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## MANAGING YOUR OWN WEALTH YOUR NEW HOBBY

Today life has become more hectic and competitive than ever. Hobbies have long been the best way of pursuing something of personal interest in your life, apart from the usual works. As a child, we all have had hobbies, but today our old hobbies have been forgotten. Money has assumed great significance and managing wealth has never been more complicated & challenging. A radical & fresh thought which then comes to mind is why not pursue your own wealth management as a hobby? In this article, we attempt to look at wealth management from an entirely different perspective! As your new hobby! The reason why we attempt to see this as a hobby is because wealth management is often the most neglected and procrastinated personal work having great impact on our wealth. If we accept and adopt this as hobby, this important area would receive its due consideration while ensuring that you have an activity on top of your mind.

### What does wealth management as a hobby mean?

Talking about wealth management as a hobby, it would simply mean taking active participation in managing our wealth, financial goals and all other related matters. It is not about you becoming a 'wealth manager' but more about actively working & participating with your wealth / financial advisor in your personal / family wealth management. It is also not about reviewing portfolio very frequently and making changes but more about ensuring that all your activities involving money are addressed on time. This means keeping track & paying your utility bills on time, ensuring returns filing for all, tracking refunds, ensuring all documents are appropriately stored and financial records are properly maintained, etc.

In short, it is all about bringing more awareness, understanding, discipline and participation in your personal finance, wealth & all activities impacting the same.

### Benefits:

Pursuing any activity as a hobby is rewarding in itself. The challenge for most of us though is that the work we do and our interest areas are different. True, if you make your work your hobby and develop interest in the same, it definitely adds up to your productivity, efficiency & the end

results. For adopting your personal wealth management as your hobby, it can be something that is ...

**Rewarding:** Wealth management is probably the most important work you will do for yourself. Taking an active interest and participation along with your Wealth / Financial advisor would prove beneficial for keeping our financial objectives & goals on track of achievement. This hobby has the promise to be much more rewarding for you compared to many other hobbies, which often require financing / spending. Over the time, this hobby can in fact help you pursue your other hobbies & interests actively!

**Interesting:** Wealth management and personal finance is a subject that can be very interesting. Given the diverse nature of assets, investment strategies, diverse markets, products, regulations and ongoing changes, etc., this subject promises to be very interesting for all those taking a dive.

**Life Long:** This hobby is not one time in nature but a continuous, life long affair. It is something which demands your attention for every significant life stage & financial situation change.

**Helpful to others:** As any hobby, pursuing wealth management activities over the time would give you greater understanding, which can be used to also give informal feedbacks & suggestions to your family members and friends where you feel the need. The hobby is thus beneficial not only for the same, but also for those close to you.

The greatest challenge however, is first accepting / adopting your own wealth management activity as a hobby. Most of us may fall short of making this adoption. Keeping yourself interested in this subject is another challenge for you if you are not actively involved in earning, spending or managing money, which is highly unlikely. Lastly, the purpose of having it as a hobby is also to ensure that your own wealth management remains on top of your mind and activities related to the same are not procrastinated.

### Think & Act:

Having considered your own wealth management is your own hobby, let us now see how we can pursue this as a hobby. Please note that this is something which even those who have not fully adopted the idea can actually pursue...



**Organise:** Like any hobby, it is important to organise and plan appropriately. For e.g., if you are pursuing photography, typically, you would take out time for properly naming, tagging, recording, saving & backing up your data / photography. Similarly in wealth management as a hobby, you would be required to first organise all important information and documents at one place.

There are a huge number of documents, starting from salary slips, utility bills, service and product purchase bills, loan/property agreements, personal documents like KYC, school birth certificate, bank / demat account / mutual fund / credit card statements, insurance policies, and so on. Typically you can create separate files / folders for different types of documents. For updating of records, the most important thing is to prepare a list or excel file of all existing investment, insurance policy details and also the details of all the banks / demat / mutual fund / EPF accounts, etc. Do this activity for yourself, spouse, children, parents and for other family members as desired. Taking the first step of organising will itself bring a lot of benefits.

**Assess:** The next important area of this hobby is about making assessment of your financial health and goals. Assessing financial situation would mean keeping a track of our assets, loans & other liabilities, income sources and expenditures. It would give you an overall idea of your net worth and cash flow behaviour which can really be helpful. Assessment of financial goals and objectives is another important area and recording a list of the goals for yourself & your family is the essential first step. Financial goals may cover goals related to life style, children, retirement, and so on. One may also assess the insurance need requirement for life, health, property, etc. One should also keep a monthly track of one's expenses.

On an ongoing basis you may revisit your own assessments of financial health & goals and observe their changes.

**Consult:** Now that you have much better knowledge about yourself and your financial objectives, engaging with your wealth / investment / financial advisor would be much more productive and fruitful. Always try and appraise your advisor with the information and details that you have so that the advisor can take it further and recommend you the action plan that you need to undertake. Interacting, sharing info and working with the advisor is crucial since you may not be in position to arrive at the most optimum action plan suitable to you. Similarly, your background work will give enough inputs to a financial advisor for undertaking a

comprehensive financial planning, which is highly recommended. Keeping a track of the recommendations and financial plans made by your advisor is also a very important activity that is often missed by investors.

**Actions:** As far as action is concerned, the first thing you need to do is stop procrastinating with activities impacting your financial life. This includes doing small things like paying bills on time to more important things like executing investment decisions, taking insurance cover, etc. On an ongoing basis, action would be needed to keep your personal and wealth related details, documents and financial actions updated.

**Grow:** Learning and growing is an inherent part of any hobby. The subject matter of personal finance offers ample opportunities for anyone

to learn and grow. Having an adequate understanding of the financial assets, products, markets combined with a deep understanding of our own financial health and goals can go a very long way in making you a smart & updated investor.

At a time when sound personal finance management has become critical and active participation & thorough understanding as important ingredients, we find ourselves often short of time or commitment to the same. Looking at this as something of interest to keep you involved and interested, we believe is a great idea regardless of how simplistic it may seem to many. Clearly, if we adopt our own personal wealth management as our favourite past time or hobby, surely it will be a great win-win situation for you.

# RISK PROFILING: A STEP BEFORE INVESTING

Making any investment has some trade off between risk and returns. Usually, the higher the risk you take, the greater would be the potential for earning returns. Every investor has his own comfort level for choosing the optimum level of risk for the desired returns. In personal finance, we generally call this comfort level as the 'risk profile' or the 'risk appetite' for an investor. The risk profile would indicate the ability to take risk while investing. In this article, we take a closer look at this concept of risk profiling, which can help you in planning your own investments...

## Why is risk profiling advisable?

**Risk profiling is important for two reasons:**

- Estimating the financial risk-taking capacity and
- Understanding the (psychological) risk tolerance level.

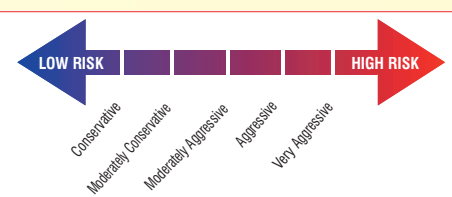
In case you are an investor and are unaware of your risk profile, chances are that you may not be choosing the right investment avenues for yourself. According to many research studies on the subject, it is commonly found that investors have a 'significant' gap between their perceived and actual risk appetite. In other words, there are high chances that the risk profile you believe for yourself may be different from what actually it is! The resultant impact of a mismatch between the risk profile and the investment asset classes / products chosen can significantly impact your commitment to continue investments, investment behaviour during volatile times, discipline in investing, etc. which can impact the achievement of your financial goals.

## What factors impact my risk profile?

There are many factors that impact the risk profile of any investor. Some of these factors are subjective and emotional in nature while others are more tangible to assess. Typically, the Risk Profile Questionnaire, which is a commonly used tool for assessing risk profile, has a mixture of questions related to the same. There are emotional things like your desire to take monetary risks, your anxiety level when there is high volatility in returns, etc. It would also assess whether you have comfortable financial situation, your age & life cycle stage, immediate capital needs, etc.

## What are the risk profile classifications?

Financial & wealth advisors typically use a psychometric questionnaire to assess the risk profile of a client. Based on the same, the risk profile would classify the individual in any segment such as conservative, moderate or aggressive. While this is a simplistic classification, many follow a more elaborate classification of risk profile as shown in the graph.



