

Reliance Equity Opportunities Fund

Investment Objective

Reliance Equity Opportunities Fund (REOF) is an open-ended equity Fund. The fund aims to generate capital appreciation & provide long-term growth opportunities by investing in a portfolio mainly constituted of equity securities & equity related securities. The fund is managed by Mr. Shailesh Rajbhan.

The fund has a corpus of Rs. 2,200 crores as on July 31, 2010.

Investment Strategy

The fund follows a multi-cap approach whereby it invests in stable large cap and growth oriented mid & small cap companies. The investment strategy of the fund aims at being overweight in a particular sector or market caps depending on the potential & opportunities as they arise. The Fund manager takes calls on the sector & stock depending on the situations that arise & also take calls on the value stocks.

While taking calls on sectors, the fund focuses on emerging themes and opportunities not appreciated by the markets. As different sectors give different returns over a period of time, a broader mandate helps the fund take timely sector calls to maximize returns. Since the fund makes investments based on sector view, it relies on deep research in sectors where there is limited market interest. As regards the stock calls, while large cap stocks enable the fund to capture market movements and ensure liquidity in volatile times, niche mid/small cap companies enable it to grab the opportunity much ahead of time. Besides, the fund also focuses on stocks that are under-valued and under-researched.

Sectoral Allocation as on July 30, 2010

Sector	Percentage (%)
Services	16.56
Healthcare	12.90
Technology	11.06
Financial	10.67
Automobile	7.37
Energy	5.59
Diversified	5.47
Communication	3.95
Metals	3.76
Engineering	3.67
Construction	3.22
FMCG	1.47
Chemicals	1.28
Others	6.97

Performance as on August 27, 2010

Fund	3 Month*	6 Month*	1 Year*	2 Year**
Reliance Equity Opportunities	17.09	26.42	54.80	34.74
BSE Sensex	7.99	9.55	14.05	12.20

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

Top 10 holdings as on July 30, 2010

Company Name	% of Corpus
STATE BANK OF INDIA	5.12
DIVI'S LABORATORIES LTD.	5.07
TATA CONSULTANCY SERVICES LTD.	5.02
TRENT LTD.	4.73
AVENTIS PHARMALTD.	4.64
INDIAN METALAND FERRO ALLOYS LTD.	3.76
LARSEN & TOUBRO LTD.	3.48
TORRENT POWER LTD.	3.41
HCL TECHNOLOGIES LTD.	3.38
COXAND KINGS INDIALTD	3.34
Others	58.05
Total	100.00

Our recommendation

The scheme is suitable for investors who have an existing equity fund portfolio and have adequate exposure to diversified funds. In other words, the fund can be an ideal option for investors who do not mind taking a little extra risk to enhance portfolio returns overtime. Besides, the fund's performance track record also makes it a strong candidate for inclusion in the portfolio. However, it is important for investors to take a long-term view, if they choose to invest 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

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 in 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.

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

Fortis Investments

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: ABSN AMRO Asset Management (Asia) Ltd. Trustee: Fortis Trustees (India) Pvt. Ltd. Investment Manager / AMC: Fortis Investment Management (India) Pvt. Ltd. With effect from October 24, 2008, ABSN 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, 2008. 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 - August 29, 2010.



HEMANT BHATNAGAR
CEO
Wealthiest Advisors

It's Time To Look At MFs Differently

MFs have the potential to become an important part of a portfolio, yet this beneficial investment vehicle is still far from becoming investors' fancy it deserves. Read on to find out how to make best from MFs

KEY POINTS

- MFs provide readymade solutions for investors who do not take too much trouble over details.
- For a sector fund investor, it is important to have the ability to withstand the short-term fluctuations in order to enhance long-term returns.

The growth of mutual funds in India has been erratic. Though MFs have the potential to be the mainstay of every portfolio, they still haven't become a mass investment vehicle in our country. Some of the reasons responsible for the present situation are misconceptions about MFs from time to time, erratic stock market behaviour, operational constraints faced by the industry, mis-selling and investors' fancy for guaranteed return products.

The fact, however, is that investors who do not have the time or the inclination to manage their portfolios actively would do well if they invest in mutual funds. MFs provide readymade solutions for investors who do not take too much trouble over details. Besides, MFs offer funds that have a long-term performance track record and hence can be relied upon for healthy returns over time. Investors also benefit from the fact that fund managers realign the portfolios on an ongoing basis in line with the stock market behaviour. Today, it is possible for every investor to design a portfolio according to his risk profile and time horizon only with the help of mutual funds. Simply put, mutual funds are a complete investment vehicle that has something to offer to everyone.

