

October, 2010

Price Rs. 2

Volume 4, Issue 10

A Monthly Publication from Wiseinvest Advisors Private Limited

WEALTHWISE

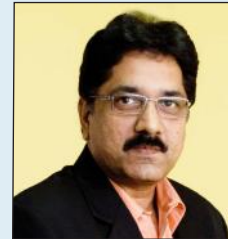
Inside	Pg No.
HDFC Prudence Fund	2
Wiseinvest in the News	3
Performance of Select Funds	4
Challenges facing fund managers	5-6

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,

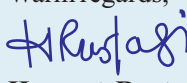
The stock market logged smart gains during the month of September 2010 on the back of Foreign Institutional Investors' buying spree, positive global cues and robust 2Q advance tax collections. While the Sensex closed the month at 20069.12 i.e. up by 10.23%, the BSE Mid-cap and the BSE Small cap indices were up by 4.66% and 5.49% respectively. The September rally of more than 10% has been among the fastest in the recent times. On September 20, 2010 the Sensex regained 20000 level for the first time since January 17, 2008. Similarly, the wide-based National Stock Exchange also crossed 6000 mark.



The Reserve Bank of India raised short term borrowing rate (reverse repo) by 0.50 percentage point to five percent and lending rate (repo) by 0.25 percentage to six percent. The new rates, which come into effect immediately, were announced as part of the first scheduled mid-quarterly review of the monetary policy. To check inflation, the RBI had raised these key rates by an identical margin in July. The RBI move signaled banks to raise fixed deposit rates to compensate small savers for rising inflation. The Central Board of Trustees, the highest policy making body of the Employees Provident Fund Organisation (EPFO) raised the interest rate on provident fund deposits for 2010-11 to 9.5 per cent from 8.5 per cent. The rate is the highest in the last five years.

Inflation continues to be a concern for the government. While inflation for August 2010 was 8.5 per cent (as per the new series with 2004-05 as Base Year), food inflation was at a high of 15.10 per cent for the week ended September 4, 2010.

As we have experienced many a times in the past, the dizzy heights in the stock market and the mystic that surrounds it often evokes a mixed response from investors. The greed to make more and more profits and the fear that emanates from unpleasant experiences of the past often grip their investment strategy. That's why it is important to keep focus on the long-term objectives rather than moving in line with short term market moves. Remember, the future success of your investment process would largely depend on how you handle these situations.

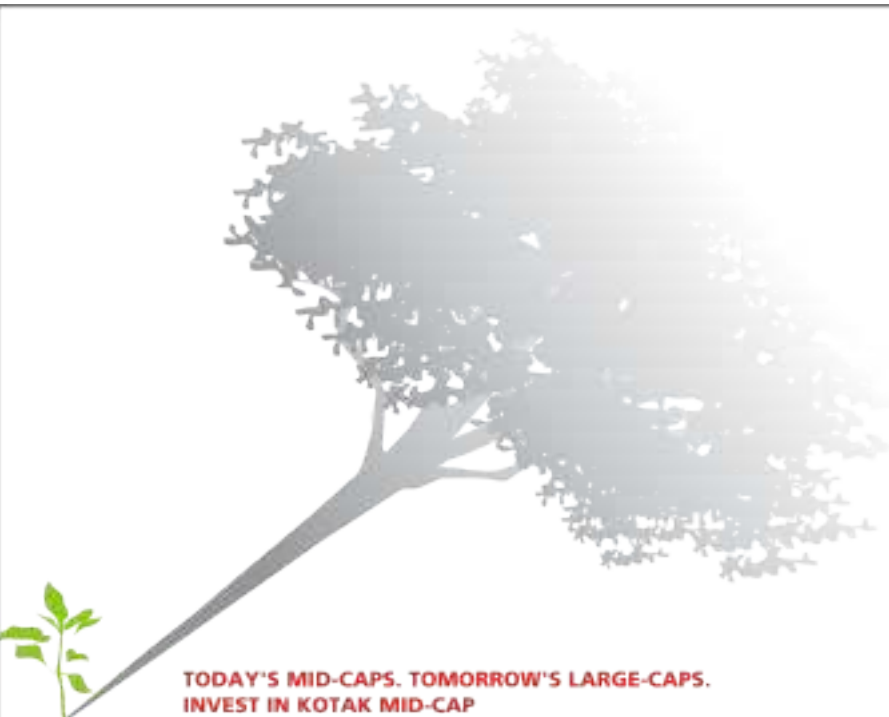
Warm regards,

Hemant Rustagi
 Chief Executive Officer

Wiseinvest
 With YOU, in meeting
 FINANCIAL CHALLENGES

Address to be affixed here

The Stock Market performance during September 2010.