## How is the risk profiling useful?

The biggest reason for need to classify someone into a defined category of risk, is for finding the right 'asset allocation' that matches your risk profile. This is what most financial advisors try to do while recommending any asset allocation to you. Once an asset allocation is determined, investors can then easily invest their money wisely by choosing the appropriate investment products & instruments. The following is a very basic model which suggests the appropriate asset allocation for risk categories.

| Risk Category           | Asset Classes (ideal investment horizon) |                              |                              |
|-------------------------|--|------------------------------|------------------------------|
|                         | Cash & Cash Equivalents (< 1 year)       | Debt Oriented (1 to 3 years) | Equity oriented (>3/4 years) |
| Conservative            | 30%                                      | 70%                          | 0%                           |
| Moderately Conservative | 25%                                      | 55%                          | 20%                          |
| Moderately Aggressive   | 15%                                      | 45%                          | 40%                          |
| Aggressive              | 5%                                       | 35%                          | 60%                          |
| Very Aggressive         | 5%                                       | 20%                          | 75%                          |

The above matrix is a simple model, only indicative in nature and the asset allocation is dependent on many factors. Further, there are also models that take into consideration other asset classes like commodities, real estate, etc. which is ignored here.

## How often does risk profile change?

The risk profile of an investor is never constant. Typically change in risk profile can be attributed to changes in age & life cycle, from being young & working to being retired. There would be changes according to your financial status & wealth. Even strong experiences with past investments having emotional impact would influence your risk profile. For any investor, it is thus recommended that the risk profile be assessed once in every three years or upon change in situations arising from above.

## Can risk profiling be ignored?

Risk profiling is a path to finding asset allocation appropriate to you. It is not something compulsory, but recommended. However, one may entirely choose to skip risk profiling when you have clear defined investment objectives or financial goals to be achieved. In such cases, the asset allocation would be dictated by the required returns and the best combination matching it would be selected. Further, some investors, like say HNIs, even may 'selectively' decide upon following a specific asset allocation without any

financial goals. There is nothing wrong in the above approaches and they are perfectly acceptable. However, the important thing to aim for the 'right' or 'required' or 'desired' asset allocation, which is clearly understood.

## How scientific & universal is risk profiling?

Though risk profiling is a very acceptable and common practice prevalent among financial advisors, there are some questions raised for doing the same. One of common criticisms is that the risk profile is emotional in nature and that assessment can be influenced by the investor mood, market sentiments, recent experiences of the investor. To avoid impact of this, it is advised that one should keep such personal prejudices, peer pressure & emotions at bay and undergo assessment honestly & calmly, taking your own time. There may be special cases which may not require risk profiling. For example, HNIs / super rich having separate capital for investment, would

prefer portfolios that give the optimal risk-return trade-off, independent of their own risk profile. Broadly speaking, the risk profile has been around for quite some time now and is regarded the ideal way to assess asset allocation for investors. The same is not an exact science but has proved very helpful for investors and wealth advisors. The asset allocation models are best useful when used as guiding principles for designing portfolio rather than being strictly used as investment rule.

**The bottom-line:** Even before buying a trouser, we ensure that the size fits our body appropriately. Similarly, in a very crude way, risk profiling is about finding that right 'size' or risk category for you. Just as you then match clothes to your size, you may then match your portfolio asset allocation to your risk category. Your wealth advisor would be the right person to advise you on the same. The most important thing is to follow the asset allocation principle in managing investments and financial goals. And risk profiling is one path towards identifying it...