Sadly, even existing investors have not realized the potential of mutual funds to the fullest. For example, in spite of being an ideal product for small investors to experience equity investing and to earn better returns while saving taxes, equity-linked savings schemes (ELSS) have failed to make a mark. Investors will do well to consider these schemes for at least a part of their tax savings investments. The right way for investors to move ahead would be to make ELSS a part of their overall equity investment strategy rather than following a haphazard approach.

Then, there are investors who invest much larger amounts in an ELSS than what they are required to invest to save taxes

thinking that being a closed ended fund it will provide better returns compared to open-ended funds. Though it is true that lock-in period of three years allows the fund manager the freedom to build portfolio for long term, it is wrong to assume that the closed ended structure alone can guarantee better returns. Therefore, ELSS should be considered only for investment to be made to save taxes.

Another fund category that gets lots of attention, especially when the markets do well, is Sector funds. Though these funds can help in increasing exposure to those industries that may be under-represented in an existing portfolio, many investors consider them to be a vehicle to make a quick buck. It is important for investors to know that due to their narrow focus, the NAVs of sector funds can be more volatile compared to those of diversified funds. Therefore, for a sector fund investor, it is important to have the ability to withstand the short-term fluctuations in order to enhance long-term returns.

Before adding a sector fund to a portfolio, one needs to assess certain key criteria that may be important to one's profile. These are:

- Assess one's risk-taking capacity and the temperament to tackle the volatile nature of sector funds.
- The capacity to hold a sector fund for the long-term if required and to curb the urge to switch frequently from one sector to another.
- To have realistic expectations from a sector fund.

As a thumb rule, for someone who has a decent exposure to equity funds and is conversant with the behavior of equity market, around 10 to 15 per cent can be invested in sector funds. One can adopt different strategies to reduce the risks generally associated with investing in sector funds. One such strategy could be to have small exposure in multiple industries rather than having huge exposure in one sector.

Being one of the most versatile investment vehicles, mutual funds deserve a better deal from investors. Therefore, those who haven't experienced them should do it now. Even existing investors need to be consistent with their investment process. The key to success for both is to select options as per their needs rather than getting swayed by the market moods. ■

(Send your feedback to comment@dwj.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 August 27, 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	1.59	10.62	13.25	24.67	23.95	14.40	24.65
Canara Robeco Equity Diversified	Sep-03	2.75	10.98	19.11	30.81	29.13	16.44	20.47
DSPBR Top 100 Equity Reg	Feb-03	2.43	9.56	11.95	21.70	19.83	14.87	25.34
DWS Alpha Equity Regular	Jan-03	3.24	12.23	15.22	21.20	14.64	11.53	22.26
DWS Investment Opportunity Regular	Jan-04	3.03	11.71	14.76	24.40	14.67	12.73	23.30
Fidelity India Special Situations	Apr-06	1.98	11.86	17.79	30.19	20.32	10.25	—
Franklin India Prima Plus	Sep-94	3.77	13.84	15.28	28.05	21.04	11.94	22.38
HDFC Equity	Dec-94	4.59	15.57	22.78	42.39	32.86	18.87	26.83
HDFC Top 200	Sep-96	3.08	13.01	18.45	29.72	27.40	19.00	26.82
ICICI Prudential Focused Bluechip	May-08	1.31	11.97	16.18	28.13	27.15	—	—
ICICI Prudential Discovery	Jul-04	1.84	11.71	18.24	41.90	37.90	21.67	21.80
Kotak 30	Dec-98	1.20	11.26	13.33	21.06	13.53	10.25	20.36
Kotak Opportunities Fund	Aug-04	4.61	14.55	17.80	27.85	18.21	13.99	22.41
Reliance Equity Opportunities	Mar-05	4.25	17.09	26.42	54.80	34.74	16.86	24.08
Reliance Growth	Oct-95	2.35	10.75	15.89	31.25	23.35	16.65	24.21
Reliance Regular Savings Equity	May-05	2.69	13.39	15.42	31.07	25.24	22.42	25.49
Reliance Vision	Oct-95	1.52	11.23	14.16	26.71	21.91	9.71	21.49
Religare Contra	Mar-07	1.26	9.80	11.32	25.23	29.76	14.03	—
SBI Magnum Sector Umbrella - Contra	Jul-99	1.11	11.61	10.83	19.22	19.00	11.04	22.04
SBI Magnum Multiplier Plus 93	Feb-93	1.83	13.64	18.36	30.54	22.07	11.23	22.64
Sundaram BNP Paribas Select Focus	Jul-02	0.95	11.13	12.39	17.15	11.72	10.58	21.59
Tata Equity PE Fund	Jun-04	1.32	8.30	12.02	27.10	22.87	15.82	22.23
Tata Select Equity Fund	Apr-01	3.56	12.22	15.09	29.94	20.46	6.22	19.16

