

Systematic Investment Plan

A disciplined investment approach...

A systematic investment plan (SIP) is a disciplined way of investing your funds. It works on the principle of regular investing. SIPs allow you to invest a prefixed amount for a prefixed interval in a mutual fund scheme of your choice. On the defined date, the amount indicated by you will be automatically debited from your bank account and will be invested in the scheme selected by you. Hence, after you have set an SIP you are not required to track the investment dates.

Benefit of SIP

Avoid timing the market: By investing small amount regularly into the schemes you can avoid the common error of investing larger sums in bull markets (when the markets are at a high) and smaller sums in bear markets (when the markets are at a low).

... Small drops of water can create an ocean...

Rupee cost averaging: An SIP allows you to invest a pre-specified amount in a scheme at periodic intervals (e.g. one month, three months, etc). Therefore, whenever the market moves down and the net asset value (NAV) of the scheme is lower, you end up buying more units of the scheme. If the market moves up, the NAV of the scheme rises and you will get less units of the scheme. Hence, the average cost of purchase works out lesser.

Not just savings but investing too: Usually we tend to save some amount but fail to invest the same. An SIP not only imparts savings it invests your capital and frees you from answering the question of where to invest each time you save.

Why SIP in equity funds?

Investments into equities over a longer period have always delivered higher returns. By doing an SIP in an equity fund, you have an opportunity to increase the growth rate of the accumulated capital. A 10-year SIP in an equity fund after accounting for the fluctuations in the market can earn capital appreciation in the range of 22-35%.

.... Equity over a long-term has delivered higher returns

SIP Portfolio

We recommend creating an SIP in more than one fund to avoid concentration risk.

We have created a portfolio of funds to invest by way of SIP:

SIP Funds:

Funds	Allocation
Birla Sunlife Frontline Equity Fund	20%
Franklin India Prima Plus	20%
HDFC Top 200 Fund	20%
ICICI Prudential Dynamic Fund	20%
Sundaram Select Midcap Fund	20%
Total	80%

Source: ICICIdirect.com Research

ICICI Prudential Dynamic Plan

- ICICI Prudential Dynamic Fund has a long track record of performance and has weathered upturns as well as downturns well
- The fund has outperformed the broader market in the last one month ending November 16 2009
- The fund has adopted a hedging strategy and reduced equity exposure to 82% from 90% held in October 2009
- Among the Top Five Holdings, Cipla Ltd has been replaced by Infosys Technologies Ltd, thereby making IT the top sector with 13% allocation

SIP Returns

SIP Investments till Oct 2009	SIP Since Inception (Dec 02 – Oct 09)	5 Years SIP (Nov 04- Oct 09)
Total amount invested	83000	60000
Total no. of units received	2766.50	1231.39
NAV as on redemption date	81.89	81.89
Market value as on redemption date	226539.33	100834.55
Returns	172.94%	68.06%

Source: CRISIL Fund Analyser, ICICIdirect.com Research

Note : Rs.1000 SIP triggered on 1st of every month redeemed on 30th Oct 2009

Exhibit 1: Top holdings

Company	Holding(%)
Net Receivables	13.05
Reliance Industries Ltd.	9.44
Infosys Technologies Ltd.	9.29
Bharti Airtel Ltd.	5.73
Oil & Natural Gas Corporation Ltd.	4.57

Source: CRISIL Fund Analyser

Fund Details

Fund Details	
Fund Manager	Sankaran Naren
Benchmark	S&P CNX Nifty
AUM (As On 31st Oct - 2009) (in Cr.)	1728.!
Unit NAV (As On 16th Nov- 2009) (Rs.)	86.5

Source: CRISIL Fund Analyser

Objective

The primary investment objective of the scheme is to seek to generate capital appreciation by actively investing in equity/equity related securities. For defensive considerations the scheme may invest in debt money market instruments to the extent permitted under the regulations. The AMC will have the discretion to completely or partially invest in any of the type of securities stated above so as to maximise the returns