## SIP RETURN IN PERCENTAGE AS ON 30TH NOVEMBER 2011

| Starting-December Month of                         | 2010             | 2008         | 2006         | 2004         | 2001         | 1999         |
|--|------------------|--------------|--------------|--------------|--------------|--------------|
| Years  | 1                | 3            | 5            | 7            | 10           | 12           |
| Invested Amount                                    | 1,20,000         | 3,60,000     | 6,00,000     | 8,40,000     | 12,00,000    | 14,40,000    |
| Schemes (Diversified Equity)                       | Returns % - CAGR |              |              |              |              |              |
| AIG India Equity Fund - Gr                         | -9.69            | 9.54         | -            | -            | -            | -            |
| Birla Sun Life Advantage Fund Gr                   | -22.54           | 1.32         | 0.95         | 4.83         | 14.22        | 14.67        |
| Birla Sun Life Dividend Yield Plus Gr              | -12.93           | 13.65        | 14.03        | 14.26        | -            | -            |
| Birla Sun Life Equity Fund - Gr                    | -24.31           | 0.83         | 1.46         | 7.29         | 19.87        | 19.52        |
| Birla Sun Life Frontline Equity Fund - Gr          | -18.65           | 6.16         | 7.15         | 12.44        | -            | -            |
| Birla Sun Life Midcap Fund - Gr                    | -20.39           | 6.99         | 6.66         | 10.97        | -            | -            |
| Birla Sun Life MNC Fund Gr                         | -9.73            | 18.47        | 14.91        | 14.62        | 20.01        | -            |
| Birla Sun Life Small and Midcap Fund - Gr          | -14.76           | 10.91        | -            | -            | -            | -            |
| Birla Sun Life Top 100 Fund - Gr                   | -17.91           | 5.56         | 5.00         | -            | -            | -            |
| BNP Paribas Dividend Yield Fund- Gr                | -13.47           | 10.80        | 10.19        | -            | -            | -            |
| Canara Robeco Equity Diversified - Gr              | -12.32           | 11.79        | 10.63        | -            | -            | -            |
| DSP BlackRock Equity Fund - Reg. Plan - Div        | -19.39           | 7.21         | 7.99         | 13.32        | 24.18        | 22.89        |
| DSP BlackRock Micro Cap Fund - Gr                  | -18.02           | 18.40        | -            | -            | -            | -            |
| DSP BlackRock Opportunities Fund - Gr              | -20.04           | 6.49         | 5.85         | 10.22        | 21.36        | -            |
| DSP BlackRock Small and Mid Cap - Reg Gr           | -20.19           | 13.59        | 10.56        | -            | -            | -            |
| DSP BlackRock Top 100 Equity Fund Gr               | -16.06           | 6.06         | 7.17         | 12.88        | -            | -            |
| Fidelity Equity Fund - Gr                          | -15.69           | 10.23        | 8.79         | -            | -            | -            |
| Fidelity India Growth Fund - Gr                    | -16.21           | 10.32        | -            | -            | -            | -            |
| Fidelity India Special Situations Fund - Gr        | -18.44           | 8.37         | 5.93         | -            | -            | -            |
| Franklin India Bluechip Fund Gr                    | -13.42           | 9.86         | 8.84         | 12.61        | 21.47        | 21.81        |
| Franklin India Flexi Cap Fund - Gr                 | -18.30           | 7.87         | 6.98         | 10.73        | -            | -            |
| Franklin India Opportunities Fund-Gr               | -18.73           | 2.68         | 1.02         | 5.94         | 15.70        | -            |
| Franklin India Prima Fund Gr                       | -15.24           | 10.70        | 6.62         | 7.59         | 19.88        | 22.40        |
| Franklin India Prima Plus Gr                       | -11.78           | 9.28         | 7.91         | 12.55        | 21.70        | 21.91        |
| HDFC Capital Builder-Gr                            | -20.83           | 9.50         | 8.21         | 10.84        | 21.37        | -            |
| HDFC Core and Satellite Fund - Gr                  | -24.12           | 9.10         | 7.56         | 10.32        | -            | -            |
| HDFC Equity Fund - Div                             | -24.80           | 9.74         | 9.76         | 13.90        | 23.95        | 24.55        |
| HDFC Growth Fund Gr                                | -17.38           | 9.29         | 8.46         | 13.02        | 22.19        | -            |
| HDFC Mid Cap Opportunity Fund - Gr                 | -12.23           | 17.63        | -            | -            | -            | -            |
| HDFC Premier Multi-Cap Fund - Gr                   | -19.39           | 9.83         | 7.93         | -            | -            | -            |
| HDFC Top 200 Fund - Gr.                            | -21.51           | 7.68         | 9.11         | 13.86        | 24.22        | -            |
| HSBC Equity Fund - Gr                              | -19.11           | 1.52         | 2.27         | 7.52         | -            | -            |
| HSBC India Opportunities Fund - Gr                 | -14.12           | 4.73         | 2.55         | 6.97         | -            | -            |
| ICICI Prudential Discovery Fund Gr                 | -19.41           | 14.70        | 12.97        | 13.93        | -            | -            |
| ICICI Prudential Dynamic Plan-Cum                  | -18.17           | 8.56         | 7.93         | 13.10        | -            | -            |
| ICICI Prudential Focused Bluechip Equity Fund - Gr | -12.25           | 12.45        | -            | -            | -            | -            |
| ICICI Prudential Services Industries Fund - Gr     | -19.93           | 4.18         | 0.61         | -            | -            | -            |
| ICICI Prudential Top 100 Fund - Gr                 | -14.70           | 5.83         | 5.22         | 9.53         | 17.59        | 17.27        |
| ICICI Prudential Top 200 Fund - Gr                 | -24.12           | 3.38         | 2.93         | 7.65         | 18.42        | -            |
| IDFC Equity Fund - Plan A - Gr                     | -19.09           | 3.17         | 2.46         | -            | -            | -            |
| IDFC Imperial Equity Fund - Plan A - Gr            | -17.17           | 3.25         | 5.20         | -            | -            | -            |
| IDFC Premier Equity Fund - Plan A - Gr             | -10.61           | 16.74        | 15.40        | -            | -            | -            |
| ING Core Equity Fund Gr                            | -18.78           | 5.63         | 4.05         | 8.06         | 15.08        | 13.42        |
| ING Dividend Yield Fund Gr                         | -13.35           | 14.91        | 13.80        | -            | -            | -            |
| ING Midcap Fund - Gr                               | -17.40           | 7.86         | 3.54         | -            | -            | -            |
| Kotak 50 Equity Scheme Div                         | -15.31           | 4.68         | 4.29         | 9.58         | 19.86        | 19.34        |
| Kotak Contra Scheme - Gr                           | -16.51           | 3.24         | 3.78         | -            | -            | -            |
| Kotak Midcap - Gr                                  | -19.34           | 8.87         | 4.53         | -            | -            | -            |
| Kotak Opportunities Fund - Gr                      | -17.49           | 4.90         | 4.65         | 10.26        | -            | -            |
| L&T Growth Fund - Gr                               | -18.06           | 5.12         | 2.67         | 5.84         | 15.16        | -            |
| Morgan Stanley Growth Fund - Gr                    | -24.41           | 1.15         | 0.38         | 4.00         | 11.88        | 12.25        |
| Principal Dividend Yield Fund - Gr                 | -21.85           | 5.58         | 4.79         | 5.62         | -            | -            |
| Principal Large Cap Fund - Gr                      | -21.77           | 6.39         | 6.25         | -            | -            | -            |
| Reliance Equity Opportunities Fund - Gr            | -16.45           | 15.56        | 11.74        | -            | -            | -            |
| Reliance Growth Fund Gr                            | -22.57           | 3.74         | 5.05         | 11.11        | 26.71        | 27.62        |
| Reliance Regular Savings Fund Equity Plan - Gr     | -25.89           | 3.62         | 6.48         | -            | -            | -            |
| Reliance Vision Fund Gr                            | -27.71           | 0.15         | 1.74         | 7.38         | 20.69        | 23.38        |
| Religare Equity Fund - Gr                          | -17.54           | 4.77         | -            | -            | -            | -            |
| Religare Growth Fund - Gr                          | -18.09           | 5.87         | -            | -            | -            | -            |
| Religare Midcap Fund - Gr                          | -12.30           | 16.86        | -            | -            | -            | -            |
| Sahara Growth Fund Gr                              | -17.96           | 1.17         | 3.96         | 9.75         | -            | -            |
| SBI Magnum Blue Chip Fund - Gr                     | -18.38           | 1.92         | 1.63         | -            | -            | -            |
| SBI Magnum Equity Fund - Div                       | -15.37           | 7.78         | 6.55         | 11.44        | 19.48        | 17.91        |
| SBI Magnum Global Fund 94 - Div                    | -13.34           | 13.70        | 7.09         | 10.24        | 23.94        | 22.53        |
| SBI Magnum Multiplier Plus 93 - Div                | -20.36           | 2.57         | 3.11         | 9.30         | 21.66        | 19.70        |
| SBI MSFU Emerging Businesses Fund-Gr               | 2.21             | 25.89        | 13.95        | 13.46        | -            | -            |
| Sundaram Growth Fund Gr                            | -21.14           | 2.73         | 1.77         | 6.50         | 16.55        | 16.95        |
| Sundaram India Leadership Fund - Gr                | -19.28           | 5.56         | 4.03         | 8.40         | -            | -            |
| Sundaram Rural India Fund - Gr                     | -11.36           | 9.54         | 5.01         | -            | -            | -            |
| Sundaram Select Focus - Gr                         | -17.90           | 1.32         | 1.96         | 8.36         | -            | -            |
| Sundaram Select MidCap - Gr                        | -16.25           | 12.63        | 9.92         | 13.96        | -            | -            |
| Tata Contra Fund - Gr                              | -15.63           | 10.90        | 8.58         | -            | -            | -            |
| Tata Dividend Yield Fund - Gr                      | -11.74           | 15.36        | 12.92        | 13.79        | -            | -            |
| Tata Equity Opportunities Fund - Gr                | -15.98           | 5.37         | 3.17         | 7.49         | -            | -            |
| Tata Equity P/E Fund Gr                            | -19.46           | 7.55         | 7.81         | 11.96        | -            | -            |
| Tata Ethical Fund - Gr                             | -11.30           | 12.25        | 7.18         | 10.17        | 20.00        | 19.01        |
| Tata Growth Fund - App                             | -16.14           | 7.36         | 4.31         | 6.93         | -            | -            |
| Tata Mid Cap Fund - Gr                             | -18.07           | 5.57         | 2.91         | -            | -            | -            |
| Tata Pure Equity Fund - Gr                         | -14.60           | 6.21         | 6.14         | 10.60        | 21.34        | 20.50        |
| Taurus Starshare Growth                            | -16.12           | 9.47         | 5.04         | 9.60         | 21.03        | -            |
| Templeton India Growth Fund Gr                     | -25.20           | 3.91         | 5.68         | 10.23        | 19.30        | 19.87        |
| UTI Dividend Yield Fund. - Gr                      | -14.29           | 11.01        | 11.83        | -            | -            | -            |
| UTI Master Share - Div                             | -16.52           | 5.40         | 5.17         | 8.63         | -            | -            |
| UTI Master Value Fund - Div                        | -20.26           | 12.98        | 10.28        | 10.67        | -            | -            |
| UTI Mid Cap Fund - Gr                              | -16.96           | 11.43        | 7.87         | -            | -            | -            |
| UTI MNC Fund - Gr                                  | -2.94            | 18.54        | 14.99        | -            | -            | -            |
| UTI Opportunities Fund - Gr                        | -6.97            | 13.32        | 12.77        | -            | -            | -            |
| UTI Top 100 Fund - Gr                              | -13.11           | 7.24         | 4.15         | -            | -            | -            |
| <b>Average Returns</b>                             | <b>-17.00</b>    | <b>8.36</b>  | <b>6.64</b>  | <b>10.08</b> | <b>19.96</b> | <b>19.88</b> |
| <b>Maximum Returns</b>                             | <b>2.21</b>      | <b>25.89</b> | <b>15.40</b> | <b>14.62</b> | <b>26.71</b> | <b>27.62</b> |
| <b>Minimum Returns</b>                             | <b>-27.71</b>    | <b>0.15</b>  | <b>0.38</b>  | <b>4.00</b>  | <b>11.88</b> | <b>12.25</b> |

## MF NEWS

### Total AUM of MF Industry Declines by 2% in November'11

Total Assets Under Management (AUM) of the mutual fund (MF) industry that increased by 8.3% in October 2011, fell by 2% (by Rs 13782 crore) to Rs 6.81 lakh crore in November 2011. Except Gold ETF and Liquid Funds whose AUM improved by 5.26% and 2.44% respectively, all other category witnessed decline in AUM. Sharp decline in AUM was seen in Other ETF's by 8.18%, Equity Funds by 8.16%, Balanced Funds by 7.92% and Equity Linked Savings Scheme (ELSS) by 7.57%. Except Liquid Funds which had a net inflow to a tune of Rs 5861 crore, there was net outflow from rest of the category. Income Funds faced high net outflow to a tune of Rs 1735 crore, followed by Fund of Funds Investing Overseas by Rs 135 crore, Gilt Funds by Rs 107 crore and Equity Funds by Rs 49 crore among others. Gold ETFs faced its first ever net outflow after seventeen months. Last time it faced net outflows to a tune of Rs 6 crore in May 2010.

### SEBI allows MFs to participate in repo corp debt securities

Market regulator SEBI allowed mutual funds to invest in repo, or short-term repurchase of forward contract, of corporate debt securities with a ceiling of 10 per cent of the net assets of the concerned scheme. The gross exposure of any mutual fund scheme to repo transactions in corporate debt securities shall not be more than 10 per cent of the net assets of the concerned scheme, the Securities and Exchange Board of India (SEBI) said in its guidelines on participation of MFs in repo in corporate debt securities. In repo transactions, also known as a repo or sale repurchase agreement, securities are sold with the seller agreeing to buy them back at later date. The instrument is used for raising short-term capital. The repurchase price should be greater than the original sale price, the difference effectively representing interest.

### SIPs gallop, MF industry now has 80 lakh live SIPs

Mutual fund houses are increasingly banking on their pet product 'SIP'. AMC's are chanting about SIPs in investor awareness campaigns. The total number of SIPs has gone up 21% from 34 lakh in October 2010 to 41 lakh in 2011 at CAMS while Karvy has registered 66% growth in SIP inflows this year. If you take a conservative estimate of 4 lakh SIPs for the other registrars - Deutsche, Sundaram BNP Paribas and Franklin Templeton, then the number adds up to 80 lakh SIPs. According to AMFI data, the net inflows in equity schemes remained positive each month except in April and July 2011. The industry clocked net inflows of Rs. 5,090 crore this fiscal year.

