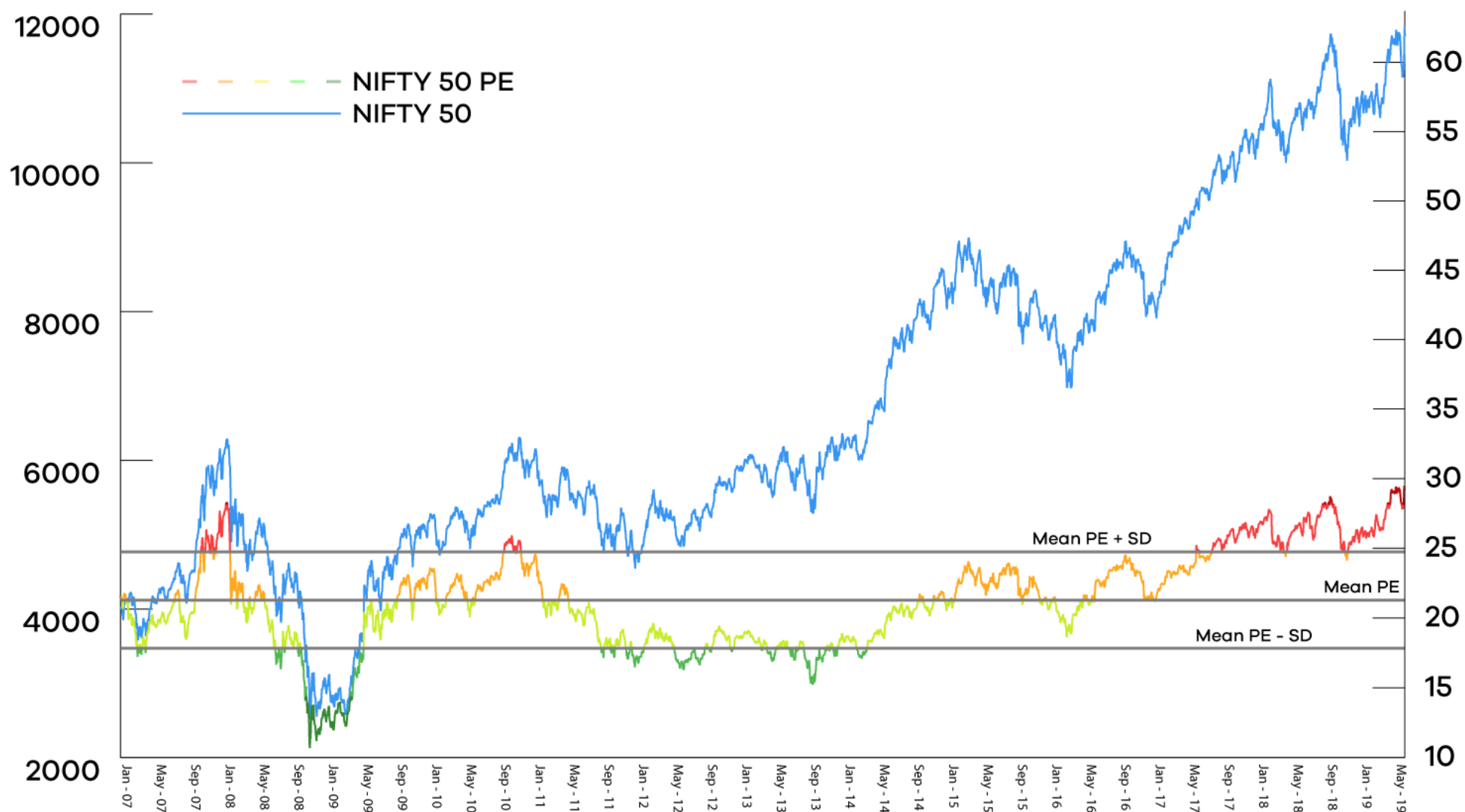


# Volatility - Influence of FII/DII Flows



Source: Nifty 50 data taken from nseindia.com, FII/DII data from bloomberg.com

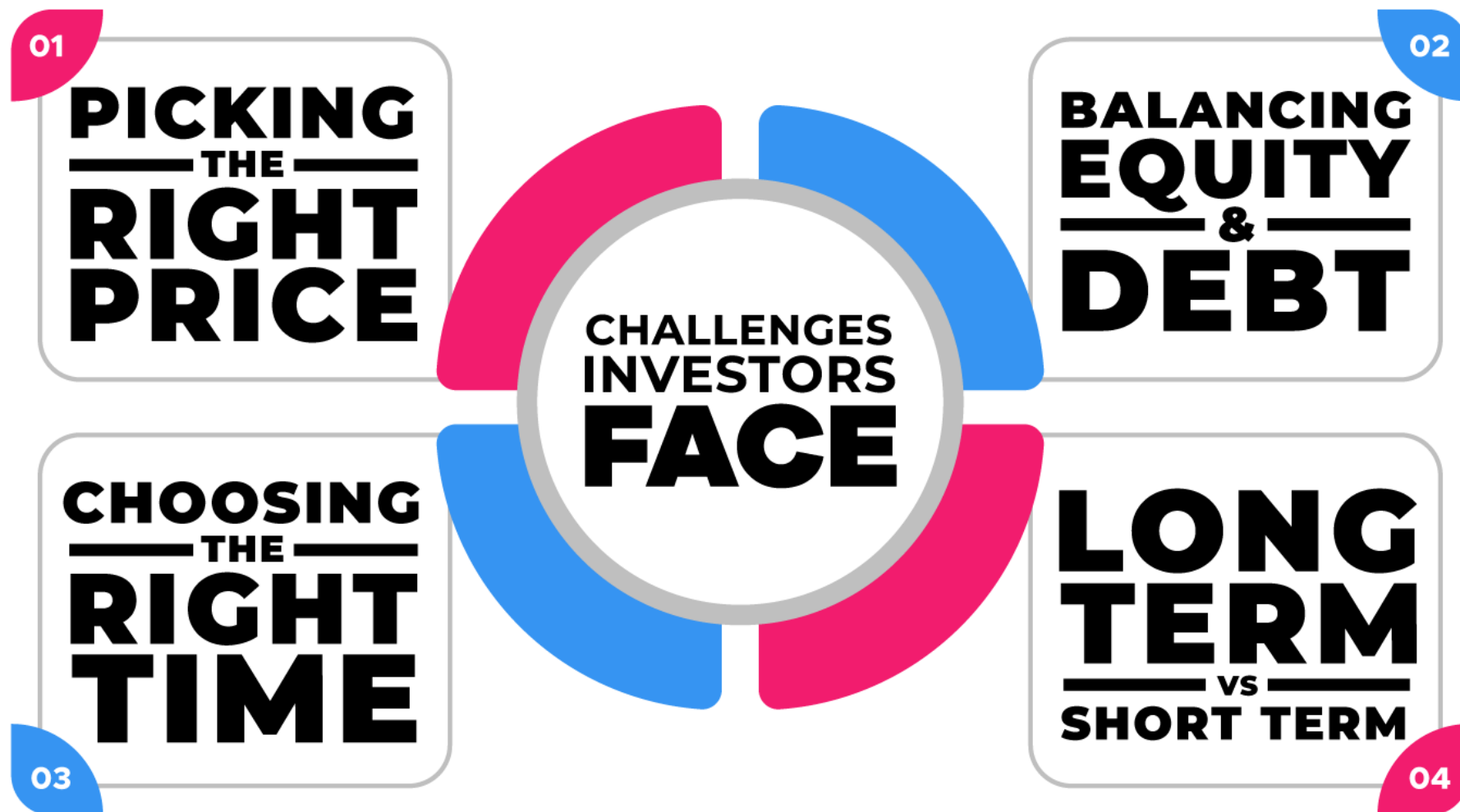
# Volatility – General Investor Behaviour



