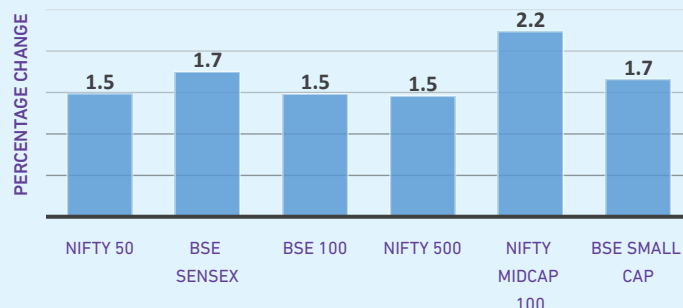


| Market Indicators | Returns (%) | | | |
|--------------------|-------------|-------|------|------|
| | 6M | 1Y | 3Y | 5Y |
| Nifty 50 | 9.6 | 11.1 | 13.5 | 10.5 |
| BSE Sensex | 9.7 | 12.4 | 14.2 | 10.4 |
| BSE 100 | 8.3 | 9.1 | 13.3 | 10.4 |
| Nifty 500 | 7.6 | 5.3 | 13.0 | 11.0 |
| Nifty Midcap 100 | 2.6 | -5.0 | 10.5 | 12.1 |
| BSE Small Cap | 3.0 | -13.8 | 10.1 | 10.5 |
| Prices of Gold | 6.0 | 3.3 | 3.9 | 3.6 |
| Nifty Aggressive | 8.7 | 12.0 | 12.5 | 11.0 |
| Nifty Conservative | 6.7 | 10.9 | 8.8 | 9.3 |

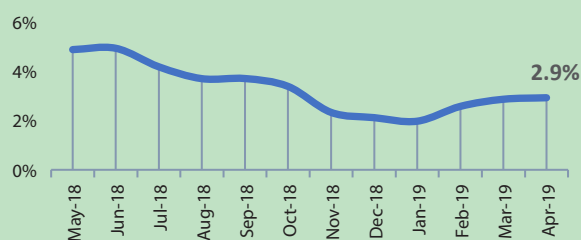
Performance as on May 31, 2019
Returns over one year are annualised

MARKETS LAST MONTH

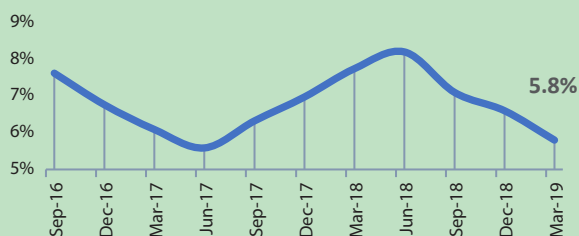


MACRO TRENDS

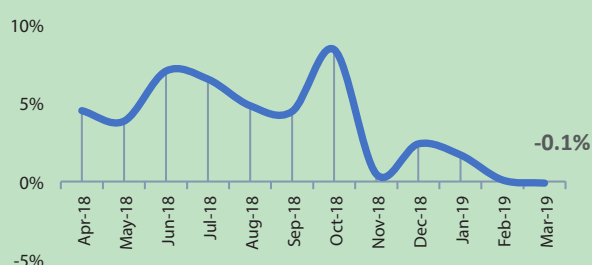
Consumer Inflation



GDP Growth



Index of Industrial Production Growth



Source: MOSPI and Markit Economics

THE NEWSMAKERS

- Markets saw a turnaround after a comfortable victory for the BJP-led NDA government. Indices not only regained the losses of the first half of the month, but also went on to end with gains.
- India's GDP growth rate hit a 20-month low of 5.8% during the Jan-Mar 2019 quarter. Full-year GDP growth rate stood at 6.8%. A slowdown in manufacturing activity and fall in government investments during Q4 to meet fiscal deficit target were the reasons for the lower growth.
- Index of Industrial Production contracted for the first time in 21 months by 0.1%.
- CPI inflation rose marginally to 2.92%, but stayed well within the RBI's long-term target of 4%, raising hopes of another rate cut in the upcoming monetary policy.
- Crude oil lost over 11% in the month, closing at the lowest level since November 2018. Continuing trade tensions between the US and China and concerns of a global slowdown led to the decline.
- The US ended India's status as a beneficiary nation under the Generalised System of Preferences (GSP). US said India has not held on to its commitments to provide equitable access to Indian markets to the US. Duties could go up on \$5.6 billion worth of Indian exports.
- The US hiked tariffs on \$200 billion worth of Chinese imports. China said it would retaliate. In addition, the US's ban on Huawei soured global market sentiments.