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	3.03	9.40	16.86	20.70	20.06	10.47	—
DSPBR T.I.G.E.R. Fund	May-04	3.85	13.45	17.09	23.13	18.32	8.59	23.00
ICICI Prudential Infrastructure Fund	Aug-05	-0.86	8.52	9.59	13.02	10.50	11.07	—
DSPBR World Gold Fund	Aug-07	3.70	5.49	17.03	24.75	18.18	—	—
Reliance Banking	May-03	7.38	20.28	35.33	59.20	43.49	28.10	26.73
Reliance Diversified Power Sector	Apr-04	0.71	9.08	11.75	20.27	20.99	20.43	34.11
Canara Robeco Equity Tax Saver	Mar-93	3.95	12.23	22.19	34.99	36.81	20.16	23.71
SBI Magnum Taxgain Scheme 93	Mar-93	0.27	10.20	9.98	20.39	15.84	7.66	17.52
Sundaram BNP Paribas Tax saver	Nov-99	1.17	12.35	12.24	17.06	18.82	14.51	21.41

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	3.53	14.26	16.99	33.41	28.67	14.21	23.51
IDFC Premier Equity Plan A	Sep-05	6.42	22.90	27.31	49.12	33.55	25.62	—
Principal Emerging Bluechip Fund	Oct-08	4.38	14.21	17.57	42.81	—	—	—
Sundaram BNP Paribas Select Midcap	Jul-02	4.92	17.78	19.17	37.36	29.32	16.96	25.62
Sundaram BNP Paribas S.M.I.L.E.	Jan-05	2.23	14.63	18.25	27.60	27.40	20.14	21.95

MIP

Fund	Launch	1-Month*	3-Month*	6-Month*	1-Year*	2-Year**	3-Year**	5-Year**
Canara Robeco MIP	Apr-01	0.6917	2.5363	6.0405	9.0378	14.0137	9.9438	13.1225
HDFC MIP LTP	Dec-03	1.4362	4.5163	7.6898	14.0788	18.1805	12.5528	13.0007
Reliance MIP	Dec-03	1.008	3.7063	6.3347	12.8308	20.3255	15.001	12.522
Principal MIP Plus	Dec-03	0.2705	2.3777	3.5172	7.0885	10.4347	10.8895	10.0251

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	2.90	11.60	16.08	26.68	26.79	14.75	20.29
HDFC Prudence	Jan-94	3.81	11.66	19.96	39.74	32.01	18.12	23.50
Reliance Regular Savings Balanced	May-05	4.08	12.46	17.22	30.92	31.43	21.39	17.66

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	0.1705	0.3143	0.9352	2.9174	6.1397	9.4704	9.9853
Fortis Flexi Debt Reg	Sep-04	0.1853	-0.0612	0.3358	2.0432	4.3431	11.3286	10.6939
Templeton India Short-term Income Ret	Jan-02	0.129	0.2981	1.0946	3.1813	7.3072	10.4725	—
Templeton India Income Opportunities	Dec-09	0.1198	0.275	1.2829	4.1347	—	—	—
Fortis Money Plus Reg	Oct-05	0.105	0.453	1.3333	2.4856	4.8518	6.7192	—
Kotak Floater LT	Aug-04	0.0999	0.4314	1.3323	2.56	5.0272	6.4939	—

*Absolute ** Annualized.

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

Scheme name	Date	Dividend declared in Rs. Per unit
Birla SL Advantage Fund (D)	06/08/2010	7.00
Birla SL Frontline Equity -A (D)	06/08/2010	1.25
SBI Magnum Contra Fund (D)	13/08/2010	3.50
Sahara Star Value Fund (D)	16/08/2010	1.00
ICICI Pru Dynamic Plan (D)	20/08/2010	1.00
ICICI Pru Growth (D)	20/08/2010	1.00
Tata Life Science & Tech Fund (D)	20/08/2010	2.00
Taurus Infrastructure (D)	20/08/2010	1.00
Birla SL (I) Opportunities (D)	27/08/2010	1.25
Birla Sun Life MNC Fund (D)	27/08/2010	5.25
ICICI Pru Infrastructure (D)	27/08/2010	0.50
Tata Equity P/E Fund (TO-A5%) (D)	27/08/2010	1.50
Tata Equity P/E Fund (TO-B 10%) (D)	27/08/2010	1.50
Axis Tax Saver Fund (D)	31/08/2010	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 you 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.