Source: Nifty 50, Nifty P/E data taken from nseindia.com

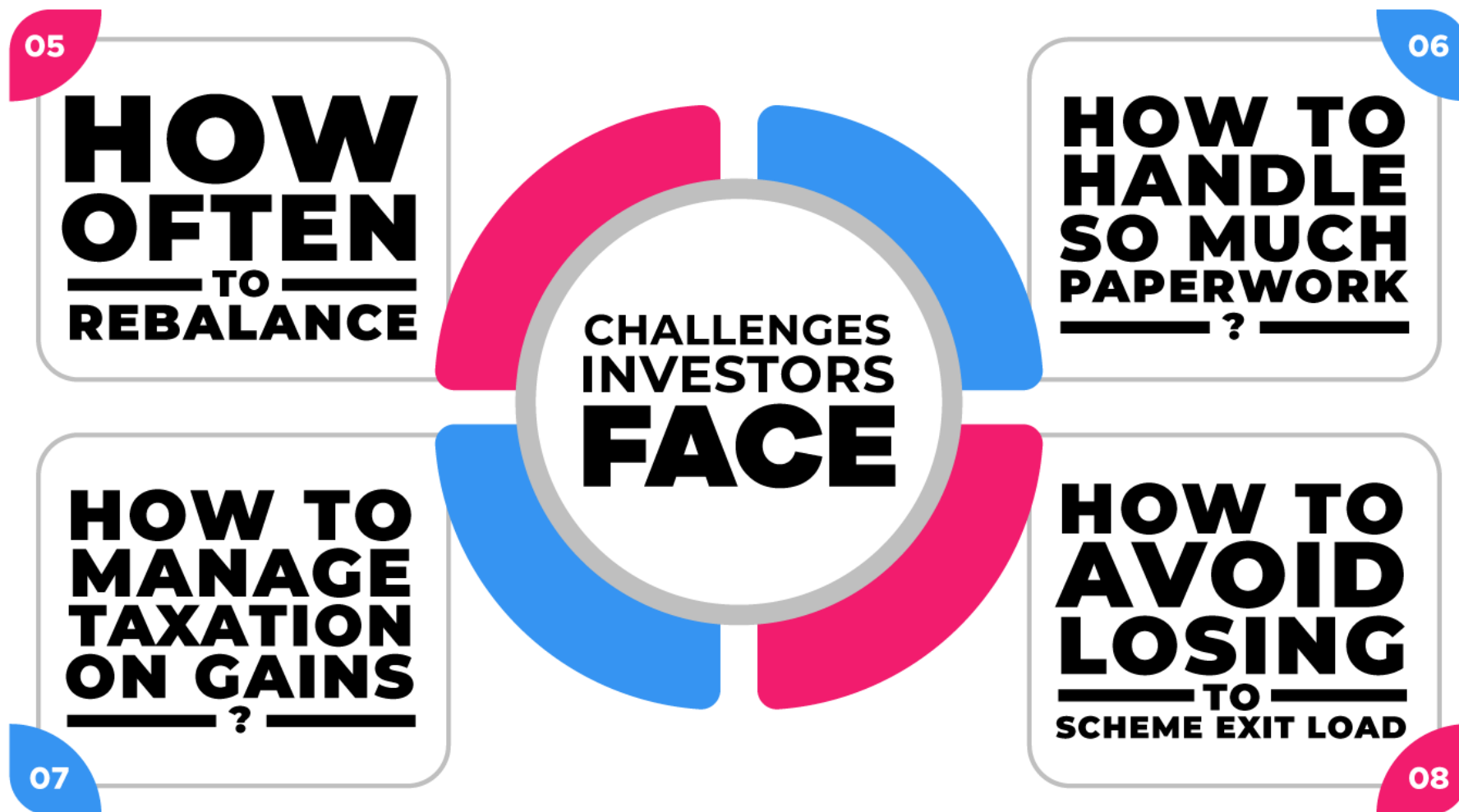
# Common Problems Among Investors

## Getting the Fundamentals Right



# Common Problems Among Investors

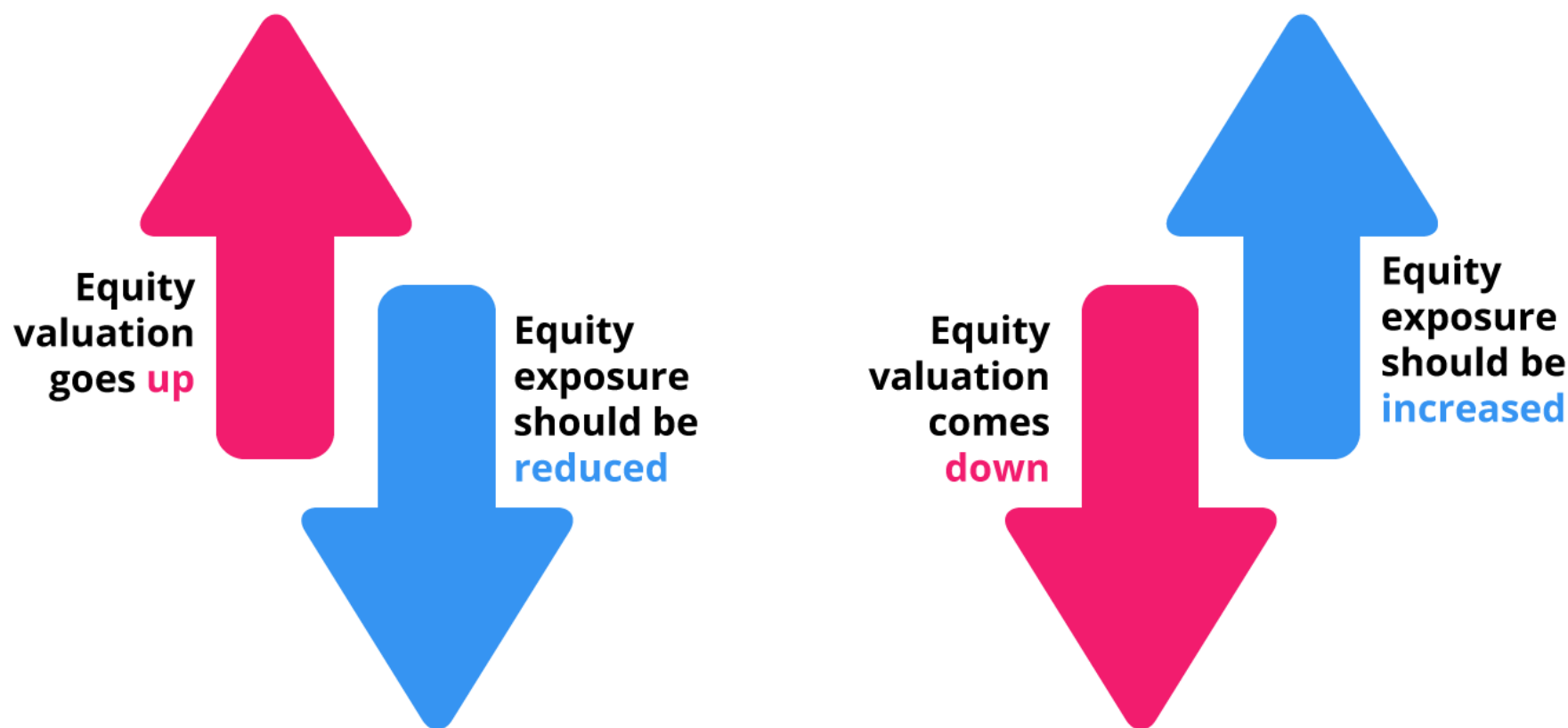
## Dynamic Asset Allocation

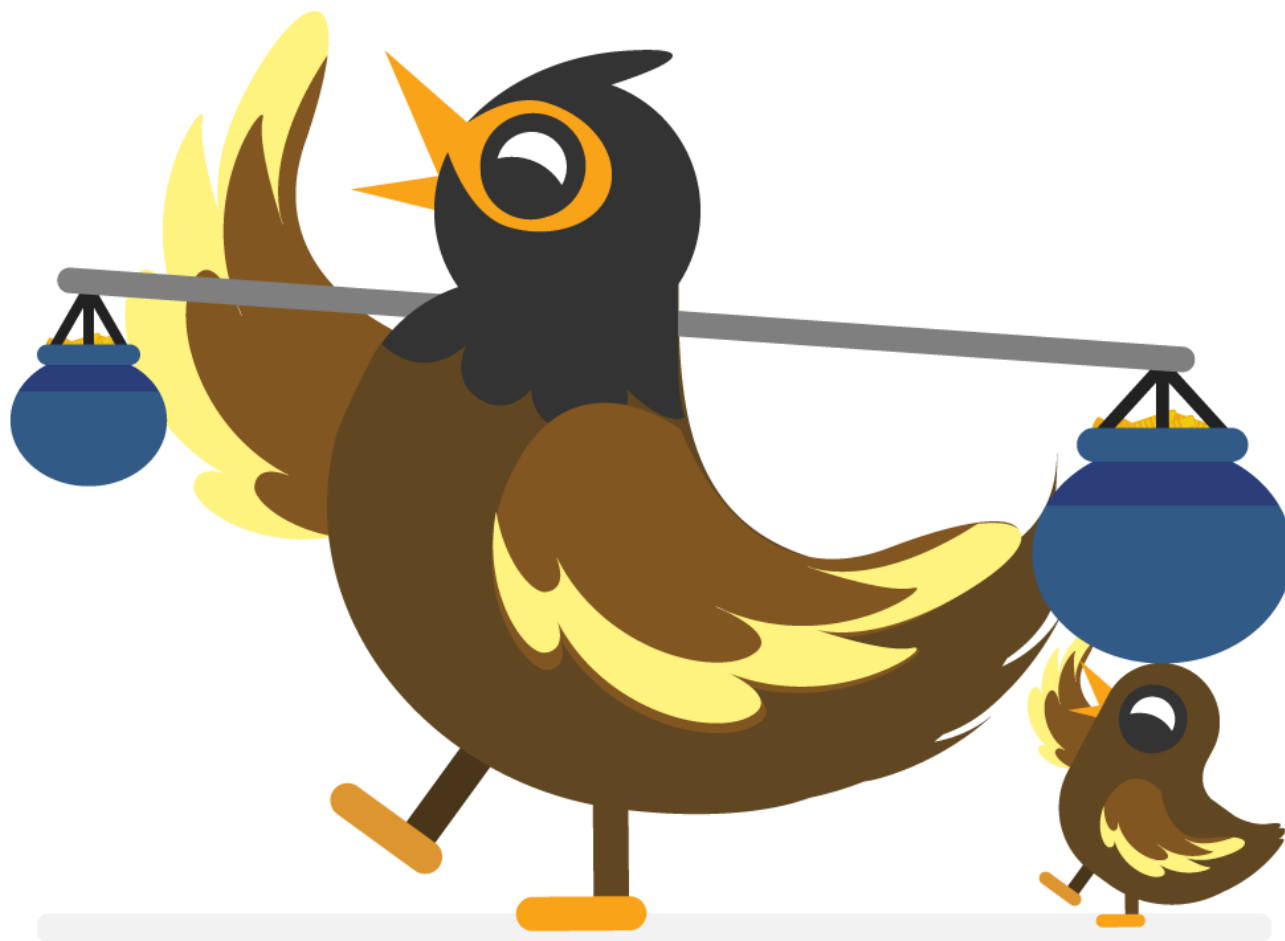




# Common Problems Among Investors

## Handling Valuation & Exposure





# Introducing **SHRIRAM BALANCED ADVANTAGE FUND**

(An Open Ended Dynamic Asset Allocation Fund)

# What is BAF?

$$\text{Equity} + \text{Hedged Equity} + \text{DEBT} = \text{SHRIRAM } \underline{\text{balanced}} \underline{\text{ADVANTAGE}} \text{FUND}$$



Ride the wave, whichever way it may be going:

- Equity and Debt allocation will be adjusted according to changing market environment
- Rules out the need to time the market
- Eliminates investor emotional biases