Source: CRISIL Fund Analyser

Exhibit 2: Top holdings

Sector	Holding(%)
COMPUTERS - SOFTWARE	13.98
Net Receivables	13.05
PHARMACEUTICALS	12.17
BANKS	11.99
REFINERIES/MARKETING	10.05

Source: CRISIL Fund Analyser

HDFC Top 200 Fund

- The fund manager has stuck to his top sector holdings as well as top company holdings with not much churn
- The fund manager has stuck to the value investing approach
- Two banking majors ICICI Bank and State Bank of India continue to account for approximately 10% of the portfolio
- The fund manager has booked profits in auto and financial institutions and has increased exposure to IT
- Cash exposure continues to remain ~5% at the end of this month

Fund Details

Fund Manager	Prashant Jain
Benchmark	BSE 200
AUM (As On 31st Oct - 2009) (in Cr.)	5298.14
Unit NAV (As On 16th Nov- 2009) (Rs.)	178.63

Source: CRISIL Fund Analyser

SIP Returns

SIP Investments till Oct 2009	10 Years SIP (Nov 99 – Oct 09)	5 Years SIP (Nov 04- Oct 09)
Total amount invested	120000	60000
Total no. of units received	4065.30	686.13
NAV as on redemption date	166.12	166.12
Market value as on redemption date	675323.04	113978.70
Returns	444.62%	86.85%

Source: CRISIL Fund Analyser, ICICIdirect.com Research

Note : Rs.1000 SIP triggered on 1st of every month redeemed on 30th Oct 2009

Objective

To generate long term capital appreciation from a portfolio of equity investments among the largest quoted Indian Companies

Source: CRISIL Fund Analyser

Exhibit 3: Top Holdings

Company	Holding(%)
State Bank Of India	6.39
Net Receivables	5.96
ICICI Bank Ltd.	5.56
Infosys Technologies Ltd.	4.95
Oil & Natural Gas Corporation Ltd.	4.65

Source: CRISIL Fund Analyser

Exhibit 4: Top Holdings

Sector	Holding(%)
BANKS	20.63
PHARMACEUTICALS	10.43
COMPUTERS - SOFTWARE	7.75
DIVERSIFIED	6.18
OIL EXPLORATION	6.17

Source: CRISIL Fund Analyser

Birla Sunlife Frontline Equity Fund

- The fund has been a consistent outperformer. It is a fund that is highly rated by different rating agencies
- It continues to maintain a well diversified portfolio with large cap holdings and exposure to individual stocks not exceeding 5% of the portfolio
- The fund manger has reduced telecom and refineries and increased cash holding to ~10% of the porfolio
- The fund continues to hold ~12% of the portfolio in the banking sector and ~9% in the technology sector. However, exposure to individual stocks within the sector does not exceed 4% of the total AUM

Fund Details

Fund Manager	Mahesh Patil
Benchmark	BSE 200
AUM (As On 31st Oct - 2009) (in Cr.)	1307.11
Unit NAV (As On 16th Nov- 2009) (Rs.)	77.37

Source: CRISIL Fund Analyser

SIP Return

SIP Investments till Oct 2009	SIP since inception (Oct 02 – Oct 09)	5 Years SIP (Nov 04- Oct 09)
Total amount Invested	85000	60000
Total no. of units received	3312.17	1513.98
NAV as on redemption date	71.93	71.93
Market value as on redemption date	238244.46	108900.55
Returns	180.29%	78.53%

Source: CRISIL Fund Analyser, ICICIdirect.com Research

Note : Rs.1000 SIP triggered on 1st of every month redeemed on 30th Oct 2009

Objective

Long term growth, through a portfolio with a target allocation of 100% equity while tracking sectoral weights of BSE 200, its chosen benchmark index

Source: CRISIL Fund Analyser

Exhibit 5: Top holdings

Company	Holding(%)
Call	6.72
Net Receivables	4.92
Reliance Industries Ltd.	3.98
Infosys Technologies Ltd.	3.88
Oil & Natural Gas Corporation Ltd.	3.37