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. Publication: August 2010/HDFC/10/04

Efficient Market Hypothesis Under Siege

The Efficient Market Hypothesis (EMH) was developed by Professor Eugene Fama at the University of Chicago in the early 1960s. In his classic paper, Fama defined market efficiency as the state where security prices reflect all available information. Burton Malkiel, a well known proponent of the general validity of EMH has defined the capital market to be efficient if it fully and correctly reflects all relevant information in determining security prices. According to him, formally the market is said to be efficient with respect to some information set, if security prices would be unaffected by revealing that information to all participants. The efficiency with respect to an informational set implies that it is impossible to make profits by trading on the basis of that information.

The most important consequence of the EMH is that it is impossible for investors to consistently beat the markets on a risk adjusted basis. In fact, proponents of the EMH propagate that it is futile to even attempt to beat the market. That's because stock prices reflect everything that can be considered or known about the prospects of a stock. The hypothesis also assumes that only a random chance may allow a specific portfolio to perform better than the markets.

The forms of an efficient stock market have been described as weak, semi strong and strong. While in the weak form no relationship exists between prior and future stock prices, in the semi strong version the stock prices adjust quickly to new data. In the strong form, stock prices reflect all public and private information. No group has access to information that would enable it to earn superior risk adjusted returns.

In the recent times, the EMH has been receiving mixed reactions making it a highly controversial and disputed theory. In fact, the EMH has been a subject of intense debate between academics and the finance professionals. As is evident, the EMH propagates passive investment strategy wherein investors should not make any attempt to beat the market. However, there have been investors such as Peter Lynch, Warren Buffett, George Soros, and Bill Miller who convincingly beat the markets for long periods of time thereby contradicting the EMH which clearly implies that no such opportunities exist in the market place. Even in the mutual fund arena, both international and domestic, there have been many fund managers, who have outperformed the stock markets over the medium to longer term horizon.

There have been instances that have corroborated the fact that stock prices can deviate from their fair values. One such example is a fall of more than 20 per cent in Dow Jones in a single day in 1987. There have been such instances in Indian stock markets too. In addition, the stock market behavior in different parts of world over different time periods proves that markets are after all not "efficient". Moreover, investors do not always make rational choices and investments. Besides, there are several stock market anomalies that contradict the EMH.

The recent global financial crisis raised serious doubts about the EMH. While the noted market strategist Jeremy Grantham held the EMH responsible for the crisis, a few others have found serious flaws in the theory. However, Fama himself felt that the markets were a casualty of the recession and not the cause of it.

There are many theories that challenge the EMH, but the one that stands out is the Adaptive Market Hypothesis (AMH). The AMH offers an opportunity for behavioral finance to become an integrated theory. The theory goes that behavior is not intrinsic; instead, it depends on the surrounding environment and evolves by natural selection.

The AMH, as proposed by Andrew Lo, is a theory that expectations about market conditions are based in somewhat imperfect perceptions of how recent events might affect the future, and with less than perfect rationality. Further, it says that market participants are not always perfectly rational. Though they are driven by the competition, they often learn from bad decisions. Therefore, to survive, one has to constantly innovate.

The effectiveness of different philosophies and strategies such as value, growth and arbitrage during certain time periods proves that it is indeed possible for investors to get above-market returns. The AMH further states that although there are long periods of stability, there may be several periods of instability. When this happens, only those who can adapt quickly will survive and grow.

The AMH recognizes complex market dynamics, cycles, trends, panic and crashes as a part and parcel of the normal market behaviour. Besides, the level of success that one achieve from one's investment strategy depends on factors such as ever changing business environment, new entrants as well as existing players exiting the market, availability as well as magnitude of the profitability.

One such example in Indian markets is the government's recent decision to increase non-promoters holdings in Indian companies. In a move that could deepen the Indian stock market, the minimum threshold level of public holdings has been raised to 25 per cent for all listed companies. This will provide more opportunities to investors in different categories to increase their stake in the stock market.

No doubt, inspite of being a relatively new theory, the acceptability of AMH among the market players is on the rise. However, its implications are not yet fully known. The fact remains that markets are neither perfectly efficient nor completely inefficient. Besides, there have not been any consistent evidences of out-performance by a large number of active fund managers as well as any correlation between strong performances from one period to another one.