Indices	1st September 2010	30th September 2010	Change in (%)
Sensex	18205.87	20069.12	10.23%
MIDCAP	7723.93	8084.14	4.66%
SMLCAP	9712.85	10245.71	5.49%
BSE-100	9759.42	10627.35	8.89%
BSE-200	2335.12	2530.47	8.37%
BSE-500	7394.14	7984.45	7.98%



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

See how you could have created wealth by investing in Kotak Mid-Cap

Kotak Mid-Cap	Amount (₹)
Investment amount (since inception on 24th February 2005)	1,00,000
Value of investment (31st August 2010) 18.9% CAGR	2,59,919

Kotak MidCap NAV: ₹ 26.57 (Growth Option) on 31st August 2010, Returns <= 1 yr: Absolute; Returns > 1 yr: CAGR. ₹ 1 lakh invested in Kotak MidCap would have become ₹ 1,45,350 (45.35% returns) in 1 year, ₹ 1,16,027 (5.08% returns) in 3 yrs and ₹ 1,93,981 (14.17% returns) in 5 yrs. ₹ 1 lakh invested in CNX Midcap would have become ₹ 1,41,880 (41.88% returns) in 1 year, ₹ 1,43,563 (12.81% returns) in 3 yrs, ₹ 2,36,836 (18.82% returns) in 5 yrs and ₹ 2,92,338 (21.46% returns) since inception.

Past performance may or may not be sustained in future.

Contact your investment advisor today.
www.kotakmutual.com



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 and 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 available on www.kotakmutual.com

HDFC Prudence Fund

Investment Objective

The scheme's objective is to provide periodic returns and capital appreciation over a long period of time. The scheme aims to achieve this by having a judicious mix of equity and debt investments in the portfolio while preventing/minimizing capital erosion.

This fund is managed by Mr Prashant Jain. The Fund has a corpus of Rs. 5078.31 Crore as on August 31, 2010.

Investment Strategy

The Scheme's strategy is to maintain near constant asset allocation over the medium to long term. In order to do so, it buys equities when the markets fall and sells equities when the markets go up. The Scheme is maintaining around 75% allocation to equities. When the equity markets fall, the Scheme's exposure to equities falls below this level as equities depreciate, thus resulting in the Scheme buying more equities in down markets to bring the equities exposure to target levels. Similarly, when the equity markets go up, the Scheme's exposure to equities goes higher than target, and thus the Scheme sells equities in high markets to bring down the equities exposure back to target level again.

Also, around 25% exposure to debt and money market instruments further reduces the volatility of the scheme and lowers the chances of capital erosion.

Sectoral Allocation as on August 31, 2010

Sector	Percentage (%)
Banks	13.83
Consumer Non Durables	10.00
Pharmaceuticals	5.28
Oil	5.13
Media & Entertainment	4.25
Software	3.44
Petroleum Products	2.80
Chemicals	2.55
Textile Products	2.50
Auto Ancillaries	2.45
Power	2.41
Trading	2.13
Industrial Capital Goods	2.09
Telecom - Services	1.93
Finance	1.78
Industrial Products	1.60
Auto	1.39
Gas	1.36
Construction	1.12
Consumer Durables	0.89
Paper Products	0.69
Construction Project	0.64
Ferrous Metals	0.59
Paper	0.44
Retailing	0.20
Textiles - Synthetic	0.11
Government Securities	11.72
Credit Exposure	11.98
Cash, Cash Equivalents and Net Current Assets	4.70

Performance as on September 24, 2010

Fund	3 Month*	6 Month*	1 Year*	2 Year**
HDFC Prudence	13.09	21.95	38.85	36.68
BSE Sensex	13.06	14.87	19.45	20.99

