

June, 2010

Price Rs. 2

Volume 4, Issue 6

A Monthly Publication from Wiseinvest Advisors Private Limited

WEALTHWISE

Inside Pg No.

IDFC Small & Midcap (SME) Equity Fund 2

The Yuan Revaluation- How will it impact India? 3

Performance of Select Funds 4

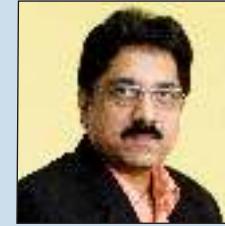
Investing 5-6

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,

The month of May 2010 turned out to be a volatile one for the stock markets. While the Sensex closed the month 2.54% down, the Mid-cap and Small cap indices of the BSE were down 4.44 % and 6.78 % respectively. The Eurozone's debt crisis has sent the global markets on a rollercoaster. The downgrade of Greece's debt to Junk and a cut in Portugal's rating by Standard and Poor triggered the fear that the crisis may spread across EU and possibly beyond. Moody's have also warned of a possible impact of the European debt crisis on the banking systems in several European countries.



The questions on everyone's mind are what the EU's policy makers are doing to curtail Lehman Brothers like situation and how much the European debt woes will impact the rest of the world especially the debt and deficit ridden US and UK. Realizing the gravity of the situation, the EU and the IMF have stepped in and taken measures to restrict the damage and also improve the situation. Though the steps taken by the Eurozone created euphoria, it died down soon as doubts were raised about Europe's ability to contain its fiscal problems.

The fears that the austerity measures taken by the debt ridden European nations might stifle economic growth resulted in euro dropping to an 18 month low against the dollar. The sentiments in the global markets improved after China denied the reports that it was looking to cut its holdings of Eurozone's sovereign debt.

On the inflation front, India's wholesale price based food inflation eased to 16.23% for the week ended May 12, 2010. This is mainly due to the fall in the prices of fruits and vegetables. Overall, inflation for the month of April, 2010 stood at 9.59 percent, moderating slightly from 9.90% in the month of March 2010. Though the prices continue to be a concern for the government, it is confident of bringing it down to 5-6 percent by December 2010.

We feel that considering India's low exposure to Eurozone's and the strength of its economy, the impact of debt crisis on India will be limited. Though a crisis of this magnitude is likely to have an impact on our economy and the markets in some form or the other, it should be manageable. Therefore, equity investors can continue investing in a disciplined manner. As always, the key is to make appropriate selections and allow the money to grow overtime.

Warm regards,

Hemant Rustagi
Chief Executive Officer

Wiseinvest
With YOU, in meeting
FINANCIAL CHALLENGES

Address to be affixed here

The Stock Market performance during May 2010.

Indices	3rd May 2010	31st May 2010	Change in (%)
Sensex	17386.08	16944.63	-2.54%
MIDCAP	7152.47	6834.87	-4.44%
SMLCAP	9168.62	8547.16	-6.78%
BSE-100	9304.40	9041.23	-2.83%
BSE-200	2213.89	2152.21	-2.79%
BSE-500	6993.31	6782.37	-3.02%

Contact us at: Ahmedabad 26779888 / 26766077, Bangalore 88128050 / 51, Chandigarh 4671885 / 4641886, Chennai 28221333, Hyderabad 66178140 / 41, Kolkata 64509602 / 03, Mumbai 66384400, New Delhi 66306900 / 02, Pune 66014900 / 64013995/96/97, Visit: www.kotakmutual.com

Risk Factors: Kotak Gold ETF is an open ended Gold Exchange Traded Fund. Investment Objective: To generate returns those are in line with the returns on investment in physical gold, subject to tracking errors.

General Risks: Mutual Fund and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the Schemes will be achieved. As with any securities investment, the NAV of the Units issued under the Schemes can go up or down depending on the factors and forces affecting the securities markets. Past performance of the Sponsor/AMC/Fund or that of existing Schemes of the Fund does not indicate the future performance of the Schemes. Kotak Gold ETF is only the name of the scheme and does not in any manner indicate the quality of the Scheme, future prospects or returns.

Statutory Details: Kotak Mahindra Mutual Fund is a Trust (Indian Trust Act, 1882). 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 and SAI are available on www.kotakmutual.com

Invest in Gold without the hassles

Safety

No need to purchase physical gold. Avoid hassles of storage and safekeeping.

Liquidity

Trade your units freely on the Stocks Exchange.

Convenience

Use your Demat account to trade units in small denominations.

How to invest in Kotak Gold ETF

- You will need a trading and demat account to trade and hold Kotak Gold ETF units.
- Kotak Gold ETF is traded on NSE (National Stock Exchange) & BSE (Bombay Stock Exchange).
- NSE & BSE symbol for Kotak Gold ETF is KOTAKGOLD.
- The ISIN code is INF373101015.
- You can also buy & sell units of Kotak Gold ETF through a registered NSC broker or an online trading platform (E broking facility).