# Shriram BAF - Factors Driving Equity Exposure

## Equity Valuations

- Nifty 50 Trailing P/E, Earnings Yield
- Reflects the future growth expectations of the market
- High PE = High Growth Expectations = High Risk of Disappointment
- Most accurate over long term, however, also slow to react to term changes

## Prevalent Interest Rates

- 10 Year G-Sec
- Reflects the Cost of Funding for the market - lower Interest Rates mean high liquidity
- Reasonably sticky over medium term - however, catches any Structural change in markets

## Market Internals

- Market Trend
- Reflects the flow of money in and out of markets
- Fastest to react to market distress/euphoria - but also very volatile

WEIGHTAGE

# Simulation Results - Net Equity Exposure



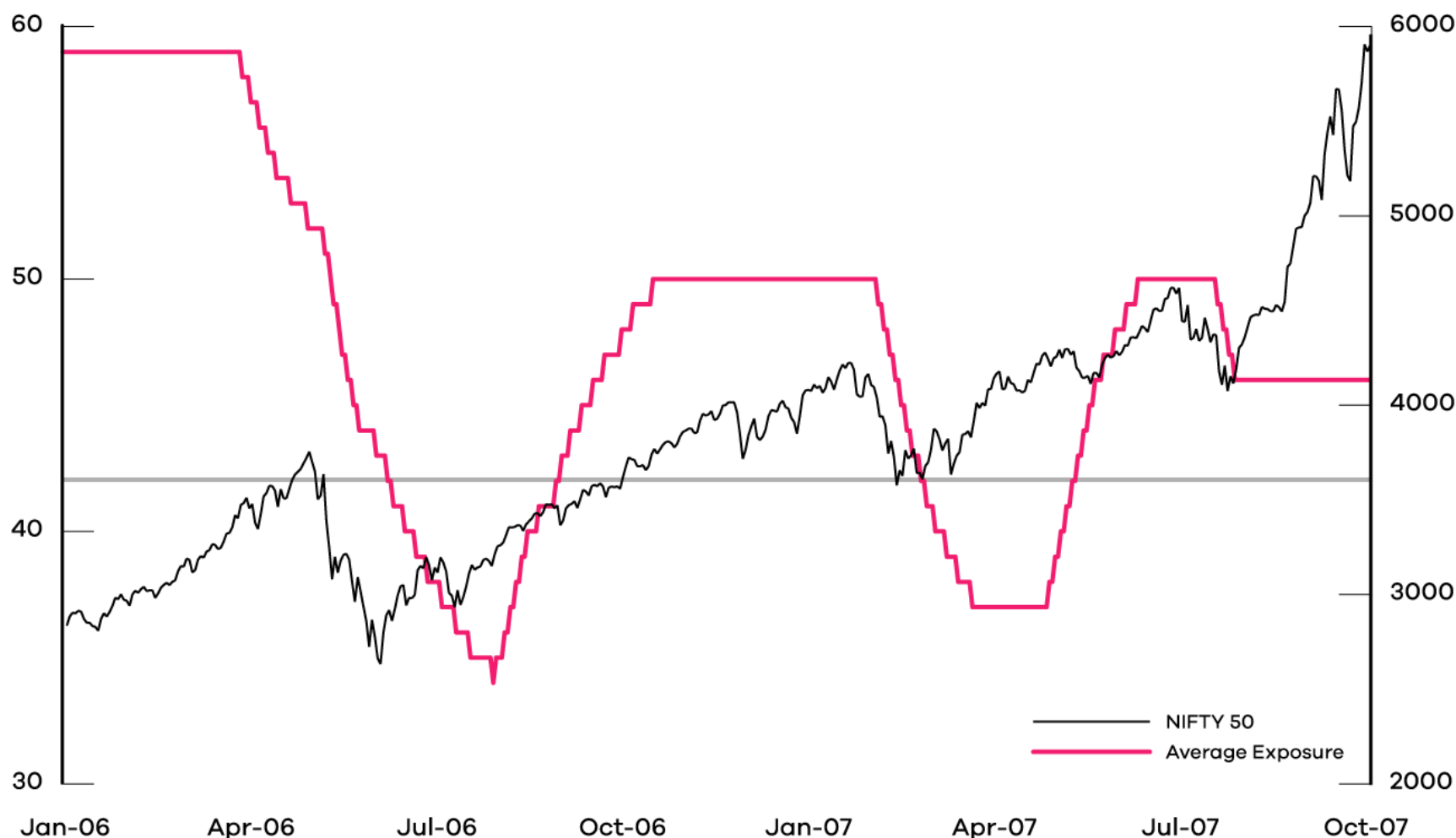
Source: Nifty 50 data taken from nseindia.com