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

Top 10 holdings (Equity) as on August 31, 2010

Company Name	% of Corpus
State Bank of India	4.74
Oil & Natural Gas Corporation Ltd.	3.49
Bank of Baroda	3.18
Titan Industries Ltd.	2.79
Tata Consultancy Services Ltd.	2.16
3M India Ltd.	2.13
ICICI Bank Ltd.	2.12
Bharti Airtel Ltd.	1.93
Page Industries Ltd	1.92
Bharat Petroleum Corporation Limited	1.76
Others	44.77
Total	70.99

Top holdings (Debentures) as on August 31, 2010

Company Name	Instrument	% of Corpus
GOI	GOI Securities	11.72
Standard Chartered PLC (UK)	Indian Depository Receipts	0.41
Tata Motors (Guranteed by SBI)	Structured Obligation	1.28
Jet Airways India	Structured Obligation	0.08
IRFC	Debenture	2.51
HDFC	Debenture	1.63
Power Finance Corp.	Debenture	1.27
State Bank of India	Debenture	1.26
Others		8.75
Total		28.91

Our recommendation

Based on its past performance, portfolio quality and the asset mix, HDFC Prudence is unarguably the best Balanced Fund at the moment. It is a good bet for those investors who do not wish to invest the entire money in the equities and at the same time would like the asset allocation to remain closer to the original levels. Considering that the fund manager of the scheme has been following the strategy of rebalancing the portfolio in both rising as well as falling markets, it fits the bill.

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

**DO YOU NEED TO COMPROMISE ON STABILITY TO ACHIEVE RETURNS?
GET READY TO BE SURPRISED!**

Presenting

Fortis Bond Fund

(An open-ended income fund)

Do you believe that you always need to choose between stability and returns?
With specialists working on your side, you may now aim to achieve both.

The Fortis Bond Fund is designed to invest across maturities and credit profiles while seeking capital appreciation through tactical calls within the investment grade basket. So that you may look to maximize on opportunities in the debt markets.

Performance	Since Inception (% CAGR)	Last 1 Year (% CAGR)
Fortis Bond Fund - Regular Plan - Growth Option	10.32	6.29
Benchmark: CRISIL Composite Bond Fund Index	7.94	5.79

Period: November 05, 2008 - August 31, 2010. Past performance may or may not be sustained in future and should not be used as a basis of comparison with other investments. Returns do not take into account the load, if any. Since inception returns are calculated on ₹ 10/- invested at inception. Performance of the Dividend Option for the investor would be net of the dividend distribution tax, as applicable.

Get ready to expect more out of the debt markets.
Get ready to be surprised!

Fortis Investments

Fortis Bond Fund: Investment Objective: To generate income and capital gains through investments in a portfolio of debt and money market instruments. However, there can be no assurance that the investment objective of the Scheme will be realized.

Load Structure: Entry Load: Nil. **Exit Load:** 2% if redeemed/switched-out upto 1 year from the date of subscription. Nil if redeemed/switched-out after 1 year from the date of subscription / switch-in. In case of inter scheme switches, exit load, if any, will be charged. However, for intra scheme switches, no exit load will be charged. Also, no exit load will be charged for Dividend reinvestment units.

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 superceding Trust Deed dated March 5, 2009.

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 fluctuates, 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 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. Offer Document (OD) / Statement of Additional Information (SAI), Scheme Information Document (SID) & Key Information Memorandum cum Application forms (KIM) are available at AMC offices / AMC website: www.fortisinvestments.in / Investor Service Centres / Distributors. Investors should read the respective OD / SAI, SID & KIM carefully in its entirety before investing and retain these documents for future references.

Wiseinvest in the News

Article of our CEO published in Dalal Street - September 26, 2010.



HEMANT MUSTAJEE
CEO
Wiseinvest Advisors

Keep Fear And Greed Out Of Your Investment Strategy

In a rising market, mid-cap and large-cap stocks may seem too tempting. However, their inherent risk factors must be considered before investing.

KEY POINTS

- Investing at different levels helps in 'averaging' as well as it avoids the temptation of exiting every time the market goes up.
- Though investing regularly makes a portfolio immune to short-term volatility to a large extent, monitoring the performance of the portfolio helps achieve success over the longer term.