## SIP AMOUNT IN ₹ AS ON 30TH NOVEMBER 2011

| Starting-December Month of                         | 2010                 | 2008            | 2006            | 2004             | 2001             | 1999             |
|--|----------------------|-----------------|-----------------|------------------|------------------|------------------|
| Years  | 1                    | 3               | 5               | 7                | 10               | 12               |
| Invested Amount                                    | 1,20,000             | 3,60,000        | 6,00,000        | 8,40,000         | 12,00,000        | 14,40,000        |
| Schemes (Diversified Equity)                       | Investment Value Rs. |                 |                 |                  |                  |                  |
| AIG India Equity Fund - Gr                         | 1,13,907             | 4,14,555        | -               | -                | -                | -                |
| Birla Sun Life Advantage Fund Gr                   | 1,05,501             | 3,67,242        | 6,14,469        | 9,96,170         | 25,14,425        | 36,18,239        |
| Birla Sun Life Dividend Yield Plus Gr              | 1,11,832             | 4,39,698        | 8,49,931        | 13,91,412        | -                | -                |
| Birla Sun Life Equity Fund - Gr                    | 1,04,302             | 3,64,571        | 6,22,434        | 10,86,723        | 34,04,430        | 50,63,718        |
| Birla Sun Life Frontline Equity Fund - Gr          | 1,08,095             | 3,94,637        | 7,17,387        | 13,04,528        | -                | -                |
| Birla Sun Life Midcap Fund - Gr                    | 1,06,935             | 3,99,474        | 7,08,674        | 12,38,402        | -                | -                |
| Birla Sun Life MNC Fund Gr                         | 1,13,890             | 4,70,437        | 8,68,402        | 14,09,614        | 34,29,580        | -                |
| Birla Sun Life Small and Midcap Fund - Gr          | 1,10,612             | 4,22,716        | -               | -                | -                | -                |
| Birla Sun Life Top 100 Fund - Gr                   | 1,08,569             | 3,91,140        | 6,79,920        | -                | -                | -                |
| BNP Paribas Dividend Yield Fund- Gr                | 1,11,499             | 4,22,238        | 7,73,579        | -                | -                | -                |
| Canara Robeco Equity Diversified - Gr              | 1,12,227             | 4,28,210        | 7,81,859        | -                | -                | -                |
| DSP BlackRock Equity Fund - Reg. Plan - Div        | 1,07,612             | 4,00,823        | 7,32,547        | 13,45,886        | 42,95,718        | 63,52,095        |
| DSP BlackRock Micro Cap Fund - Gr                  | 1,08,519             | 4,69,957        | -               | -                | -                | -                |
| DSP BlackRock Opportunities Fund - Gr              | 1,07,165             | 3,96,540        | 6,94,482        | 12,05,672        | 36,88,490        | -                |
| DSP BlackRock Small and Mid Cap - Reg Gr           | 1,07,055             | 4,39,237        | 7,80,458        | -                | -                | -                |
| DSP BlackRock Top 100 Equity Fund Gr               | 1,09,803             | 3,94,067        | 7,17,732        | 13,25,157        | -                | -                |
| Fidelity Equity Fund - Gr                          | 1,10,040             | 4,18,696        | 7,47,122        | -                | -                | -                |
| Fidelity India Growth Fund - Gr                    | 1,09,697             | 4,19,272        | -               | -                | -                | -                |
| Fidelity India Special Situations Fund - Gr        | 1,08,213             | 4,07,522        | 6,95,776        | -                | -                | -                |
| Franklin India Bluechip Fund Gr                    | 1,11,517             | 4,16,476        | 7,48,101        | 13,12,385        | 37,10,367        | 59,06,095        |
| Franklin India Flexi Cap Fund - Gr                 | 1,08,308             | 4,04,601        | 7,14,266        | 12,27,655        | -                | -                |
| Franklin India Opportunities Fund-Gr               | 1,08,030             | 3,74,765        | 6,15,573        | 10,35,739        | 27,21,228        | -                |
| Franklin India Prima Fund Gr                       | 1,10,331             | 4,21,567        | 7,08,070        | 10,98,508        | 34,05,438        | 61,42,556        |
| Franklin India Prima Plus Gr                       | 1,12,573             | 4,13,045        | 7,31,109        | 13,09,637        | 37,56,313        | 59,44,842        |
| HDFC Capital Builder-Gr                            | 1,06,640             | 4,14,350        | 7,36,517        | 12,32,468        | 36,90,497        | -                |
| HDFC Core and Satellite Fund - Gr                  | 1,04,425             | 4,11,941        | 7,24,629        | 12,09,988        | -                | -                |
| HDFC Equity Fund - Div                             | 1,03,984             | 4,15,823        | 7,65,315        | 13,73,822        | 42,42,800        | 71,01,868        |
| HDFC Growth Fund Gr                                | 1,08,931             | 4,13,065        | 7,41,036        | 13,31,736        | 38,57,312        | -                |
| HDFC Mid Cap Opportunity Fund - Gr                 | 1,12,281             | 4,64,965        | -               | -                | -                | -                |
| HDFC Premier Multi-Cap Fund - Gr                   | 1,07,601             | 4,16,272        | 7,31,441        | -                | -                | -                |
| HDFC Top 200 Fund - Gr                             | 1,06,187             | 4,03,530        | 7,53,071        | 13,72,094        | 43,03,238        | -                |
| HSBC Equity Fund - Gr                              | 1,07,792             | 3,68,349        | 6,35,223        | 10,95,530        | -                | -                |
| HSBC India Opportunities Fund - Gr                 | 1,11,054             | 3,86,373        | 6,39,532        | 10,74,203        | -                | -                |
| ICICI Prudential Discovery Fund Gr                 | 1,07,586             | 4,46,255        | 8,28,051        | 13,75,228        | -                | -                |
| ICICI Prudential Dynamic Plan-Cum                  | 1,08,405             | 4,08,724        | 7,31,403        | 13,35,627        | -                | -                |
| ICICI Prudential Focused Bluechip Equity Fund - Gr | 1,12,271             | 4,32,234        | -               | -                | -                | -                |
| ICICI Prudential Services Industries Fund - Gr     | 1,07,244             | 3,83,273        | 6,09,248        | -                | -                | -                |
| ICICI Prudential Top 100 Fund - Gr                 | 1,10,684             | 3,92,756        | 6,83,739        | 11,76,684        | 30,11,800        | 43,56,293        |
| ICICI Prudential Top 200 Fund - Gr                 | 1,04,433             | 3,78,722        | 6,45,739        | 11,00,797        | 31,49,050        | -                |
| IDFC Equity Fund - Plan A - Gr                     | 1,07,785             | 3,77,496        | 6,38,067        | -                | -                | -                |
| IDFC Imperial Equity Fund - Plan A - Gr            | 1,09,044             | 3,77,889        | 6,83,306        | -                | -                | -                |
| IDFC Premier Equity Fund - Plan A - Gr             | 1,13,318             | 4,59,169        | 8,78,808        | -                | -                | -                |
| ING Core Equity Fund Gr                            | 1,08,014             | 3,91,567        | 6,64,031        | 11,16,763        | 26,32,321        | 33,74,451        |
| ING Dividend Yield Fund Gr                         | 1,11,562             | 4,47,558        | 8,45,215        | -                | -                | -                |
| ING Midcap Fund - Gr                               | 1,08,920             | 4,04,584        | 6,55,760        | -                | -                | -                |
| Kotak 50 Equity Scheme Div                         | 1,10,280             | 3,86,079        | 6,67,983        | 11,78,415        | 34,03,247        | 50,03,110        |
| Kotak Contra Scheme - Gr                           | 1,09,475             | 3,77,874        | 6,59,439        | -                | -                | -                |
| Kotak Midcap - Gr                                  | 1,07,647             | 4,10,614        | 6,72,140        | -                | -                | -                |
| Kotak Opportunities Fund - Gr                      | 1,08,850             | 3,87,376        | 6,74,031        | 12,07,327        | -                | -                |
| L&T Growth Fund - Gr                               | 1,08,483             | 3,88,658        | 6,41,656        | 10,32,290        | 26,44,689        | -                |
| Morgan Stanley Growth Fund - Gr                    | 1,04,235             | 3,66,305        | 6,05,804        | 9,67,376         | 22,20,261        | 31,23,202        |
| Principal Dividend Yield Fund - Gr                 | 1,05,964             | 3,91,287        | 6,76,484        | 10,24,271        | -                | -                |
| Principal Large Cap Fund - Gr                      | 1,06,014             | 3,96,010        | 7,01,523        | -                | -                | -                |
| Reliance Equity Opportunities Fund - Gr            | 1,09,544             | 4,51,695        | 8,03,452        | -                | -                | -                |
| Reliance Growth Fund Gr                            | 1,05,479             | 3,80,795        | 6,80,970        | 12,44,187        | 49,22,624        | 87,34,947        |
| Reliance Regular Savings Fund Equity Plan - Gr     | 1,03,227             | 3,80,063        | 7,05,515        | -                | -                | -                |
| Reliance Vision Fund Gr                            | 1,01,980             | 3,60,805        | 6,26,772        | 10,90,118        | 35,59,002        | 65,64,128        |
| Religare Equity Fund - Gr                          | 1,08,826             | 3,86,652        | -               | -                | -                | -                |
| Religare Growth Fund - Gr                          | 1,08,460             | 3,92,981        | -               | -                | -                | -                |
| Religare Midcap Fund - Gr                          | 1,12,241             | 4,59,989        | -               | -                | -                | -                |
| Sahara Growth Fund Gr                              | 1,08,545             | 3,66,423        | 6,62,612        | 11,85,640        | -                | -                |
| SBI Magnum Blue Chip Fund - Gr                     | 1,08,275             | 3,70,582        | 6,25,070        | -                | -                | -                |
| SBI Magnum Equity Fund - Div                       | 1,10,250             | 4,04,134        | 7,06,700        | 12,58,861        | 33,34,111        | 45,44,385        |
| SBI Magnum Global Fund 94 - Div                    | 1,11,569             | 4,39,975        | 7,16,361        | 12,06,771        | 42,38,525        | 61,96,999        |
| SBI Magnum Multiplier Plus 93 - Div                | 1,06,965             | 3,74,191        | 6,48,707        | 11,67,138        | 37,49,085        | 51,23,647        |
| SBI MSFU Emerging Businesses Fund-Gr               | 1,21,362             | 5,20,420        | 8,48,316        | 13,52,710        | -                | -                |
| Sundaram Growth Fund Gr                            | 1,06,439             | 3,75,072        | 6,27,271        | 10,56,761        | 28,47,616        | 42,62,891        |
| Sundaram India Leadership Fund - Gr                | 1,07,684             | 3,91,198        | 6,63,863        | 11,30,523        | -                | -                |
| Sundaram Rural India Fund - Gr                     | 1,12,846             | 4,14,546        | 6,80,129        | -                | -                | -                |
| Sundaram Select Focus - Gr                         | 1,08,595             | 3,67,246        | 6,30,348        | 11,28,899        | -                | -                |
| Sundaram Select MidCap - Gr                        | 1,09,675             | 4,33,377        | 7,67,207        | 13,76,614        | -                | -                |
| Tata Contra Fund - Gr                              | 1,10,054             | 4,22,716        | 7,43,184        | -                | -                | -                |
| Tata Dividend Yield Fund - Gr                      | 1,12,609             | 4,50,468        | 8,27,094        | 13,68,445        | -                | -                |
| Tata Equity Opportunities Fund - Gr                | 1,09,850             | 3,90,088        | 6,49,650        | 10,94,588        | -                | -                |
| Tata Equity P/E Fund Gr                            | 1,07,564             | 4,02,774        | 7,29,317        | 12,82,731        | -                | -                |
| Tata Ethical Fund - Gr                             | 1,12,880             | 4,31,003        | 7,17,963        | 12,03,557        | 34,29,008        | 48,92,306        |
| Tata Growth Fund - App                             | 1,09,737             | 4,01,629        | 6,68,402        | 10,72,868        | -                | -                |
| Tata Mid Cap Fund - Gr                             | 1,08,468             | 3,91,213        | 6,45,309        | -                | -                | -                |
| Tata Pure Equity Fund - Gr                         | 1,10,750             | 3,94,939        | 6,99,621        | 12,22,124        | 36,84,946        | 54,08,254        |
| Taurus Starshare Growth                            | 1,09,759             | 4,14,145        | 6,80,784        | 11,79,390        | 36,23,882        | -                |
| Templeton India Growth Fund Gr                     | 1,03,699             | 3,81,738        | 6,91,579        | 12,05,944        | 33,00,976        | 51,81,237        |
| UTI Dividend Yield Fund. - Gr                      | 1,10,949             | 4,23,423        | 8,05,282        | -                | -                | -                |
| UTI Master Share - Div                             | 1,09,495             | 3,90,277        | 6,82,861        | 11,39,778        | -                | -                |
| UTI Master Value Fund - Div                        | 1,07,026             | 4,35,507        | 7,75,153        | 12,24,966        | -                | -                |
| UTI Mid Cap Fund - Gr                              | 1,09,208             | 4,25,968        | 7,30,279        | -                | -                | -                |
| UTI MNC Fund - Gr                                  | 1,18,178             | 4,70,838        | 8,69,963        | -                | -                | -                |
| UTI Opportunities Fund - Gr                        | 1,15,641             | 4,37,634        | 8,24,042        | -                | -                | -                |
| UTI Top 100 Fund - Gr                              | 1,11,713             | 4,00,970        | 6,65,700        | -                | -                | -                |
| <b>Average Amount</b>                              | <b>1,09,146</b>      | <b>4,08,251</b> | <b>7,11,273</b> | <b>12,05,475</b> | <b>34,74,861</b> | <b>53,44,763</b> |
| <b>Maximum Amount</b>                              | <b>1,21,362</b>      | <b>5,20,420</b> | <b>8,78,808</b> | <b>14,09,614</b> | <b>49,22,624</b> | <b>87,34,947</b> |
| <b>Minimum Amount</b>                              | <b>1,01,980</b>      | <b>3,60,805</b> | <b>6,05,804</b> | <b>9,67,376</b>  | <b>22,20,261</b> | <b>31,23,202</b> |

