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WEALTHWISE

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Wealthwise

“Wealthwise” is a monthly publication brought to you by Wiseinvest Advisors. Wiseinvest Advisors is a quality investment advisory firm that specializes in mutual funds. Though mutual funds are a simple way to invest money, you can get the best only if you get professional advice. Our CEO, Mr. Hemant Rustagi, is a well known mutual fund expert. He brings with him an experience of more than 16 years in the mutual fund industry. He regularly writes articles for major national dailies and business magazines as well as appears as a mutual fund expert on many investments related TV shows. Besides, our team of advisors has professionals who have spent years in the mutual fund industry. In the last five years, thousands of our clients have benefitted from our quality advice and have made mutual funds as the mainstay of their portfolio. You can benefit too from our expertise for your existing as well as new investments in mutual funds. All you need to do is to just call up any of the branches or email your requirements at information@wiseinvestadvisors.com and our professional advisors will do the rest.

Dear Investor,

At the outset, I would like to wish you and your family a very “Happy and Prosperous New Year”. Though, circa 2010 is likely to be a challenging one, you would be able to make it profitable by managing expectations and not allowing your asset allocation to drift for short term gains.



On the stock market front, while the broader market remained range bound, small cap stocks out-performed other market caps during the month of December 2009. The Small cap index of the BSE was up 10.76% as against the rise of 3.05% and 4.19% for the Sensex and the Mid-cap index respectively. The Sensex has once again crossed the 17000 level. It can be considered significant, if not decisive, considering that the market has been moving sideways for sometime. However, there are conflicting views about what the market has in store in the near and short term. While a section of experts believe that a correction is just around the corner, another section feels that the stock market is gearing for a major move upward. A situation like this can unsettle a lot of investors and pose a dilemma as to what their next move should be.

Overall, we have had a very strong performance from the stock market during 2009. Going forward, though there are lot of expectations and optimism from the markets and the economy, it would be wise to remain a little cautious. While we do expect healthy returns from the stock markets during 2010, you will have to invest wisely and be prepared to take increased level of volatility in your stride.

On the debt side of the portfolio, the key would be to manage credit and duration risk. Going ahead, inflation as well as the subsequent movement in the interest rates are going to be the most influential factors for this part of the portfolio both in terms of selection of instruments as well as their performances. While, one may debate about how quickly interest rates will start moving up, there is no doubt that interest rates will increase from here. Hence, it would be wise to maintain a balance between risk and reward.

Happy investing!

Warm regards,

Hemant Rustagi
Chief Executive Officer

We offer our services (free of charge) to review your existing portfolio. You can mail your portfolio at information@wiseinvestadvisors.com or send it to our corporate office at the address mentioned on the last page. Alternatively, you can visit any of our branches personally to get your portfolio reviewed. Our aim is to reduce the stress for you as well as give you the comfort of knowing that unbiased professionals are taking responsibility for the growth of your money.

Wiseinvest
With YOU, in meeting
FINANCIAL CHALLENGES

Address to be affixed here

The Stock Market performance during December 2009.

Indices	1st December 2009	31st December 2009	Change in (%)
Sensex	16947.46	17464.81	3.05%
MIDCAP	6,447.76	6,717.82	4.19%
SMLCAP	7545.61	8,357.62	10.76%
BSE-100	8,965.15	9,229.71	2.95%
BSE-200	2,117.60	2,180.25	2.96%
BSE-500	6,620.84	6,842.25	3.34%

What does the world's tallest tree have in common with Kotak 30 and Kotak Opportunities?

A strong foundation and growth, of course.

Enjoy the advantage of sound investing.

A solid foundation is the only assurance of growth over time. It's the reason why the world's tallest tree is still growing even at 378.1 feet, after a lifespan of over a 1000 years. It's also why Kotak 30 and the Kotak Opportunities Fund are amongst our top-performing and long-running mutual funds in the market today. And it has been the solid investment principles that we follow which has helped these funds deliver over time, helping those who invest with us to get the most out of their money.

Over 11 times your investment in 10.9 yrs in Kotak 30	Amount (Rs)
Investment amount (since inception on 29th Dec, 1998)	1,00,000
Value of investment (9th November 2009) 24.86% CAGR	11,17,481

Kotak 30 NAV: Rs. 31.61 (Dir Option) on 9th November 2009, Returns <= 1 yr: absolute; Returns >1 yr: CAGR. Rs. 1 lakh invested in Kotak 30 would have become Rs. 1,57,880 (57.88%) in 1 year, Rs. 1,41,965.56 (12.39%) in 3 yrs and Rs. 3,38,527.30 (27.62%) in 5 yrs. Rs. 1 lakh invested in S&P Nifty would have become Rs. 1,64,410 (64.41%) in 1 year, Rs. 1,29,004.54 (8.86%) in 3 yrs, Rs. 2,63,472.73 (21.38%) in 5 yrs and Rs. 5,61,472.02 (17.20%) since inception. Returns assumed re-investment of dividend.