As more and more investors are investing through a Systematic Investment Plan (SIP), equity funds are likely to play a significant role to play in their portfolios going forward. While SIP can be considered to be a good starting point for a long-term investment process, one may still have to face anxieties and challenges depending on the behaviour of the stock market. There are a few situations that can test the resolve of even a seasoned investor. Let us analyse a few of them and see how these need to be tackled to keep the investment process on track.

Stock market doing exceedingly well

It is quite common to see investors feeling of fear as well as excitement when the market touches dizzy heights. In such times, many end up booking profits too early or redeem the entire equity holdings. As a result, they miss out on varying degree of gains, depending on the timing of exit.

While booking profits periodically may be essential for a set of investors, for someone who is in the process of building capital over time, taking money out of the market in the name of profit booking would be detrimental to his long-term goals. The major advantage of following a disciplined approach is that one gets to invest at different levels and that helps in 'averaging' as well as in avoiding the temptation of exiting every time the market goes up. In fact, regular investments ensure that one invests even at lower levels, which an occasional investor does not normally do.

Simply put, a disciplined approach helps an investor in keeping emotions out of the investment strategy. This is important as equities, as an asset class, tend to be more volatile in the short term as compared to other asset classes.

Need to track the portfolio

While some investors want to look at their equity fund

portfolio valuation almost on a daily basis, there are others who do not feel the need to track their portfolio as they believe that merely having a long-term horizon investing regularly is enough to achieve success. It is important for investors to know that even though the discipline of investing regularly makes their portfolio immune to short-term volatility to a large extent, monitoring the performance of the portfolio remains an important ingredient to achieve success over the longer term.

If some of the funds in the portfolio are underperforming their peer group or their benchmark, its impact on the portfolio would make a dent in the corpus that would be required at the completion of the investment time horizon. While keeping a track of the portfolio may sound like a daunting task, in reality it is not so.

For investors, the main sources of information can be websites of mutual funds that have complete and up-to-date information on the performance of their funds, newspapers, magazines and various personal finance related television shows. Besides, the Association of Mutual funds in India (AMFI) has its own website, which contains daily NAVs for all the schemes, historical NAVs, scheme details as well as half yearly and annual accounts of schemes. In addition, there are also many full range personal finance portals that cover mutual funds widely. They provide a comprehensive listing of schemes and comparative analysis for each of the schemes. These can help investors a great deal in knowing how their schemes are doing vis-à-vis the peer group as well as the benchmarks.

Temptations to investing in more mid-cap funds

In a rising market, mid-cap funds tend to do well as compared to funds that invest in multi-cap stocks as well as those that have a bias towards large-cap stocks. No doubt, mid-cap companies have a lot of room for growth as the economy marches ahead and hence can be a good means to enhance portfolio returns.

However, investing in them can be riskier as compared to large-cap stocks. Therefore, investors need to be careful while selecting a mid-cap fund and deciding on the extent of exposure as these funds should not have a disproportionately high percentage in the portfolio. ■

(Send your feedback to comment@dsj.in)



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

Benefit from expertise. Invest in Mutual Funds.

Part of the investor education initiative
from Canara Robeco Mutual Fund

CANARA ROBECO
Mutual Fund

Mutual Fund investments are subject to market risks. Please read the Scheme Information Documents carefully before investing.

