

Weekly Mutual Fund Report

June 18, 2012

Market Update

Equity markets:

- **Indian Markets:** The market gained for the second week in a row on persistent buying by funds and traders on hopes of aggressive cut in interest rate and cash reserve ratio (CRR) by the Reserve Bank of India (RBI) in its first quarter review of monetary policy meeting on Monday. The market rose for three out of five trading sessions. BSE Sensex rose 231 points or 1.4% to 16,950. S&P CNX Nifty rose 71 points or 1.4% to 5,139. BSE Mid-Cap index fell 0.5% while the BSE Small-Cap index rose 0.4%. Both these indices underperformed the Sensex.

Indices watch:

Scheme Name	1 Week Chg (%)	1 Month Chg (%)	3 Month Chg (%)	6 Month Chg (%)	1 Year Chg (%)	3 Year Chg (%)
Sensex	1.38	3.81	-4.11	7.03	-6.52	13.94
Nifty	1.39	3.97	-4.49	8.27	-5.66	14.61
CNX Midcap	-0.02	1.01	-8.99	9.90	-12.40	28.38
BSE Smallcap	0.40	0.26	-6.33	9.87	-23.43	7.91
S&P CNX 500	0.91	2.91	-5.34	8.80	-8.49	12.61
Crisil Balanced Fund Index	0.16	2.27	-4.10	5.69	-1.99	14.96
Crisil Composite Bond Fund Index	0.26	0.85	2.27	4.31	8.96	19.50
Crisil Liquid Fund Index	0.16	0.72	2.24	4.47	8.70	20.07
I-Sec Composite Gilt Index	0.60	2.52	3.34	6.20	10.42	20.95
Gold-India	2.78	6.95	9.07	9.97	35.30	107.34

Data as on June 15, 2012.

- **Outlook for the current week:** Greece's pro-bailout, pro-euro New Democracy Party emerged victorious on Sunday, indicating the Greeks will to stay anchored with the euro and remain an integral part of the euro zone.
- On the domestic front, political developments like a decision on the next finance minister and the future of the Mamata Banerjee-led Trinamool Congress within the United Progressive Alliance, will have a bearing on investor sentiments. All these events have the potential to move the markets sharply and investors will be watchful of the outcomes. Globally the US Fed meet on June 19-20 will be watched for hints of QE3.
- On the flip side, the hike in minimum support prices of various kharif (June-October) crops 2012 is expected to further fuel persistently high food inflation in the coming months.

Market Update

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- **Global Markets:** US Stocks recorded their third big gain of the week and closed at a one-month high on Friday because of expectations that the central banks of countries around the world will step in to limit the damage from a debt crisis in Europe. Asian stock markets advanced for the second straight week on expectations that major central banks in the world would act to tackle deteriorating global economic conditions.

Global Index	15-Jun	8-Jun	Change (%)
DJIA	12767	12554	1.70
NASDAQ	2873	2858	0.52
FTSE	5479	5435	0.81
Hang Seng	19234	18502	3.96
Shanghai	2307	2281	1.14
Nikkei	8569	8459	1.30
MSCI Emerging Markets	925	905	2.21
MSCI All Country World Index	1209	1189	1.68

Debt markets:

- **G Sec:** The Indian bond markets witnessed moderation in the yields for the week ended June 15, 2012. The G-Sec market opened the week on Monday on a firm note on absence of any scheduled G-sec auction for the week. However, S&P's comments on India's investment-grade credit rating negatively impacted the sentiments. S&P warned India could become the first BRIC nation to lose its investment-grade credit rating. The release of IIP number, which came below market expectation boosted the prices of the gilts on Tuesday. Further, scheduled OMO purchases for the day also gave respite to the market. Expectation on further rate cut by the RBI due to weak economic data improved the sentiment on Wednesday. Market ended flat on Thursday as the WPI inflation numbers for the month of May came in line with the market expectation. However, the market was disappointed a little by the sharp revision of 80 basis points in the Mar-12 WPI to 7.69%. Market sentiment turned cautious on Friday ahead of the release of the mid quarter policy review by RBI on Monday.
- Hence, the new 10 Yr benchmark, 'G Sec 8.15% GS 2022' bond yields closed down by 11 basis points at 8.05% (100.66) on Friday Vs. its close of 8.16% on the previous week.