## NEWS UPDATE

### GDP growth at 6.9 pct, slowest in more than 2 years

India's economy grew at its weakest pace in more than two years in the quarter that ended in September, revealing the heavy toll that stubborn inflation, rising interest rates and crisis-hit global capital markets are having on Asia's third-biggest economy. Gross domestic product growth fell to 6.9 percent in the second quarter of the financial year, slipping below 8 percent for the third straight quarter. Weakness in the second quarter was broad-based. Manufacturing, accounting for 16 percent of GDP, grew at only 2.7 percent and mining contracted 2.9 percent. Economists suspected the pace of economic growth may languish at seven percent in the coming quarters, and that even if the central bank isn't willing to cut interest rates, it might feel compelled to ease monetary conditions by other means.

### Global M&A deals reaches \$29 bn in Jan-Oct

Cross-border merger and acquisition (M&A) deals value touched \$29 billion in the first 10 months of 2011 despite slowdown in global economy. Indian corporates are showing an increasing appetite for cross-border M&A deals. In the first 10 months of 2011, M&A cross-border deals stood at \$29 billion of which in-bound stood at \$19.3 billion, SBI Caps and M&A International Inc said. The total number of M&A deals in the first 10 months of 2011 stood at 523 against 662 in the whole of 2010, it said. India Inc's appetite for M&As in 2010 had more than quadrupled over 2009, clocking \$49.8 billion, it said.

### Nasscom maintains growth forecast of 18% for IT industry

Software industry body Nasscom maintained its growth projection of 16-18% for the sector in this fiscal, notwithstanding concerns over economic uncertainty in global markets. In the first half of the current fiscal, the industry has witnessed a growth of about 17-18% year-on-year, said Nasscom President Som Mittal. Nasscom had in February presented a conservative outlook of 16-18% growth in IT exports in 2011-12 in the wake of the slow economic recovery in the US and uncertainty in the European region. The growth in the domestic market is estimated to be 15-17%, with revenues of about \$19-20 billion.

### India continues to be attractive for foreign investors: E&Y report

Indian economy has successfully weathered the global financial crisis, thereby proving its resilience and depth, suggests an Ernst & Young report titled, 'Doing business in India'. The report explores India's key sectors, investment climate, funding scenario, laws and regulations, to aid companies that are doing, or plan to do business in India. The study highlights that India is the second most preferred destination for foreign investors, next only to China which leads the chart. FDI inflows in India from FY05 to FY11 has risen 31.5 percent reaching a figure of Rs 88,500 crore. Mauritius continues to be the largest source of FDI inflows into India, with the leading contribution of 36%. Services sector is attracting the maximum FDI with a figure of 18 percent, followed by telecommunications (8%) and automobiles (7%).

### Economy to grow more than 7.5% this fiscal: FM

Finance Minister Pranab Mukherjee said he was confident the economy would grow more than 7.5% in the full fiscal year. The economy expanded at its weakest pace in more than two years in the quarter that ended in September, revealing the heavy toll high inflation, rising interest rates and crisis-hit global capital markets are having on Asia's third-biggest economy. Earlier this week, the minister said the economy would grow 7.3% this year.