Over 4 times your investment in 5.17 yrs in Kotak Opportunities	Amount (Rs)
Investment amount (since inception on 9th Sept, 2004)	1,00,000
Value of investment (9th November 2009) 30.89% CAGR	4,02,152

Kotak Opportunities NAV: Rs. 40.21 (Growth Option) on 9th November 2009, Returns <= 1 yr: absolute; Returns >1 yr: CAGR. Rs. 1 lakh invested in Kotak Opportunities would have become Rs. 1,70,860 (70.86%) in 1 year, Rs. 1,48,935.53 (14.20%) in 3 yrs and Rs. 3,75,452.86 (30.29%) in 5 years. Rs. 1 lakh invested in CNX 500 would have become Rs. 1,73,750 (73.75%) in 1 year, Rs. 1,27,552.41 (8.45%) in 3 yrs, Rs. 2,57,450.75 (20.82%) in 5 years and Rs. 2,87,948.10 (22.70%) since inception.

Past performance may or may not be sustained in future.

Avg AUM - Rs. 37,721 crs for October, 09

SMS: KOT to 5079788
www.kotakmutual.com

kotak Mutual Fund

Risk Factors: Kotak Mahindra 30 unit is an equity-linked equity growth scheme. Investment Objective: To generate capital appreciation from a portfolio of predominantly equity related securities. The portfolio consists of equity and equity related investments of about 30 companies which may go up to 25 companies, and that these companies may or may not be the same which constitute the BSE Sensex Index or the NSE Nifty S&P CNX Nifty index. Review and rebalancing will be conducted if the investment in companies exceed above 30.

Kotak Opportunities is an open-ended equity growth scheme. Investment Objective: The investment objective of the Scheme is to generate capital appreciation from a diversified portfolio of equity and equity related securities. Risk Factors: Mutual Fund investments are subject to market risks. There is no assurance that the Scheme's objective will be achieved. NAV of the Scheme's Units can go up / down depending on factors and factors affecting securities markets. Past performance of Sponsor / AMC / Fund does not indicate the scheme's future performance. Kotak Opportunities is only the Scheme's name and does not indicate its quality, future prospects or returns.

Trustee: Kotak Mahindra Mutual Fund is a Trust Indian Trust Act, 1987 Investment Manager: Kotak Mahindra Asset Management Company Ltd. Sponsor: Kotak Mahindra Bank Ltd. Liability: Rs. Nil Trustee: Kotak Mahindra Trustee Company Ltd. Please read the Scheme Information Document (SID) and Statement of Additional Information (SAI) carefully before investing. SID & SAI are available on www.kotakmutual.com.

Tata Equity P/E Fund

Investment objective

Tata Equity P/E fund (TEPF) seeks to provide capital appreciation to its investors. It aims to achieve this by investing not less than 70 per cent of the total portfolio in stocks with PE ratios lower than that of the Sensex. There is also a provision of investing in stocks with a higher PE ratio to bring in an element of growth.

The fund was launched in June 2004 in the midst of stock market boom. Currently, the fund is being managed by Mr. Sachin Relekar (Equity) & Mr. Mahendra Jajoo (Debt).

Investment strategy

The fund follows a value-picking strategy i.e. a strategy that focuses on building a portfolio of stocks available at attractive valuations. In terms of stock selection, the fund has a clear definition of the type of stocks it is interested in. The price to earning (PE) ratio of the fund is taken as the measure of the stock's valuation. A stock's PE ratio indicates the value the market is willing to give to the earning prospects of the company. Typically, stocks with high PE ratios are those that are expected to show high growth in earnings. Lower PEs mean that either the stocks' fundamentals are not good or that they are undervalued and have long-term prospects. TPEF targets the second category.

A top-down strategy is used for sector selection and a bottom-up approach for picking stocks, as is warranted in a value fund. TEPF has large, mid and small-cap stocks in its portfolio.

Dividend Trigger Option

The fund has introduced a "Dividend Trigger Option" that allows investors to periodically book profits when the markets move up. There are two trigger options i.e. Option A and Option B for appreciation of 5% and 10% respectively. For example, under Option A, the fund will initiate the declaration of dividend when there is an appreciation in the NAV by 5% in a calendar quarter. Depending on the choice of investor, this dividend can either be paid out or reinvested or swept to Tata Floater fund-growth option.

Portfolio

The portfolio is quite diversified with investments in around 43 stocks. The top five stocks have, on an average, accounted for around 21.63 per cent of the portfolio making it less susceptible to changes in the fortunes of a few companies. However, the fund has taken concentrated positions in sectors, with almost 23.38 per cent allocation into the Software & Consumer Non durables.

Top 10 Holdings as on November 30, 2009

Company Name	% of Corpus
Mphasis	4.93
Cadila Healthcare	4.56
Hindustan Zinc	4.38
Firstsource Solutions	3.89
Volta	3.87
Balrampur Chini Mills	3.72
Hindustan Unilever	3.47
Patni Computer Systems	3.07
TV Today	3.06
Others (Equities)	51.89
Total	86.84
Cash	13.16
Grand Total	100.00

Performance as on December 24, 2009

Schemes	6 Month*	1 year*	2 year**	5 year**	Since Inception**
Tata Equity P/E	40.51	107.34	-0.18	25.95	30.28
BSE Sensex	20.37	81.43	-6.49	21.72	--

*Absolute ** Annualized. Past performance does not guarantee future performance.