Kotak Gold ETF

kotak Mutual Fund

IDFC Small & Midcap (SME) Equity Fund

Investment objective

The investment objective of the Scheme is to generate capital appreciation from a diversified portfolio of equity and equity related instruments. The Scheme predominantly invests in small and midcap equity and equity related instruments. The scheme has defined Small and Midcap stocks as those that are included in the CNX Midcap index or equity and equity related instruments of such companies which have a market capitalization lower than the highest components of CNX Midcap Index.

The Scheme may also invest in stocks other than mid cap stocks (i.e. in stocks, which have a market capitalisation of above the market capitalisation range of the defined small midcap stocks) and derivatives. On defensive consideration, the Scheme may also invest in debt and money market instruments. The fund is managed by Mr. Kenneth Andrade.

Investment Strategy

Since the scheme operates in high risk high - high return space, the fund manager aims to actively build a portfolio of small and midcap companies with proven business model and little environmental risk. The focus of the fund is on the companies entering high growth phase in emerging new sectors. Accordingly, the fund has invested in companies with robust business models, good management, favorable balance sheet position, and with a good growth potential. At a second level, the fund seeks to optimize valuations in this space. With markets buoyant, the portfolio shifts have been reasonably aggressive in tune with the changing valuations. The strategy is expected to remain invested in smaller companies with low business risk and extreme valuation comfort.

The fund follows an allocation model whereby 50-80 percent of the corpus can be invested in mid-cap stock and 15-50% in small cap stocks.

Top 10 holdings as on April 30, 2010

Company Name	% of Corpus
Nestle India	4.40
Strides Arcolab	3.78
Spice Jet	3.59
Mundra Port & SEZ	3.38
United Spirits	3.25
Dewan Housing Fin. Corpn.	3.24
Unitech	3.02
Aurobindo Pharma	2.81
Sun TV Network	2.71
Titan Industries	2.68
Others	67.14
Total	100.00

Sectoral Allocation as on April 30, 2010

Sector	Percentage (%)
Services	16.08
FMCG	12.80
Financial	12.79
Health Care	8.12
Engineering	6.33
Automobile	5.50
Chemicals	4.88
Construction	4.65
Consumer Durable	4.31
Textiles	4.01
Technology	3.52
Others	5.97

Performance as on May 28, 2010

Fund	3 Month*	6 Month*	1 Year*	2 Year**
IDFC Small & Midcap	9.80	15.55	56.45	29.47
BSE Sensex	2.64	1.39	17.96	1.02

*Absolute ** Annualised. Past performance may or may not be sustained in future.

Our recommendation

The scheme is suitable for investors seeking high growth from equities by investing in small & midcap companies that are characterized by strong but turbulent growth. Therefore, it is advisable that only those investors who have an existing portfolio that has appropriate exposure to large caps stocks consider investing in this fund. Though the fund is relatively a new one, it has an impressive track record. Moreover, the key to success in a fund that invests in small and mid-cap stocks is the stock picking ability. The fund manager of IDFC (SME) fund has proved its ability in IDFC Premier Equity fund, Midcap fund. Besides, the ideal time of investing in such a fund is when its size is still manageable. Once the fund grows too large, such much can lose their sheen. Therefore, investors who have the risk taking capacity in order to get better returns can consider investing in this fund.

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

Fortis Mutual Fund strikes gold - yet again.

All thanks to your support, our valued investors and distributors.



Fortis Money Plus Fund (Institutional Plan)
Gold Awards from ICRA Online for Best Performance
for the 1-year and 3-year periods ending December 31, 2009.
Category: Open Ended Ultra Short Term - Institutional Plan



Fortis Money Plus Fund
Gold Award from ICRA Online for Best Performance
for the 3-year period ending December 31, 2009.
Category: Open Ended Ultra Short Term

Past performance is no guarantee of future results.