Nifty P/E   Equity

Interest Rates   Equity

Market Trend   Equity

# Case Study 1 : 2006 to 2007 (Pre-Financial Crisis)



Source: Nifty 50 data taken from nseindia.com

Economic Scenario

Growth: **High**  
Inflation: **High**

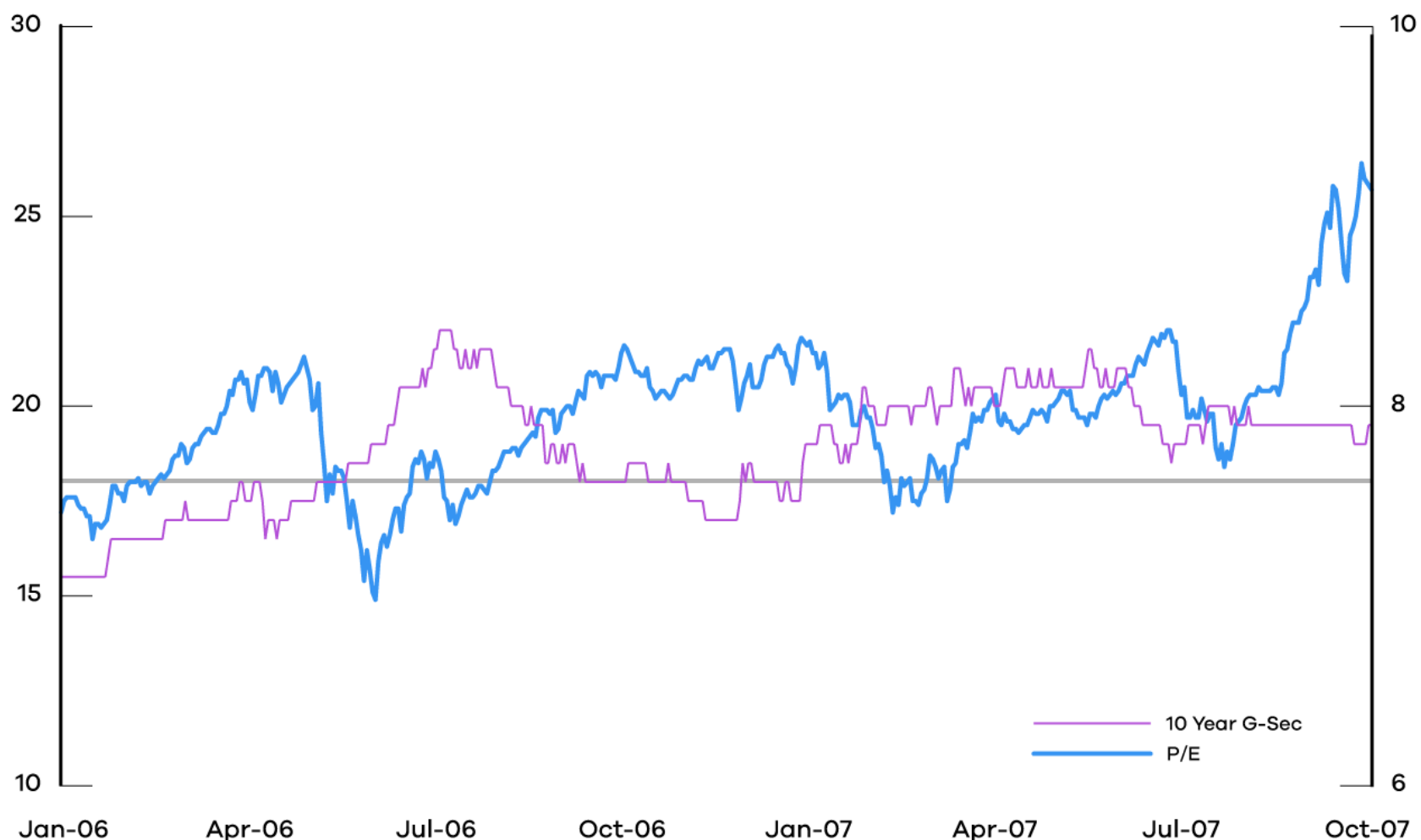
Market Scenario

Valuations: **High**  
Interest Rates: **Upward Trend**  
Market Trend: **Positive**

Shriram BAF  
Avg. Model Exposure:

**47%**

# Case Study 1 : 2006 to 2007 (Pre-Financial Crisis)



Source: Nifty P/E data taken from nseindia.com, G-Sec Yields from bloomberg.com

**Economic Scenario** →

Growth: **High**  
Inflation: **High**

**Market Scenario** →

Valuations: **High**  
Interest Rates: **Upward Trend**  
Market Trend: **Positive**

Shriram BAF  
Avg. Model Exposure:

**47%**

# Case Study 2 : 2008 (Great Financial Crisis)



Source: Nifty 50 data taken from nseindia.com

Economic Scenario

Growth: **Low**  
Inflation: **Low**

Market Scenario

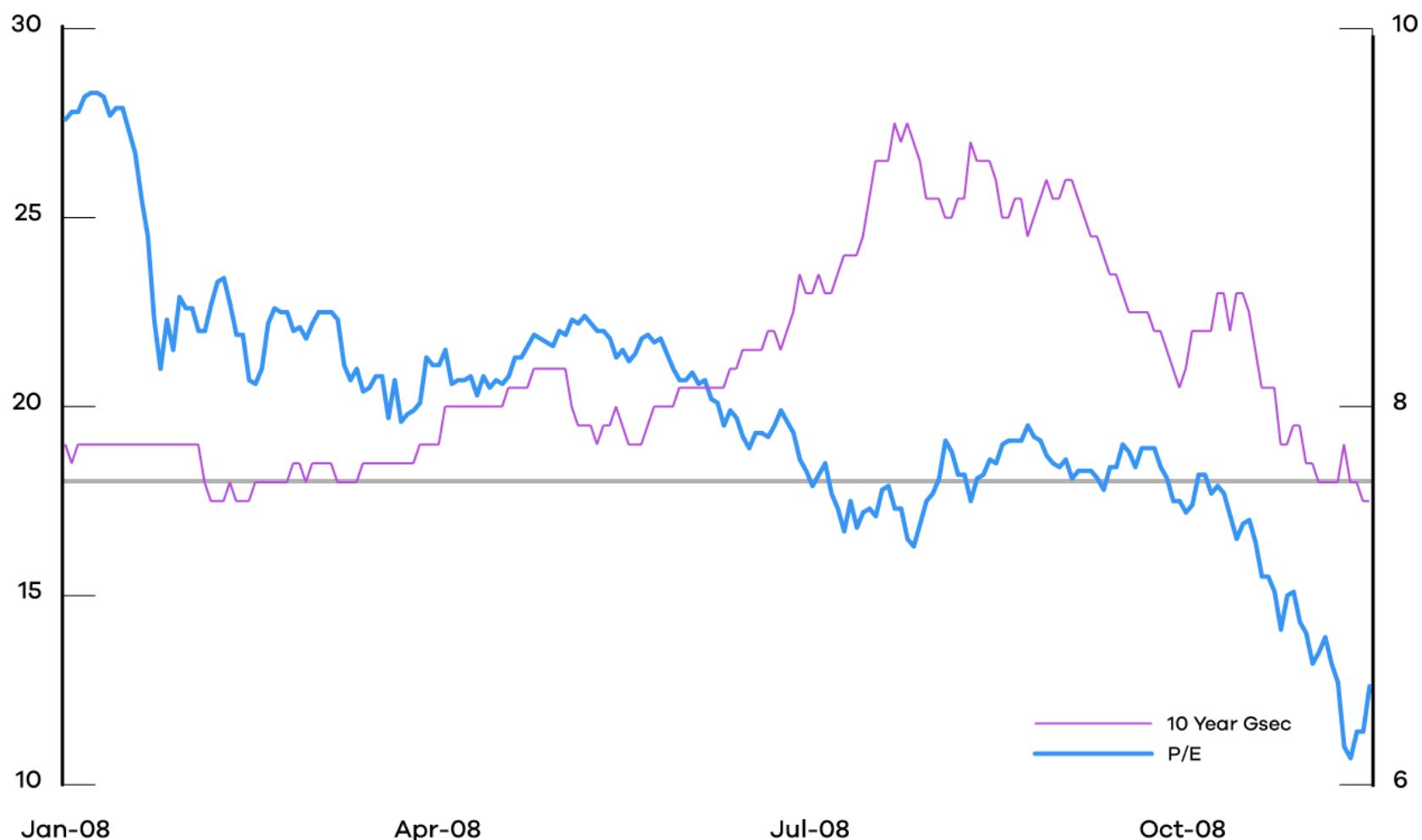
Valuations: **Low**  
Interest Rates: **Downward Trend**  
Market Trend: **Negative**