Our recommendation

Considering the investment strategy of the fund that follows a value investing style, it can be a good addition to a portfolio that already has adequate exposure to plain vanilla diversified funds. Besides, a unique facility of "Dividend Trigger" that allows investors to book profits by way of dividend can go a long way in rebalancing the portfolio. Investors looking to enhance their returns from equity portfolio can invest a part of their assets in this fund with a 3-5 years time horizon which is essential for the value picks to show results.

To know more about this fund and/or to invest in this fund, please call any of our offices. The contact details have been provided on page 6.

Fortis Mutual Fund

Just as you adapt to life's different roles...



The Fortis Flexi Debt Fund adapts to changing market conditions and aims to take advantage of emerging opportunities. So you can now devote your attention to all the different roles that life brings your way.

	15-STAR			
	Since Inception	Last 3 years	Last 2 years	Last 1 year
Fortis Flexi Debt Fund - Regular Plan - Growth Option	9.31	9.25	11.31	14.91
Benchmark Index: CRISIL Commodities Bond Fund Index	5.54	5.88	9.45	10.02

Period: September 23, 2004 - November 30, 2009. Past performance may vary and is not guaranteed. Returns do not take into account the cost of any sales charges. Returns are calculated on the basis of the net asset value of the fund at the end of the period. Returns are calculated on the basis of the net asset value of the fund at the end of the period. Returns are calculated on the basis of the net asset value of the fund at the end of the period.

ValueResearchOnline.com: Fortis Flexi Debt Fund is one of the 5-Star rated Funds by the Value Research in the category of Debt - Medium-term considering 48 open-ended Medium-term Debt Schemes as on September 30, 2009 on the basis of weighted average weekly returns for the last 18 Months and 3-years periods. Five-Stars indicate that a fund is in the top 10 per cent of its category. These ratings do not take into consideration any entry or exit load. The Value Research Ratings are published in Monthly Mutual Fund Performance Report and Mutual Fund Insight, which are subject to change every month. A detailed Methodology of the above rating is available at www.valueresearchonline.com. **Moneycontrol.com:** Fortis Flexi Debt Fund is one of the 5-Star rated Funds by the Moneycontrol in the category of Debt - Short-term considering 83 open-ended Short-term Debt Schemes as on September 30, 2009. The overall calculation is based on sum of percentile ranks for total return metrics over 3 months, 6 months, 1 year, 2 years, and 3 years periods (as applicable) with maximum weightage given to the 1-year returns. Five-Stars indicate that a fund is in the top 10 per cent of its category. A detailed Methodology of the above rating is available at www.moneycontrol.com. **Economic Times Rating:** The ET Quarterly MF Tracker lists MF schemes on the basis of their risk-adjusted performance, based on a detailed number-crunching exercise. Data source: ICRA online. No. of funds considered: 38 (Category: Debt / Income funds) as on June 30, 2009. Schemes with similar risk-return profiles were clubbed. The return score was arrived at by allotting 50% weight to past three-year absolute returns and 40% weight to past one-year returns. These weighted returns were compared vis-a-vis the average return for the category under consideration. To measure risk, downside risk was referred which is any return below the minimum acceptable rate of return (MAR). Any underperformance was added. Overall total underperformance figures were compared with average category underperformance. Higher the Sortino ratio, better the fund performance. The top 10% funds in each category were classified as 'Platinum' funds, the next 20% got a 'Gold', while the next 40% got a 'Silver' rating. **ICRA Rating:** Fortis Flexi Debt Fund has been ranked as a Seven Star Fund in the category of Open Ended Debt - Long Term Schemes for its 1-year (no. of schemes considered: 25) and 3 year (no. of schemes considered: 21) performances till December 31, 2008 for the rating exercise. The rank is an outcome of an objective and comparative analysis against various parameters, including risk adjusted return, fund size, company concentration, portfolio turnover and liquidity. The ranking methodology did not take into account entry and exit loads imposed by the fund. The rank is neither a certificate of statutory compliance nor any guarantee on the future performance of Fortis Flexi Debt Fund. **Ranking Source & Publisher:** ICRA Online Limited. **Morningstar Award:** Fortis Flexi Debt Fund has been awarded the Morningstar Fund Award (India) in the "India Open Ended Intermediate-Long-Term Bond" category for its three-year performance ending December 31, 2008. The methodology eliminates schemes based on fund size, below-median calendar year returns, and gives scores on the basis of returns in one-year and three-year periods and risk for a three-year period. The methodology also includes various qualitative measures like the investment management team, processes among others. There were 26 schemes considered in "India Open Ended Intermediate-Long-Term Bond" category for the award exercise. Only Growth schemes were considered. Loads were not considered while calculating returns. The award should not be construed as an offer, or the solicitation of an offer, to buy or sell securities, by Morningstar. It is neither a certificate of statutory compliance nor any guarantee on the future performance of the fund. **Ranking Source:** Morningstar India. **Investment Objective:** Fortis Flexi Debt Fund: The primary objective of the scheme is to generate income through investments in a range of debt and money market instruments of various maturities with a view to maximize income while maintaining an optimum balance between yield, safety and liquidity. **Load Structure:** For Regular Plan & Regular Plan At Entry Load: Nil Exit Load: 0.75% if redeemed/switched out within 6 months from the date of subscription/switch in Nil if redeemed/switched out after 6 months from the date of subscription/switch in. **Statutory Details:** Sponsor: ABN AMRO Asset Management (Asia) Ltd. **Trustee:** Fortis Trustees (India) Pvt. Ltd. **Investment Manager / AMC:** Fortis Investment Management (India) Pvt. Ltd. With effect from October 24, 2008, ABN AMRO Mutual Fund has been renamed to Fortis Mutual Fund with the same SEBI registration number. Fortis Mutual Fund has been constituted as a Trust in accordance with the provisions of the Indian Trusts Act, 1882 (2 of 1882), by the Sponsor and the Trustee as per the terms of the superceding Trust Deed dated March 5, 2009. **Risk Factors:** Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, default risk including the possible loss of principal. As the price / value / interest rates of the securities in which the scheme invests fluctuate, the value of your investment in the scheme may go up or down. The various factors which impact the value of the Scheme's investments include, but are not limited to, fluctuations in the bond markets, fluctuations in interest rates, prevailing political and economic environment, changes in government policy, factors specific to the issuer of the securities, tax laws, liquidity of the underlying instruments, settlement periods, trading volumes etc. The name of the Scheme does not in any manner indicate either the quality of the scheme, its future prospects or returns. Past performance of the Sponsor / AMC / Mutual Fund does not guarantee future performance of the scheme. The Sponsor is not responsible or liable for any loss resulting from the operation of the scheme beyond the initial contribution of Rs. 1 lakh made by it towards setting up the Fund. The Scheme does not guarantee or assure returns. Investment decisions made by the AMC may not always be profitable. Offer Documents (OD) / Scheme Information Document (SID) cum Application forms / Statement of Additional Information (SAI) are available at AMC offices / AMC web-site: www.fortisinvestments.in / Investor Service Centres / Distributors. Investors should read the respective OD / SAI / SID carefully in its entirety before investing and retain the OD / SAI / SID for future references.