Performance of Select Funds

Data as on September 24, 2010

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-02	7.01	13.47	16.69	27.22	31.64	13.05	25.34
Canara Robeco Equity Diversified	Sep-03	5.64	13.40	19.51	34.47	35.36	14.13	21.71
DSPBR Top 100 Equity Reg	Feb-03	7.69	13.08	16.07	24.59	27.27	12.81	25.83
DWS Alpha Equity Regular	Jan-03	5.96	14.12	18.19	24.56	21.43	9.03	22.84
DWS Investment Opportunity Regular	Jan-04	4.73	13.23	16.44	26.96	22.07	9.02	23.53
Fidelity India Special Situations	Apr-06	6.01	14.09	19.80	33.97	27.11	9.02	—
Franklin India Prima Plus	Sep-94	7.45	16.94	18.28	32.49	27.84	10.54	24.13
HDFC Equity	Dec-94	7.26	18.17	27.21	44.05	39.63	18.15	27.56
HDFC Top 200	Sep-96	8.23	16.69	23.66	34.15	34.86	17.82	27.60
ICICI Prudential Focused Bluechip	May-08	7.62	14.74	19.30	32.47	34.59	—	—
ICICI Prudential Discovery	Jul-04	5.46	11.96	20.70	40.86	47.10	20.10	22.09
Kotak 30	Dec-98	6.97	12.14	16.73	23.72	20.24	8.66	21.11
Kotak Opportunities Fund	Aug-04	5.65	15.41	20.12	29.27	26.71	10.97	24.27
Reliance Growth	Oct-95	4.65	11.57	17.35	32.03	30.74	14.48	25.32
Reliance Regular Savings Equity	May-05	5.19	15.20	17.99	33.46	33.29	20.08	27.32
Reliance Vision	Oct-95	7.45	13.43	18.58	27.19	29.59	8.69	22.62
Religare Contra	Mar-07	5.89	10.49	14.98	25.51	34.69	12.75	—
SBI Magnum Sector Umbrella - Contra	Jul-99	6.87	12.83	14.82	21.94	27.25	9.46	23.50
SBI Magnum Multiplier Plus 93	Feb-93	4.64	11.52	20.19	33.03	28.61	8.90	24.14
Sundaram BNP Paribas Select Focus	Jul-02	7.61	15.21	16.71	20.62	19.73	7.41	22.96
Tata Equity PE Fund	Jun-04	6.74	12.02	16.53	31.45	32.47	13.36	22.79
Tata Select Equity Fund	Apr-01	5.51	14.56	16.45	34.17	29.58	4.47	20.38

Sector, Specialty & Tax Saving

Fund	Launch	1-Month*	3-Month*	6-Month*	1-Year*	2-Year**	3-Year**	5-Year**
Canara Robeco Infrastructure	Nov-05	4.40	12.30	16.87	23.29	28.38	6.89	—
DSPBR T.I.G.E.R. Fund	May-04	5.14	13.93	18.18	24.98	25.25	5.60	23.69
ICICI Prudential Infrastructure Fund	Aug-05	6.81	12.45	12.30	17.52	17.02	8.03	25.66
DSPBR World Gold Fund	Aug-07	12.97	9.79	23.54	18.75	22.85	11.98	—
Reliance Banking	May-03	9.70	27.54	45.67	57.01	50.47	27.37	28.71
Reliance Diversified Power Sector	Apr-04	3.67	8.62	11.97	19.39	27.55	16.78	35.04
Canara Robeco Equity Tax Saver	Mar-93	4.94	14.35	21.49	38.08	43.23	17.90	24.26
SBI Magnum Taxgain Scheme 93	Mar-93	6.91	10.65	13.75	22.64	24.05	6.18	19.61
Sundaram BNP Paribas Tax saver	Nov-99	6.90	15.50	17.99	19.19	27.26	12.16	22.82

Midcap & Smallcap

Fund	Launch	1-Month*	3-Month*	6-Month*	1-Year*	2-Year**	3-Year**	5-Year**
Birla Sun Life Mid Cap Plan A	Oct-02	2.73	12.61	15.41	31.06	36.48	11.97	24.40
IDFC Premier Equity Plan A	Sep-05	3.97	18.03	28.88	51.72	41.29	21.94	—
Principal Emerging Bluechip Fund	Oct-08	4.21	13.64	19.27	38.69	—	—	—
Sundaram BNP Paribas Select Midcap	Jul-02	5.05	16.34	21.93	38.47	38.38	13.98	26.84
Sundaram BNP Paribas S.M.I.L.E.	Jan-05	4.06	14.93	21.27	28.60	35.71	15.39	23.11

MIP

Fund	Launch	1-Month*	3-Month*	6-Month*	1-Year*	2-Year**	3-Year**	5-Year**
Canara Robeco MIP	Apr-01	1.4452	3.269	5.7529	9.8773	15.4805	9.487	12.8572
HDFC MIP LTP	Dec-03	1.9195	5.0326	8.4234	14.0321	19.7569	12.5276	13.0227
Reliance MIP	Dec-03	2.0546	4.3844	7.136	13.008	21.8718	15.0358	12.9661
Principal MIP Plus	Dec-03	1.4765	2.6877	4.1219	6.6907	12.0705	10.0266	10.174