Shriram BAF  
Avg. Model Exposure:

**43%**



# Case Study 2 : 2008 (Great Financial Crisis)



Source: Nifty P/E data taken from nseindia.com, G-Sec Yields from bloomberg.com

Economic Scenario

Growth: **Low**  
Inflation: **Low**

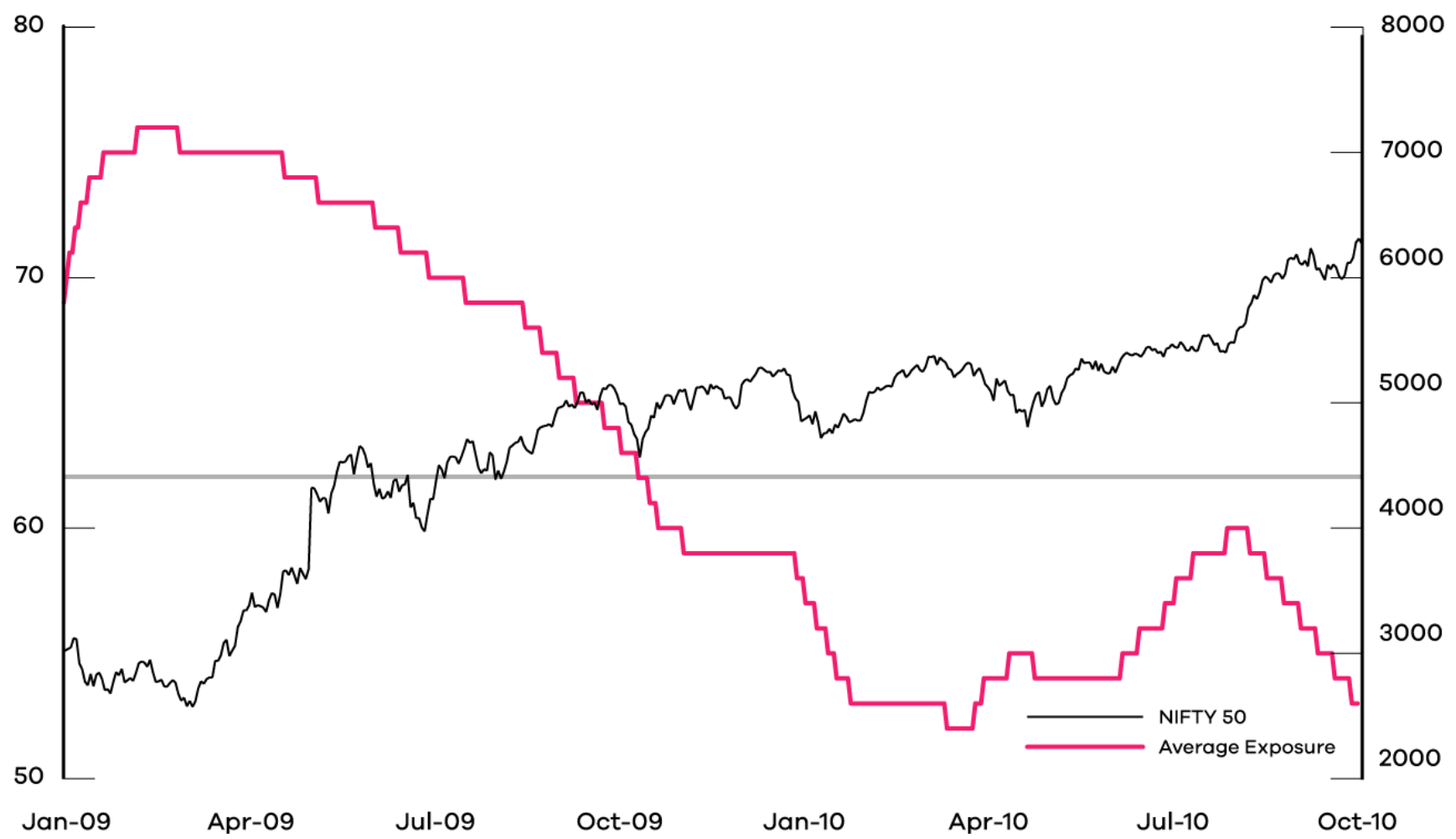
Market Scenario

Valuations: **Low**  
Interest Rates: **Downward Trend**  
Market Trend: **Negative**

Shriram BAF  
Avg. Model Exposure:

**43%**

# Case Study 3 : 2009 to 2010 (Post Financial Crisis)



Source: Nifty 50 data taken from nseindia.com

Economic Scenario

Growth: **Medium**  
Inflation: **High**

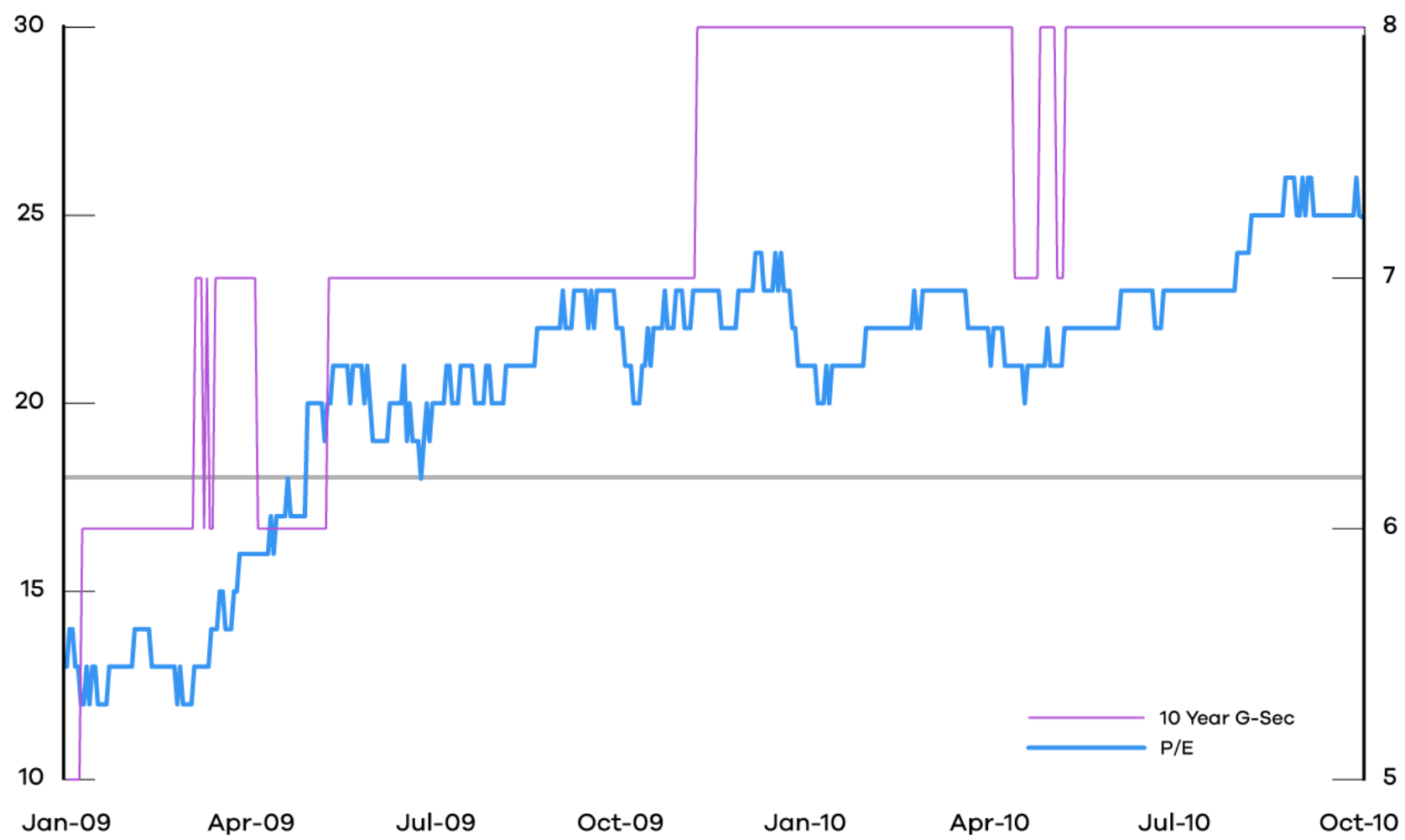
Market Scenario

Valuations: **Median**  
Interest Rates: **Upward Trend**  
Market Trend: **Positive**