Asset allocation: A State of Equilibrium

"Investment is about risk and expected return," said Nobel Prize winner William F. Sharpe. "No one likes risk and the higher an investment's expected return, the better." The truth, however, is that if you don't take enough risk on your portfolio, your investments may not earn returns required to meet your long-term investment goals. On the other hand, if you take too much risk with your investments, you may have to compromise on some of the important financial goals.

The real issue, therefore, is how can one find and maintain one's balancing point that can ensure success in achieving investment goals at a risk level one is comfortable with. This is where an asset allocation strategy has a role to play. An asset allocation strategy aims at spreading your money across different asset classes such as equity, debt, real estate and commodities. That's because if one asset class is losing money, the other asset class may be earning for you. In other words, asset allocation is a form of diversification and if properly done, reduces portfolio risk more than it compromises returns. Simply put, if your portfolio has a mix of two investments that tend to go in opposite directions in different market situations, the combination has a stabilizing effect on your portfolio. Similarly, even if both the securities are "risky," they can and do deviate substantially from their expected returns.

It is a proven fact that different asset classes perform differently in different market conditions. For example, stock market does well during an economic boom, and loses ground during recessionary times. Bond market, however, goes in the opposite direction. While the recessionary conditions are good for the bond markets, a booming economy is not so good for it.

Today, investors have plenty of investment options to choose from. However, the complexities in the market place and ever changing economic scenario make it increasingly difficult for investors to select the right investment avenues in the right proportion. Considering that each of the investment options carries some risk and that there is a direct relationship between risk and reward, it is vital to choose wisely. Therefore, the key is to invest in a manner that allows you to potentially lower your investment risk and enhance your chances to achieve your varied financial goals. All of us have certain financial goals and also have a certain tolerance for risk when it comes to investing our money.

Of course, asset allocation doesn't always mean the same thing for every investor. For example, some believe that large cap, mid-cap and small cap, growth stocks and value stocks are different asset classes. The fact, however, is that these are all a part of the same asset class i.e. equity. The objective of dividing securities into an asset classes is to design an optimal portfolio. In other words, the objective is to find out an ideal combination that is expected to generate a higher ratio of return to risk.

For an asset allocation strategy to be successful, it must be flexible enough to accommodate the changes in one's financial circumstances as well as the changes in the economic cycle. It is important because economic environment has a direct impact on the behaviour of the financial markets.

Before deciding as to how you can put your asset allocation strategy to work, it is important to understand how diversification works hand in hand with asset allocation. When you diversify your investments, you minimize the chances of suffering from what is known as "single-security risk," or the risk that your investment will fluctuate widely in value with the price of one holding.

It is important to keep certain key points in mind while deciding on the asset allocation for your portfolio and practicing it over a period of time. Some of these are:

- The key ingredients should be your time horizon, investment goals, and risk tolerance. Your time horizon is the expected number of months or years you will be investing to achieve your financial goals. If you have a longer time horizon, you may feel more comfortable investing in a riskier but potentially better investment option because you will have time on hand to wait out slow economic cycles as well as inevitable volatile periods. For example, while investing for your retirement, you can afford to put a greater percentage of assets in equities as you would generally have many years until you reach that stage. Risk tolerance is your ability and willingness to lose a part of your original investment during short term market movements in exchange of greater potential returns.
- As prices of different types of assets do not move in tandem, a combination of different asset classes helps in managing the market risk efficiently. In fact, various studies have shown that asset allocation is the most important factor in determining returns from investing. However, one needs to rebalance the asset allocation from time to time i.e. to bring the current allocation level back to original asset allocation level to maintain the balance in the portfolio.