Hybrid: Equity Oriented

Fund	Launch	1-Month*	3-Month*	6-Month*	1-Year*	2-Year**	3-Year**	5-Year**
Birla Sun Life 95	Feb-95	3.73	11.80	17.02	26.34	33.50	12.86	20.72
HDFC Prudence	Jan-94	4.65	13.09	21.95	38.85	36.68	17.96	23.74
Reliance Regular Savings Balanced	May-05	4.05	14.30	17.05	34.21	37.54	19.86	18.94

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	0.28	0.6895	1.1835	2.752	6.2308	9.3761	10.0025
Fortis Flexi Debt Reg	Sep-04	0.304	0.7619	0.732	2.298	4.5702	10.9968	10.6787
Templeton India Short-term Income Ret	Jan-02	0.0978	0.5172	1.1222	2.9072	7.1055	10.1427	—
Templeton India Income Opportunities	Dec-09	0.1117	0.5704	1.2636	3.6599	—	—	—
Fortis Money Plus Reg	Oct-05	0.1124	0.5018	1.3936	2.6391	4.9553	6.5705	—
Kotak Floater LT	Aug-04	0.1116	0.4746	1.347	2.6767	5.0915	6.332	—

*Absolute ** Annualized.

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

Scheme name	Date	Dividend declared in Rs. Per unit
Axis Tax Saver Fund (D)	01/09/2010	1.00
IDBI Nifty Index Fund (D)	01/09/2010	0.12
DSP-BR Top 100 Equity - RP (D)	03/09/2010	1.25
Sahara Bkg & Fin. Services (D)	03/09/2010	4.00
Tata Equity P/E Fund (TO-A5%) (D)	03/09/2010	1.00
Fortis Dividend Yield Fund (D)	08/09/2010	1.50
Birla Sun Life Buy India (D)	09/09/2010	1.75
Birla SL New Millennium (D)	09/09/2010	0.85
DSP-BR India T.I.G.E.R -RP (D)	09/09/2010	1.25
Can Robeco FORCE - IP (D)	13/09/2010	1.00
Can Robeco FORCE - RP (D)	13/09/2010	1.00
UTI Mid Cap (D)	14/09/2010	2.20
Birla Sun Life Tax Plan (D)	17/09/2010	2.00
Tata Infra Tax Saving Fund (D)	17/09/2010	1.00
Tata Service Industries (D)	17/09/2010	1.50
Templeton (I) Equity Income (D)	20/09/2010	0.70
Franklin Build India Fund (D)	24/09/2010	0.60
Franklin High Growth Cos (D)	24/09/2010	0.60
ICICI Pru Bkg & Fin Serv-RP(D)	24/09/2010	0.50
Tata Equity Management (D)	24/09/2010	1.00
Religare Mid Cap Fund (D)	25/09/2010	2.70
BhartiAxa Equity Fund Eco	27/09/2010	2.00
BhartiAxa Equity Fund IP	27/09/2010	2.00
BhartiAxa Equity Fund RP	27/09/2010	2.00

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.

Toll Free No.: 1 800 233 6767
Website: www.hdfcfund.com

Yes, it's possible. If you invest regularly.

They say small drops make an ocean. True, especially when it comes to your savings. With the HDFC MF Systematic Investment Plan (SIP), you commit an amount as little as Rs. 500 to be invested every month in one of our schemes of your choice. This makes you a disciplined investor and helps you reach your financial goals, with small, but steady steps. Invest systematically with HDFC MF SIP that could help you get closer to your dreams.

HDFC MF SIP
(Systematic Investment Plan)

HDFC
MUTUAL FUND
Continuing a tradition of trust.

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 Mutual Fund/ HDFC Asset Management Company Ltd. is not guaranteeing or promising or forecasting any returns. SIP does not assure a profit or guarantee protection against loss in a declining market. Please refer to the SIP Enrolment Form for SIP Load Structure & terms and conditions before enrolment. Risk Factors: All mutual funds and securities investments are subject to market risks and there can be no assurance that the Schemes' objectives will be achieved and the NAV of the Schemes 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(s) 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. In view of the individual nature of tax consequences, each investor is advised to consult his/her professional tax advisor. Please read the Scheme Information Document and Statement of Additional Information carefully before investing. **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 Rs. 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.