Ranking Methodology: ICRA Mutual Fund Awards 2010: Fortis Money Plus Fund - Institutional Plan has been ranked as a Seven Star Fund in the category of 'Open Ended Ultra Short Term - Institutional Plan' schemes for its 1 year performance till December 31, 2009. There were 21 schemes considered in 'Open Ended Ultra Short Term - IP' category for the ranking exercise. Fortis Money Plus Fund - IP has been ranked as a Seven Star Fund in the category of 'Open Ended Ultra Short Term - IP' schemes for its 3 years performance till December 31, 2009. There were 23 schemes considered in 'Open Ended Ultra Short Term - IP' category for the ranking exercise. Fortis Money Plus Fund has been ranked as a Seven Star Fund in the category of 'Open Ended Ultra Short Term' schemes for its 3 year performance till December 31, 2009. There were 32 schemes considered in 'Open Ended Ultra Short Term' category for the ranking exercise. 7-star rated funds are the best performing funds among the 5-star rated funds with composite score in the top 4.6% confidence interval (based on the positioning of a scheme in the category's normal distribution) in the respective category. **ICRA Mutual Fund Awards 2009:** Fortis Money Plus - Institutional Plan has been ranked as a Seven Star Fund in the category of 'Open Ended Liquid Plus - Institutional Plan' schemes for its 3 years performance till December 31, 2008. There were 21 schemes considered in 'Open Ended Liquid Plus - Institutional Plan' category for the ranking exercise. 7-star rated fund is the best performing fund among the 5-star rated funds that comprise the top 10% of the funds in the respective category. These ranks are an outcome of an objective and comparative analysis against various parameters, including: risk adjusted return, fund size, sector concentration, credit indicator (this indicator was not present in 2008) and average maturity. The ranking methodology did not take into account entry and exit loads imposed by the funds. These ranks are neither a certificate of statutory compliance nor any guarantee on the future performance of Fortis Money Plus Fund and Fortis Money Plus Fund - Institutional Plan. **Ranking Source & Publisher:** ICRA Online Limited. **Statutory Details:** Sponsor: ABN AMRO Asset Management (Asia) Ltd. Trustee: Fortis Trustee (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 superseding Trust Deed dated March 5, 2009. **Type & Investment Objective:** Fortis Money Plus Fund: An open-ended Income Scheme. The primary objective of the Scheme is to provide income consistent with the prudent risk from a portfolio comprising of floating rate debt instruments, fixed rate debt instruments, money market instruments and derivatives. **Load Structure:** Entry Load: Nil; Exit Load: 0.15% shall be charged if units are redeemed / switched-out within 7 days from the date of investment. The exit load shall not be charged in case of switches between plans / options of the scheme. Further, no exit load shall be charged on Bonus units and of units allotted on reinvestment of Dividend. **Risk Factors:** All mutual funds and securities investments are subject to market risks, and there can be no assurance that the fund's objectives will be achieved. 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 NAV of the schemes may go up or down depending upon the factors and forces affecting the securities market. Various factors 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 or its future prospects and 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. Statement of Additional Information (SAI), Scheme Information Document (SID) & Key Information Memorandum cum Application forms (KIM) are available at AMC offices / AMC web-site: www.fortisinvestments.in / Investor Service Centres / Distributors. Please read the respective OD/SAI, SID & KIM carefully in its entirety before investing and retain these documents for future references.

The Yuan Revaluation - How will it impact India?

Will China revalue the Yuan and if yes, how much and how? These are million dollar questions that are on the minds of the several heads of the governments and economists across the world. To provide a proper context to this hotly debated issue, China revalued its currency in 2005 by setting it against a basket of currencies and allowing it to appreciate. Though the exchange rate was set against a basket of currencies, in practical terms Yuan was mainly centered on the dollar.

Over time, the Yuan rose more than 20 percent against the US dollar. However, the scenario changed when China pegged its currency to dollar around 20 months ago in the wake of the global meltdown in 2008. Since then, the exchange rate has been kept at 6.83 Yuan per dollar thus prompting the cries of "foul play" from various quarters. In its defense, the Chinese Government described this move as a "Special Yuan policy" to cope up with the global meltdown. The economists have been estimating Yuan's undervaluation in the range of 20-40 percent.

Needless to say, an artificially lower currency helped Chinese exporters in keeping their costs low and that gave them an edge in the struggling US economy. Considering that exports contribute around 45 percent of China's GDP, it would be appropriate to say that China's high exports as well as economic growth have largely been due to low value of the Yuan vis-a-vis the dollar as well as the euro. China remains a major exporter of low cost goods to the world and consequently the biggest holder of the forex reserves. No wonder, the US government feels that China's currency policies have been hampering the rebalancing of global economies.

China has been under increasing pressure to allow the Yuan to freely float and its value to be determined by the market factors. Besides, there has been pressure from the international bodies like IMF and WTO on the Chinese government to increase its focus on domestic led growth. Considering the reaction of the western world, it is evident that if China continues with its current policy of pegging Yuan's value to the dollar, it risks sterner actions in the form of import duties to negate its price differential advantage in those markets. China has been reluctant to nudge Yuan into a managed float regime citing uncertainty about the economic recovery as the reason for this inaction on its part. The trade deficit for China in March 2010, the first in the last six years, might also act as a barrier to Yuan reform.

