

Mutual Funds:

MUTUAL FUND Update June 2015

Equity Market overview:-

Indian equity indices ended higher on reports that the Greek government had taken initiatives to continue negotiations with the European Union for a last-minute deal, recovering almost 1478 points after touching lows of 26370 levels in mid June. The rally in the market had been fuelled by banks, Pharma and FMCG sector which have been rallying.

Most Active Mutual Fund Equity Scheme....

	AUM	1 Year	2 Years	3 Years
	(Rs crores)	(%)	(%)	(%)
Large Cap Funds				
L&T Equity Fund - G	2537	20.33	30.06	22.45
ICICI Prudential Focussed Fund - G	9089	13.9	26.2	21.08
Birla Sun Life Top 100 Fund - G	1233	15	30.7	24.4
Small & Midcap Funds				
DSP Blackrock Micro Cap Fund - G	2025	47.05	62.44	37.7
Reliance Small Cap Fund - G	1603	23.2	60.49	36.68
Multi Cap Funds				
Franklin India High Growth Companies Fund - G	2726	37.78	45.61	35.00
L&T India Value Fund - G	250	27.99	42.65	31.76
Birla Sun Life Advantage Fund - G	464	26.34	40.51	28.29
ELSS Funds				
Axis Long Term Equity Fund - G	5274	34.48	43.19	33.49
IDFC Tax Advantage (ELSS) Fund - G	351	32.15	38.33	29.05
Franklin India Taxshield Fund - G	1767	30.69	34.59	25.86
Balanced Funds				
Tata Balanced Fund - G	3494	25.95	31.8	24.57
L&T Prudence Fund - G	459	22.33	30.56	23.87
Franklin India Balanced Fund - G	512	27.2	28.15	22.31

Debt Market

The interbank call money rate ended near the Reserve Bank of India's (RBI) repo rate at 7.15-7.20% for the month of June. Even though Government bonds ended up there still remains uncertainty about Greece's debt negotiations with its creditors, which limited further gains. The 10-year benchmark 7.72%, 2025 bond ended at 7.86% yield on Tuesday compared to 7.87% yield at the beginning of the month.

Most Active Mutual Fund Debt Scheme....

Fund Recommendations

	AUM	1 Year	2 Years	3 Years
Income Funds	(Rs crores)	(%)	(%)	(%)
ICICI Prudential Long Term Fund - G	695	11.85	12.77	11.63
Birla Sun Life Dynamic Bond Fund - G	14439	12.3	9.37	10.08
Short Term Funds				
Franklin India Short Term Income Plan - G	10998	10.67	9.71	10.09
Birla Sun Life Short Term Opportunities Fund - G	4092	9.8	9.52	10.42
Liquid Funds				
Franklin India Treasury Management Account - G	7996	8.94	9.29	9.2
Birla Sun Life Floating Rate Fund - ST - Plan - G	4240	8.89	9.25	9.18
MIP				
Birla Sun Life MIP Plan II Wealth 25 Plan - G	676	15.7	17.6	15.2
ICICI Prudential MIP Plan - G	1164	12.6	14.1	12.7

Looking at above most active mutual fund scheme we have allocated them into the basket like aggressive, Moderate & conservation. An ideal mutual fund portfolio that can suit the needs and risk appetite of each and every individual. While there is no dearth of good mutual fund schemes in the market today, building a portfolio depends on the preferences and objectives of each individual. The factors that come into play include - age of the investor, risk appetite, time at hand to let the investment grow, need for money - immediate or latter - and more importantly, the purpose for making such an investment.

Portfolio-Wise Recommendations: - we have align the MF scheme vs the portfolio recommendation. We have mentioned the percentage allocation which help the individual who wish to allocate their portfolio into following asset class.

Definition of AGGRESSIVE Portfolio: These portfolios are for those who are young, not only at heart but also with age, and have begun to earn but do not share a plethora of financial responsibilities. They are people who can afford the 'invest and forget' attitude, aren't scared of frequent market turbulences and are determined to get the most out of the equity markets.

Definition of MODERATE Portfolio: - Definition of moderate portfolio blends the safety of large cap schemes without compromising on occasional opportunities thrown open by a mid-cap rally. The portfolio is hedged to face uncertainties through optimum allocation to balanced scheme and gold, which is considered to be the best hedge against inflation and equities.

Definition of Defensive Portfolio: - The conservative portfolio blends in the safety of the equity-oriented balanced and debt-oriented monthly income schemes and providing adequate hedge through gold. It also makes sure that you do not lose out on opportunities in the equity market by exposing a small percentage of investment to relatively safe, large-cap schemes.

Aggressive Portfolio	% of allocation
DSP Blackrock Micro Cap Fund - G	35%
L&T Equity Fund - G	25%
Franklin India High Growth Companies Fund - G	20%
Tata Balanced Fund - G	20%
Moderate Portfolio	
DSP Blackrock Micro Cap Fund - G	15%
L&T Equity Fund - G	20%
Franklin India High Growth Companies Fund - G	20%
Tata Balanced Fund - G	25%
Franklin India Short Term Income Plan - G	20%
Defensive Portfolio	
L&T Equity Fund - G	20%
Franklin India High Growth Companies Fund - G	20%
Tata Balanced Fund - G	20%
Franklin India Short Term Income Plan - G	25%
ICICI Prudential Long Term Fund - G	15%

The above scheme suggestion is based on Most Active equity fund in the market. We are not recommending the scheme.

Disclaimer:- Investors are requested to also read the Scheme Information Document, Statement of Additional Information and Key Information Memorandum for Scheme specific relevant details & risk factors. The Scheme name does not in any manner indicate either its quality or its future prospects & returns. Past performance of the Sponsor/ Mutual Fund/ Investment Manager are not indicative of the future performance of the Scheme(s).

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