Market Update

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WPI Inflation:

- Inflation based on the wholesale price index (WPI) accelerated to 7.55% in May 2012 from a year earlier as prices of manufactured products and fuel increased, government data showed Thursday (12 June 2012). Inflation was at 7.23% in April 2012. The government also raised WPI inflation reading for March 2012 to 7.69% from 6.89% reported earlier. Core inflation, or non-food manufacturing inflation, was below 5% in May 2012, far lower than the headline reading. Inflation in India has moderated from 10% in September 2011, but still remains above the central bank's comfort level. The RBI aims to contain inflation expectations below 4.5%.

T-Bill:

- The T-Bill auctions held on June 13 were fully subscribed. RBI set the cut-off price for the 91-Day T-Bill at 8.14% which was lower than the previous cut off of 8.27%. The 364-day T-bill auction saw cut-off come in at 7.83% which was lower than the previous cut off of 8.28%.
- The central bank announced the sale of 91 Day T-Bill for the amount of Rs. 9,000 crore and 364 Day T-Bill for Rs. 5,000 crore. The auction will be conducted on June 20.

Debt watch:

Debt (%)	15-Jun	8-Jun	Change (bps)
Call Rate	8.00	8.21	-21
CBLO	7.09	8.00	-91
Repo	8.00	8.00	0
Reverse Repo	7.00	7.00	0
10 Year G sec	8.05	8.16	-11
MIBOR	9.64	9.63	1
LIBOR - UK	1.00	1.00	0
LIBOR - USA	0.47	0.47	0
LIBOR - Europe	0.60	0.60	0

Market Update

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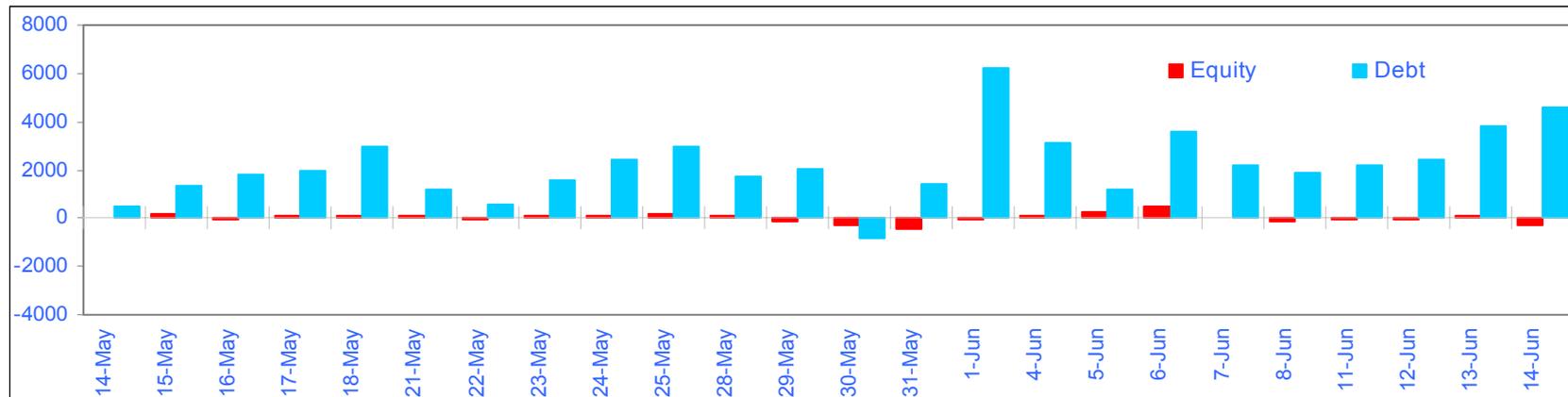
Corporate Bonds:

- The 1 year AAA bond ended at 9.40% which was lower than the previous close of 9.60%. The 10-year bond traded at 9.28% which was lower than the previous close of 9.31%.

Call & CBLO:

- The liquidity in the system was easy last week as compared to previous week. Bids for repo were a daily average of Rs. 79,832 crore for last week (Rs. 89,714 crore in previous week).
- The inter bank call rates hovered in the range of 8% levels. The CBLO rates were positioned at 7.09% level.

MF's net investment in Equity and Debt:



Outlook for the week: We feel that the 10-year G Sec yields could trade in the 7.95% - 8.25% band for the week.