Shriram BAF  
Avg. Model Exposure:

62%

# Case Study 3 : 2009 to 2010 (Post Financial Crisis)



Source: Nifty P/E data taken from nseindia.com, G-Sec Yields from bloomberg.com

**Economic Scenario** →

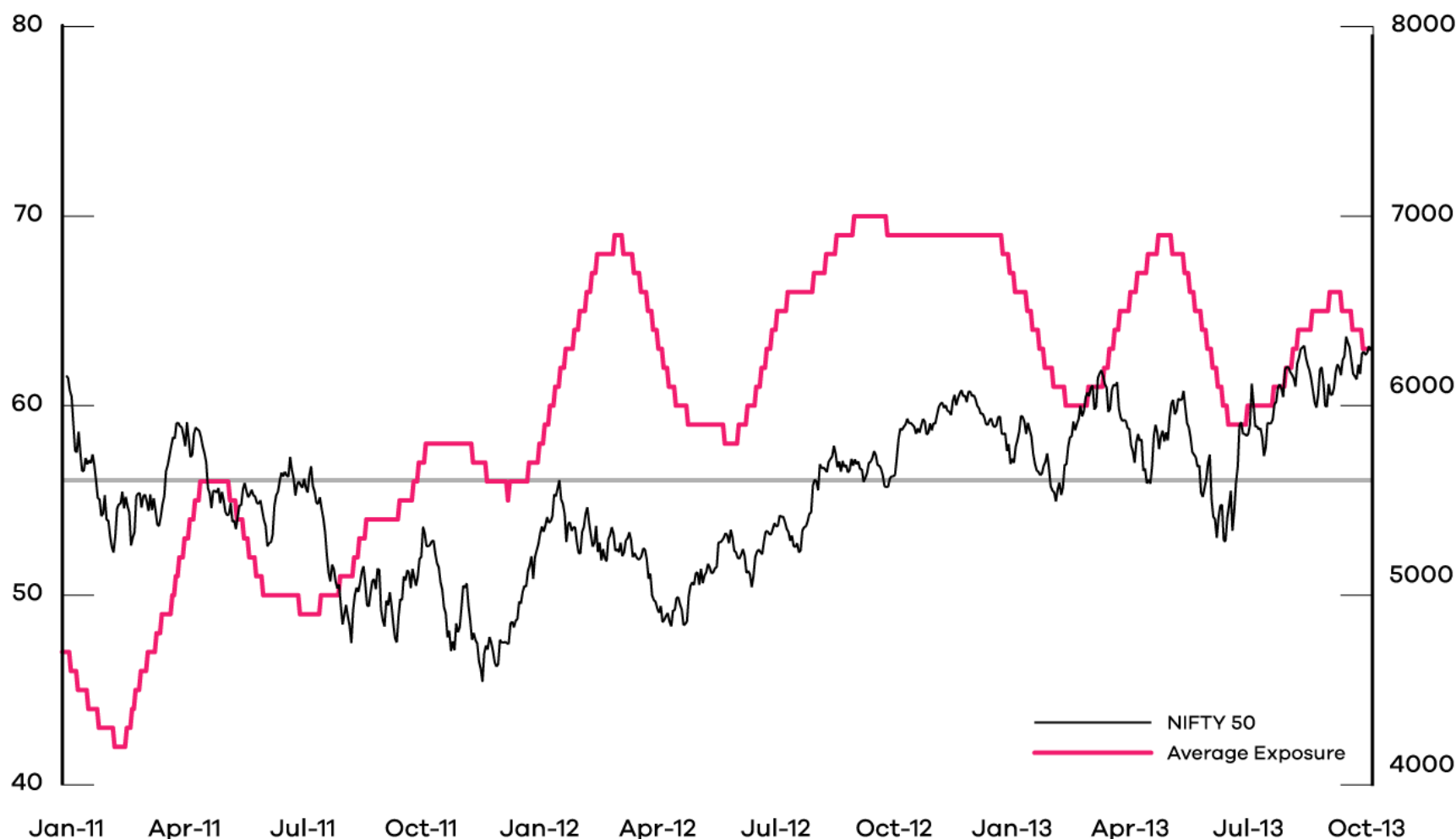
Growth: **Medium**  
Inflation: **High**

**Market Scenario** →

Valuations: **Median**  
Interest Rates: **Upward Trend**  
Market Trend: **Positive**

Shriram BAF  
Avg. Model Exposure:  
**62%**

# Case Study 4 : 2011 to 2013 (High Inflation)



Source: Nifty 50 data taken from nseindia.com

**Economic Scenario** →

Growth: **Medium**  
Inflation: **High**

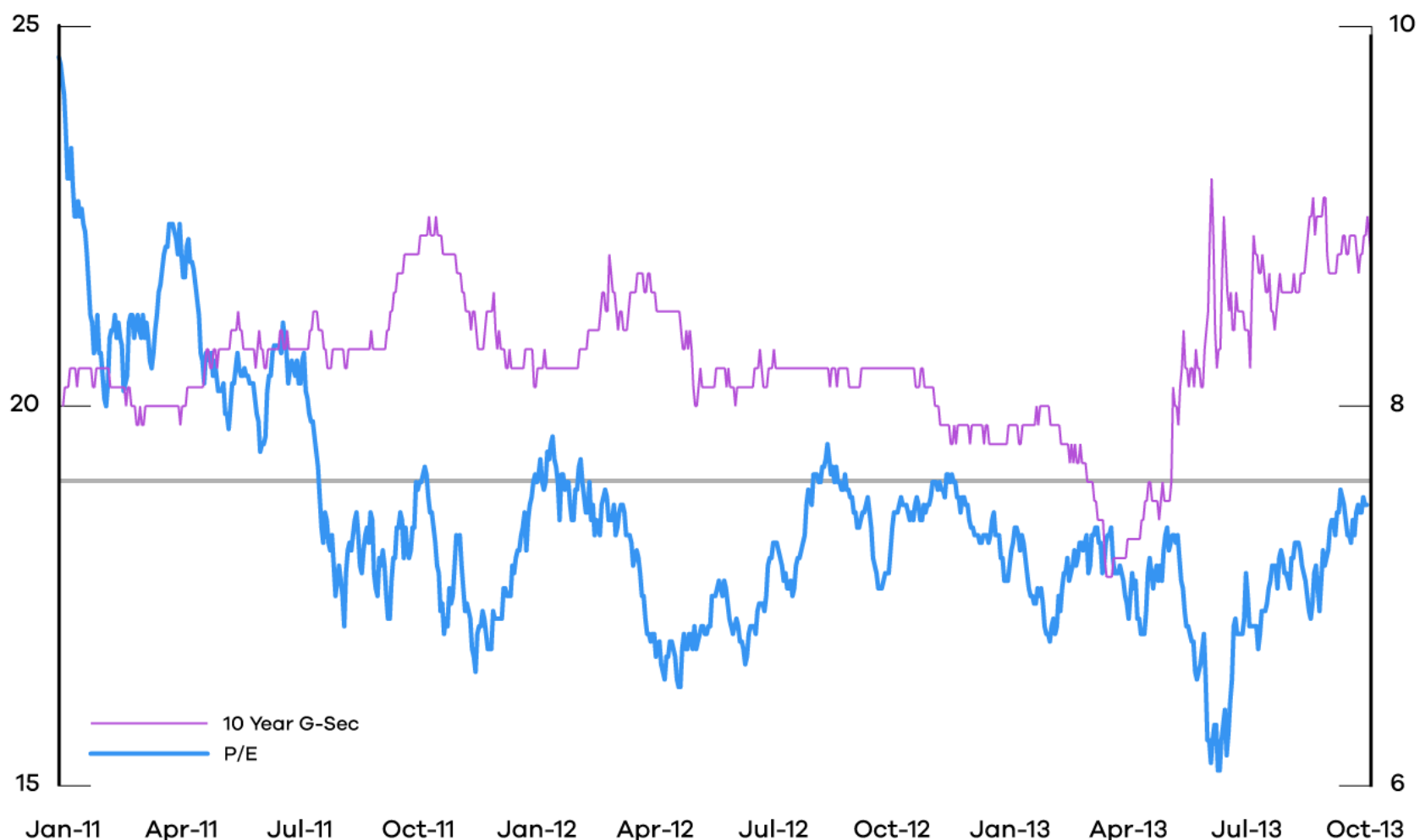
**Market Scenario** →

Valuations: **Median**  
Interest Rates: **High**  
Market Trend: **Sideways**

Shriram BAF  
Avg. Model Exposure:

**60%**

# Case Study 4 : 2011 to 2013 (High Inflation)



Economic Scenario

Growth: **Medium**  
Inflation: **High**

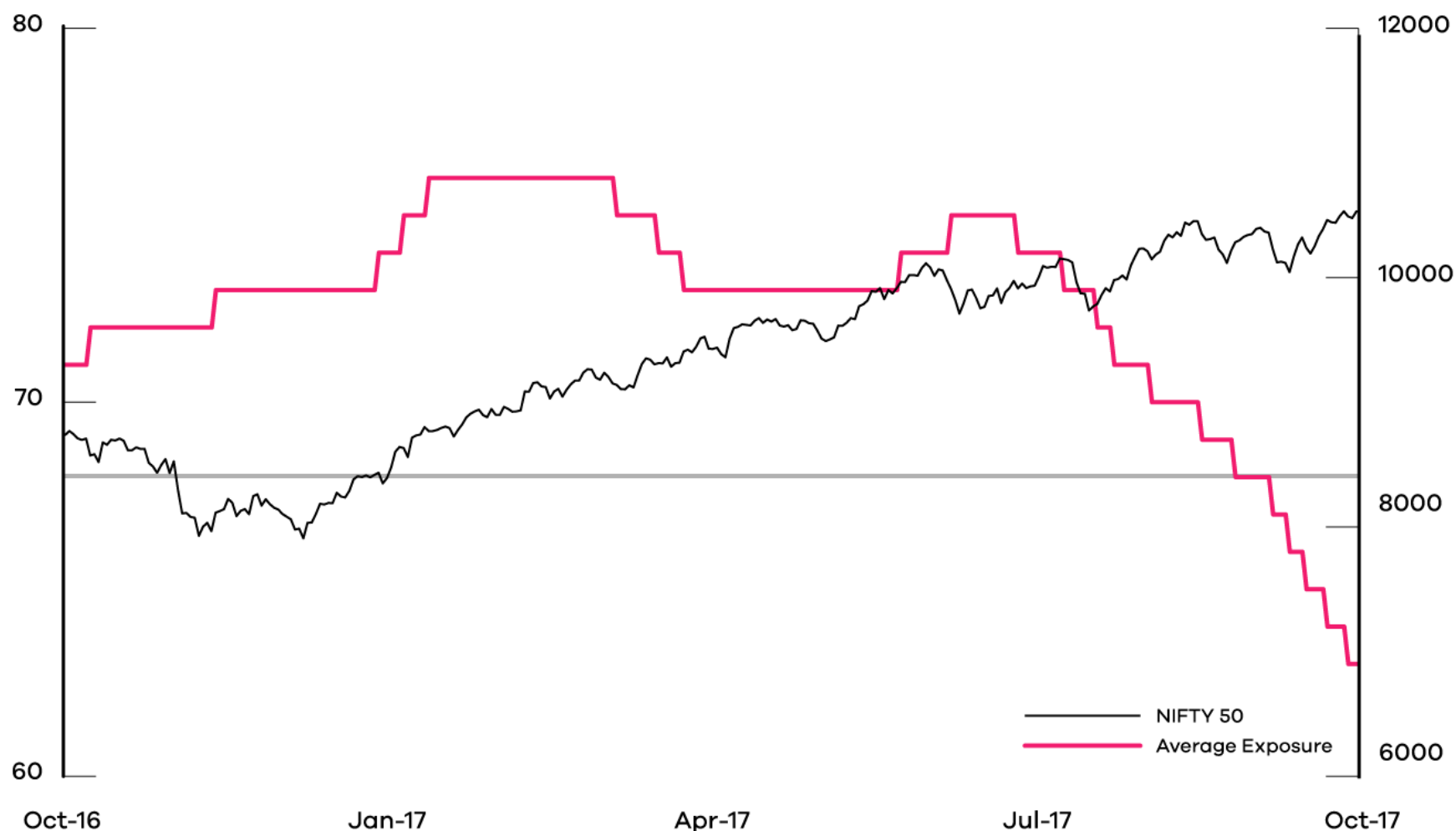
Market Scenario

Valuations: **Median**  
Interest Rates: **High**  
Market Trend: **Sideways**

Shriram BAF  
Avg. Model Exposure:

**60%**

# Case Study 5: 2017 (Post - Demonetization)



Source: Nifty 50 data taken from nseindia.com

Economic Scenario

Growth: **Low**  
Inflation: **Low**

Market Scenario

Valuations: **High**  
Interest Rates: **Low**  
Market Trend: **Positive**

Shriram BAF  
Avg. Model Exposure:

**71%**

# Case Study 5: 2017 (Post - Demonetization)



Source: Nifty P/E data taken from nseindia.com, G-Sec Yields from bloomberg.com

**Economic Scenario** →

Growth: **Low**  
Inflation: **Low**

**Market Scenario** →

Valuations: **High**  
Interest Rates: **Low**  
Market Trend: **Positive**

Shriram BAF  
Avg. Model Exposure:

**71%**

# Simulation Results – Scenario Analysis

## Benchmark Returns

Calendar Year	Nifty Returns	65% Nifty	Shriram BAF - Equity Model	Alpha over Benchmark
2006	39.9%	25.3%	22.7%	-2.6%
2007	54.8%	33.8%	24.3%	-9.5%
2008	-51.8%	-36.4%	-22.9%	13.4%
2009	75.8%	46.1%	47.8%	1.6%
2010	17.9%	11.7%	9.7%	-2.0%
2011	-24.6%	-16.4%	-9.6%	6.8%
2012	27.7%	17.5%	17.9%	0.3%
2013	6.8%	4.7%	5.9%	1.1%
2014	31.4%	19.6%	15.8%	-3.8%
2015	-4.1%	-2.4%	-0.7%	1.6%
2016	3.0%	2.2%	4.1%	1.9%
2017	28.6%	17.9%	19.7%	1.8%
2018	3.2%	2.2%	3.5%	1.3%
<b>CAGR</b>		<b>7.6%</b>	<b>9.3%</b>	

Source: Nifty 50 data taken from nseindia.com

- Outperformance over benchmark in 9 out of last 13 years – annualized outperformance of 1.8%
- Very good downside protection – High outperformance in Bear and Flat markets
- **Lower Volatility, Lower Drawdowns, Better Compounding**



# Why Invest in BAF Now?

## How is 2014 different from 2019?

2019 Lok Sabha elections has led to very strong mandate for the Government, similar to 2014.

2014 results led to a very strong rally in Equity Markets, can it be repeated in 2019?