Publicis Ambience/HDFC/10/04

Challenges facing fund managers

One of the major advantages of investing in mutual funds is that a professional or a group of professionals invest on behalf of investors in the markets. Needless to say, a fund manager plays a crucial role in the success of a fund as he is the one who is entrusted with the job of investing monies mobilized by the fund.

In today's highly competitive world of mutual funds, where around 36 fund houses are vying for investors' money, fund managers have an unenviable job to do. Besides, considering the fact that today's investors too are well informed and are becoming more and more conscious about the performance and the transparency, the challenges have increased manifold. While better performance and managing funds in line with their investment objectives are the obvious ones, there are a few others that can test the skills of a fund manager from time to time. Here are some of these:

Taking over an existing fund

If one were to analyse the emerging trends in the Mutual Fund industry, one of them would easily be the movement of fund managers from one fund to another. In fact, as the industry is evolving, such instances are becoming a common occurrence.

The reasons fund managers leave funds are diverse. While better pay package is definitely one of the major factors for fund managers to change funds, some of them may want to have a chance to work at a fund house that is large and more successful. For example, a fund manager working in an Indian fund house may like to work for an international fund house as he gets to learn about different investment strategies as well as in some cases an opportunity to manage an international fund. Besides, a fund manager may also abandon a fund if he is pressurized to take big risk to be among the top performers.

This is generally a very tricky situation and dealing with it requires special efforts from the fund house concerned as well as the new fund manager. However, the kind of challenges that a new fund manager may face would depend on factors such as type of fund, investment process followed by the fund house and the fact whether the new fund manager belongs to the fund's existing team or has joined from some other fund house.

While generally the fund manager is credited with the success of a scheme, the fact remains that most big fund houses usually have guidelines that a fund manager must conform to. Besides, in some fund houses, the process of investments is overseen by an investment committee.

Therefore, in funds like an index fund, a dividend yield fund or in a fund wherein the rules regarding what the fund manager can do are clearly spelled out, a new fund manager may not have much of a problem in taking the fund forward without any impact on the its performance. Another important factor that can impact the transition is the fund management style of the fund house especially how much independence was given to the out-going fund manager. A fund house that has well defined guidelines and investment philosophy may not face any serious difficulties in tackling the change in the fund manager. It would just be an issue of replacing a good manager with another one. Besides, if the fund has been in existence for a relatively shorter period, the change in the fund manager may not make much of a difference.

Morningstar- a fund rating agency in the US- conducted a survey of such funds that witnessed a change in the fund manager over a five year period. The interesting part of this study was the fact that in the following five years period, the top performing funds from the earlier period belonging to the fund houses that had well defined investment process tended to continue beating their peers- even when fund manager had left.

Size of the Fund

Quite often, a fund becomes victim of its own success. As the success attracts more money into the fund, the fund manager faces the challenges of maintaining the fund's performance as well as ensuring that it does not outgrow its investment style. However, the extent of the challenge would largely depend on the nature of the fund as well as 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. As more money comes into a fund, less and less of fund's overall portfolio can be lesser known undervalued stocks. In other words, there is so much money to invest that the fund manager may not find enough of these hidden gems to absorb it all. Therefore, once he starts investing in the same stocks everyone else does, he starts losing his edge and hence may not be able to out-perform. However, for equity funds like the ones that invest in blue chip companies, whose holdings are very liquid, it may not be quite difficult for the fund manager to maintain the performance of the fund as well as deploying fresh inflows into the fund.

Similarly, it is generally easier for a debt fund manager to manage a large fund as compared to an equity fund. Considering that the size of the debt market is much bigger than the equity market and that most of the money is garnered by ultra short term and short term debt funds, there are plenty of options available for the fund managers in that space.


The table below highlights the performance of some of the prominent large and multi-cap funds that continue to do well inspite of having large assets under management (AUM).

Diversified & Large Cap Oriented Equity Funds

Fund	AUM (Rs Cr)	Launch	1-Year*	2-Year*	3-Year*	5-Year*
HDFC Equity	6893.91	Dec-94	44.17	29.73	16.81	26.25
HDFC Top 200	8162.78	Sep-96	31.02	24.41	17.73	26.41
Franklin India Bluechip	3117.45	Nov-93	27.39	20.25	11.74	22.17
Reliance Growth	7681.95	Oct-95	35.12	20.52	14.96	24.93
Magnum Contra	3679.37	Jul-99	19.70	15.50	10.28	22.77
BSE Sensex			16.95	9.71	6.78	18.53
S&PCNX Nifty			18.62	9.73	7.82	18.16

*Annualized return **Performance as on August 6, 2010.

