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# WEALTHWISE

Inside	Pg No.
Fidelity Tax Advantage	2
Victory over Volatility	3
Performance of Select Funds	4
Key Features of Budget 2011-2012	5

## 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 24 years in this field. 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](mailto:information@wiseinvestadvisors.com) and our professional advisors will do the rest.

Dear Investor,

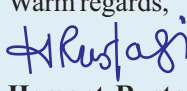
The weakness in the stock market continued during the month of February 2011 because of rising tensions in the middle east and the likely impact on the oil prices, inflation worries and nervousness ahead of the union budget. While the Sensex was down 1.13%, the mid-cap and small cap indices of the BSE were down by % and % respectively. India's food inflation rose to 11.49% for the week ended February 12, 2011. However, the annual inflation based on wholesale prices was 8.23%, while it stood at 8.43% in December 2010.



The finance minister presented the Union budget 2011 amid expectations of announcements on fiscal consolidation to rein in fiscal deficit, roadmap for implementation of Goods and Service Tax (GST) and rationalization of taxes on both corporate as well as personal tax levels. It was quite evident, even before the finance minister rose to deliver his budget speech, he had his work cut out considering factors such as the challenging economic situation with the global crude oil prices nearing \$100 a barrel, high inflation driven by supply bottlenecks and high current account deficit.

Considering all these factors, the finance minister managed to do a reasonably good job of presenting a balanced budget that not only touched upon most of the serious issues but also focused on the growth and reforms. The FM has pegged the growth for FY 12 at around 9%. Moreover, while on the one hand there are definite moves on the implementation of GST and DTC, on the other hand fiscal deficit has been pegged at 4.6%. Though there are a lot of sceptics who would wonder as to how the finance minister is going to achieve this without reducing spending, it should soothe the nerves of the stock market for the time being. Another positive has been the expectation of average inflation being lower than 2010-11. From a common man's point of view, the budget provided a little relief by raising tax exemption limit from Rs. 1.60 lacs to Rs. 1.80 lacs, giving uniform relief of Rs.2000. The additional deduction of Rs.20,000 under section 80CCF introduced in the last budget for a year has been extended by one more year.

Overall, we expect the markets to respond well to the budget, though rising oil can play spoilsport. However, we remain positive on the long-term prospects of the stock markets. Investors who follow a disciplined approach are likely to benefit over time.

Warm regards,  
  
**Hemant Rustagi**  
 Chief Executive Officer

**Wiseinvest**  
 With YOU, in meeting  
 FINANCIAL CHALLENGES

Address to be affixed here

## The Stock Market performance during February 2011.

Indices	1st February 2011	28th February 2011	Change in (%)
Sensex	18022.22	17823.40	-1.10%
MIDCAP	6756.13	6373.23	-5.67%
SMLCAP	8355.75	7817.32	-6.44%
BSE-100	9408.66	9259.46	-1.59%
BSE-200	2231.48	2185.86	-2.04%
BSE-500	7011.87	6850.40	-2.30%

**TODAY'S MID-CAPS.  
 TOMORROW'S LARGE-CAPS.  
 INVEST IN KOTAK MID-CAP.**



For more details, contact us at : Mumbai 66384400, Delhi 66306900 / 01 / 02, Chennai 28221333 / 28220500, Kolkata 22822411 / 12, Pune 64013395 / 96, Ahmedabad 26779888 / 26766077, Bangalore 66128050/51, Hyderabad 66178140 / 41

### Risk Factors:-

Kotak Mid Cap 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 related securities. **Mutual Funds and securities 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 forces affecting securities markets. Past performance of Sponsor / AMC / Fund does not indicate the scheme's future performance. Kotak Mid-Cap 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.** 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 [mutualfund.kotak.com](http://mutualfund.kotak.com)**

Call: 1800-222-026  
 Visit: [mutualfund.kotak.com](http://mutualfund.kotak.com)

 **kotak** Mutual Fund

# Fidelity Tax Advantage

## Investment Objective

Fidelity Tax Advantage Fund is an ELSS (Equity Linked Savings Scheme) with a 3 year lock in period providing tax benefits under 80C of Income Tax Act, 1961, seeking to provide maximum potential returns by investing in equities.