Besides, one has to find out ways to improve returns over the investment period as well as to balance the risks. One such strategy could be to invest income generated by the debt portfolio into equities and take the profits out of the equity portfolio and invest the same into income generating securities. By doing so, from time to time, you can capture both ends of the investment spectrum.

- As your investment time frame and goals change, so might your asset allocation. Be prepared to re-evaluate your asset allocation periodically. Some of the events that would prompt you to do so could be education of your children, buying a house or retirement. However, the most important factor is to get started. Remember, it is never too late to get started and it's never too late to revamp the asset allocation plan.

A key element for the success of an asset allocation is to adopt the right strategy for implementing it. Once the strategy is in place, the focus has to be on selecting the most appropriate instruments. The key considerations while selecting the instruments have to be flexibility, transparency, tax efficiency, and liquidity.

This article written by our CEO was published in Dalal Street Investment Journal Issue dated Dec 21, 2009 - Jan 3, 2010.

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Performance of Select Funds

Data as on December 24, 2009

EQUITY FUNDS

Diversified

Fund	Launch	1-Month*	3-Month*	6-Month*	1-Year*	2-Year**	3-Year**	5-Year**
Birla Sun Life Frontline Equity Plan A	Aug-2002	2.47	7.90	26.99	92.50	0.71	17.56	27.54
Canara Robeco Equity Diversified	Sep-2003	4.31	8.88	28.68	96.56	-0.93	16.71	23.93
DSPBR Top 100 Equity Reg	Feb-2003	1.95	7.11	25.43	78.04	0.19	17.68	27.75
DWS Alpha Equity Regular	Jan-2003	1.44	5.06	23.72	65.66	-5.51	13.15	23.39
DWS Investment Opportunity Regular	Jan-2004	2.36	6.81	26.17	74.58	-8.41	15.57	24.26
Fidelity India Special Situation	Apr-2006	1.74	7.98	25.81	86.91	-5.56	8.66	—
Franklin India Prima Plus	Sep-1994	2.70	7.58	24.21	76.24	-3.18	13.33	25.66
Franklin India Flexi Cap	Feb-2005	3.44	8.60	27.40	91.96	-2.71	11.56	—
HDFC Equity	Dec-1994	1.15	11.40	34.27	107.02	3.36	17.59	29.02
HDFC Top 200	Sep-1996	0.99	7.38	26.30	95.71	4.76	18.87	29.00
ICICI Prudential Focused Equity Retail	May-2008	1.87	7.25	27.91	91.96	—	—	—
Kotak 30	Dec-1998	0.91	5.79	23.61	67.43	-7.49	12.39	24.82
Kotak Opportunities	Aug-2004	2.33	6.68	24.83	81.38	-9.74	15.08	27.56
Magnum Contra	Jul-1999	3.58	6.40	24.79	91.24	-4.11	14.89	31.40
Magnum Multiplier Plus	Feb-1993	3.16	9.83	28.02	88.70	-7.20	12.48	28.96
Reliance Vision	Oct-1995	3.89	6.97	27.40	83.39	-5.22	12.23	25.15
Sundaram BNP Paribas Select Focus	Jul-2002	1.28	4.74	23.55	66.63	-9.75	12.65	25.36
Tata Equity PE	Jun-2004	2.72	12.00	40.51	107.34	-0.18	20.85	25.95
Tata Select Equity	Apr-2001	5.68	10.13	37.46	110.13	-12.41	7.46	22.58
Reliance Regular Savings Equity	May-2005	3.81	9.98	28.72	106.21	-0.03	22.60	—

Sector, Specialty & Tax Saving

Canara Robeco Infrastructure	Nov-2005	5.20	3.98	19.66	90.84	-10.30	14.65	—
DSPBR T.I.G.E.R.	May-2004	1.54	3.76	16.24	77.91	-12.29	10.99	26.29
ICICI Prudential Infrastructure	Aug-2005	3.02	4.29	19.54	68.86	-8.21	16.79	—
DSPBR World Gold	Aug-2007	-10.67	-2.33	21.21	46.26	10.77	—	—
Reliance Banking	May-2003	-3.25	6.02	26.96	85.56	8.30	26.69	26.23
Reliance Diversified Power Sector	Apr-2004	1.50	5.31	23.62	94.32	-0.78	29.89	44.54
Canara Robeco Equity Tax Saver	Mar-1993	3.98	7.38	26.93	93.23	1.95	19.04	28.09
Magnum Taxgain	Mar-1993	3.49	7.78	26.82	88.28	-7.17	10.32	31.05
Sundaram BNP Paribas Tax saver	Nov-1999	1.67	4.29	26.94	76.30	-2.99	15.76	26.88

Midcap & Smallcap

Birla Sun Life Mid Cap Plan A	Oct-2002	1.84	11.96	41.79	119.39	-2.32	18.14	27.51
Principal Emerging Bluechip	Oct-2008	3.44	11.53	42.26	152.69	—	—	—
Reliance Growth	Oct-1995	3.94	8.88	30.48	98.24	-2.97	17.64	30.76
Sundaram BNP Paribas S.M.I.L.E. Reg	Jan-2005	2.19	9.80	39.00	123.81	-0.94	20.22	—