## SIP RETURN IN PERCENTAGE AS ON 30TH NOVEMBER 2011

| Starting-December Month of                 | 2010          | 2008         | 2006         | 2004         | 2001         | 1999         |
|--|---------------|--------------|--------------|--------------|--------------|--------------|
| Years                                      | 1             | 3            | 5            | 7            | 10           | 12           |
| Invested Amount                            | 1,20,000      | 3,60,000     | 6,00,000     | 8,40,000     | 12,00,000    | 14,40,000    |
| <b>ELSS / Tax Savings Schemes</b>          |               |              |              |              |              |              |
| Returns % - CAGR                           |               |              |              |              |              |              |
| BNP Paribas Tax Advantage Plan (ELSS) - Gr | -8.29         | 8.25         | 2.82         | -            | -            | -            |
| Birla Sun Life Tax Plan - Div              | -19.32        | 3.67         | 1.88         | 5.75         | 17.98        | 18.19        |
| Birla Sun Life Tax Relief 96 Fund - Div    | -24.30        | 1.37         | 1.06         | 6.02         | 15.13        | 15.76        |
| Canara Robeco Equity Tax Saver Fund - Div  | -13.92        | 10.70        | 11.21        | 14.75        | 20.60        | -            |
| DSP BlackRock Tax Saver Fund - Gr          | -23.24        | 4.17         | -            | -            | -            | -            |
| DWS Tax Saving Fund - Gr                   | -21.39        | -0.95        | -0.90        | -            | -            | -            |
| Fidelity Tax Advantage Fund - Gr           | -17.14        | 10.35        | 9.26         | -            | -            | -            |
| Franklin India Taxshield Gr                | -10.09        | 12.14        | 9.85         | 12.25        | 20.67        | 20.62        |
| HDFC Long Term Advantage Fund - Gr         | -19.55        | 9.43         | 7.08         | 9.19         | 21.21        | -            |
| HDFC Tax saver - Gr                        | -19.25        | 10.24        | 8.67         | 11.48        | 23.83        | -            |
| ICICI Prudential Tax Plan-Gr               | -20.15        | 10.97        | 8.66         | 10.08        | 22.11        | 22.37        |
| IDFC Tax Advantage (ELSS) Fund - Gr        | -17.70        | -            | -            | -            | -            | -            |
| ING Tax Savings Fund - Gr                  | -16.77        | 10.42        | 4.35         | 5.92         | -            | -            |
| Kotak Tax Saver - Gr                       | -20.65        | 3.44         | 1.59         | -            | -            | -            |
| L&T Tax Saver Fund - Cumulative            | -25.24        | 1.41         | 0.42         | -            | -            | -            |
| LIC Nomura Tax Plan Gr                     | -23.04        | -0.78        | -1.26        | 1.32         | -            | -            |
| Principal Personal Tax Saver               | -24.79        | 1.18         | 0.30         | 5.35         | 14.35        | 15.04        |
| Principal Tax Savings Fund                 | -22.84        | -1.38        | -3.49        | 1.75         | 13.37        | -            |
| Reliance Tax Saver Fund - Gr               | -22.18        | 5.99         | 5.59         | -            | -            | -            |
| Religare Tax Plan - Gr                     | -14.94        | 10.52        | -            | -            | -            | -            |
| SBI Magnum Tax Gain Fund - Div             | -17.20        | 3.27         | 2.64         | 7.75         | 23.94        | 21.98        |
| Sahara Tax Gain Fund Gr                    | -17.50        | 8.08         | 8.88         | 15.26        | 20.64        | -            |
| Sundaram Tax Saver - Div                   | -16.47        | 1.56         | 3.30         | 8.61         | 20.42        | 20.53        |
| Tata Tax Saving Fund - Div                 | -13.57        | 7.79         | 5.28         | 7.31         | 17.25        | 17.43        |
| Taurus Tax Shield - Gr                     | -18.21        | 6.39         | 8.41         | -            | -            | -            |
| UTI Equity Tax Saving Plan - Div           | -17.99        | 3.46         | 2.21         | 4.84         | 13.30        | -            |
| <b>Average Returns</b>                     | <b>-18.68</b> | <b>5.67</b>  | <b>4.25</b>  | <b>7.98</b>  | <b>18.91</b> | <b>18.99</b> |
| <b>Maximum Returns</b>                     | <b>-8.29</b>  | <b>12.14</b> | <b>11.21</b> | <b>15.26</b> | <b>23.94</b> | <b>22.37</b> |
| <b>Minimum Returns</b>                     | <b>-25.24</b> | <b>-1.38</b> | <b>-3.49</b> | <b>1.32</b>  | <b>13.30</b> | <b>15.04</b> |
| BSE 30 (SENSEX)                            | -19.59        | 3.01         | 2.52         | 7.42         | 14.67        | 14.13        |
| NSE 50 (NIFTY)                             | -19.82        | 2.68         | 2.63         | 7.30         | 13.93        | 13.49        |

## NEWS UPDATE

### Moderating GDP may prompt RBI to halt rate hike

Moderating economic growth and easing inflation may prompt the Reserve Bank to halt interest rate hike in the upcoming mid-quarterly credit policy review later this month, according to analysts. With actual growth coming in well below the potential, there are 'dis-inflationary' pressures in the economy, Goldman Sachs economist Tushar Poddar said. India's GDP registered just 6.9% in the second quarter this fiscal against 8.4% expansion in the same period last year due to poor performance of the manufacturing, agriculture and mining sectors.

### Exports rise 10.8% in October: Govt

India's October exports rose an annual at Rs 1,01,920 crore (\$19.6 billion). Oil imports for the month grew 21.7% to Rs 1,03,480 crore (\$19.9 billion), while imports for the month rose 21.7% to Rs 2,05,400 crore (\$39.5 billion), the government said in a statement. Exports between April and October were at Rs 9,38,960 crore (\$179.8 billion). Indian exporters enjoyed record growth in the last fiscal year and notched high double-digit growth in the early months of the current fiscal year starting April 2011, buoyed by demand for the country's cars, petroleum products and precious stones. But financial turbulence in the United States and Europe, India's top export destinations, have weakened export growth recently, trade ministry officials said. With import growth far outpacing exports, India's trade deficit has bulged and could breach Rs 7,80,000 crore (\$150 billion) for the fiscal year, Trade Secretary Rahul Khullar had said.

### India to see highest foreign remittances in 2011: World Bank

Developing countries are expected to receive a total of \$351 billion in foreign remittances in 2011, led by India (\$58 billion), China (\$57 billion), Mexico (\$24 billion) and the Philippines (\$23 billion), the World Bank has said in a report. In all, worldwide remittances, including those to high-income countries will reach \$406 billion in the current calendar year, according to a newly updated World Bank brief on global migration and remittances. Other large recipients include Pakistan, Bangladesh, Nigeria, Vietnam, Egypt and Lebanon, the report said. The World Bank said though the economic slowdown is dampening employment prospects for migrant workers in some high-income countries, global remittances are expected to stay on a growth path and are forecast to reach \$515 billion by 2014.

### Net direct tax collection up 8.63% at over Rs 2.35 lakh cr

The net direct tax collection jumped 8.63% to Rs 2,35,333 crore during the first eight months of this fiscal. It stood at Rs 2,16,628 crore in the same period of the previous fiscal. The gross direct tax collections for the April-November period registered a growth of 19.56% at Rs 3,04,002 crore. The figure was Rs 2,54,268 crore in the same period of the previous fiscal. The income tax department provided refunds to the tune of Rs 68,669 crore during the period, as against Rs 37,640 crore in the corresponding period last year.

### India's agri output to rise 5.7% on good weather

The Food and Agricultural Organisation (FAO) of the United Nations has forecast India's grain output to remain substantial higher because of favourable climatic condition. The agency estimates India's overall cereal output this year to rise by 5.7 per cent to 228.6 million tonnes (mt). According to the latest estimate by the ministry of agriculture, total rice output in the country may rise to 87.10 mt this kharif season as compared to 80.65 mt in the same season last year. Kharif crop contributes around 85 per cent of India's rice output. Climatic condition is favourable for the rabi season also.