The fund is managed by Mr. Sandeep Kothari. The fund has a corpus of Rs.1282.87 crores as on 25.2.2011.

## Investment Strategy

The fund Manager follows a 'bottom-up' stock picking approach & focuses on a company's core strength. The stock selection is underpinned by thorough, in-house research and each stock is picked purely on its core strength. The scheme follows an ideal core investment i.e. 'go anywhere approach' and hence has no bias towards market Cap, any sector, or trend.

## Top 10 sector as on December 31, 2010

Sector	Percentage (%)
Financial	23.94
Energy	14.82
Technology	11.40
Healthcare	10.14
Services	7.68
Diversified	7.38
FMCG	5.39
Engineering	4.96
Automobile	3.83
Metals	3.08
Construction	2.19
Cons Durable	2.02
Chemicals	0.89
Communication	0.63

## Performance as on February 25, 2011

Fund	3 Month*	6 Month*	1 Year*	2 Year**
Fidelity Tax Advantage	-9.32	-5.30	17.52	50.05
BSE Sensex	-11.65	-8.36	7.95	42.18

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

## Top 10 holdings as on December 31, 2010

Company Name	% of Corpus
Reliance Industries	6.88
Infosys Technologies	5.44
HDFC Bank	4.44
ITC	4.35
Tata Consultancy Services	3.66
Rallis India	3.21
Larsen & Toubro	3.16
HDFC	2.97
Cipla	2.76
Bajaj Auto	2.74
Others	60.39
<b>Total</b>	<b>100</b>

## Our recommendation

Over the years, ELSS have emerged as an ideal option to save taxes for those who believe in equities as an asset class to build wealth.

However, many investors make the mistake of not making tax savings a part of their overall investment process. As a result, they end up investing in a haphazard manner. In our views, one needs to strategise one's tax savings investments and rely on ELSS to get the best results. It is crucial to have a close look at the scheme's exposure to different segments of the market i.e. large cap, mid cap and small caps.

Fidelity Tax Advantage Fund is one of the best performing tax savings schemes. Apart from the good performance, it's portfolio quality, sector allocation and the portfolio mix i.e. large cap, mid and small cap stocks makes it an ideal candidate for investment.

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.



**WE PARTNER OUR INVESTORS' GROWTH. THEY SHARE OUR SUCCESS.**

**ICRA 7-Star Gold Award - Best Performance for the 3-year period ending December 2010 (Category: Open Ended Ultra Short Term)**

BNP Paribas Money Plus Fund wins the ICRA 7-Star Gold Award for its 3-year performance in the 'Open-Ended Ultra Short Term' category. A proof of excellence, the award not only reflects our disciplined and prudent investment approach but also our global expertise and experience. Ensuring a long-term and consistent performance even during volatile market conditions. We thank our investors and distributors for their enduring support.

**BNP PARIBAS MUTUAL FUNDS**

**ICRA Ranking:** BNP Paribas 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, 2010. The rank is an outcome of an objective and comparative analysis against various parameters, including: risk adjusted return, fund size, company concentration and portfolio turnover. The ranking methodology did not take into account loads imposed by the Fund. There were 31 schemes considered in 'Open Ended Ultra Short Term' category for the ranking exercise. 7-star rating indicates best performance amongst 5-Star Funds in the respective category. 5-star rating indicates funds with composite score in the top 5% confidence (based on the positioning of a scheme in the category's normal distribution) interval in the respective category. The rank is neither a certificate of statutory compliance nor any guarantee on the future performance of BNP Paribas Mutual Fund. **Ranking Source & Publisher:** ICRA Online Limited. **Statutory Details:** Sponsor: BNP Paribas Investment Partners Asia Ltd. **Trustee:** BNP Paribas Trustee India Pvt. Ltd. **Investment Manager / AMC:** BNP Paribas Asset Management India Pvt. Ltd. BNP Paribas 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. **BNP Paribas Money Plus Fund:** An open-ended income Scheme. **Investment Objective:** 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. However, there can be no assurance that the investment objective of the Scheme will be achieved. The Scheme does not guarantee / indicate any returns. **Load Structure:** **Entry Load:** Nil. **Exit Load:** 0.35% 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 scheme's objective 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 Scheme may go up or down depending upon the factors and forces affecting the securities market. Various factors impact the value of the Scheme's investment 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 do 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. **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.bnpparibasmi.in](http://www.bnpparibasmi.in) / Investor Service Centres / Distributors. **Please read the SAI, SID & KIM carefully in its entirety before investing and retain these documents for future references.**