Cont. on page 6...



give power to your debt investment with toppings of equity


Reliance Monthly Income Plan

(An open ended fund. Monthly Income is not assured and is subject to availability of distributable surplus)

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

Charges upto Rs. 3/ per SMS.

It helps in maintaining a portfolio which aims to generate regular and stable returns with the power of equity and stability of debt.



RELIANCE Mutual Fund
Anil Dhirubhai Ambani Group

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. **Reliance Monthly Income Plan (An Open ended Fund. Monthly Income is not assured & is subject to the availability of distributable surplus):** The primary investment objective of the scheme is to generate regular income in order to make regular dividend payments to unit holders and the secondary objective is growth of capital. **Asset Allocation:** Equities and Equity related Securities - 0 to 20%. Fixed Income Securities (Debt and Money Market) - 80 to 100%. **Entry Load - Nil. Exit Load - 1%**, if redeemed or switched out on or before completion of 1 year from the date of allotment of units. Nil thereafter. **Terms of issue:** The NAV of the Scheme will be calculated and declared on every Working Day. The schemes provide sale / switch - in & repurchase /switch - out facility on all Business Days at NAV based prices. **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. Reliance Monthly Income Plan is the name of the Scheme and 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 is not indicative of the future performance of the Scheme. 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 apart from those mentioned above and for scheme specific risk factors, please refer to the Scheme Information Document and KIM cum application form which is available at all the DISC / Distributors / www.reliancemutual.com. **Please read the Scheme Information Document and Statement of Additional Information carefully before investing.**

Challenges facing...

Cont. from page 5...

Managing specialty funds

While managing any fund can be a challenge for a fund manager, specialty funds can test his skills to the core. There are certain category of funds such as opportunity funds, sector funds and thematic funds that require different skill levels to perform. For example, opportunity funds, though diversified by definition, are aggressive by nature. As they are expected to perform better than plain vanilla diversified funds, a fund manager has to be careful enough to ensure that the discipline in the investment approach is not compromised. The pressure to perform can make a fund manager susceptible to have an urge to change tracks in terms of stock selection as well as investment strategy. Besides, there is always a risk of fund manager's style becoming individualistic thus impacting the potential of the fund.

Similarly a fund manager managing a thematic fund i.e. a fund that focuses on structural as well as cyclical factors that play an important role in the economy, faces the challenge of the market taking more time to recognize his views with regard to a particular theme that forms the basis of launching the fund.

The table below shows a performance analysis of some of the "opportunity funds". The striking difference in the performance highlights the impact a fund manager's ability and the fund's investment philosophy can make on the performance over a time period:

Opportunities Funds

Fund	AUM (Rs Cr)	Launch	1-Year*	2-Year*	3-Year*	5-Year*
HSBC India Opportunities	252.48	Feb-04	18.63	7.38	3.84	16.81
DSPBR Opportunities	861.18	Apr-00	33.22	20.42	10.91	21.80
DWS Investment Opp. Regular	173.95	Jan-04	28.50	12.17	12.07	23.62
HDFC Mid-Cap Opportunities	1197.48	Jun-07	53.27	27.34	13.77	-
LICMF Opportunities	60.42	Feb-05	14.03	5.76	0.31	10.81
L&T Opportunities	68.37	Dec-03	25.35	13.66	12.03	20.35
Reliance Equity Opportunities	2251.52	Mar-05	60.50	30.83	15.14	24.03
BSE Sensex			16.95	9.71	6.78	18.53
S&PCNX Nifty			18.62	9.73	7.82	18.16

*Annualized return **Performance as on August 6, 2010.

As is evident, for a fund manager to get larger share of investors' allocations, the key is not only to perform consistently but also develop the abilities to sail through the challenges his job might throw at him from time to time. Of course, the key factor that can ensure his long-term success remains his ability to do justice to investors' hard earned money.

(This article written by our CEO was published in Business & Management Chronicle - October 2010)

AD

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.