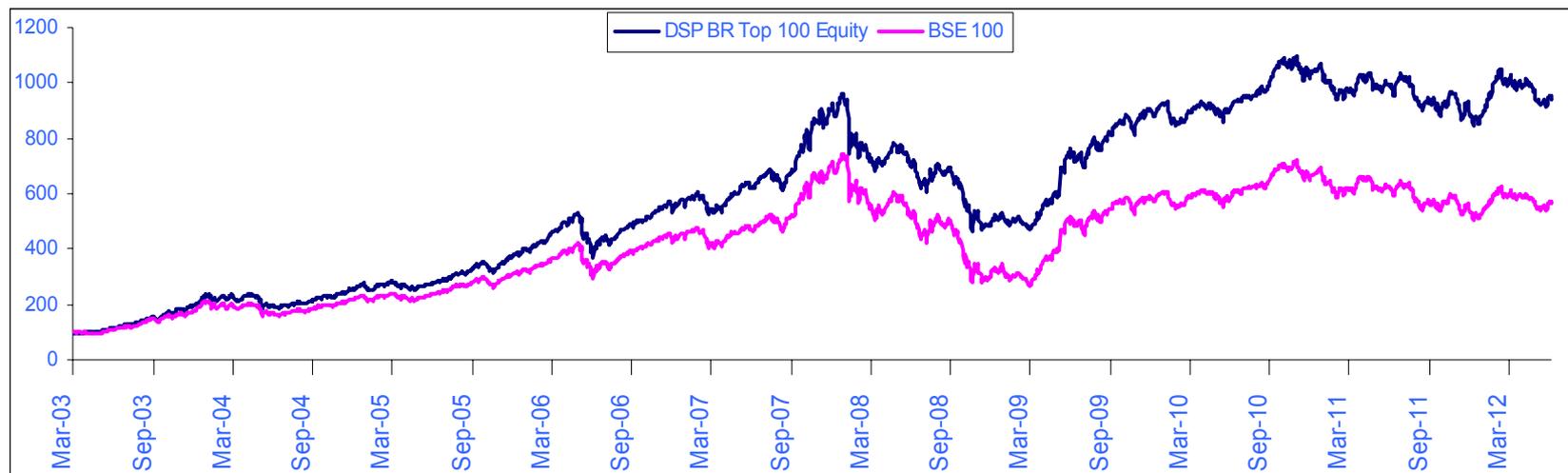
Scheme Analysis

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Key Points:

- DSP BR Top 100 Equity, a consistent performer from large cap category, has managed to deliver consistent returns in all market conditions thanks to its strategy of investing in blue chip stocks. It registered -2%, +10% and +9% of compounded returns over 1, 3 and 5 years while the benchmark posted -4%, +7% and +4% of returns respectively. For the same period, the category clocked -7%, +7% and +5% of CAGR returns respectively.
- The efficient call strategy by the scheme helped the scheme not only to withstand the corrections during the market downturns but also to generate notable returns during the high volatile periods. The scheme has been managed with high quality diversified portfolio. The portfolio has been churned aggressively in last six months period in as much as it added 13 new stocks and exited from 18. The turnover ratio of 279% represents high churning.
- The fund manager of the scheme prefers to hold only large cap stocks. There has been an average of 95% of assets into blue chip stocks considering last one-year period. The latest portfolio as on March 2012 shows 96% of its assets into large cap stocks.
- **Unit Growth of investments Vs. Benchmark**

(Rebased to 100)