## Victory over Volatility

The Indian stock markets continued their south bound journey through the month of January 2011. While the BSE Sensex shed around 10.86%, the mid-cap and small cap indices were down by 12.76% and 13.89% respectively. In fact, the Sensex fell to its lowest levels in nearly five months as investors dumped stocks on several concerns. Needless to say, times like these can test even the most seasoned equity investors. For mutual fund investors, it can be even more challenging as many of them are still in the process of understanding the nuances of equity investing. However, the best thing about equity as an asset class is that it has the potential to perform better than other asset classes over the long-term.

Besides, considering that more and more investors have been investing systematically, the volatility can turn into their advantage as they get the benefit of “averaging”. Therefore, the need of the hour is to keep focus on the long-term objectives and continue the process uninterruptedly.

While the market volatility is a natural phenomenon and will always remain an integral part of stock market investing, there are a few other factors that can impact the final outcome. But the good thing is that these can not only be controlled but also if managed well can go a long way in improving the overall portfolio returns. Some of these are:

### Exposure to different market caps in the portfolio

Market cap of a company signifies its market value, which is equal to the total number of shares outstanding multiplied by the current stock price. The market cap has a role to play in the kind of returns the stock might deliver and the riskiness or volatility that one may have to encounter from the stock. For example, large companies are usually more stable during the turbulent periods and the mid cap and small cap companies are more vulnerable.

As each one of us have a different risk profile, time horizon and investment objectives, there cannot be a standard combination applicable to all kinds of investors. If you cannot decide the right mix, the right way to begin is to consider those multi-cap funds that invest predominantly in large cap stock and have small presence in mid and small cap stocks. For those who would always like to be in control, the right method would be to decide on the allocation to different market caps in the beginning of the investment process and then select funds to obtain that mix.

### Funds that do not fit your risk profile anymore

As we all know, investing in a sector fund can be riskier than investing in a well diversified fund. If you find that a particular sector fund has become volatile, then it makes sense to get rid of it.

It is important to remember that any decision to sell your fund has to be well thought out one and not based on some immediate urge. Equally important is to remember that as an investor you have the cushion of your fund manager weeding out the over-priced stocks and laggards out of the portfolio.

The key, therefore, is to focus on the fund selection. If you are invested in a good fund from a fund house with a proven track record, most of your worries are taken care of. This decision itself will save you of a lot of botheration of keeping a track of the market.

If you decide to sell, consider doing it gradually. All of us know that systematic investing is the best way for investing. It is also important to know that selling gradually also ensures certain benefits. Remember, selling some of the funds can save you money. Don't forget, you invest to make money and not to make losses.

### Size of the fund

It is commonly believed that a fund can become victim of its own success. In other words, it can become too unwieldy to manage efficiently. However, it is important to look at the fund size in the context of its nature and investment style. A fund's performance can suffer in case it outgrows its investment style. For example, a mid-cap fund where the success depends on how effectively the fund manager does the stock picking, the large size of the fund may force him to make certain compromises in terms of the investment approach.

However, the fund size does not matter for some of the fund types. For example, it is much easier for a debt fund manager to manage a large fund compared to an equity fund. Considering that the size of the debt market is much bigger than the equity market, there are plenty of options available for the fund manager.

**(This article written by our CEO was published in Dalal Street Journal- Issue dated 27th February, 2011)**

**CANARA ROBECO**  
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Mutual Fund investments are subject to market risks. Read the Offer Document carefully before investing.