However, many economists expect that Beijing will allow the currency to move a little more freely against the U.S. dollar over the next couple of quarters or so. It is important to note that China needs to revalue its currency from the point of view of slowing their economy down, to deal with the consequences of inflation, help promote domestic demand and to patch the uneasy relations with the US. Moreover, it would also have a soothing effect

on the real estate bubble in China. There is a near consensus that Yuan is not likely to be revalued more than 3-5 percent and that too gradually over the course of the year. Though revaluation of the Yuan in this manner is not likely to have too much impact on the international trade, it would certainly make Chinese exports more expansive. While the world would prefer a one-time revaluation, the Chinese government in all probabilities will resist such a move for not being seen as caving in to the foreign pressure. Besides, one time revaluation would have a serious impact on China's exports.

If China eventually abandons the peg, its impact on India will be a mixed bag. Over the years, exports from China to India have grown faster as compared to exports from India to China. As a result, India has been having a trade deficit with China. The deficit was to the tune of \$15.8 billion in 2009. Yuan revaluation will make imports into India costly and consequently the consumer prices could go up. Indian companies might have to look to cheaper markets such as Philippines or the ASEAN countries. India's major imports from China include electronics goods, non-electrical machinery, iron and steel, organic chemical as well as coal, coke and briquettes.

On the other hand, Indian exports of textiles, leather products, marine products, engineering products and certain bulk chemicals will become more favorable in comparison. Though India's competitiveness in the exports market will improve, the impact may not be significant. Revaluation of Yuan will cause demand for gold in China to rise and that will boost exports from India. For a developing country like India, an appreciating Yuan would surely be a better bet than the west raising the import duties that would distort trade flows.

Over the last one year or so Indian rupee has strengthened by around 13% against dollar. This effectively means that it appreciated by that much against Yuan thanks to its peg to the dollar. Therefore, the impact of a gradual and small revaluation of Yuan on the rupee is not likely to be a significant one as quite a bit of Yuan revaluation is built in the current prices. Even in July 2005, when the Chinese authorities opted for revaluation of the Yuan, the rupee appreciated initially but soon settled back to levels prevalent before the event.

While China's move to revalue Yuan will make its financial sector more market friendly, there is also a risk of it becoming more volatile which could have repercussions on the domestic financial market. If the Yuan appreciation happens to be below the market expectation, it will have a positive impact on the Indian equity markets as that would ensure more funds from FIIs and a little less pressure on the rising interest rates.

(This article written by our CEO was published in June 2010 issue of Business & Management Chronicle Magazine)



Part of the investor education initiative
from Canara Robeco Mutual Fund

**I can go far.
I can go further
with a coach.**

Benefit from expertise. Invest in Mutual Funds.

CANARA ROBECO
Mutual Fund

Performance of Select Funds

Data as on May 28, 2010

EQUITY FUNDS

Diversified

Birla Sun Life Frontline Equity Plan A	Aug-02	-2.94	3.60	4.41	28.39	11.20	12.60	26.20	
Canara Robeco Equity Diversified	Sep-03	-1.40	8.25	11.24	35.64	15.65	14.90	22.30	
DSPB R Top 100 Equity Fund	Feb-03	-1.62	3.34	2.48	26.91	9.27	12.20	26.69	
DWS Alpha Equity Fund	Jan-03	-3.52	3.96	3.59	24.15	1.68	10.25	22.55	
DWS Investment Opportunity Fund	Jan-04	-5.23	3.93	6.00	28.89	0.49	12.93	23.73	
Fidelity India Special Situations Fund	Apr-06	-1.60	6.62	8.71	29.74	8.43	7.10	—	
Franklin India Prima Plus	Sep-94	-4.76	2.18	5.61	22.79	7.27	8.51	23.62	
HDFC Equity Fund	Dec-94	-0.57	7.29	8.28	43.26	18.80	14.75	27.33	
HDFC Top 200	Sep-96	-0.75	5.90	5.62	33.93	15.39	16.07	27.41	
ICICI Prudential Focused Bluechip	May-08	-1.76	4.97	7.06	33.24	17.93	—	—	
Kotak 30	Dec-98	-2.45	3.46	1.94	22.62	2.28	8.60	23.04	
Kotak Opportunities Fund	Aug-04	-2.68	4.46	5.45	26.76	2.78	10.70	23.94	
Reliance Growth	Oct-95	-2.65	6.04	10.28	37.31	11.37	14.26	27.01	
Reliance Regular Savings Equity	May-05	-2.94	3.44	7.35	34.98	12.25	19.17	—	
Reliance Vision	Oct-95	-1.46	3.66	5.63	27.98	8.11	8.00	22.22	
Religare Contra	Mar-07	-2.56	2.42	6.61	41.20	17.06	11.83	—	
SBI Magnum Sector Umbrella - Contra	Jul-99	-3.42	2.02	2.62	22.20	6.82	9.31	25.66	
SBI Magnum Multiplier Plus 93	Feb-93	-1.41	7.18	8.31	33.00	10.58	10.93	26.50	
Sundaram BNP Paribas Select Focus	Jul-02	-4.17	2.57	0.49	15.77	0.94	8.92	23.98	
Tata Equity PE Fund	Jun-04	-2.33	4.02	5.16	42.03	10.47	13.82	24.39	
Tata Select Equity Fund	Apr-01	-3.87	3.35	10.14	42.54	3.06	5.80	19.84	

