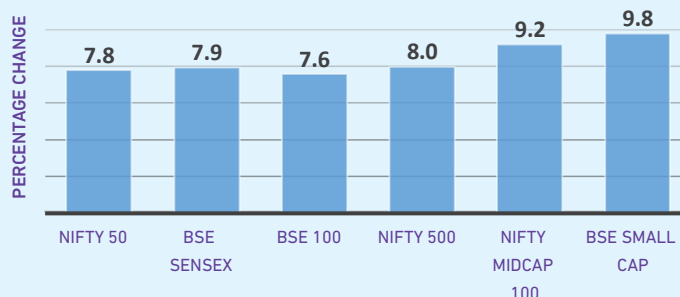


Market Indicators	Returns (%)			
	6M	1Y	3Y	5Y
Nifty 50	6.8	16.4	16.8	13.1
BSE Sensex	7.2	18.7	17.3	13.1
BSE 100	6.5	13.9	16.9	13.6
Nifty 500	6.4	9.7	16.6	14.5
Nifty Midcap 100	6.6	-1.9	14.9	17.7
BSE Small Cap	4.3	-10.8	14.2	17.5
Prices of Gold	4.3	3.2	2.8	2.1
CRISIL Aggressive	6.7	10.5	13.8	12.8
CRISIL Conservative	6.8	7.7	9.1	10.0

Performance as on Mar 29, 2019
Returns over one year are annualised

MARKETS LAST MONTH

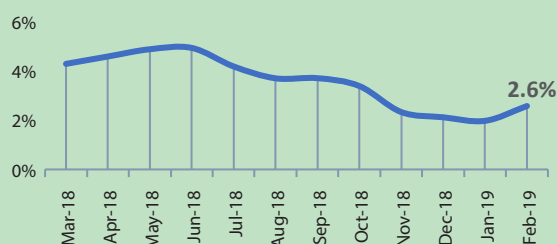


THE NEWSMAKERS

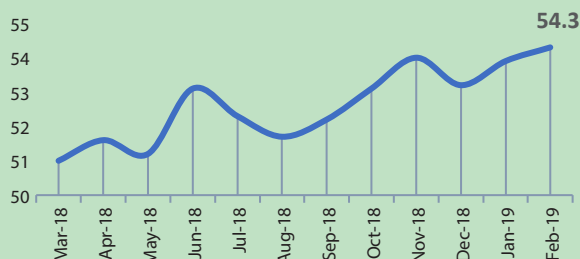
- Broad markets enjoyed a bullish month, with the S&P BSE Sensex ending March 2019 with the **highest monthly gains in three years** (7.8%). Positive global cues, progress in US-China trade talks, strong FII inflows, and expectations of a second term for the NDA government drove markets even as economic indicators such as IIP slowed and companies saw cost pressures on profit margins.
- **FIIs net bought** ₹13,564 crore in March after a year of net selling. The figure was the highest buying in nearly two years. However, DIIs turned net sellers in March.
- Strong market sentiment led to a **surge in midcap and smallcap stocks**, which had borne the brunt of last year's correction. The representative BSE and NSE indices saw larger gains than largecap indices.
- India's **trade deficit** narrowed to a 17-month low in February. Exports rose 2.44% from last year while a 5.4% reduction in imports further pulled the deficit down.
- Subdued performance of the manufacturing sector pulled down growth in the **Index of Industrial Production** to 1.7% in January from 7.5% a year ago.
- Retail inflation jumped to a four-month high of 2.57% in February due to costlier food articles. The **Consumer Price Index - based** inflation for January was revised down to a 19-month low of 1.97% from an earlier estimate of 2.05%.
- **Inflation based on wholesale prices (WPI)** rose to 2.93% in February due to hardening of prices of primary articles, fuel and power, according to government data.
- **Brent crude** made modest gains of 1.2% in March. While US sanctions on Venezuelan oil and OPEC production cuts drove prices higher, US President Donald Trump's appeals to OPEC to increase oil production, as well as fears of an economic slowdown capped the rise in prices.

