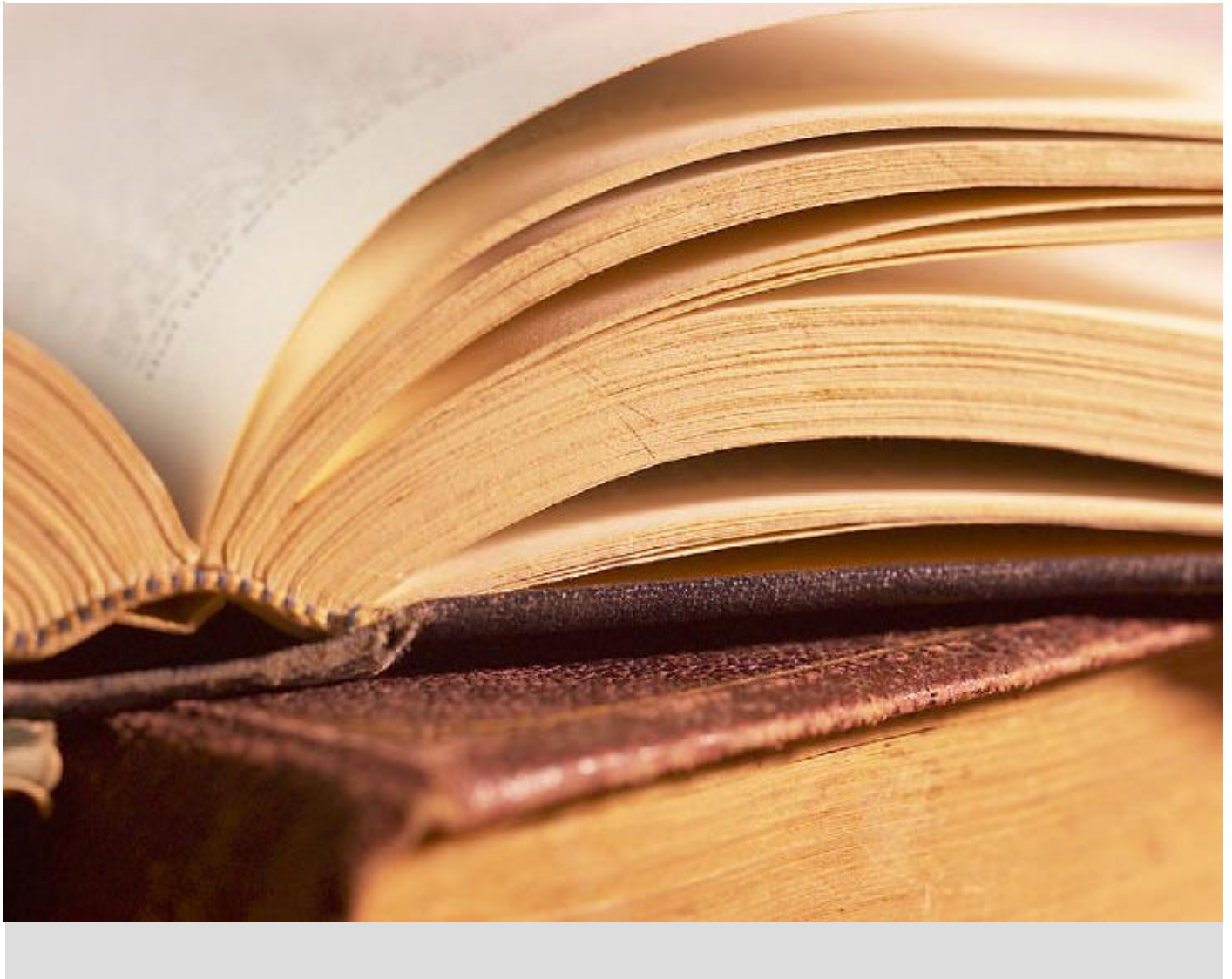


EMPOWER RESEARCH

September 2010



Emkay[®]

Your success is our success



From Our Desk

Dear Investor,

The equity markets have been less volatile in the month of August 2010 compared to July 2010. The benchmark indices were up by 1% for the month – an indication perhaps that increasingly there were concerns that 5600 levels would be a top for the Nifty. As seen from past few months, FIIs were net buyer while domestic funds continued to be net sellers in August 2010.