Sector, Specialty & Tax Saving

Canara Robeco Infrastructure Fund	Nov-05	-2.25	7.67	9.67	21.96	5.24	12.60	—	
DSPB R T.I.G.E.R. Fund	May-04	-3.04	4.59	5.21	19.44	3.02	6.93	24.95	
ICICI Prudential Infrastructure Fund	Aug-05	-4.28	2.31	2.83	15.31	1.35	10.96	—	
DSPB R World Gold Fund	Aug-07	4.11	10.52	-4.05	12.69	1.09	—	—	
Reliance Banking Fund	May-03	0.84	13.49	11.07	37.06	26.32	24.63	26.86	
Reliance Diversified Power Sector	Apr-04	-3.02	4.21	4.38	27.07	11.13	23.53	38.81	
Canara Robeco Equity Tax Saver	Mar-93	-2.17	9.90	14.34	38.30	19.73	18.50	27.98	
SBI Magnum Taxgain Scheme 93	Mar-93	-2.89	2.19	2.77	24.32	4.52	6.50	21.53	
Sundaram BNP Paribas Taxsaver	Nov-99	-3.62	1.64	-0.12	17.74	7.23	11.99	22.89	

Midcap & Smallcap

Birla Sun Life Mid Cap Plan A	Oct-02	-4.56	4.02	4.17	43.54	12.84	12.97	24.41	
IDFC Premier Equity Plan A	Sep-05	-3.94	5.84	13.23	49.05	14.96	21.54	—	
Principal Emerging Bluechip Fund	Oct-08	-3.85	4.28	9.95	52.98	—	—	—	
Sundaram BNP Paribas Select Midcap	Jul-02	-2.40	2.86	5.72	37.12	12.92	11.56	26.51	
Sundaram BNP Paribas S.M.I.L.E.	Jan-05	-3.30	4.75	2.49	39.70	12.26	17.20	22.76	

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.

MIP

Fund	Launch	1-Month*	3-Month*	6-Month*	1-Year*	2-Year**	3-Year**	5-Year**
HDFC MIP LTP	Dec-03	0.0995	3.5788	4.2333	16.8647	14.7224	12.0912	13.1985
Reliance MIP	Dec-03	0.2416	3.0555	3.5926	16.3118	18.8735	14.5151	13.4692
Principal MIP Plus	Dec-03	-0.2613	1.6167	1.7194	9.7485	9.1265	11.3153	10.5029
Canara Robeco MIP	Apr-01	0.1436	3.6033	5.4044	9.0731	12.8759	11.8342	13.6649

Balanced

Fund	Launch	1-Month*	3-Month*	6-Month*	1-Year*	2-Year**	3-Year**	5-Year**
HDFC Prudence	Jan-94	0.49	8.22	11.79	42.79	21.14	16.16	23.96
Reliance Regular Savings Balanced	May-05	-2.51	5.13	10.31	33.29	20.46	19.24	—
Birla Sun Life 95	Feb-95	-1.87	4.82	6.15	27.43	14.01	11.61	20.90

Debt Oriented & Liquid Plus Funds

Funds	Launch	1 Week*	1 Month*	3 Months*	6 Months*	1 Year*	2 year**	3 Year**
Birla Sun Life Dynamic Bond Ret	Sep-04	0.0287	0.3294	1.9801	3.0873	7.2134	10.2667	10.4127
Fortis Flexi Debt Reg	Sep-04	-0.0261	0.5196	1.7131	2.8282	5.6954	12.2536	10.9856
Templeton India Short-term Income Ret	Jan-02	0.0908	0.2808	2.1017	3.4990	9.7893	10.5951	—
Templeton India Income Opportunities	Dec-09	0.0946	0.3765	2.8167	—	—	—	—
Fortis Money Plus Reg	Oct-05	0.0839	0.3802	1.1598	2.2954	4.8700	7.1866	—
Kotak Floater LT	Aug-04	0.0944	0.4124	1.2391	2.4139	5.0040	6.8260	—

*Absolute ** Annualized.

Dividends declared by equity and equity-oriented funds during the month of May 2010

Scheme name	Date	Dividend declared in Rs. Per unit
Escorts Tax Plan (D)	05/04/2010	1.00
Escorts Growth Plan (D)	05/04/2010	2.00
Tata Growth Fund (D)	05/14/2010	2.00
Sahara Midcap Fund (D)	05/28/2010	4.00
Kotak Opportunities Fund (D)	05/28/2010	1.00
HSBC Equity Fund (D)	05/28/2010	1.50
Birla SL Long term Advantage	05/28/2010	1.00
ID		

Investing

Q): The pharma sector is considered defensive . However, in recent times it has not been behaving as one. Do you think it still make sense to invest in the sector?