MIP & Select Debt Oriented Funds

Fund	Launch	1-Month*	3-Month*	6-Month*	1-Year*	2-Year**	3-Year**	5-Year**
HDFC MIP Long-term	Dec-2003	0.1559	3.6117	10.4471	30.8489	10.0551	12.5321	13.3263
Reliance MIP	Dec-2003	0.7639	4.3879	11.4476	23.1139	16.2888	13.3023	13.7689
Principal MIP Plus	Dec-2003	0.4533	2.0063	7.9239	22.1319	6.7933	12.2475	10.9358
Birla Sun Life Dynamic Bond Ret	Sep-2004	0.1496	1.5412	3.4929	7.9729	11.4611	10.4672	8.5008
DWS Money Plus Advantage Reg	Nov-2007	-0.03	0.70	2.27	7.98	9.04	—	—
Fortis Flexi Debt Reg	Sep-2004	0.2084	0.7862	2.1555	5.6514	13.0469	11.4253	9.2453
Templeton India Short-term Income Ret	Jan-2002	0.5787	2.3896	5.1155	12.1874	10.7003	—	—

Liquid Plus Funds

Fund	Launch	7-Day*	15-Day*	21-Day*	1-Month*	3-Month*	6-Month*	1-Year*
Birla Sun Life Savings Ret	Nov-2001	0.0745	0.1604	0.2250	0.3225	1.0297	2.1734	5.4467
DSPBR Money Manager Ret	Jul-2006	0.0627	0.1258	0.1833	0.2633	0.7974	1.6563	5.0783
Fortis Money Plus Reg	Oct-2005	0.0834	0.1794	0.2535	0.3692	1.1436	2.4395	6.4377
ICICI Prudential Flexible Income	Mar-2009	0.0737	0.1562	0.2195	0.3173	0.9925	2.1488	—
Kotak Floater LT	Aug-2004	0.0881	0.1888	0.2626	0.3770	1.1991	2.4818	6.0116

*Absolute ** Annualized.

Dividends declared by equity and equity-oriented funds during the month of December 2009

Scheme name	Date	Dividend declared in Rs. Per unit
ICICI Pru Tax Plan (D)	04/12/2009	4.00
HSBC Equity Fund (D)	11/12/2009	2.50
HSBC India Opportunities (D)	11/12/2009	1.00
HSBC Midcap Equity Fund (D)	11/12/2009	1.00
JP Morgan Tax Advantage (D)	15/12/2009	1.50
Templeton (I) Growth Fund (D)	16/12/2009	3.00
ICICI Pru Discovery Fund (D)	18/12/2009	1.50
ICICI Pru Growth (D)	18/12/2009	1.50
Bharti AXA Tax Advtg -ECO (D)	23/12/2009	3.00
Bharti AXA Tax Advtg -RP (D)	23/12/2009	3.00
Birla SI Basic Industries (D)	24/12/2009	2.00
Birla SI Infrastructure -A (D)	24/12/2009	1.25
ICICI Pru Power (D)	24/12/2009	1.00
UTI Equity Tax Saving	29/12/2009	1.50
UTI Transport & Logistics	29/12/2009	1.50
SBI Magnum Equity	31/12/2009	5.00

Please check whether you have received dividend for the fund/s that you may have in your portfolio out of this list. In case, you do not maintain any portfolio statement, Wiseinvest Advisors can do that for you free of charge. Once we have the details, we would send your updated statement every month. You can contact our corporate office or any of the branches to avail of this free service.

Mutual funds, like securities investments, are subject to market and other risks. As with any investments in securities, the NAV of units can go up or down depending on the factors and forces affecting capital markets.

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Reliance Mutual Fund Tops Crisil Ranking for two consecutive quarters

Reliance Mutual Fund has once again been adjudged by CRISIL Fund Services as the top fund house for quarter ending September 2009. With 10 of our schemes receiving the CPR 1 rating, this becomes our second consecutive triumph. Such industry-wide recognition has inspired us to set new benchmarks and delight our investors in the time ahead.

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Methodology for Crisil CPR 1 Rank - The CRISIL-CPR framework provides a single-point, overall ranking based on all factors that are important to consider while evaluating a mutual fund's performance. The system evaluates and ranks funds on the basis of a set of parameters which reflects a mutual fund's performance, such as risk adjusted returns, asset concentration, liquidity, asset quality and asset size. The CRISIL-CPR is assigned on a scale from 1 to 5, with the top rank of CPR 1 indicating 'Very Good Performance'. In any peer group, the top ten percentile of funds are ranked as CPR 1 and the next twenty percentile are ranked as CPR 2. Rankings are for the Quarter ended September 2009. **Ranking Entity:** Crisil Fund Services, www.crisil.com **Sponsor:** Reliance Capital Limited. **Trustee:** Reliance Capital Trustee Co. Limited. **Investment Manager:** Reliance Capital Asset Management Limited. **Statutory Details:** The Sponsor, the Trustee and the Investment Manager are incorporated under the Companies Act, 1956. **Risk Factors:** Mutual Funds and securities investments are subject to market risks and there is no assurance and no guarantee that the Scheme objectives will be achieved. As with investments in any securities, the NAV of the units issued under the Scheme can go up or down depending on the factors and forces affecting the securities market. Past performance of the Sponsor/AMC/Mutual Fund is not indicative of future performance of the Schemes. The Sponsor is not responsible or liable for any loss resulting from the operation of the Schemes beyond their initial contribution of Rs.1 lac towards the setting up of the Mutual Fund and such other accretions and additions to the corpus. **Mutual Fund Investments are subject to market risk, please read the Scheme Information Document and Statement of Additional Information carefully before investing.**

Investing Strategies for 2010

The year 2009 has passed by and has left investors with a quandary: What should be my investment strategy for 2010? Where should I invest my money? Do I need to do something different from what I have been doing? Before we try to find an answer to these questions, let us analyze what happened in the year 2009.