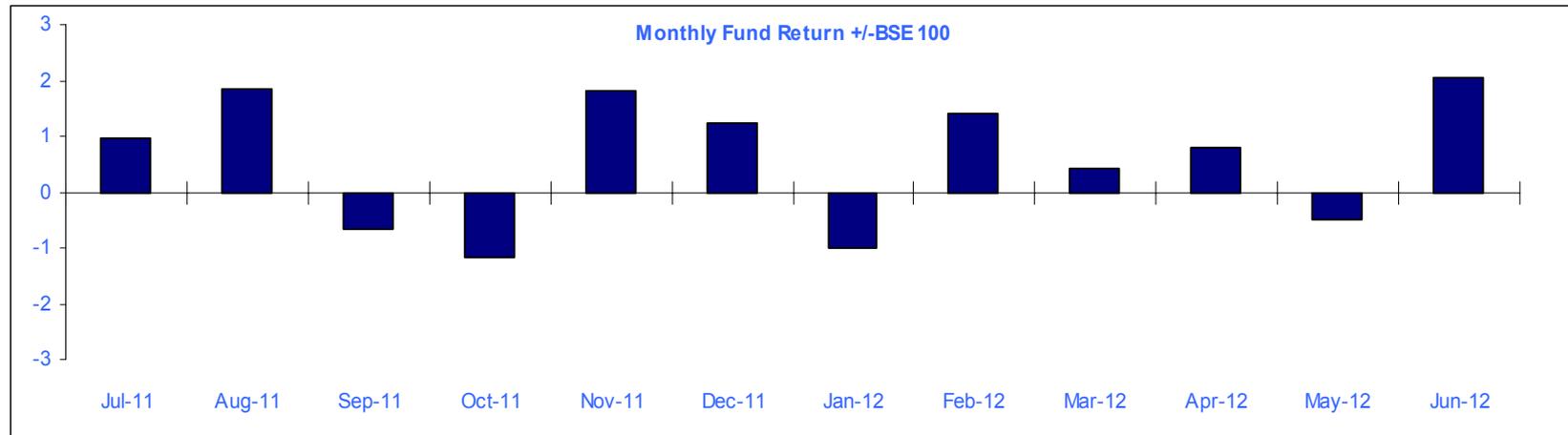


Scheme Analysis

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- TCS, RIL and Wipro Ltd are the stocks that topped in its latest portfolio having weights of 6.67%, 5.84% and 5.83% to its net assets respectively. The expense ratio of 1.75% for the scheme is lower compared to the category average of 2.17%.
- Rating agencies like Value Research & Crisil assigned '5 star' and 'CPR 2' respectively for the scheme. These reflect good performance of the scheme on generating high-risk adjusted returns. The scheme is managed by Mr. Apoorva Shah. The corpus of the scheme as per latest data was at Rs. 3,174 crore.
- As far as risk measures are concerned, the scheme has done well in terms of Sharpe and Jenson's Alpha. It registered Sharpe of -0.02% (11/53) and Alpha of 0.01% (7/53). The scheme seems to be less risky in the category as it generated 1.13% (category 1.17%) of Standard Deviation over the last one-year.
- **Conclusion:** Considering its large cap orientation and efficient call strategy, investors with medium risk appetite can consider investing in the scheme and hold for at least 2 years. Investment through SIP is advisable at this moment given the recent volatile nature of Indian equity markets.

Fund Performance vis-a-vis Benchmark (excess returns):



Above diagram displays cash holding of scheme vis-à-vis Sensex movements over periods.

Mutual Fund Score Board

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Mutual Fund Preferred Picks:

Equity - Diversified - Large CAP

Scheme Name	NAV (Rs)	Fund Size (Cr. Rs)	1 Year Return	3 Year Return	5 Year Return	Return Since Inception	Top holdings	Crisil Rank	Value Research Rating	Risk Grade	Return Grade
HDFC Top 200 Fund (G)	194.16	11381.06	-6.06	10.89	10.69	20.66	SBI, ICICI, ITC, Infy and TATA Mot	CPR 1	4 Star	Average	Above Average
HDFC Equity Fund - (G)	250.75	9916.37	-9.02	13.84	9.40	20.26	SBI, ICICI, INFY, Tata Motors DVR & ITC	CPR 1	5 Star	Below Average	High
ICICI Pru Focused Bluechip Equity (G)	15.80	3805.27	-2.58	13.54	-	11.88	INFY, ITC, RIL, HDFC & Bajaj Auto	CPR 1	5 Star	Low	High

Equity - Diversified - Multi CAP

Scheme Name	NAV (Rs)	Fund Size (Cr. Rs)	1 Year Return	3 Year Return	5 Year Return	Return Since Inception	Top holdings	Crisil Rank	Value Research Rating	Risk Grade	Return Grade
UTI-Opportunities Fund (G)	27.76	2814.09	2.39	12.85	13.34	15.81	ICICI Bank, Infy, Crisil, SBI & HDFC	CPR 1	5 Star	Low	High
Birla Sun Life Dividend Yield Plus (G)	81.39	1162.99	-4.34	15.96	12.19	25.27	ITC, Hero Motocorp, Tata Motors DVR, ONGC & Bajaj Auto	CPR 1	4 Star	Low	High
Reliance Equity Opportunities Fund (G)	36.08	3340.12	-0.03	20.70	9.94	19.57	Divi's Lab, Infy, SBI, Maruti Suzuki, Trent	CPR 1	4 Star	Below Average	Above Average