### Domestic Economic Data

	2014	2019
Real GDP Growth	5.46%	7.20%
CPI (Trailing 4Q Average)	9.43%	3.43%
IIP (Trailing 6M Average)	2.11%	3.67%
Fiscal Deficit (% of GDP)	4.8%	3.3%
Curr. Acc. Deficit (% of GDP)	-4.15%	-2.11%

### Global Economic Data

	2014	2019
World Real GDP Growth	3.62%	3.64%
China Real GDP Growth	7.80%	6.60%
World Composite PMI	53.8	52.1

### Market Indicators

	2014	2019
Nifty 12M EPS Growth	9.9%	-2.3%
Nifty 3Y EPS Growth	9.1%	4.4%
Nifty P/E	18.9	29.0
Nifty P/B	3.2	3.7
Nifty Dividend Yield	1.4	1.1
NSE Midcap 50 P/E	12.9	35.2
NSE Midcap 50 P/B	1.4	2.1
NSE Midcap 50 DY	1.8	1.4

Source: Nifty 50 data, Nifty P/E taken from nseindia.com, Economic data taken from bloomberg.com

# Why Invest in BAF Now?

## How is 2014 different from 2019?

### Key Policy Issues

- Domestic economy since 2014 has significantly become stronger which is reflected in GDP Growth, Fiscal Deficit, Current Account Deficit and Inflation Numbers
- Concerns have since arisen on the Global economy – China GDP growth, World PMIs
- Significant risks now lie in Market indicators - Earnings growth is weak, Valuations are stretched

2014	2019
Misallocation of natural resources – 2G, Coal, Gas and mining blocks	NPA Issues in Banks
Policy Paralysis	NBFC Credit Crunch – ILFS default and its aftermath
Rural Freebies and high inflation	Rural Economic Distress
Retrospective tax changes	Less private sector capacity creation
Flight of Foreign Investments	Low private sector participation in GDP growth
Falling labour productivity	

# Fund Facts

<b>Scheme Name</b>	Shriram Balanced Advantage Fund
<b>NFO Dates</b>	14th June to 28th June, 2019
<b>Investment Objective</b>	<p>The primary objective of the Scheme is to generate capital appreciation with relatively lower volatility over a longer tenure of time. The Scheme will accordingly invest in equities, arbitrage opportunities, derivative strategies and debt and money market instruments.</p> <p>The scheme does not assure or guarantee any returns.</p>
<b>Type of Scheme</b>	An Open Ended Dynamic Asset Allocation Fund
<b>Fund Manager</b>	Mr. Kartik Soral
<b>Benchmark</b>	CRISIL Hybrid 35+65 - Aggressive Index
<b>Min. Investment Amount</b>	Rs. 5000/- and in multiples of Rs. 500/- thereafter
<b>Load Structure</b>	<p>Entry Load: Nil;</p> <p>Exit Load:</p> <p>If redeemed / switched-out within 365 days from the date of allotment - Upto 12% of units held by the investor: Nil</p> <p>More than 12% of units held by the investor: 1% of applicable Net Asset Value (NAV)</p> <p>If redeemed/switched out after 365 days from the date of allotment: Nil</p>
<b>Plans &amp; Options</b>	Regular & Direct Plans with Growth & Dividend Options

# Performance Data of Other Schemes

## SHRIRAM HYBRID EQUITY FUND

Managed by Mr. Kartik Soral & Ms. Gargi Bhattacharyya Banerjee

Returns of Regular Plan - Growth Option as on April 30, 2019

Date of inception: 29-Nov-2013

NAV as on 30-April-2019 Rs. 16.7287

Date	Period	NAV (Rs.) Per Unit	Scheme Return % (Annualised)	Benchmark Return % (Annualised)	Value of Investment of Rs.10000	
					Scheme	Benchmark
April 30, 2018	Last 1 Year	16.3685	2.20	10.17	10,220	11,017
April 30, 2016	Last 3 Year	12.6428	9.78	13.41	13,232	14,588
April 30, 2014	Last 5 Year	10.6406	9.47	12.17	15,722	17,763
NA	Last 10 Year	NA	NA	NA	NA	NA
November 29, 2013	Since Inception	10.0000	9.96	12.65	16,729	19,066

Returns of Direct Plan - Growth Option as on April 30, 2019

Date of inception: 29-Nov-2013

NAV as on 30-April-2019 Rs. 17.3726

	Period	NAV (Rs.) Per Unit	Scheme Return % (Annualised)	Benchmark Return % (Annualised)	Value of Investment of Rs.10000	
					Scheme	Benchmark
April 30, 2018	Last 1 Year	16.8055	3.37	10.17	10,337	11,017
April 30, 2016	Last 3 Year	12.8174	10.67	13.41	13,554	14,588
April 30, 2014	Last 5 Year	10.6640	10.25	12.17	16,291	17,763
NA	Last 10 Year	NA	NA	NA	NA	NA
November 29, 2013	Since Inception	10.0000	10.73	12.65	17,373	19,066

Past performance may or may not be sustained in future.

# Disclaimer

As per SEBI circular no. SEBI/HO/IMD/DF3/CIR/P/2018/04 dated Jan 04, 2018. In benchmark Nifty value taken as Total Return Index value

The returns are Compounded Annual Growth Returns (CAGR) for the past 1 year, 3 years, 5 years & since inception and simple annualized for less than 1 year. Different plans shall have a different expense structure. The performance details provided herein are of Regular Plan-Growth Option & Direct Plan-Growth Option. The scheme has been in existence for more than 5 years but less than 10 years. Hence, data are not available for the last 10 years period.

Benchmark is a blend of 70% NIFTY 50 TRI value for the Equity part of the Portfolio & 30% of CRISIL Composite Bond Fund Index for its investments in Debt and Money Market Instruments.

Performance of dividend option would be Net of Dividend distribution tax, if any. For computation of return since inception (%) the allotment NAV has been taken as Rs. 10.00. Point-to-point returns on a standard investment of Rs. 10,000/- are in addition to CAGR for the Scheme.

Past performance may or may not be sustained in future. Load is not considered for computation of returns. In case, the start/end date of the concerned period is a non business date (NBD), the NAV of the previous date is considered for computation of returns. The NAV per unit shown in the table is as on the start date of the said period.

The scheme is being managed by Mr. Kartik Soral, along with Ms. Gargi Bhattacharyya Banerjee, with effect from November 30, 2017.



# Shriram AMC - Investment Team

- **Mr. Kartik Soral , CFA - Senior Fund Manager**

Mr. Kartik Soral serves as the Senior Fund Manager of Shriram Mutual Fund having an experience of more than 9 years in his professional career.

Mr. Soral is a PGDM from IIM Ahmedabad and B.Tech in Chemical Engineering from IIT-BHU, Varanasi

Mr. Kartik had held the position of Fund Manager at Edelweiss Asset Management Co. Ltd. Before joining Edelweiss Asset Management Co. Ltd., he was associated with Corporate Finance team at Larsen & Toubro Ltd. and the Equity Derivatives team at the Deutsche Bank group.



- **Ms. Gargi Bhattacharyya Banerjee - Fund Manager**

Ms. Gargi Bhattacharyya Banerjee serves as the Fund Manager of Shriram Hybrid Equity Fund having an experience of over 17 years into her professional career.

Ms. Gargi Bhattacharyya Banerjee received her Master of Business Management with specialization in Finance and Bachelor of Science with Economics (H) from University of Calcutta.

She joined as Research Manager in Shriram Asset Management Company Limited in November 2012. Prior to joining Shriram Asset Management Company Limited, she has held the key position in the Research team with Zacks Research Private Limited and Shriram Insight Share Brokers Limited.



# Shriram AMC - Investment Team

- **Mr. Rohit Kumar Chawda – Chief Operating Officer**

Mr. Chawda has an experience of 24 years in various domains like Risk, Compliance, Accounts, Operations and Client servicing. He has served under capacities such as Director, Chief Operating Officer and Sr. Vice President in various asset management companies in India like IDBI, SBI, ICICI Prudential, Tata, Mirae, Shriram and Peerless.

His profile has evolved around control and risk free operations. During his last stint with Peerless Funds Management Company Limited, he has developed unique risk frame work covering Operational, Regulatory, Reputation, and Financial risk arising out of each activity across all departments of Asset Management Company.

Mr. Chawda is a graduate in the field of Commerce from Sambalpur University, Odisha.



- **Mr Chandur Bhaya - Head of Sales (Retail)**

Mr. Bhaya's experience and insights have been honed over 25 years of association in Capital Market/Financial services industry. His skill sets of scaling distribution, developing newer markets/products, investment strategy, technical knowledge, training and development of channel partners, have been much appreciated within the industry.

His corporate journey has been with reputed organizations like JM Morgan Stanley Retail Services, JM Asset Management Co, Metlife Life Insurance, Citigroup Global Markets, Shriram Insight Share Brokers, IFAN Finserv (erstwhile ING Financial Services).

His academics include a post graduation in electronics, MMS from SP Jain Institute of Management and Research, and he has also done a MDP from Wharton School of Finance, Pennsylvania-USA.



**Mutual Fund Investments are subject to market risks,  
read all scheme related documents carefully.**

Website: [www.shriramamc.com](http://www.shriramamc.com) | Ph: +919875630897



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