A): Defensive sectors are ones that are likely to show consistent and predictable growth, both in good and bad times. There is a catch, though: They are not expected to show spectacular growth. However, in case of pharma sector, the performance has been a spectacular one over the last 3-4 quarters and hence it has out-performed vis-à-vis the broader markets. Some key factors that have contributed to the growth of the pharma companies have been the launch of key products in the US, increase in lifestyle -related diseases and increasing penetration of health insurance. Going forward, the sector is expected to show double-digit growth. As a result, it can be considered for investment. However, considering the risks associated with any sector investment, it would be advisable to have limited exposure to this sector too. A pharma fund can be a good way to begin as one can benefit from diversification as well as overall growth of the sector.

Q): I have been investing in equity funds over the last one year or so. The recent volatility in the stock market is making me nervous, even though I am a long-term investor. I want to know whether I should continue with my investment or redeem my holdings to protect my gains?

A): As a long-term investor, you are likely to face these situations from time to time. You will do well to remember that volatility in the stock market is a natural phenomenon and the best way to deal with it is to keep focus on long-term investment objectives and avoid reacting to short-term movements. Those who react to such movements in panic often end up taking decisions that adversely affect their chances of achieving long-term success. Equity, as an asset class, requires time commitment and therefore, you should continue investing in a disciplined manner. Though reviewing a portfolio on an ongoing basis is important to achieve good results, reacting to short-term market movements every now and then may not be a smart thing to do.

Q): I have been actively trading in the stock market through my broker for the past few years. He recently suggested I should try investing in the commodities market. Do you think it is a good idea and if yes, how far can my stock market trading experience aid me in commodities trading?

A): Investing in commodities can be a good idea from the asset allocation point of view. One can increase exposure to the inflation-hedge category of investments. While one has to be careful about the level of exposure to commodities vis-à-vis overall portfolio size, the exposure has to be at a meaningful level to unlock the benefits of commodity investing. For someone like you, familiar with markets and its inherent risks, an ideal way to invest here could be through commodity futures. You will not only get direct exposure to commodities but also benefit from transparent and fair price

discovery. In fact, you can enhance your equity portfolio by investing in commodity futures.

Q): I am considering a few company fixed deposit (FD) schemes, offering interest rates up to 12 per cent. However, there have been instances of companies defaulting in the past. Can you tell me some things I must bear in mind before investing in these?

A): Company fixed deposits can be a good option for investors, as they offer a fixed rate of return. At the same time, they are free from the vagaries of markets. However, the key is to ensure the right balance between risk and reward. Hence the selection should be done after a thorough due diligence.

Considering that company FDs are "unsecured", one needs to look beyond the rate of return and also focus on factors such as credit rating and credibility. One important parameter could be its past payment history. Besides, considering that company FDs are illiquid and not as tax-efficient as debt and debt-oriented mutual funds, a combination of company FDs and these funds in a portfolio can provide the right mix, as well as improve post-tax returns.

Q): My wealth management company has approached me with options of investing in a real estate private equity fund. They have made a promise of high returns. Can you explain to me what a PE fund is? How do they work and what are the benefits of investing in them?

A): A private equity fund aims to achieve long-term capital appreciation by providing financial, strategic and operational assistance to investee companies. For example, a real estate PE fund may provide capital to real estate developers, as well as make investments at project levels. Though these funds provide an efficient way for investors to participate in the growth of the realty sector, considering their very high minimum investment criteria, closed-end structure and low level of liquidity, these are ideally suited to high net worth investors who can take higher risk to achieve higher returns and also have the capability of locking-in money for longer durations. Investing in the real estate sector is fraught with certain risks, as it is not only a fragmented industry but also faces issues such as lack of management, scale, track record and transparency. For retail investors, the ideal vehicle could be a real estate mutual fund (REMF). However, for that they will have to wait till REMFs become a reality.

Q): I have an investible surplus of Rs.2 Lakh. My financial planner tells me to put it in index funds or exchange-traded funds. What is the difference between the two? Is it a good idea to put my entire money in these schemes?

A): An index fund is a passively-managed fund. It seeks to track the

Cont. on page 6...



