

Aquila PMS

(FOR PRIVATE CIRCULATION ONLY)

August 2017

As on 31st July, 2017



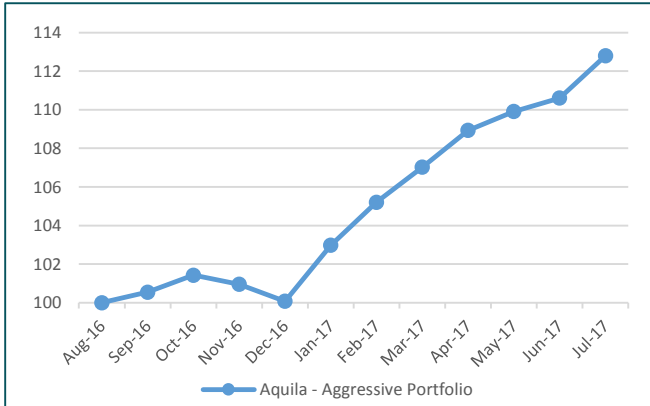
A multi asset portfolio investing primarily in Debt, Equity and alternates through a PMS route that aims to provide absolute positive returns.

Investment Objective

Aquila PMS is a carefully designed multi asset portfolio which aims to provide positive absolute positive returns by active management of the portfolio. The strategy provides three variants with different allocations to debt, equity and alternates to suit clients across risk profiles. The portfolio is reviewed and rebalanced regularly to maintain the asset allocation.

Portfolio Performance*(as on 31st July, 2017)

NAV movement since Inception



| Portfolios | Average Monthly Return** | Volatility** | Sharpe** | Max-drawdown |
|----------------|--------------------------|--------------|----------|--------------|
| Aggressive | 14.12% | 3.76% | 2.16 | -1.33% |
| Moderate | 12.06% | 3.46% | 1.75 | -1.30% |
| Conservative | 13.33% | 3.83% | 1.91 | -1.18% |
| Nifty-50 Index | 16.77% | 10.55% | 1.02 | -6.83% |

*Portfolio performance indicated here is based on in-house testing of the portfolio. The portfolio has been offered on the PMS platform since 10th Aug 2016.

** All figures are annualized. Risk free rate is assumed at 6.00%

Features

Ticket Size:
Minimum Rs. 25 Lacs

Instruments :
Mutual Funds, ETFs, Fixed Income Instruments like Bonds and Non Convertible Debentures, Direct Equity

The equity market has performed really well and has gone up by 5.5% as compared to June 2017. While the large-cap index and the mid-cap indices have gone up in similar way, small cap has shown a slow growth of around 1%. The debt market has shown a decent growth of ~1%. Gold has remain almost flat in the month.

Variants

| | Equity | Debt | Alternates |
|--------------|--------|------|------------|
| Conservative | 42% | 40% | 18% |
| Moderate | 52% | 30% | 18% |
| Aggressive | 62% | 16% | 22% |

With the rally in equity, the portfolios had deviated from the target asset allocation. Rebalancing was implemented in the portfolios by selling investments in equity and reallocating the funds to debt and other alternates. Also, dividend/interest paid out was reinvested in liquid funds. The rebalancing is done to maintain the portfolio's risk profile reasonably close to an investor's level of risk tolerance. Rebalancing of the portfolio has been done twice, first in December 2016 and then in June 2017.

In debt, our investments will be inclined more towards credit opportunity funds rather than funds which have an active duration strategy. Currently, the alternates part of the portfolio is invested in high yield debt and gold. While the overall allocation to alternates will remain the same, the allocation between various sub-categories will be altered to sufficiently diversify.

Aquila Portfolio Details (31st July, 2017)

Aquila Debt Portfolio Details

| | Aggressive | Moderate | Conservative |
|-----------------------|------------|----------|--------------|
| Average Maturity(Yrs) | 3.03 | 3.03 | 3.14 |

Aquila Equity Details

| | Aggressive | Moderate | Conservative |
|------------------------|------------|----------|--------------|
| Large Cap | 34.2% | 29.7% | 25.2% |
| Mid Cap | 9.9% | 7.1% | 5.7% |
| Small Cap | 5.7% | 3.2% | 2.4% |
| Others (Cash & Liquid) | 2.2% | 2.1% | 1.7% |
| International Equity | 10.0% | 10.0% | 7.0% |

Credit-wise Debt Allocation in Aquila

| | Aggressive | Moderate | Conservative |
|------------------------|------------|----------|--------------|
| Sovereign | 0.1% | 0.1% | 0.1% |
| AAA | 2.0% | 2.0% | 3.9% |
| AA / A | 6.1% | 6.1% | 11.6% |
| Others (Cash & Liquid) | 0.8% | 0.8% | 1.4% |
| Arbitrage | 3.0% | 9.0% | 13.0% |
| Mid Yield Debt | 4.0% | 12.0% | 10.0% |

Aquila Alternate Portfolio Details

| | Aggressive | Moderate | Conservative |
|-----------------|------------|----------|--------------|
| High Yield Debt | 15.0% | 10.0% | 10.0% |
| Gold | 7.0% | 8.0% | 8.0% |