# Performance of Select Funds

Data as on February 25, 2011

## EQUITY FUNDS

### Diversified

Fund	Launch	1-Month*	3-Month*	6-Month*	1-Year*	2-Year**	3-Year**	5-Year**
Birla Sun Life Frontline Equity	Aug-02	-7.02	-9.23	-4.84	9.51	45.75	6.71	17.55
Canara Robeco Equity Diversified	Sep-03	-6.05	-7.56	-6.84	12.51	52.74	7.60	14.21
DSPBR Top 100 Equity Reg	Mar-03	-6.26	-6.93	-3.14	9.86	38.22	7.05	17.23
DSPBR Equity	Apr-97	-7.48	-10.17	-8.82	10.99	44.72	7.83	18.05
Fidelity Equity	May-05	-6.01	-8.75	-4.75	16.94	48.86	7.38	16.21
Fidelity India Growth	Oct-07	-6.20	-8.42	-3.82	16.15	50.14	7.62	—
Franklin India Flexi Cap	Mar-05	-7.85	-11.35	-5.58	12.26	48.50	5.37	12.99
HDFC Equity	Jan-95	-7.45	-11.13	-5.39	17.74	62.80	12.10	17.85
HDFC Top 200	Oct-96	-7.21	-10.35	-4.97	14.25	52.78	10.19	17.85
ICICI Prudential Focused Bluechip	May-08	-6.71	-7.00	-1.61	16.10	48.32	—	—
ICICI Prudential Discovery	Aug-04	-7.84	-9.96	-6.36	11.93	68.53	15.12	15.15
Kotak 50	Dec-98	-6.74	-10.16	-6.44	7.13	34.67	-0.50	12.64
Kotak Opportunities Fund	Sep-04	-8.74	-13.15	-11.55	5.78	41.17	-1.39	12.83
Reliance Regular Savings Equity	Jun-05	-10.78	-12.96	-11.30	4.85	51.41	3.52	22.22
Reliance Equity Opportunities	Mar-05	-8.70	-11.59	-9.21	16.79	63.17	9.07	15.88
Magnum Multiplier Plus	Mar-93	-10.75	-16.60	-13.36	4.28	40.08	1.39	12.47
Tata Equity PE Fund	Jun-04	-9.40	-10.15	-6.89	6.03	51.79	5.58	16.13
Templeton India Equity Income	May-06	-7.46	-6.35	1.94	16.61	57.88	7.49	—

### Sector, Specialty & Tax Saving

Reliance Banking	May-03	-4.68	-12.46	-3.31	36.11	70.34	16.80	25.86
Franklin FMCG	Mar-99	-6.27	-9.18	-5.43	22.47	41.91	17.51	12.91
Franklin Pharma	Mar-99	-8.92	-8.52	1.59	20.81	67.14	30.77	15.79
Reliance Pharma	Jun-04	-9.63	-9.76	-3.68	17.66	69.47	29.63	21.34
Canara Robeco Equity Tax Saver	Mar-93	-6.13	-9.20	-8.11	14.31	54.52	11.24	16.77
Fidelity Tax Advantage	Feb-06	-6.50	-9.32	-5.30	17.52	50.05	8.04	—
HDFC Tax saver	Mar-96	-7.00	-10.13	-6.44	13.65	55.93	8.64	13.86

### Midcap & Smallcap

Birla Sun Life Dividend Yield Plus	Feb-03	-7.70	-12.58	-9.57	14.67	50.03	14.66	14.28
DSPBR Small and Mid Cap Reg	Nov-06	-10.55	-15.54	-14.21	10.67	61.39	7.04	—
IDFC Premier Equity Plan A	Sep-05	-8.15	-13.66	-12.58	13.87	57.97	8.78	21.95
IDFC Small & Midcap Equity	Mar-08	-7.88	-13.12	-11.15	12.97	54.41	—	—
Principal Emerging Bluechip Fund	Nov-08	-13.22	-19.68	-17.59	-1.07	61.69	—	—
Sundaram Select Midcap	Jul-02	-11.09	-16.29	-13.19	5.23	60.31	5.08	15.55
UTI Dividend Yield	May-05	-7.48	-9.02	-4.57	13.64	44.86	11.16	16.87
UTI Master Value	Jun-98	-8.15	-12.85	-8.95	14.91	62.23	8.83	11.22

### Hybrid: Equity Oriented

Funds	Launch	1 Week*	1 Month*	3 Months*	6 Months*	1 Year*	2 year**	3 Year**
Birla Sun Life 95	Feb-95	-4.97	-6.97	-4.50	12.16	41.54	9.39	15.63
DSPBR Balanced	May-99	-5.55	-7.50	-6.14	9.41	33.86	7.53	14.61
HDFC Prudence	Feb-94	-5.27	-7.65	-4.20	16.36	53.77	12.72	17.63
Reliance Regular Savings Balanced	Jun-05	-7.83	-10.84	-9.29	8.18	44.82	11.69	15.33

\*Absolute \*\* Annualized.