An earning member of my family

SIP is a Special Product available only in selected Schemes of Reliance Mutual Fund. Entry load will be Nil and Exit load as applicable in the respective Scheme at the time of registration will be applicable. The unit holder is free to discontinue the SIP facility at any point of time by giving necessary instructions. Minimum Application Amount - Monthly SIP Option: Rs.100/- per month and in multiples of Re. 1/- thereafter for minimum 60 months or Rs.500/- per month and in multiples of Re. 1/- thereafter for minimum 12 months or Rs.1000/- per month and in multiples of Re. 1/- thereafter for minimum 12 quarters or Rs.1500/- per quarter and in multiples of Re. 1/- thereafter for minimum 4 quarters. Statutory Details: Reliance Mutual Fund has been constituted as a trust in accordance with the provisions of the Indian Trusts Act, 1882. Sponsor: Reliance Capital Limited. Trustee: Reliance Capital Trustee Company Limited. Investment Manager: Reliance Capital Asset Management Limited (Registered Office of Trustee & Investment Manager: "Reliance House" Nr. Mardia Plaza, Off. C.G. Road, Ahmedabad 380 006). The Sponsor, the Trustee and the Investment Manager are incorporated under the Companies Act 1956. The Sponsor is not responsible or liable for any loss resulting from the operation of the Scheme beyond their initial contribution of Rs.1 lakh towards the setting up of the Mutual Fund and such other accretions and additions to the corpus. Risk Factors: Mutual Funds and securities investments are subject to market risks and there is no assurance or guarantee that the objectives of the Scheme will be achieved. As with any investment in securities, the NAV of the Units issued under the Scheme can go up or down depending on the factors and forces affecting the capital markets. Past performance of the Sponsor/AMC/Mutual Fund is not indicative of the future performance of the Scheme. The name of the Scheme do not in any manner indicate either the quality of the Scheme; its future prospects or returns. The Sponsor is not responsible or liable for any loss resulting from the operation of the Scheme beyond their initial contribution of Rs.1 lakh towards the setting up of the Mutual Fund and such other accretions and additions to the corpus. The NAV of the Scheme may be affected, inter alia, by changes in the market conditions, interest rates, trading volumes, settlement periods and transfer procedures. The Mutual Fund is not assuring that it will make periodical dividend distributions, though it has every intention of doing so. All dividend distributions are subject to the availability of distributable surplus in the Scheme. For details of scheme features and detailed risk factors, please refer to the Scheme Information Document of the respective Scheme, which is available at all the DISCs, Distributors and www.reliancemutual.com. Please read the Scheme Information Document and Statement of Additional Information carefully before investing.

**Reliance
Systematic Investment
Plan (SIP)**

Toll free: 1800-300-11111
SMS 'SIP' to 561617
www.reliancemutual.com

Charges upto Rs. 3/- SMS.



**RELIANCE
Mutual Fund**
Anil Dhirubhai Ambani Group

Investing

Cont. from page 5...

performance of an underlying benchmark index, such as the Bombay Stock Exchange's Sensex or S&P CNX Nifty. The advantage : An investor is aware of the stocks as well as their proportion in the portfolio. For an individual investor, it is practically impossible to create a portfolio matching an index. However, the downside of such schemes is that the investor tends to loose out on the above-average returns a quality equity diversified fund can earn over a longer period of time. An exchange -traded fund (ETF) is a hybrid product combining the features of an index fund as well as stocks. These funds are listed on stock exchanges and their prices are linked to the underlying index. ETFs can be bought and sold like stocks on an exchange. In other words, ETFs can be bought or sold any time during market hours at prices that are expected to be closer to the net asset value (NAV) at the end of the day. Therefore, one can invest at real time prices as against the end -of-the day prices in case of open-ended schemes. There is no paper work involved for investing in ETFs.

These funds can be an ideal option for new as well as passive investors, as they offer an opportunity to earn returns without having to worry about diversification and portfolio quality. Besides, they are transparent and cost-efficient compared to actively- managed equity funds. Therefore, you can begin your tryst with equities through these funds.

Q): With telecom companies likely to get 3G licenses soon, do you think it makes sense to purchase some top -of -the- line telecom stocks ? Is there a mutual fund schemes with good exposure to such stocks?

A): The launch of 3G services is expected to act as a major growth driver for the telecom industry because it will allow companies to offer a host of data-enabled services . Besides, the telecom industry is likely to benefit from a gradual shift in the economic dynamics. Also, the possible re-rating of the sector's stocks after underperformance in 2009 makes them good candidates for investment. However, there are concerns about high debt levels of telecom companies, uncertain valuations of 3G licenses and the likely time lag for their roll out. Hence , one needs to consider buying telecom stocks from long- term perspective. While many diversified and thematic funds have moderate to high level of exposure to telecom stocks, there is only one fund that invests exclusively in telecom stocks - JM Telecom Sector fund.

This Q & A's appeared as a part of our CEO's column in Business Standard issues April - May, 2010).

Religare Monthly Income Plan (MIP) Plus

(An open ended income scheme. Monthly income is not assured and is subject to availability of distributable surplus. The term 'Plus' has been used in terms of the asset allocation and not in terms of returns / yield)



The difference is Gold!
(in terms of asset allocation)

Religare MIP Plus is a unique Monthly Income Plan that combines asset classes like debt, equity and for the first time ever, gold (exposure through Gold ETFs). This not only gives your investments a steady look, but also largely reduces the volatility. Truly, a touch of gold makes all the difference!