The year 2009 got off to a poor start and the stock market continued to plunge further. However, by March economic data began to witness a turnaround. The unprecedented stimulus measures-both monetary and fiscal- taken by the governments across the world helped in bringing the economies back on track by the middle of the year. The stock markets globally witnessed a phenomenal rally from the March lows. The Indian stock markets too staged a remarkable recovery from a low of around 8000 in March 2009 to the current level of around 17360.

All those equity fund investors who held on to their nerves during the turbulent times are feeling a lot better. For debt and debt oriented fund investors, the year 2009 presented a mixed bag. While short term debt funds yielded good returns, investors in medium term debt funds and gilt funds suffered as the yield on the benchmark ten year paper took a u turn on account of widening fiscal deficit and higher than expected government borrowings. However, debt oriented hybrid funds such as Monthly Income Plans (MIPs) did quite well during 2009.

During the period of upheaval in the market, a section of equity investors exited in a panic. Besides, there are those who have been waiting on the sidelines for a correction to be able to invest in equity funds at lower levels. Both are at a crossroads today. While the panic sellers are still ruing their rash decision, the fear for the fence sitters is a result of unpleasant experiences of the past. So, what should investors do in such a scenario?

The crucial part is to adopt the right approach and select the right investment options rather than following a strategy whereby one takes aggressive decisions in order to make up for the lost time and opportunities. The key issue, therefore, is how to manage that feeling of missing out.

Coming to what 2010 has in store and the likely investment strategy, the key factors are going to be to manage expectations and how not to allow one's asset allocation to drift for short term gains. In the present complex financial markets, it is becoming increasingly difficult to select the right investment avenues. As we all know, each investment carries some risk and that it is vital to choose wisely. While there are plenty of options available to design your

portfolio, the key is going to be to invest in a manner that allows you to potentially lower your investment risk and still maintain the chances of achieving your varied financial goals.

This is what you need to do to make 2010 memorable for yourself:

It's time to adopt an asset allocation model

Asset allocation i.e. the process of spreading your savings across different types of investment can help you find and maintain your balancing point and that goes a long way in pursuing your goals at a risk level you are comfortable with. For an asset allocation strategy to be successful, it must be flexible enough to accommodate the changes in one's financial circumstances as well as the changes in the economic cycle. It is important because economic environment has a direct impact on the behaviour of the financial markets.

Circa 2010 is likely to pose challenges even for experienced investors. That's why, determining and maintaining the right level of risk tolerance should be an important aspect of your investment strategy. Don't make a mistake of underestimating risk and/or overestimating reward from an investment. In fact, estimating the risk associated with an investment option is more crucial than estimating the returns. By understanding investment risks and how they relate to potential returns, you can improve your chances of building greater wealth. Remember, mutual funds offer the best possible options to practice asset allocation and also provide you the flexibility required to make it a success.

Strategy for equity portion of the portfolio

The stock market is likely to do well in 2010, albeit with increased level of volatility. However, considering that equity as an asset class performed exceedingly well from 2009 lows, it would be advisable to exercise a little caution during 2010. The out-performance of mid and small stocks over the last six months or so may be tempting enough to go all out for them but the key would be to resist the temptation and focus more on your own risk profile and the existing portfolio mix. While for those who intend to invest directly in stocks, the success would depend on the right stock selection, for mutual funds investors the correct strategy would be to go for funds that have a well defined strategy and investment universe so as to retain control over the exposure to different market caps in the portfolio.

For those investors who have been investing through Systematic Investment Plan (SIP), the key would be to carry on that process and try to increase the

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Best Large Cap Oriented Fund
CNBC TV 18 – CRISIL Mutual Fund of the Year Award 2009*

DWS Alpha Equity Fund

An open-ended diversified equity scheme

The fund with the resilience to weather market volatility

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*** Evaluation Methodology – CNBC TV 18 – CRISIL Mutual Fund of the Year Award 2009**

DWS Alpha Equity Fund won the 'Best Performing Mutual Fund of the Year' award for Large Cap Oriented Equity Schemes for the last 4 quarters. 26 schemes qualified under the Large Cap Oriented Equity Schemes category. The funds were ranked for all four quarterly CRISIL – CPRs in 2009. In case of Equity categories, schemes ranked under one category for three out of four quarters were considered under that category. The scores of individual parameters for each of the four quarterly CRISIL – CPRs in 2009 were considered individually for the schemes eligible in each category. The CRISIL – CPR parameters included a combination of both NAV based parameters like return and volatility as well as portfolio based attributes like company concentration, sector concentration, liquidity, asset quality, etc. The eligible schemes were scaled with the best score for each quarter. The average scaled scores constituted the parametric scores. The final weighted – average score for each scheme was arrived at by applying an assigned weightage, as in the CRISIL – CPR, to each of the parametric scores. There was one winner for each category; in case of categories where the total universe of eligible schemes exceeded 20, there were two awards.