Source: CRISIL Fund Analyser

Exhibit 6: Top holdings

Company	Holding(%)
BANKS	12.90
COMPUTERS - SOFTWARE	8.99
Power	7.19
Call	6.72
REFINERIES/MARKETING	5.93

Source: CRISIL Fund Analyser

Franklin India Prima Plus

- The fund remains fully invested and the fund manger has avoided taking aggressive cash calls
- Sectors that have increased include shipping, oil exploration and IT
- None of the stocks in the portfolio have more than 6% of the total allocation. A fund with such a diversified portfolio is an apt investment when markets are trading at fair valuations

Fund Details	
Fund Manager	Anand Radhakrishnan
Benchmark	S&P CNX 500
AUM (As On 31st Oct - 2009) (in Cr.)	1741.99
Unit NAV (As On 16th Nov- 2009) (Rs.)	185.94

Source: CRISIL Fund Analyser

SIP Returns

SIP Investments till Oct 2009	10 Years SIP (Aug 99 – Oct 09)	5 Years SIP (Nov 04- Oct 09)
Total amount invested	123000	60000
Total no. of units received	3069.53	551.59
NAV as on redemption date	173.91	173.91
Market value as on redemption date	533824.43	95926.58
Returns	334.00%	59.88%

Source: CRISIL Fund Analyser, ICICIdirect.com Research

Note : Rs.1000 SIP triggered on 1st of every month redeemed on 30th 2009

Objective
Aims to provide growth of capital plus regular dividend

Source: CRISIL Fund Analyser

Exhibit 7: Fund holdings

Company	Holding(%)
Infosys Technologies Ltd.	5.83
HDFC Bank Ltd.	5.56
Nestle India Ltd.	4.44
Cairn India Ltd.	3.94
Oil & Natural Gas Corporation Ltd.	3.72

Source: CRISIL Fund Analyser

Exhibit 8: Fund holdings

Company	Holding(%)
BANKS	18.81
OIL EXPLORATION	8.11
COMPUTERS - SOFTWARE	7.12
CONSUMER FOOD	6.07
REFINERIES/MARKETING	4.91

Source: CRISIL Fund Analyser

Sundaram Select Midcap Fund

- The fund has been a clear performer in its category and has beaten the benchmark indices by good margins
- Exposure to any single stock does not exceed more than 5% of the portfolio holding
- Cash levels have increased to ~11% from ~5% levels
- The fund manger continues to stay bullish on Mphasis Ltd, Aurobindo Pharma and Ipca Laboratories

Fund Details

Fund Manager	Satish Ramanathan
Benchmark	BSE Midcap
AUM (As On 31st Oct - 2009) (in Cr.)	1770.44
Unit NAV (As On 16th Nov-2009) (Rs.)	125.81

Source: CRISIL Fund Analyser

SIP Returns

SIP Investments till Oct 2009	SIP Since Inception (Jan 03- Oct 09)	5 Years SIP (Nov 04- Oct 09)
Total amount invested	81000	60000
Total no. of units received	2122.45	893.15
NAV as on redemption date	117.52	117.52
Market value as on redemption date	249429.65	104962.68
Returns	207.94%	74.94%

Source: CRISIL Fund Analyser, ICICIdirect.com Research

Note : Rs.1000 SIP triggered on 1st of every month redeemed on 30th Oct 2009

Objective

To achieve capital appreciation by investing in a diversified basket of midcap stocks

Source: CRISIL Fund Analyser

Exhibit 9: Top holdings

Company	Holding(%)
Call	11.10
Mphasis Ltd.	5.10
Aurobindo Pharma Ltd.	4.50
Ipca Laboratories Ltd.	3.40
Trent Limited	3.00

Source: CRISIL Fund Analyser

Exhibit 10: Top holdings

Company	Holding(%)
Call	11.10
PHARMACEUTICALS	10.40
BANKS	6.30
CONSTRUCTION PROJECTS	5.50
COMPUTERS - SOFTWARE	5.10

Source: CRISIL Fund Analyser

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Disclaimer

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