Equity - Diversified - Mid n Small CAP

Scheme Name	NAV (Rs)	Fund Size (Cr. Rs)	1 Year Return	3 Year Return	5 Year Return	Return Since Inception	Top holdings	Crisil Rank	Value Research Rating	Risk Grade	Return Grade
IDFC Premier Equity Fund - Plan A (G)	32.44	2560.57	0.85	18.97	15.33	19.14	Asian Paints, Coromandel Int, Page Ind, Glaxo CH & Bata India	CPR 2	5 Star	Below Average	High
ICICI Pru Discovery Fund (G)	47.62	1778.60	-2.21	20.68	11.55	22.04	Cipla, RIL, Sterite Ind, Amara Raja Batt & Rain Commodities	CPR 1	5 Star	Below Average	High
HDFC Mid-Cap Opportunities Fund (G)	15.60	1860.28	-3.31	20.94	-	9.35	Ipca Lab, Carborundum, Allahabad Bank, Indian Bank & BoB	CPR 1	4 Star	Low	Average

Mutual Fund Score Board

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Equity - Tax Planning											
Scheme Name	NAV (Rs)	Fund Size (Cr. Rs)	1 Year Return	3 Year Return	5 Year Return	Return Since Inception	Top holdings	Crisil Rank	Value Research Rating	Risk Grade	Return Grade
Canara Robeco Equity - Tax Saver (G)	25.56	362.34	-0.50	13.99	-	30.68	HDFC, Infy, RIL, ICICI & TCS	CPR 1	5 Star	Low	High
Franklin India Taxshield - (G)	204.96	799.98	-1.68	12.64	8.92	26.04	ICICI, Infy, Bharti Airtel, HDFC Bank and Grasim Ind.	CPR 1	4 Star	Low	Above Average
Fidelity Tax Advantage Fund (G)	20.36	1175.62	-5.79	12.69	8.34	11.94	RIL, ITC, HDFC, Infy & ICICI Bank	CPR 1	4 Star	Below Average	Above Average

Hybrid - Equity Oriented (Atleast 60% in equity)											
Scheme Name	NAV (Rs)	Fund Size (Cr. Rs)	1 Year Return	3 Year Return	5 Year Return	Return Since Inception	Top holdings	Crisil Rank	Value Research Rating	Risk Grade	Return Grade
HDFC Balanced Fund (G)	57.23	554.93	0.14	17.02	12.54	15.98	TCS, ICICI Bank, Infy, RIL & Axis Bank	CPR 1	5 Star	Low	High
HDFC Prudence Fund - (G)	210.31	6248.60	-1.57	16.37	11.66	18.42	SBI, ICICI, Tata Motors DVR, Page Ind & BOB	CPR 1	4 Star	Average	High

Hybrid - Monthly Income Plan - Long Term (About 15% to 20% in equity)											
Scheme Name	NAV (Rs)	Fund Size (Cr. Rs)	1 Year Return	3 Year Return	5 Year Return	Return Since Inception	Top holdings	Crisil Rank	Value Research Rating	Risk Grade	Return Grade
Reliance Monthly Income Plan (G)	23.47	4141.96	7.79	9.36	11.47	10.63	PTC: Tata Tele, Aditya Birla Nuvo. NCD:PFC, Rel Infra	CPR 1	5 Star	Average	High
Birla Sun Life MIP II - Savings 5 (G)	19.43	351.63	9.38	7.44	10.35	8.58	Debenture: LIC H, IDBI. FRF: PFC. Eq: Wiyeth, Glaxo CH	CPR 2	4 Star	Low	Above Average

Mutual Fund Score Board

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Short Term Income Funds

Scheme Name	NAV (Rs)	Fund Size (Cr. Rs)	1 Year Return	2 Year Return	3 Year Return	Return Since Inception	Top Holdings	Crisil Rank	Value Research Rating	Risk Grade	Return Grade
JM Short Term Fund - (G)	21.57	214.05	10.12	8.65	7.66	8.00	CD: Canara Bank, SBB, IDBI Bank. CP: India Infoline Fin	CPR 2	3 Star	Average	Above Average
Taurus Short Term Income Fund (G)	1879.85	94.91	10.24	9.22	7.17	6.01	CD: SBB, SBP, IDBI. CP: Religare Finvest, Essar Ports	CPR 2	5 Star	Average	High