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Statutory Details: Deutsche Mutual Fund had been set up as a trust settled by Deutsche Asset Management (Asia) Ltd. (DeAM Asia) (liability restricted to Rs. 1 lakh). The Sponsors of Deutsche Mutual Fund are DeAM Asia and Deutsche India Holdings Pvt. Ltd. The Trustee of the Mutual Fund is Deutsche Trustee Services (India) Private Limited and the Investment Manager is Deutsche Asset Management (India) Private Ltd. DWS Investments is the global mutual fund brand of Deutsche Asset Management. **Standard Risk Factors:** Investment in Mutual Fund Units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal. As the price/value/interest rates of the securities in which the scheme invests fluctuate, the value of your investment in the scheme may go up or down. Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the scheme. DWS Alpha Equity Fund is the name of the Scheme and does not in any manner indicate either the quality of the Scheme or its future prospects and returns. The sponsor is not responsible or liable for any loss resulting from the operation of the scheme beyond the initial contribution of Rs 1 lakh made by it towards setting up the Fund. The information contained in this leaflet should not be assumed as a promise, guarantee or forecast of minimum returns & safeguard of capital. **The present scheme is not a guaranteed or assured returns scheme. Please refer to the Scheme Information Document for other details including Scheme Specific Risk Factors before investing.**

Investing Strategies for 2010

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investment amount in keeping with the increased income levels. Those who had discontinued the process during the market downturn need to restart the process all over again. If 2010 turns out to be a volatile year for the stock market as expected, the section of investors that would benefit the most would be the one that follows a disciplined approach.

Strategy for investing in debt or debt related instruments

For this part of the portfolio, you need to have a personal yardstick which you may aim to better with your investment in a debt or debt oriented fund. This may, for example, be the returns that you have been getting from some of the traditional investment options like deposits, bonds and small savings schemes. To achieve this in the year 2010, the key would be to manage credit and duration risk.

Going ahead, inflation as well as the subsequent movement in the interest rates are going to be the most influential factors for this part of the portfolio both in terms of selection of instruments as well as their performances. While, one may debate about how quickly interest rates will start moving up, there is no doubt that interest rates will increase from here.

Hence, you may be better off either focusing on short term bonds funds for another couple of quarters or invest in floating rate funds. Thereafter, debt funds and FMPs will have a role to play for investing long term funds. For those who do not mind some exposure to equity in order to get better returns than pure debt and debt oriented funds, MIPs will continue to be a good option for at least 1-2 years time horizon.

Strategy for investing in Gold

Notwithstanding the recent volatility in the gold prices, it continues to remain one of the attractive options for the year 2010. Considering that it would take some more time for the global economies to recover fully from the setbacks of 2008, an alternative asset like gold will remain an attractive investment option. However, as the gold prices are likely to be volatile going forward, one would be better off buying periodically rather than investing a lump sum. Remember, ultimate role that gold plays in a portfolio is that of hedging against the inflation. Therefore, restrict your exposure to gold to around 10 to 15% of the portfolio.

Though Indians have always fancied owning gold for various cultural and

emotional reasons, it has not been actively considered while working out the asset allocation. It's time to do so. Today, mutual funds offer investors a couple of choices that can eliminate many risks that one has to face while holding physical gold.

Firstly, there are Gold Exchange Traded funds (GETFs). An exchange traded fund with gold as its underlying asset is called Gold ETF. There are many advantages of investing in GETFs. For example, gold storage and other costs are shared with other investors. GETFs allow investment in gold in small denominations thereby allowing retail investors to participate. In the secondary market, the minimum lot is one unit.

Another option is to invest through fund of funds launched by domestic mutual funds to invest in gold mining companies through an international fund. Investing in a scheme like this provides investors access to fund manager's expertise and active fund management, which is not available in GETFs. Also investing in gold mining companies offer investors the upside opportunity through organic/M&A growth as well as leverage the increasing price of gold. In other words, investors benefit as the profitability of gold mining companies increases with a rise in gold prices. Ideally, a combination of both i.e. GETF and Gold equity fund would be the right way to invest.

Find a professional advisor for yourself

If you are a mutual fund investor and have a professional advisor to help you, be assured that half the battle is won. However, if you are dealing with someone who is taking an easy way out to convince you to invest, you need to be very careful. As mutual funds in India are evolving, so are different strategies to get the best from them. Making an investment decision for investing in mutual funds (MFs) is tougher than ever today. While the variety of funds offered by MFs is great from investors' point of view, selecting the right ones for meeting different investment objectives can be quite a challenging task.

Last but not the least, to be a successful investor it is crucial to follow basic investing principles. The year 2010 is not going to be any different. So, go ahead and plan your investment for the year ahead and carry on the process of wealth creation. Meanwhile, don't forget to keep an eye on the developments regarding the proposed direct taxes code likely to be operational from April 2011. As a clear picture is likely to emerge during 2010, be prepared to amend a part of your long term portfolio, if required. However, a word of caution would be appropriate here; don't act in a haste.

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