As is evident, the AMH seems to have an edge over the EMH. Though the EMH remained a widely accepted theory for couple of decades, market inefficiencies arising from behavioral biases make markets oscillate away from the EMH. Today's markets are highly complex and dynamic and hence susceptible to chaos. Besides, the investment environment itself is ever changing. In Lo's own words, fixed rules that ignore changing environment will always have unintended consequences: those enacted in the aftermath of crisis may be too severe during normal times, and those repealed after long periods of prosperity may lead to future excesses. He further adds that the only way to break this vicious circle is to recognize its origin- adaptive behavior- and design equally adaptive regulations to counterbalance human nature.

(This article written by our CEO was published in Business and Management Chronicle - September 2010).



RELIANCE Mutual Fund
Anil Dhirubhai Ambani Group

opportunities multiplied

Reliance Equity Opportunities Fund

Toll free: 1800-300-11111
SMS 'INVEST' to 561617
www.reliancecmutual.com

Charges apply Rs. 2 per 1000

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 Equity Opportunities Fund (An Open ended Diversified Equity Scheme):** The primary investment objective of the scheme is to seek to generate capital appreciation & provide long-term growth opportunities by investing in a portfolio constituted of equity securities & equity related securities and the secondary objective is to generate consistent returns by investing in debt and money market securities. **Asset Allocation:** Equity and Equity related Instruments: 100 to 75%, Debt Instruments & Money Market securities (including investments in securitized debt): 25 to 0%. **Load:** 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 Scheme provides 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 Equity Opportunities Fund 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 which is available at all the DISC / Distributors / www.reliancecmutual.com. Please read the Scheme Information Document and Statement of Additional Information carefully before investing.**

Highlights of Direct Taxes Code Bill, 2010

- ▶ Separate threshold exemption limits for men and women done away with. Common threshold limit of Rs. 2,00,000. For resident senior citizens, threshold increased from Rs. 2,40,000 to Rs. 2,50,000.
- ▶ HRA exemption restored.
- ▶ Employer's contributions to NPS (not exceeding 10% of salary), to approved superannuation fund (no limit - limit of 1,00,000 done away with), to approved PF (not exceeding 12% of salary), interest credited to approved fund not to be included in salary.
- ▶ Only actual rent from house property to be taxed. Present system of taxing notional value called 'annual value' proposed to be done away with.
- ▶ Interest on loan taken to repay housing loan deductible in calculating income from house property. This is in line with judicial interpretations.
- ▶ Rent received in arrears to be included in the year of receipt, whether person is owner of property or not, after allowing 20% deduction towards repairs & maintenance.
- ▶ Consideration received from transfer of carbon credits to be taxed as business income.
- ▶ Remission or cessation of any liability by way of loan / deposit / advance / credit to be taxed as business income.
- ▶ Scientific Research and Development in house facility expenses - weighted deduction proposed to be increased from 150% to 200%.
- ▶ Transfer of land of a sick industrial company made under a scheme sanctioned under section 18 of SICA where such company is being managed by worker's co-operative not to attract capital gains tax.
- ▶ Reverse mortgage under notified scheme to continue to be exempt from capital gains tax.
- ▶ Exemption for long-term capital gains from equity shares/units of equity oriented mutual funds retained. STT to be retained.
- ▶ Short-term capital gains (where equity shares / units are held for 1 year or less) - deduction of 50% to be allowed and balance 50% taxed. Likewise short-term capital loss to be scaled down by 50%.
- ▶ Deduction for interest on housing loan / loan taken for repair or renovation of house property upto limit of Rs. 1,50,000 in respect of one house property not let out. No deduction for re-payment of principal under the Code.
- ▶ Limit for tax audits for professionals increased from Rs. 15 lakhs to Rs. 25 lakhs. Limit for tax audit for business increased from Rs. 60 lakhs to Rs. 1 crore.
- ▶ Amount received by employee from NPS trust is tax-free. Thus, NPS which is taxed on EET basis is proposed to be made EEE (Exempt-Exempt-Exempt) for employees.
- ▶ MAT rate - Increased from 15% of book profits to 20%. MAT Credit carry forward period increased from 10 years to 15 years.
- ▶ DDT on dividend of domestic company - 15%.
- ▶ DDT on income distributed by mutual fund/life insurance to unitholder / policy holder - 5%.
- ▶ Wealth tax - threshold increased from Rs. 30,00,000 to Rs. 1 crore. Tax rate will be 1% of net wealth in excess of Rs. 1 crore.

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.