Ultra Short Term Funds

Scheme Name	NAV (Rs)	Fund Size (Cr. Rs)	1 Year Return	2 Year Return	3 Year Return	Return Since Inception	Top Holdings	Crisil Rank	Value Research Rating	Risk Grade	Return Grade
Birta Sun Life Floating Rate - LTP (G)	188.67	539.41	10.08	8.75	8.27	7.28	CD: Karnataka Bank, SBH, ICICI Bank. CP: Tata Mot	CPR 2	4 Star	Below Average	Average
Canara Robeco Floating Rate (G)	17.08	195.28	10.07	8.99	7.52	7.62	CD: Central Bank, Kotak Mahindra Bank,. CP: IOC, IIFL and CBLO	CPR 3	5 Star	Below Average	High

Income Funds

Scheme Name	NAV (Rs)	Fund Size (Cr. Rs)	1 Year Return	2 Year Return	3 Year Return	Return Since Inception	Top Holdings	Crisil Rank	Value Research Rating	Risk Grade	Return Grade
Kotak Bond - Regular Plan (G)	31.51	501.87	13.38	7.96	7.42	9.51	CD: Punjab Sind Bank, UCO, IDBI Bank. GOI, LIC Hou Fin	CPR 1	3 Star	Above Average	Above Average
SBI Dynamic Bond Fund (G)	13.50	1372.37	12.50	10.45	8.47	3.66	CD: Bank of India, Andhra Bank, Canara Bank. NCD: Rural Electri	CPR 1	5 Star	Average	High

Mutual Fund Score Board

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Gift Funds											
Scheme Name	NAV (Rs)	Fund Size (Cr. Rs)	1 Year Return	2 Year Return	3 Year Return	Return Since Inception	Top Holdings	Crisil Rank	Value Research Rating	Risk Grade	Return Grade
Birla Sun Life Govt Sec - Long Term (G)	31.75	306.86	10.93	7.59	8.98	9.61	T. Bill 91-D 21/06/2012 & Cash.	CPR 1	4 Star	Below Average	Above Average
Kotak Gilt - Invest Plan (G)	37.78	189.62	14.98	8.77	8.21	10.36	9.49% GOI 2022, 9.23% GOI 2022, T Bill & Cash.	CPR 1	4 Star	Average	Above Average

Notes:

- NAV value as on June 15, 2012. Portfolio data as on Apr 2012.
- Returns are trailing and annualized (CAGR).
- The notations '5 Star & CPR 1' (used by VR & Crisil respectively) are considered as top in respective rating and ranking scales.
- The performance of the funds are rated and classified by Value Research in the following ways. Top 10% funds in each category were classified '*****' funds, the next 22.5% got a '****' star, while the middle 35% got a '***', while the next 22.5% and bottom 10% got '**' and '*' respectively.
- The criteria used in computing the CRISIL Composite Performance Rank are Superior Return Score, based on NAVs over the Quarter Ended Mar 12, Based on percentile of number of schemes considered in the category, the schemes are ranked as follows: CPR 1- Very Good performance, CPR 2 - Good performance, CPR 3 - Average performance, CPR 4 - Below average and CPR 5 - Relatively weak performance in the category.
- While selecting schemes adequate importance has been given to corpus and age of scheme.

Weekly Mutual Fund Report

NFO Updates:

