

ABSOLUTE FREEDOM PORTFOLIO

April 2018

Portfolio Manager's Speak

Indian equity markets bounced back in April with midcaps leading the rally. Global equity markets also saw a strong rally post the sharp correction last quarter. While equity markets have rallied, Positive macroeconomic data in Unites States has led to fears of sharper monetary tightening as the economy returns to a robust growth path. Long term Bond yields in United States are inching very close to 3% mark . With brent crude hitting 75\$/barrel, India's macroeconomic position becomes vulnerable. High crude oil prices could lead to an uptick in inflation and fiscal deficit going forward.

Indian growth outlook remains positive with IMF projecting a 7.4% growth in FY19. We believe this recovery will get stronger if monsoons are normal and global growth remains firm. Indian Economy seems to be recovering well from the Demonization and GST related slowdown and high frequency data points like monthly Auto sales, cement dispatches and GST collection numbers point to a sharp acceleration. Despite all the early day glitches, GST system seems to be stabilizing now and and it will boost both direct and indirect tax collections going forward.

Corporate earnings continue to be on an upward trajectory and Q4 results have been good so far. We expect FY19 to be a year of strong cyclical recovery for India with GDP growth and earnings revival finally coming in. We believe our portfolio companies will deliver strong earnings growth in FY19.

Portfolio Performance \*

Period	Portfolio	BSE200	Nifty
3 Months	-3.4%	-1.8%	-2.6%
6 Months	-0.5%	4.0%	3.9%
1 Year	4.1%	15.7%	15.4%
2 Years	19.4%	19.3%	17.0%
3 Years	11.7%	11.3%	9.5%
5 Years	17.6%	14.6%	12.6%
Since inception date 24/09/2004	15.8%	14.8%	14.4%

(\* Post Expenses (except entry and exit charges) <1 year Absolute Returns & > 1 Year CAGR, as on April 30<sup>th</sup>, 2018, Past performance may or may not sustain in the future)

Top 10 Holdings^

Security	% Assets	Security	% Assets
Kotak Mahindra Bank Ltd	7.1%	Larsen and Toubro Ltd	5.8%
HDFC Bank	6.8%	Infosys Ltd	5.0%
Maruti Suzuki India Ltd	6.3%	Housing Development Finance Corporation Ltd	4.8%
Mahindra And Mahindra Ltd	6.1%	Sun Pharmaceuticals Industries Ltd	4.5%
Whirlpool of India Limited	5.9%	Britannia Industries Ltd	4.3%

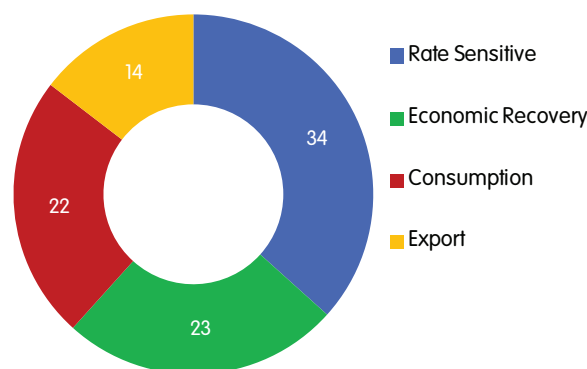
Portfolio Snapshot

Type	Open Ended
Benchmark	NIFTY / BSE 200
Mode of Investment	Cash or Securities

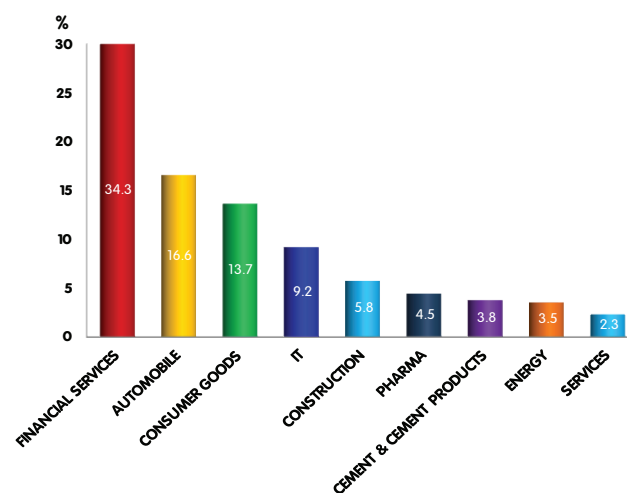
Key Portfolio Features

- Around **2/3 allocation** to **Large cap** stocks, provides stability to the portfolio
- **1/3 allocation** to **larger Quality Midcaps**, adds to the **upside** potential
- **Bottom up stock picking** based on our unique **"Must 5" Quality framework**, aim to identify those stocks which have a **potential** of **delivering outsize returns**
- Investments are made with a **Buy & Hold** view.
- **Benchmark Agnostic** portfolio creation approach results in a **Unique & Differentiated** Portfolio
- **Concentrated** portfolio of our **top 20 – 25 ideas**, ensures **meaningful positions** are taken in majority of the holdings, while maintaining **adequate diversification**

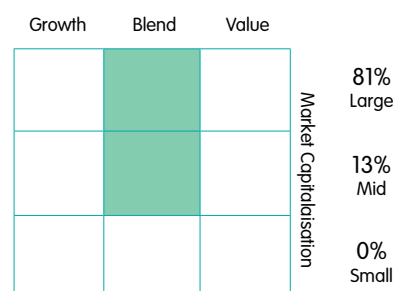
Thematic Allocation^



Sector Allocation^



Investment Style



# The current portfolio holdings may or may not be a part of the future portfolio Holdings. Investors Portfolio may vary from the Strategy Level Portfolio shown above in the Top Holdings. BSE 200 is provided as an additional benchmark for comparison with portfolio performance. Source: Bloomberg, NSE

^ All data as of 30<sup>th</sup> April 2018

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**@Absolute Freedom Option**

A highly flexible investment option, which offers a diversified investment portfolio across large cap, mid cap, small cap and micro cap stocks. This option follows an aggressive approach to portfolio construction with focus on highly active money management, using cash as an investment tool; and derivatives as a hedging tool.

Investments in securities are subject to market risks. There are no assurances or guarantees that the objectives of any of the Products will be achieved. The investments may not be suited to all categories of investors. The value of the Portfolios can go up or down depending on various market factors. Past performance of the Portfolio Manager does not indicate the future performance of the Products or any other future Products of the Portfolio Manager. Investors are not being offered any guaranteed or indicative returns through any of the Products. The names of the Products do not in any manner indicate their prospects or returns. The performance of the Products may be adversely affected by the performance of individual companies, changes in the market conditions, micro and macro factors and forces affecting capital markets in particular like interest rate risk, credit risk, liquidity risk and reinvestment risk.

Derivative/future and options products are affected by various risks including but not limited to counter party risk, market risk, valuation risk, liquidity risk, basis risk and other risk. Besides the price of the underlying asset, the volatility, tenor and interest rates affect the pricing of derivatives. In the case of stock lending, risks relate to the defaults from counterparties with regard to securities lent and the corporate benefits accruing thereon, inadequacy of the collateral and settlement risks. The portfolio Manager is not responsible or liable for any loss resulting from the operations of the Products/ Portfolios. Each portfolio will be exposed to various risks depending on the investment objective, investment strategy and the asset allocation. Non-Diversified Portfolio tends to be more volatile than diversified portfolio. Please read the Disclosure Document before investing.

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