### Hybrid: Debt Oriented

Fund	Launch	1-Month*	3-Month*	6-Month*	1-Year*	2-Year**	3-Year**	5-Year**
Canara Robeco MIP	Apr-01	-0.493	-0.3677	1.3705	7.8771	13.3349	9.0916	11.2723
HDFC MIP LTP	Dec-03	-1.3569	-1.7003	0.4373	8.6082	20.6722	10.715	11.0195
Reliance MIP	Dec-03	-1.3875	-1.7242	-0.0066	6.4338	16.8877	13.2088	11.2556
Principal MIP Plus	Dec-03	-1.8307	-2.4785	-1.0843	2.5956	12.4788	6.1337	8.7543
FT India Dynamic PE Ratio FoF	Oct-03	-1.477	-1.8034	1.5981	8.2448	32.7177	8.469	14.4369

### Debt Oriented & Ultra Short Term Debt Fund


Funds	Launch	1 Week*	1 Month*	3 Months*	6 Months*	1 Year*	2 year**	3 Year**
Birla Sun Life Dynamic Bond Ret	Sep-04	0.1312	0.4993	1.2557	2.4362	5.4283	6.6452	8.7791
BNP Paribas Flexi Debt Reg	Sep-04	0.0753	0.3763	0.2722	1.3636	3.2256	6.3469	9.2723
Templeton India Short-term Income Ret	Jan-02	0.1107	0.4798	1.1091	2.3436	5.5714	8.1078	8.8541
Templeton India Income Opportunities	Dec-09	0.095	0.4258	0.8674	2.2543	6.4603	—	—
BNP Paribas Money Plus Reg	Oct-05	0.1477	0.6808	1.9223	3.5342	6.0997	5.8075	7.0807
Kotak Floater LT	Aug-04	0.1562	0.6847	1.9715	3.5949	6.228	5.8022	6.8895

### Dividends declared by equity and equity-oriented funds during the month of February 2011

Scheme name	Date	Dividend declared in Rs. Per unit
UTI Banking Sector (D)	03/02/2011	2.50
Birla SL Advantage Fund (D)	04/02/2011	4.50
Birla SL Basic Industries (D)	04/02/2011	1.15
Birla SL Frontline Equity -A(D)	04/02/2011	1.25
DSP-BR Equity Fund - RP (D)	04/02/2011	3.50
IDFC Tax Advantage (ELSS) (D)	04/02/2011	2.50
HDFC Long Term Advantage (D)	10/02/2011	4.00
HDFC Premier Multi-Cap (D)	10/02/2011	1.50
DSP-BR Opportunities - RP (D)	11/02/2011	2.00
Reliance Tax Saver (ELSS) (D)	11/02/2011	1.50
HDFC Core & Satellite Fund (D)	17/02/2011	2.00
Franklin India Prima Plus (D)	18/02/2011	3.00
ICICI Pru Tax Plan (D)	18/02/2011	2.00
Reliance Eqty Advantage-IP (D)	18/02/2011	1.00
Reliance Eqty Advantage-RP (D)	18/02/2011	1.00
Reliance Long Term Equity (D)	18/02/2011	1.50
Sundaram Fin-Serv. Opp.-IP (D)	18/02/2011	3.00
Sundaram Fin-Serv. Opp.-RP (D)	18/02/2011	3.00
Baroda Pioneer ELSS 96	21/02/2011	1.50
UTI Equity Tax Saving (D)	21/02/2011	1.00
HDFC Capital Builder Fund (D)	24/02/2011	2.50
HDFC Growth Fund (D)	24/02/2011	3.00
Birla SL Dividend Yield (D)	25/02/2011	0.60
Birla SL (I) Opportunities (D)	25/02/2011	1.25
Birla Sun Life MNC Fund (D)	25/02/2011	5.25
Edelweiss ELSS Fund (D)	25/02/2011	2.00
ICICI Pru Dynamic Plan (D)	25/02/2011	1.00
IDFC Classic Equity - A(D)	25/02/2011	2.00
IDFC Classic Equity - B (D)	25/02/2011	2.00
Kotak Mid-Cap Fund (D)	28/02/2011	1.50
Taurus Tax Shield (D)	28/02/2011	1.25
UTI Master Value Fund (D)	28/02/2011	1.00

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.