SI No	Scheme Name	Open Date	Close Date	Minimum Investment (Rs.)
	Equity - Large-cap			
1	Axis Focused 25 Fund(G)	11-Jun-2012	25-Jun-2012	5000
	Equity - Dividend Yield			
2	IIFL Dividend Opp Index-(G)	06-Jun-2012	19-Jun-2012	5000
	Equity - Global			
3	ICICI Pru US Bluechip Equity Fund(G)	18-Jun-2012	02-Jul-2012	5000
	Asset Allocation			
4	Union KBC Asset Allocation-Mod(G)	04-Jun-2012	18-Jun-2012	5000
	Capital Protection			
5	ICICI Pru CPD-II-X-36M-(G)	06-Jun-2012	20-Jun-2012	5000
	Gold ETFs			
6	Canara Robeco Gold Saving Fund(G)	04-Jun-2012	18-Jun-2012	5000
	Fixed Maturity Plans			
7	IDBI FMP-II-366D-June 2012-J(G)	14-Jun-2012	21-Jun-2012	5000
8	UTI FTIF-XII-III(366D)(G)	18-Jun-2012	25-Jun-2012	5000
9	Taurus FMP-369D-U(G)	15-Jun-2012	20-Jun-2012	5000
10	Sundaram FTP-Cv(G)	13-Jun-2012	20-Jun-2012	5000
11	SBI DFS-90D-66(G)	15-Jun-2012	18-Jun-2012	5000
12	Reliance Dual Adv FTF-II-D(G)	15-Jun-2012	29-Jun-2012	5000
13	Religare FMP-XV-D-181D(G)	14-Jun-2012	19-Jun-2012	5000
14	Kotak FMP-89(G)	13-Jun-2012	18-Jun-2012	5000
15	ICICI Pru FMP-64-274D-F(G)	08-Jun-2012	21-Jun-2012	5000
16	HDFC FMP-XXII-372D-June 2012(3)(G)	13-Jun-2012	18-Jun-2012	5000
17	HDFC FMP-XXII-370D-June 2012(3)(G)	13-Jun-2012	18-Jun-2012	5000
18	HDFC FMP-XX-1120D-June 2012(1)(G)	11-Jun-2012	19-Jun-2012	5000
19	HDFC FMP-XXII-92D-June 2012(1)(G)	15-Jun-2012	20-Jun-2012	5000
20	DSPBR FMP 56-3M(G)	15-Jun-2012	19-Jun-2012	5000
21	DSPBR FMP 55-12M(G)	15-Jun-2012	19-Jun-2012	5000
22	DSPBR Dual Advant-4-36M(G)	07-Jun-2012	19-Jun-2012	5000
23	DwS Hybrid FTF-7(G)	13-Jun-2012	27-Jun-2012	5000
24	L&T FMP-VI (June 368D)-A(G)	15-Jun-2012	21-Jun-2012	5000
25	L&T FMP-VI (June 91D)-A(G)	08-Jun-2012	19-Jun-2012	5000
26	Birla SL ST FMP-38(G)	04-Jun-2012	18-Jun-2012	5000
27	Birla SL ST FMP-37(G)	04-Jun-2012	18-Jun-2012	5000

Dividend:

Scheme Name	Record Date	Gross (%)	Individual (%)	Corporate (%)	Ex Div Date
Birla Sun Life Top 100 Fund (D)	22-Jun-2012	10.00	10.00	10.00	25-Jun-2012
Birla Sun Life India GenNext Fund (D)	22-Jun-2012	10.00	10.00	10.00	25-Jun-2012
Birla Sun Life Midcap Fund - Plan A (D)	22-Jun-2012	15.00	15.00	15.00	25-Jun-2012
Franklin India Prima Fund - (D)	22-Jun-2012	40.00	40.00	40.00	25-Jun-2012
DSP BR Opportunities Fund (D)	15-Jun-2012	25.00	25.00	25.00	18-Jun-2012

Weekly Mutual Fund Report

News:

- **AIG MF Announces Change In The Directorship:** AIG Mutual Fund has announced that Mr. James Roberts, an Alternative Director to Mr. Robert Conry has resigned from the Board of AIG Trustee Company (India) Private Limited, with effect from 12 June 2012.
- **Revision in Exit Load under IDBI Short-term Bond Fund:** IDBI Mutual Fund has announced to revise the exit load structure of IDBI Short-term Bond Fund from June 15, 2012. The revised exit load will be 0.65% if exited within 6 months from the date of allotment. Presently, it charged 0.5% if exited within 1 month from the date of allotment.
- **Sundaram India Leadership to Merge with Sundaram Growth Fund:** Sundaram Mutual Fund has announced the merger of Sundaram India Leadership Fund with Sundaram Growth Fund. It will be effective from July 11, 2012. Currently, Sundaram India Leadership fund manages Rs.125.63 crores (as on March 31, 2012). This scheme was launched in June 2004. Investors of Sundaram India Leadership fund have been given an option of exit without paying any exit load from June 11, 2012 to July 7, 2012.

Analyst: Dhuraivel Gunasekaran.

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