Invest Now!

Get In Touch: call > 1800-209-0007
sms 'Invest' to 56677 > www.religaremif.com

Risk Factors: All mutual funds and securities investments are subject to market risks and there can be no assurance that the objective of Scheme will be achieved. Investment in mutual fund units involve investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of capital. As with any investment in securities, the NAV of the units issued under Scheme may go up or down depending upon the factors and forces affecting the securities markets. Past performance of the Sponsor and its affiliates / AMC / Mutual Fund and its scheme(s) do not indicate the future performance of the Scheme of the Mutual Fund. Investors in the Scheme are not being offered any guaranteed / assured returns. Religare Monthly Income Plan (MIP) Plus (An Open Ended Income Scheme. Monthly Income is not assured and is subject to availability of distributable surplus. The term 'Plus' has been used in terms of the asset allocation and not in terms of returns/yield.) is only the name of the Scheme and does not in any manner indicate either the quality of the Scheme, its future prospects and returns. **Investment Objective:** To generate regular income through a portfolio of fixed income securities, Gold ETFs and equity & equity related instruments. **Asset Allocation Pattern:** Debt* and Money Market Instruments: 65%-90%. Equity & Equity Related Instruments and/or units of equity mutual fund schemes: 0%-25%. Gold exchange Traded Funds: 10%-35%. *Investment in securitized debt including pass through certificate (PTC) <=50% of the net assets. The Scheme will not invest in foreign securitized debt. Exposure to foreign securities <=50% of the net assets. Maximum gross derivative position <= 50% of the net assets of the Scheme. However, the aggregate asset allocation including exposure to derivatives will not exceed 100% of net assets of the Scheme. **Load Structure: Entry Load:** Nil. **Exit Load:** In respect of each purchase/switch-in of units, an exit load of 1% is payable if units are redeemed / switched out on or before 1 year from the date of allotment; in respect of each purchase/switch-in of units, no exit load is payable if units are redeemed / switched after 1 year from the date of allotment. **Terms Of Issue:** The scheme offers repurchase/redemption facility at applicable NAV on all Business Days. The NAV of the scheme will be calculated on all Business Days. Please read the Scheme Information Document (SID) and Statement of Additional Information (SAI) before investing. SID, SAI and Key Information Memorandum cum Application Form are available at the ISC/Distributors. **Statutory Details:** Religare Mutual Fund has been set up as a trust sponsored by Religare Securities Ltd. (liability restricted to Rs. 1,50,000) with Religare Trustee Company Ltd. as the Trustee (Trustee under the Indian Trusts Act, 1882) and with Religare Asset Management Company Ltd. as the Investment Manager.

WISEINVEST ADVISORS PVT. LTD.

• **Corporate Office:**

605, "D Wing", 6th Floor, Crystal Plaza, New Link Road, Andheri(W), Mumbai - 400 053. Tel : 6528 1507/09
Fax : 2673 2671. E-mail : information@wiseinvestadvisors.com

• **Branches:**

Fort : 107, Vikas Building, Above Jimmy Boy Restaurant, 11, N.G.N. Vaidya Marg, Fort, Mumbai- 400 023. Tel: 6524 5333/34, 2263 2329
Fax: 2263 2330. E-mail : information3@wiseinvestadvisors.com

Thane : Aishwarya Laxmi, Shop No. 4, Opp. Namdeo Wadi Hall, Maharshi Karve Road, Thane (W) - 400 602. Tel : 6592 7051/52
Fax : 2539 1306. E-mail : information1@wiseinvestadvisors.com

www.wiseinvestadvisors.com

DISCLAIMER: All reasonable care has been taken to ensure that the information contained herein is neither misleading nor untrue at the time of publication, but we make no representation as to its accuracy or completeness. All information is provided without any liability whatsoever on the part of Wiseinvest Advisors Private Limited.

RISK FACTORS: Mutual funds, like securities investments, are subject to market and other risks and there can be no assurance that the scheme's objectives will be achieved. As with any investments in securities, the NAV of units can go up or down depending on the factors and forces affecting capital markets. Please read the offer document before investing.

Edited, Published and Printed by Mr. Hemant Rustagi, on behalf of **Wiseinvest Advisors Pvt. Ltd.** from D- 605, Crystal Plaza, New Link Road, Andheri (West), Mumbai 400 053 at **AdvantEdge Offset Printers**, K-7 Rizvi Park, S V Road, Santacruz (W), Mumbai 400 054. Design by **Mosaic Design**. Copyright reserved © 2007. All rights reserved in favour of Wiseinvest Advisors Pvt. Ltd.