



Mr. A Balasubramanian
MD & CEO

Dear Investors & Distributors,

To begin with, I would like to wish you and your families a very Happy New Year – 2020. May it be a prosperous and fulfilling one.

2019 as a year had its fair share of high and lows. There were changes in regulations, resolution of stressed assets and skewed market performance on account of many factors. Economies around the world have been facing slowdown. The government and the RBI continue to lend support to the economy and the year ahead is expected to be one of recovery for investors.

We, as a Fund House, have seen multiple market cycles over 25 years. Personally, the real measure of success for me is the trust we have been able to earn from all our investors, distribution partners, employees and shareholders over the years. This success is the outcome of a strong brand value, shareholders' commitment to this business, robust risk management practices and astute investment management capability amongst many other things. Ultimately, staying committed to the business and delivering consistency of experience to our customers as well as our distribution partners has helped in building the organisation as one of the top AMCs in the industry. Having built scale both in our customer base and AUM, we believe the Mutual Fund industry will continue to grow to newer heights in the years to come. The Asset management industry will continue to evolve into a strong industry going forward. The industry will not just channelize resources into the capital

market, but will also take a leading role in the development of capital market by becoming the largest provider of capital to growing businesses, both in the form of debt and equity.

I urge the retail investors to remain focused on asset allocation between all products using goal-based investment approach and continue to keep investing in the form of SIPs and STPs to build wealth in the long term. Market fluctuations and near term negative returns have always remained temporary. As time progresses, they do get adjusted in one's portfolio returns and eventually results in a good investment experience with even one bull market. Historically, it has been observed that such a rally occurs once in three years. Riding the ups and downs by staying invested is the key to fulfilling your long term financial goals. Therefore, in the year 2020, investors should continue to invest via SIPs. One should also not miss including fixed income schemes for portfolio diversification.

While it has also been a challenging year for distributors, one must continue to believe in the scale of business combined with personalised service to investors and look at it as a long term business model. There is ample opportunity for everyone, irrespective of size as long as they are able to remain relevant to their customers, their families and friends as a family advisor or as their trusted financial caretaker.

Lastly, as we move into the year 2020, Government may take many initiatives in order to reap the benefit of major structural reforms that have been carried out in the last few years. Renewed focus on making GST a way of life for the entire country would help in balancing the Government finances. The non-performing assets of banks and its resolution mechanism under the IBC process is gaining momentum. This will not only help in realising capital, but can also improve the delivery of credit to the needy borrowers in the coming years. A good monsoon, should ideally result in bumper agricultural output and boost the rural incomes. On the back of this renewed efforts by the Government of India, we may see the long awaited recovery in the small & mid-cap space in the equity market. Sustained liquidity and low interest rate environment may push investors towards Mutual Fund investments.

As a fund house, we have released our detailed Annual Equity and Debt Outlook – 2020, as a presentation, which is available on our website and in all our branches for circulation.

Looking forward to our continued relationship and a great year ahead.