## SIP AMOUNT IN ₹ AS ON 30TH NOVEMBER 2011

| Starting-December Month of                 | 2010            | 2008            | 2006            | 2004             | 2001             | 1999             |
|--|-----------------|-----------------|-----------------|------------------|------------------|------------------|
| Years                                      | 1               | 3               | 5               | 7                | 10               | 12               |
| Invested Amount                            | 1,20,000        | 3,60,000        | 6,00,000        | 8,40,000         | 12,00,000        | 14,40,000        |
| <b>ELSS / Tax Savings Schemes</b>          |                 |                 |                 |                  |                  |                  |
| Investment Value Rs.                       |                 |                 |                 |                  |                  |                  |
| BNP Paribas Tax Advantage Plan (ELSS) - Gr | 1,14,810        | 4,06,891        | 6,43,930        | -                | -                | -                |
| Birla Sun Life Tax Plan - Div              | 1,07,651        | 3,80,414        | 6,29,068        | 10,28,941        | 30,75,818        | 46,31,462        |
| Birla Sun Life Tax Relief 96 Fund - Div    | 1,04,308        | 3,67,535        | 6,16,225        | 10,38,870        | 26,40,432        | 39,39,870        |
| Canara Robeco Equity Tax Saver Fund - Div  | 1,11,192        | 4,21,545        | 7,93,102        | 14,15,745        | 35,40,635        | -                |
| DSP BlackRock Tax Saver Fund - Gr          | 1,04,991        | 3,83,105        | -               | -                | -                | -                |
| DWS Tax Saving Fund - Gr                   | 1,06,248        | 3,54,770        | 5,86,385        | -                | -                | -                |
| Fidelity Tax Advantage Fund - Gr           | 1,09,088        | 4,19,462        | 7,55,838        | -                | -                | -                |
| Franklin India Taxshield Gr                | 1,13,655        | 4,30,337        | 7,67,014        | 12,95,864        | 35,54,527        | 54,50,159        |
| HDFC Long Term Advantage Fund - Gr         | 1,07,499        | 4,13,915        | 7,16,076        | 11,62,519        | 36,58,532        | -                |
| HDFC Tax saver - Gr                        | 1,07,694        | 4,18,804        | 7,44,912        | 12,60,894        | 42,14,656        | -                |
| ICICI Prudential Tax Plan-Gr               | 1,07,095        | 4,23,199        | 7,44,725        | 11,99,642        | 38,40,274        | 61,29,302        |
| IDFC Tax Advantage (ELSS) Fund - Gr        | 1,08,735        | -               | -               | -                | -                | -                |
| ING Tax Savings Fund - Gr                  | 1,09,338        | 4,19,863        | 6,69,108        | 10,35,340        | -                | -                |
| Kotak Tax Saver - Gr                       | 1,06,800        | 3,79,211        | 6,24,718        | -                | -                | -                |
| L&T Tax Saver Fund - Cumulative            | 1,03,670        | 3,67,752        | 6,06,370        | -                | -                | -                |
| LIC Nomura Tax Plan Gr                     | 1,05,184        | 3,55,838        | 5,81,399        | 8,80,020         | -                | -                |
| Principal Personal Tax Saver               | 1,03,977        | 3,66,491        | 6,04,522        | 10,14,659        | 25,32,106        | 37,53,798        |
| Principal Tax Savings Fund                 | 1,05,298        | 3,52,553        | 5,49,443        | 8,93,365         | 24,03,178        | -                |
| Reliance Tax Saver Fund - Gr               | 1,05,765        | 3,93,791        | 6,90,233        | -                | -                | -                |
| Religare Tax Plan - Gr                     | 1,10,528        | 4,20,500        | -               | -                | -                | -                |
| SBI Magnum Tax Gain Fund - Div             | 1,09,051        | 3,78,129        | 6,41,071        | 11,04,678        | 42,38,333        | 59,72,762        |
| Sahara Tax Gain Fund Gr                    | 1,08,855        | 4,05,923        | 7,48,815        | 14,41,866        | 35,48,886        | -                |
| Sundaram Tax Saver - Div                   | 1,09,479        | 3,68,393        | 6,51,490        | 11,38,381        | 35,04,558        | 54,16,603        |
| Tata Tax Saving Fund - Div                 | 1,11,433        | 4,04,237        | 6,84,903        | 10,87,560        | 29,57,931        | 44,01,461        |
| Taurus Tax Shield - Gr                     | 1,08,384        | 3,95,962        | 7,40,133        | -                | -                | -                |
| UTI Equity Tax Saving Plan - Div           | 1,08,528        | 3,79,200        | 6,34,259        | 9,96,471         | 23,93,955        | -                |
| <b>Average Amount</b>                      | <b>1,08,048</b> | <b>3,92,313</b> | <b>6,70,597</b> | <b>11,24,676</b> | <b>32,93,130</b> | <b>49,61,927</b> |
| <b>Maximum Amount</b>                      | <b>1,14,810</b> | <b>4,30,337</b> | <b>7,93,102</b> | <b>14,41,866</b> | <b>42,38,333</b> | <b>61,29,302</b> |
| <b>Minimum Amount</b>                      | <b>1,03,670</b> | <b>3,52,553</b> | <b>5,49,443</b> | <b>8,80,020</b>  | <b>23,93,955</b> | <b>37,53,798</b> |
| BSE 30 (SENSEX)                            | 1,07,499        | 3,76,642        | 6,39,151        | 10,91,492        | 25,74,615        | 35,34,033        |
| NSE 50 (NIFTY)                             | 1,07,342        | 3,74,770        | 6,40,921        | 10,87,033        | 24,75,665        | 33,89,175        |

## PORTFOLIO MANAGEMENT SERVICE - PMS

| PMS Performance as of 30-Nov-11  | 1 Month | 3 Months | 6 Months | 1 Year | 3 Years | 5 Years |
|----------------------------------|---------|----------|----------|--------|---------|---------|
| <b>ICICI</b>                     |         |          |          |        |         |         |
| Deep Value                       | NA      | NA       | -11.51   | -17.28 | 22.71   | -0.56   |
| Indian Recovery Portfolio        | NA      | NA       | -12.80   | -19.26 | NA      | NA      |
| Aggressive Portfolio             | NA      | NA       | -8.74    | -11.31 | 24.02   | 0.92    |
| Emerging Companies Portfolio     | NA      | NA       | -10.69   | -16.18 | NA      | NA      |
| Focussed 20 Stock                | NA      | NA       | -11.91   | -18.68 | 22.29   | NA      |
| <b>Motilal Oswal</b>             |         |          |          |        |         |         |
| Value Strategy                   | -5.14   | -4.64    | -5.63    | -7.33  | 25.92   | 8.79    |
| Bulls Eye                        | -8.55   | -2.12    | -5.42    | -21.05 | 25.17   | 7.28    |
| Next Trillion Dollar Opportunity | -4.00   | -4.02    | -2.98    | -11.18 | 38.87   | NA      |
| Invest India                     | -6.20   | -7.82    | -8.73    | -19.29 | NA      | NA      |
| <b>Index</b>                     |         |          |          |        |         |         |
| Nifty                            | -9.86   | -3.38    | -11.71   | -17.58 | 20.55   | 4.09    |
| BSE 200                          | -9.72   | -5.24    | -13.80   | -20.33 | 22.46   | 3.49    |

Above returns may vary due to different calculation methods used by various PMS providers.

## FD RATES (NON FINANCE COMPANIES)

| Company                               | Minimum Amount | Maximum Amount | Multiple Amount | Scheme         | Scheme Option | Interest Rate |           |           |           |            | Additional Rate %             |               |          |                 |
|---------------------------------------|----------------|----------------|-----------------|----------------|---------------|---------------|-----------|-----------|-----------|------------|-------------------------------|---------------|----------|-----------------|
|                                       |                |                |                 |                |               | 6 months      | 12 months | 24 months | 36 months | 48 & Above | Senior Citizens Above 60 Yrs. | Share holders | Employee | Property owners |
| Aashray Deposits-II (DHFL)            | 2000           | 25 lakhs       | 1000            | Cumulative     |               | -             | 10.50     | 10.50     | 10.50     | 10.50      | 0.50                          | 0.50          | -        | -               |
|                                       | 20000          | 25 lakhs       | 1000            | Non Cumulative | Monthly       | -             | 10.30     | 10.30     | 10.30     | 10.30      | 0.50                          | 0.50          | -        | -               |
|                                       | 10000          | 25 lakhs       | 1000            | Non Cumulative | Quarterly     | -             | 10.38     | 10.38     | 10.38     | 10.38      | 0.50                          | 0.50          | -        | -               |
|                                       | 10000          | 25 lakhs       | 1000            | Non Cumulative | Half Yearly   | -             | 10.50     | 10.50     | 10.50     | 10.50      | 0.50                          | 0.50          | -        | -               |
|                                       | 10000          | 25 lakhs       | 1000            | Non Cumulative | Yearly        | -             | 10.75     | 10.75     | 10.75     | 10.75      | 0.50                          | 0.50          | -        | -               |
| Shriram Transport Finance Company Ltd | 25000          |                | 1000            | Non Cumulative | Quarterly     | -             | 8.95      | 9.41      | 10.34     | 10.34      | -                             | -             | -        | -               |
|                                       | 25000          |                | 1000            | Non Cumulative | Half Yearly   | -             | 9.05      | 9.52      | 10.47     | 10.47      | -                             | -             | -        | -               |
|                                       | 25000          |                | 1000            | Non Cumulative | Annually      | -             | 9.25      | 9.75      | 10.75     | 10.75      | -                             | -             | -        | -               |
|                                       | 25000          |                | 1000            | Cumulative     |               | -             | 9.25      | 9.75      | 10.75     | 10.75      | -                             | -             | -        | -               |