MACRO TRENDS

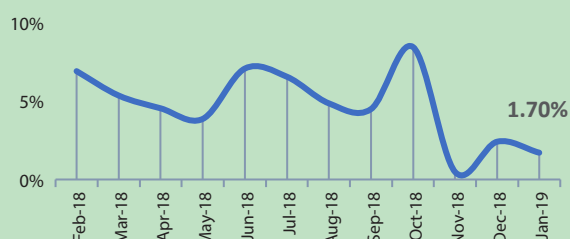
Consumer Inflation



Nikkei Manufacturing PMI



Index of Industrial Production Growth



HOW FUNDS HAVE PERFORMED

EQUITY-ORIENTED FUND RETURNS (%)

	1Y	3Y	5Y
LargeCap	9.0	13.6	13.2
Large & Mid	4.4	15.0	15.9
Multicap*	5.2	15.0	15.4
ELSS	4.7	14.7	15.3
Midcap	-1.1	14.3	18.4
Smallcap	-8.4	14.7	20.4
Hybrid Aggressive	5.2	12.3	12.9

* Includes Value, Dividend Yield and Focused funds

DEBT-ORIENTED FUND RETURNS (%)

	6M	1Y	3Y
Hybrid Conservative	5.0	5.0	8.1
Medium duration	4.6	5.8	7.6
Dynamic Bond	5.6	6.6	7.3
Credit Risk	3.7	5.3	7.3
Short term [#]	5.1	7.0	7.4
Ultra-short term ^{\$}	4.2	7.3	7.4
Liquid	3.6	6.9	6.9

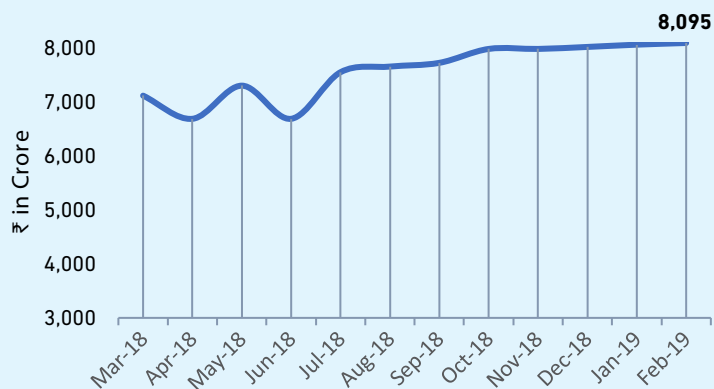
[#] includes short duration and banking & PSU funds

^{\$} includes low duration, ultra-short duration, money market and floater funds

Average returns for each category as of Mar 29, 2019.

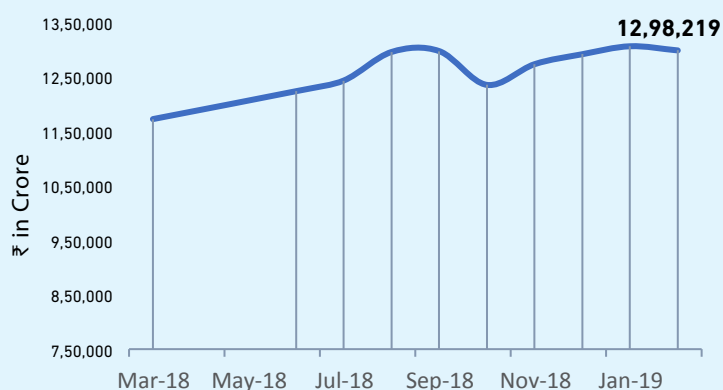
Returns over 1 year are annualised.

Industry SIP Inflows over the last 12 months



Source: AMFI

Total Retail and HNI AUM



Source: AMFI

WHAT OUR RESEARCH TEAM IS SAYING



Why hybrid aggressive funds underperformed largecap funds

On a 1-year basis, hybrid aggressive funds were delivering losses for a part of 2018, even lagging largecap funds. With hybrid aggressive funds meant to contain market declines, what has led to this underperformance? It's because of an uncommon confluence of:

- a sharp correction in midcap and smallcap stocks while largecaps have been steady
- individual stock choices going wrong in a market where only a few have returned well
- bond yield volatility hurting debt returns

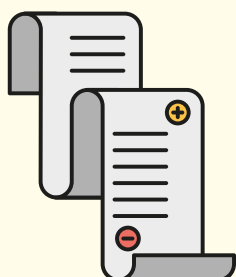
[Read more here](#)

Banks support earnings growth for the December 2018 quarter

For 496 companies out of BSE 500, December 2018 quarter profits were down 20% over a year ago even as sales expanded a healthy 19%. But this number belies the real trend as there were exceptional losses from a few large companies. Removing this, India Inc.'s net profits have actually grown 10.3%. Here are some trends:

- There were a number of individual turnaround and growth stories
- Banks moved back into profits from losses a year ago
- Rising input costs bit into margins and will remain a challenge

[Read the detailed report here](#)



Past returns are not indicative of future performance.

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