## Choose a healthy investment.

In today's volatile market, it pays to have a healthy investment plan. HDFC MF Systematic Investment Plan (SIP) is a simple, convenient and disciplined way to meet your financial goals. It invests a minimum of ₹ 500 every month, irrespective of market conditions. Truly, a healthy way to invest!

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**Systematic Investment Plan**

Registered Office: Ramon House, 3rd Floor, H.T. Parekh Marg, 169, Backbay Reclamation, Churchgate, Mumbai 400 020. Tel.: 022-6631 6333, Fax: 022-2282 1144.  
 Disclaimer: HDFC MF SIP does not assure a profit or guarantee protection against loss in a declining market. HDFC Mutual Fund is not guaranteeing or promising or forecasting any returns. Risk Factors: All mutual funds and securities investments are subject to market risks and there can be no assurance that the Scheme's objectives will be achieved and the NAV of the Scheme may go up or down depending upon the factors and forces affecting the securities market. Past performance of the Sponsors and their affiliates / AMC / Mutual Fund and its Scheme(s) do not indicate the future performance of the Scheme of the Mutual Fund. There is no assurance or guarantee to unit holders as to the rate of dividend distribution nor that dividends will be paid regularly. Investors in the Schemes are not being offered any guaranteed / assured returns. The NAV of the units issued under the Schemes may be affected, inter-alia by changes in the interest rates; trading volumes; settlement periods; transfer procedures and performance of individual securities. The NAV will inter-alia be exposed to Price / Interest Rate Risk and Credit Risk. Please read the Scheme Information Document and Statement of Additional Information before investing. In view of individual nature of tax consequences, each investor is advised to consult his/ her own professional tax advisor. Statutory Details: HDFC Mutual Fund has been set up as a trust sponsored by Housing Development Finance Corporation Limited and Standard Life Investments Limited (liability restricted to their contribution of ₹ 1 lakh each to the corpus) with HDFC Trustee Company Limited as the Trustee (Trustee under the Indian Trusts Act, 1882) and with HDFC Asset Management Company Limited as the Investment Manager.

# Key Features of Budget 2011-2012

## OVERVIEW OF THE ECONOMY

- Indian economy expected to grow at 9 per cent with an outside band of +/- 0.25 per cent in 2011-12.
- Average inflation expected lower next year and current account deficit smaller.

## SUSTAINING GROWTH

### Tax Reforms

- Direct Taxes Code (DTC) to be finalised for enactment during 2011-12. DTC proposed to be effective from April 1, 2012.
- Areas of divergence with States on proposed Goods and Services Tax (GST) have been narrowed. As a step towards roll out of GST, Constitution Amendment Bill proposed to be introduced in this session of Parliament.

### PSU Disinvestment

- Overwhelming response to public issues of Central Public Sector Undertakings during current year.
- ₹ 40,000 crore to be raised through disinvestment in 2011-12.

## INVESTMENT ENVIRONMENT

### Foreign Institutional Investors

- SEBI registered mutual funds permitted to accept subscription from foreign investors who meet KYC requirements for equity schemes.
- To enhance flow of funds to infrastructure sector, the FII limit for investment in corporate bonds issued in infrastructure sector being raised.

### Housing Sector Finance

- Existing scheme of interest subvention of 1 per cent on housing loan further liberalised.
- Existing housing loan limit enhanced to ₹ 25 lakh for dwelling units under priority sector lending.
- Provision under Rural Housing Fund enhanced to ₹ 3,000 crore.

### Infrastructure and Industry

- Allocation of ₹ 2,14,000 crore for infrastructure in 2011-12. This is an increase of 23.3 per cent over 2010-11. This also amounts to 48.5 per cent of total plan allocation.
- To boost infrastructure development, tax free bonds of ₹ 30,000 crore proposed to be issued by Government undertakings during 2011-12.

### Education

- Allocation for education increased by 24 per cent over current year.
- ₹ 21,000 crore allocated, which is 40 per cent higher than Budget for 2010-11.
- Pre-matric scholarship scheme to be introduced for needy SC/ST students studying in classes IX and X.