**Note :**

- 1) In Aashray Deposits-II For Widows, Armed Forces Personnel and Existing Dhfl Home Loan Borrowers case eligible for additional rate-0.50
- 2) On Shriram Transport Finance Company Ltd share holder and NCD holder case eligible for additional rate-0.25 in 36,48 and 60 month

## FD RATES (FINANCE COMPANIES)

| Company                        | Minimum Amount | Maximum Amount | Scheme         | Scheme Option | Interest Rate |              |              |              | Additional Rate %             |
|--------------------------------|----------------|----------------|----------------|---------------|---------------|--------------|--------------|--------------|-------------------------------|
|                                |                |                |                |               | 12-23 months  | 24-35 months | 36-59 months | 60-84 months | Senior Citizens Above 60 Yrs. |
| HDFC Deposits-Regular Deposits | 40000          | -              | Non Cumulative | Monthly       | 9.15          | 9.30         | 9.40         | 9.15         | 0.25                          |
|                                | 20000          | -              | Non Cumulative | Quarterly     | 9.20          | 9.35         | 9.45         | 9.20         | 0.25                          |
|                                | 20000          | -              | Non Cumulative | Half yearly   | 9.30          | 9.45         | 9.55         | 9.30         | 0.25                          |
|                                | 20000          | -              | Non Cumulative | Annual        | -             | 9.65         | 9.75         | 9.50         | 0.25                          |
|                                | 20000          | -              | Cumulative     |               | 9.50          | 9.65         | 9.75         | 9.50         | 0.25                          |

| Company                                       | Minimum Amount | Maximum Amount | Scheme         | Scheme Option | Interest Rate |           |           |           |           | Additional Rate %             |
|---|----------------|----------------|----------------|---------------|---------------|-----------|-----------|-----------|-----------|-------------------------------|
|   |                |                |                |               | 15 Months     | 22 Months | 30 Months | 33 Months | 45 Months | Senior Citizens Above 60 Yrs. |
| HDFC Premium Deposits (Platinum Deposit Plan) | 40000          |                | Non Cumulative | Monthly       | 9.65          | -         | -         | 9.65      | -         | 0.25                          |
|   | 20000          |                | Non Cumulative | Quarterly     | 9.70          | -         | -         | 9.70      | -         | 0.25                          |
|   | 20000          |                | Non Cumulative | Half yearly   | 9.80          | -         | -         | 9.80      | -         | 0.25                          |
|   | 20000          |                | Non Cumulative | Annual        | -             | -         | -         | 10.00     | -         | 0.25                          |
|   | 20000          |                | Cumulative     |               | 10.00         | -         | -         | 10.00     | -         | 0.25                          |

**Note :**

- 1) On HDFC FD Maximum Deposit Rs-1 cr on card rate, anything above rs 1 Cr., rate needs to be confirmed from Treasury.

## BONDS RATES

| Company  | Minimum Amount | Maximum Amount | Multiple Amount | Scheme         | Scheme Option | Maturity period | Interest Rate |
|----------|----------------|----------------|-----------------|----------------|---------------|-----------------|---------------|
| RBI Bond | 1000           | -              | 1000            | Non Cumulative | Half Yearly   | 72              | 8.00          |
|          | 1000           | -              | 1000            | Cumulative     |               | 72              | 8.00          |

**Note :** Premature Redemption Not allowed for any of the Bond

# LIVING BEYOND WEALTH

"Money is not God. But it is also not less than God." This dialogue from a Hindi movie summaries the importance of money and wealth for most of us in our lives. Indeed, in this era, all that we do is gear towards making more money, more than anyone else you know. Not belittling the importance of wealth in our lives, there should exist a way of life beyond materialistic achievements. In this article, we take a holistic view of wealth and living beyond wealth.

## Work-Life Balance

With increased globalisation & competition in past few decades, employees and businesses are naturally inclined, expected or motivated to compete and perform more than others. In India, competition and expectations to outperform begins much earlier from school and continues throughout life and we often see absence of work-life balance in our lives. Work-life balance is a broad concept including proper prioritizing between "work" (career and ambition) on the one hand and "life" (health, pleasure, leisure, family and spiritual development) on the other.

Advances in technology with laptops, business mobiles, tablets, etc, make it even more difficult to escape & forget about work. The work-life imbalance is a source of many modern day diseases, resultant of over work & stress, more prevalent in 'blue collar' jobs or top executives and businessmen. A recent study by Center for Work-Life Policy showed that 70% of the US respondents and 81% of global respondents say their jobs are affecting their health. Further, work-life imbalance also has an impact on family life, even though the social norms surrounding each gender role, organization's work culture, and one's personal handling of situation also matters a lot. In US, according to the Center for American Progress, 90% of working mothers and 95% of working fathers reported work-family conflict.

Increasingly however, some corporations and individuals are today realising the importance of work-life balance. In Europe, this is being effectively handled by the Working Time Regulation which has set the maximum of 48 hours of work per week and there are countries who have opted for even fewer hours. There are also many among us who have started taking

'vacation' time outs every year, often as a short-cut to compensate for less time with family & friends. This is a very welcome change and but there is still a lot left to be done for our health, pleasure and family.

## Global Voices

Very recently we came across the 'Occupy Wall Street' mass movement across the developed world, especially in US and Europe. After recent turbulent years of economic crisis, the unanimous voice in the movement called for an end to blind capitalism or the endless greed of businesses to make profits. People protested against the power that money yielded in the political & financial system, often corrupting & weakening it, at the cost of general public. The movement against climate change also has voices that speak against the developed economies, multinationals and oil-rich countries not taking bold & necessary steps, in their own interest, to reduce global pollution that threatens the future of all of us. Closer at home, we see the movement against corruption and graft currently in progress.

All these voices are indicative of a mild but important change in our mindset where there is growing concern for greater morality, ethics in our society which is just & fair to everyone, irrespective of their status & wealth. It also speaks that the relentless pursuance of wealth is not desirous for any nation, society, business or individual. A dignified balance between materialism and all that is good is at the heart of this gradual change in mind set.

## Wealth & Happiness

Money cannot buy love or happiness and many philosophers and religious leaders believe that materialistic persons are more shallow & unhappy. A set of studies by international team of researchers reported in the popular magazine of 'Psychological Science' in 2010 testified this belief and found that, even though wealth gave us opportunities to purchase many things, at the same time it reduced our ability to enjoy those things! The first study conducted in an institution in Belgium, concluded that the more wealthy employees were, they displayed lesser ability to absorb and enjoy the simple pleasures of life. Truly, even we see that for a person who is more travelled around the world would not be happy visiting the beach or temple near to home as compared to a person who has not travelled. A kid who plays computer games / Play Station at home cannot be expected to enjoy the simple games & things that we did in our childhood.

But clearly wealth is not something which is bad

in itself and we all will agree to this. Gautam Buddha has said, "for householders in this world, poverty is suffering." and that "woeful in the world is poverty and debt.". He also said that poverty is not a virtue but the source of crime, hatred, jealousy & violence. Truly, the purpose of wealth is to facilitate our life and our potential to do even better things for self, family and society. Wealth is only a means to an end, not an end itself. Wealth gives one that ability to enjoy life and to progress & flourish in life. If creation of wealth is solely regarded as life's objective, it indeed leads to unhappiness since this activity is self-centred, at the cost of other good things. It is when we consider the amount of wealth achieved as a measure of success and happiness, does the problem arise.

## The Bottom-Line

One life is all we have got and there are many things ought to be done. Being wealthy or working for creation of wealth can never be bad. After all, we have to ensure that our own and our family's present and future needs and goals are met adequately. However, what is questionable is greed and the path that we pursue in acquiring wealth. True happiness from wealth comes when it is earned justly & righteously with honesty & sweat. The ideas of work-life balance and living beyond wealth itself, strikes a familiar chord in all of us. It is not about spending money to get happiness but about being content and sharing our success with others to be happy.

As important are these things, also critical is the management of wealth smartly through proper planning to ensure that things are in balance, financially too. It is something that must not be missed. In our articles in past, we have talked about the importance savings, financial planning and that of managing wealth better. This article is perhaps an extension of the same idea to our lives.

## FINANCE TERM: FDI

Foreign Direct Investment, or FDI, is a form of direct investment that involves the infusion of foreign funds by foreign investor in a domestic enterprise, usually by purchase of equity stake. Investments directly into markets (indirect) does not categorise as FDI.

The FDI route of getting foreign capital is more preferred since it often brings foreign expertise, access to technology and best practices along with it and is also more committed in nature as compared to direct market investments which can be fluctuating and influenced by market sentiments..

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