

# Aries PMS

(FOR PRIVATE CIRCULATION ONLY)

February 2017

As on 31<sup>st</sup> January, 2017

## Investment Objective

- An intermediate yield fixed income strategy focusing on suitably chosen debt assets can offer significant risk-adjusted returns over Indian G-Sec investments in the next 3-5 years.

## Benchmark

- S&P BSE India Corporate Bond Index

## YTM of the Portfolio (Including Cash & Equivalents)

- 11.57%

## Minimum Investment

- Initial investment of INR 25,00,000/-.
- Additional Investment of INR 1,00,000/-.

## Ideal Investment Horizon

- 3 - 4 years

## Investment Style Maturity

|       |        |      |        |
|-------|--------|------|--------|
| Short | Medium | Long |        |
|       |        |      | Low    |
|       |        |      | Medium |
|       |        |      | High   |

Yield

The target gross yield for the portfolio will be in the range of 12% – 15% and the portfolio duration will be 3 – 4 years.

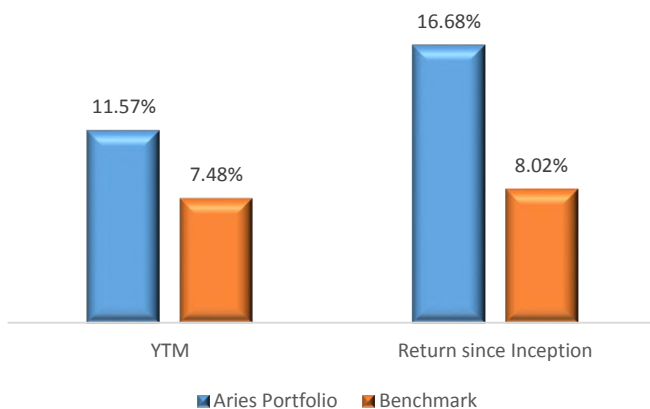
Aries PMS focusses investing in intermediate yield credit including papers with rating between AA and BB and other equivalent assets/securities. This space covers debt assets between two extremes - the relatively but low-yield sovereign/AAA debt on one hand and the unrated/B-rated real estate backed NCDs on the other.

*\*The target gross yield is a mere statement of expectation of portfolio manager based on reasonable assessment of current scenario. Actual returns may vary from the targets stated above.*

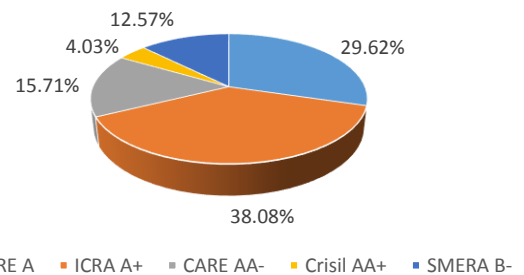
## Portfolio Construction Methodology:

The portfolio will invest in a mix of fixed income securities with allocation being decided on three parameters:

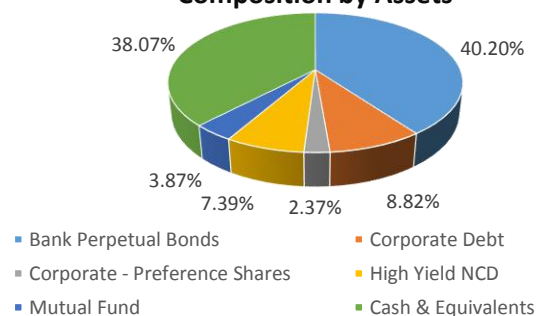
- **Credit Risk**  
Part of the portfolio will be invested in superior quality corporate and bank fixed income instruments with credit rating in the range of “AA+” to “AA-”. This portion of the portfolio seeks to provide stable returns with negligible risk. Remaining will be invested in a mix of securities with ratings in the range of “A+” to “BB”. This portion of the portfolio seeks to generate higher risk adjusted returns by way of superior credit selection.
- **Duration**  
Portfolio duration will be targeted at 3 – 4 years. However, the maturities of the underlying instruments could be spread across the curve and may range from short term corporate bonds with a maturity of a few months to long term (15 years) government securities. Average maturity will be dynamically managed based on the interest rate view, inflation and credit risk.
- **Liquidity**  
Investments will be made in securities which are expected to be reasonably liquid. In case of illiquid securities, only those securities which have a maturity period of less than 3 years will be invested in.



## Portfolio Composition by Rating\*



## Composition by Assets



## Suitable for:

This product is suitable for investors seeking medium term capital appreciation with regular income. Aries is ideal for investors wanting to hold a fixed income portfolio with low to moderate risk appetite expecting a moderate spread of returns over government debt of similar maturity.