### Health

- Plan allocations for health stepped-up by 20 per cent.
- Scope of Rashtriya Swasthya Bima Yojana to be expanded to widen the coverage.

### Financial Inclusion

- Target of providing banking facilities to all 73,000 habitations having a population of over 2,000 to be completed during 2011-2012.

## BUDGET ESTIMATES 2011-12

- Gross Tax receipts are estimated at ₹ 9,32,440 crore.
- Non-tax revenue receipts estimated at ₹ 1,25,435 crore.
- Total expenditure proposed at ₹ 12,57,729 crore.
- Increase of 18.3 per cent in total Plan allocation.
- Increase of 10.9 per cent in the Non-plan expenditure.
- XI Plan expenditure more than 100 per cent in nominal terms than envisaged for the Plan period.
- Increase of 23 per cent in Plan and Non-plan transfer to States and UTs.
- Fiscal Deficit brought down from 5.5 per cent in BE 2010-11 to 5.1 per cent of GDP in RE 2010-11.
- Fiscal Deficit kept at 4.6 per cent of GDP for 2011-12.
- Net market borrowing of the Government through dated securities in 2011-12 would be ₹ 3.43 lakh crore.
- Central Government debt estimated at 44.2 per cent of GDP for 2011-12 as against 52.5 per cent recommended by the 13th Finance Commission.

## TAX PROPOSALS

### Direct Taxes

- Exemption limit for the general category of individual taxpayers enhanced from 1,60,000 to ₹ 1,80,000 giving uniform tax relief of ₹ 2,000.
- Exemption limit enhanced and qualifying age reduced for senior citizens.
- Higher exemption limit for Very Senior Citizens, who are 80 years or above.
- Current surcharge of 7.5 per cent on domestic companies proposed to be reduced to 5 per cent.
- Rate of Minimum Alternative Tax proposed to be increased from 18 per cent to 18.5 per cent of book profits.
- Tax incentives extended to attract foreign funds for financing of infrastructure.
- Additional deduction of ₹ 20,000 for investment in long-term infrastructure bonds proposed to be extended for one more year.
- Lower rate of 15 per cent tax on dividends received by an Indian company from its foreign subsidiary.

### Indirect Taxes

- To stay on course for transition to GST.
- Central Excise Duty to be maintained at standard rate of 10 per cent.
- Reduction in number of exemptions in Central Excise rate structure.
- Nominal Central Excise Duty of 1 per cent imposed on 130 items entering in the tax net.
- Lower rate of Central Excise Duty enhanced from 4 per cent to 5 per cent.
- Optional levy on branded garments or made up proposed to be converted into a mandatory levy at unified rate of 10 per cent.
- Peak rate of Custom Duty held at its current level.

### Service Tax

- Standard rate of Service Tax retained at 10 per cent, while seeking a closer fit between present regime and its GST successor.
- Services provided by life insurance companies in the area of investment and some more legal services proposed to be brought into tax net.
- All individual and sole proprietor tax payers with a turn over upto ₹ 60 lakh freed from the formalities of audit.
- Proposals relating to Direct Taxes estimated to result in a revenue loss of ₹ 11,500 crore and those related to Indirect Taxes estimated to result in net revenue gain of ₹ 11,300 crore.

## FORM IV (See Rule 8)

Statement about ownership and other particulars about newspaper entitled "WEALTHWISE" as required to be published in the first issue every year after the last day of February.

- Place of publication** Wiseinvest Advisors Pvt. Ltd., 605, 'D' Wing, Crystal Plaza, New Link Road, Andheri West, Mumbai 400053.
- Periodicity of its publication** Monthly
- Printer's Name** Hemant Rustagi  
**Nationality** Indian  
**Address** Wiseinvest Advisors Pvt. Ltd., 605, 'D' Wing, Crystal Plaza, New Link Road, Andheri West, Mumbai 400053.
- Publisher's Name** Hemant Rustagi  
**Nationality** Indian  
**Address** Wiseinvest Advisors Pvt. Ltd., 605, 'D' Wing, Crystal Plaza, New Link Road, Andheri West, Mumbai 400053.
- Editor's Name** Hemant Rustagi  
**Nationality** Indian  
**Address** Wiseinvest Advisors Pvt. Ltd., 605, 'D' Wing, Crystal Plaza, New Link Road, Andheri West, Mumbai 400053.
- Names and addresses of individuals who own the newspaper and partners or shareholders holding more than one per cent of the total paid up capital as on 28-02-2011.  
**Hemant Rustagi** 1205, Brighton Towers, 2nd Cross lane, Lokhandwala Complex Andheri West, Mumbai 400053.  
**Shantasree Rustagi** 1205, Brighton Towers, 2nd Cross lane, Lokhandwala Complex Andheri West, Mumbai 400053.