HOW FUNDS HAVE PERFORMED

EQUITY-ORIENTED FUND RETURNS (%)

| | 1Y | 3Y | 5Y |
|-------------------|------|------|------|
| LargeCap | 7.5 | 11.6 | 11.2 |
| Large & Mid | 2.7 | 12.8 | 12.3 |
| Multicap* | 3.1 | 11.8 | 11.0 |
| ELSS | 3.1 | 11.6 | 9.6 |
| Midcap | -3.2 | 10.3 | 13.1 |
| Smallcap | -8.3 | 10.8 | 14.1 |
| Hybrid Aggressive | 4.4 | 8.5 | 7.9 |

* Includes Value, Dividend Yield and Focused funds

DEBT-ORIENTED FUND RETURNS (%)

| | 6M | 1Y | 3Y |
|--------------------------------|-----|-----|-----|
| Hybrid Conservative | 4.7 | 5.9 | 7.2 |
| Medium duration | 3.5 | 6.8 | 7.2 |
| Dynamic Bond | 5.0 | 8.9 | 6.7 |
| Credit Risk | 3.0 | 6.0 | 6.6 |
| Short term [#] | 4.7 | 8.4 | 7.1 |
| Ultra-short term ^{\$} | 4.0 | 7.5 | 7.0 |
| Liquid | 3.5 | 6.9 | 6.2 |

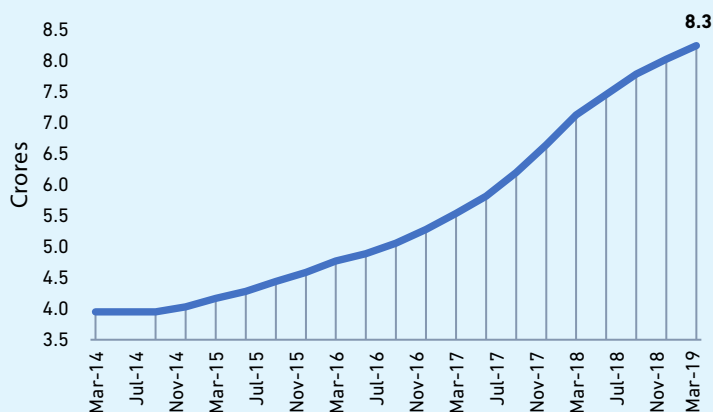
[#] includes short duration and banking & PSU funds

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

Average returns for each category as of May 31, 2019.

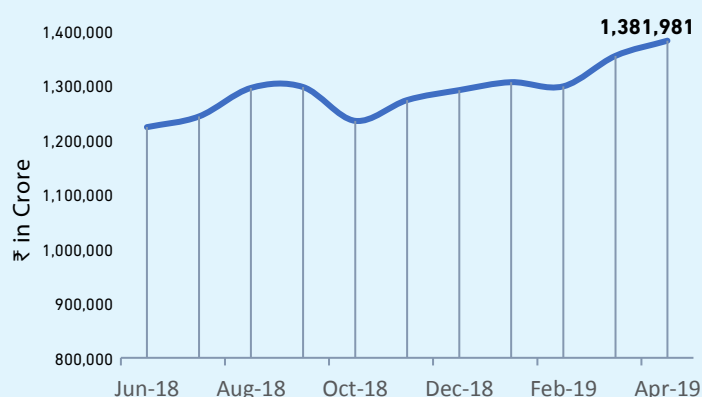
Returns over 1 year are annualised.

Number of Investor Accounts



Source: AMFI

Total Retail and HNI AUM



Source: AMFI

WHAT OUR RESEARCH TEAM IS SAYING



Post-election moves

Stock markets have responded with enthusiasm to the election outcome. With political uncertainties out of the picture, what now? As we always say, your best bet against any market is to invest more and stay invested.

[For more specific strategies, read here.](#)

What is bad news and when to sell your fund

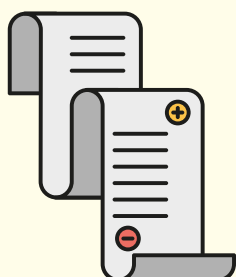
In recent months, events in the debt space may have caused you to worry. Many papers were downgraded and some of them from prominent companies such as Yes Bank, DHFL and Reliance ADAG. There are a number of factors to understand where the risk is material.

[Read on to know which news to act on and when to stay put.](#)

Liquid or Arbitrage funds for short-term money?

Liquid funds are the go-to option for short-term money. Tax conscious investors also consider arbitrage funds. Looking at past returns, liquid funds have generally returned higher than arbitrage funds. The only card arbitrage funds have is taxation. So, do arbitrage funds score post-tax?

[Understand it here.](#)



Past returns are not indicative of future performance.

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