I, Hemant Rustagi, hereby declare that the particulars given above are true to the best of my knowledge and belief.

Sd/-  
**Hemant Rustagi**  
Signature of Publisher

Date: 01.03.2011

## ORIGINAL FORM IV

Statement about ownership and other particulars about newspaper (.....) to be published in the first issue every year after the last day of February

- Place of publication
- Periodicity of its publication
- Printer's Name
- Nationality
- Address
- Publisher's Name
- Nationality
- Address
- Editor's Name
- Nationality
- Address
- Names and addresses of individuals who own the newspaper and partners or shareholders holding More than one per cent of the total capital.

I, ....., hereby declare that the particulars given above are true to the best of my knowledge and belief.

Date \_\_\_\_\_ Signature of Publisher

# Tax Savings Bhi! Tarakki Bhi!!



## ICICI Prudential Tax Plan

A fund that provides tax savings and aims for capital appreciation

An Open Ended Equity-Linked Savings Scheme

Performance Returns as on December 31, 2010 (Growth Option)

	1 Year	2 Year	3 Year	Since Inception
ICICI Prudential Tax Plan	24.11%	4.88%	15.50%	26.90%
S&P CNX Nifty (Benchmark Index)	17.85%	-0.02%	16.86%	14.27%

Past performance may or may not be sustained in future



Tax deductions upto the limits specified under Section 80C of the Income Tax Act is applicable on an investment under ELSS. The performance shown above is not necessarily indicative of future returns and may not necessarily provide a basis for comparison with other investments. The allotment NAV has been taken as ₹ 10 for since inception returns. NAV of growth option is considered for computation of return without considering load. **Statutory Details:** ICICI Prudential Mutual Fund (the Fund) was set up as a Trust sponsored by Prudential plc (through its wholly owned subsidiary namely Prudential Corporation Holdings Ltd) and ICICI Bank Ltd. ICICI Prudential Trust Limited (the Trust Company), a company incorporated under the Companies Act, 1956, is the Trustee to the Fund. ICICI Prudential Asset Management Company Ltd (the AMC), a company incorporated under the Companies Act, 1956, is the Investment Manager to the Fund. ICICI Bank Ltd and Prudential Plc (acting through its wholly owned subsidiary namely Prudential Corporation Holdings Ltd) are the promoters of the AMC and the Trust Company. **Risk Factors:** All investments in mutual funds and securities are subject to market risks and the NAV of the schemes may go up or down depending upon the factors and forces affecting the securities market and there can be no assurance that the fund's objectives will be achieved. Past performance of the Sponsors, AMC/Fund does not indicate the future performance of the Schemes of the Fund. The Sponsors are not responsible or liable for any loss resulting from the operation of the Schemes beyond the contribution of an amount of ₹ 22.2 lacs, collectively made by them towards setting up the Fund and such other accretions and additions to the corpus set up by the Sponsors. **ICICI Prudential Tax Plan** (An open-ended Equity Linked Saving Scheme. Objective is to generate long term capital appreciation through investments made primarily in equity/equity related securities of the companies). Investments in the scheme may be affected by trading volumes, settlement periods, volatility, price fluctuations, liquidity risks, market risk, currency risk for investments in foreign securities, lending & borrowing risks. Risks associated with investing in Securitised Debt, credit & interest rate risks relating to debt investment. Entry Load: Nil. Exit Load: Nil. ICICI Prudential Tax Plan is only the name of the Scheme and does not in any manner indicate either the quality of the scheme or its future prospects and returns. Mutual Fund investments are subject to market risks. Please read the Scheme Information Document and Statement of Additional Information Scheme carefully before investing.

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