The Government continues with the reforms by implementing much awaited direct tax Code. The new tax code is expected to widen the tax base, end unnecessary exemptions, moderate tax rates and add to the government's coffers. The country's Q1-FY11 GDP grew by 8.8% (www.rbi.org.in), its fastest pace over the past three years highlighting the strength of India's economic recovery despite a high inflation which had been acting as a drag on consumer spending.

However, the IIP numbers were below expectation which can partly be attributed to a wearing off base effect. From here on Industrial production is expected to remain in the high single digit as the favorable base effect wears off and monetary tightening takes a hold. That said, the country's economic activity continues to be robust as deduced from various other macroeconomic indicators such as auto sales, manufacturing and service sector data etc.

Recently RBI hiked the key interest rate to control inflation. IPO supply is likely to meet appetite of investors with some large issuance in October'10. We expect long-term India growth story to gain in strength over a period of time with strong FIIs flows expected in coming months. The market will also take cues from the global markets after better than estimated US jobless claim data and positive data from China.

As part of our strategy in Empower Multi-Manager Portfolio, we have increased exposure to flexi cap funds and decreased our exposure to sector funds like pharmaceuticals. As our team has been advocating, this year will continue to be a stock & sector picker's market. We are well balanced in terms of sectoral exposure and category exposure in our FOFs. We have cash holdings to certain extent, which we would look to deploy as and when we see opportunities in the market for long term wealth creation.

Happy Investing!!

Om Ahuja,
Head – Wealth Management & Strategy

Diversified Equity Funds

Diversified Equity Funds		Past Performance (%)					AUM
Scheme Name	Rank	NAV	3 M	6 M	12 M	3 Yr Annual	Rs. Cr
IDFC Premier Equity - A Fund	1	35.22	22.68	28.79	57.60	30.81	952.83
Reliance Equity Opportunities Fund	2	38.59	19.93	29.48	60.15	20.61	1369.91
HDFC Equity Fund	3	291.55	17.86	25.18	47.23	23.42	4075.02
DSP Blackrock Equity - Fund	4	17.62	17.22	21.92	38.57	19.74	1407.47
DSP Blackrock Opportunities-Fund	5	93.01	16.62	23.84	38.42	14.61	395.34
ICICI Prudential Discovery Fund	6	50.83	13.65	20.78	44.05	26.79	795.50
Fidelity Equity Fund	7	37.17	14.34	22.37	40.28	15.99	1555.16
HDFC Top 200 Fund	8	219.74	15.38	21.52	35.65	23.25	4905.78
Franklin India Prima Fund	9	297.24	15.78	19.08	44.02	8.51	396.58
TATA Pure Equity Fund	10	106.72	15.23	18.08	36.09	15.59	360.47

Sector & Thematic Funds

Sector and Thematic Funds		Past Performance (%)					AUM
Scheme Name	Rank	NAV	3 M	6 M	12 M	3 Yr Annual	Rs. Cr
Franklin FMCG	1	52.68	17.10	28.70	56.31	27.15	18.64
Reliance Banking	2	110.00	26.81	42.68	62.09	39.06	706.15
Reliance Pharma	3	52.68	2.97	15.79	62.53	36.44	237.15

Mid Cap Funds

Midcap Funds		Past Performance (%)					AUM
Scheme Name	Rank	NAV	3 M	6 M	12 M	3 Yr Annual	Rs. Cr
DSP Blackrock Small & Midcap	1	19.44	20.81	28.60	59.66	21.13	523.17
HDFC Midcap Opportunities	2	16.15	17.67	25.74	54.56	18.62	754.26
Reliance Long Term Equity Fund	3	17.24	18.17	25.79	46.16	13.49	1190.76

Liquid Funds

Liquid Fund			Past Performance*			Asset Class		AUM
Scheme Name	Rank	NAV	7 D	15 D	30 D	AAA/P	AA/AA+	Rs Cr
Birla Sun Life Cash Manager	1	22.95	5.57	5.53	5.57	100.00	0.00	2904.81
DSP Blackrock Liquidity	2	22.37	5.45	5.41	5.47	97.35	2.65	3234.65
HDFC Cash Management Fund	3	19.70	5.48	5.47	5.43	97.12	2.88	5980.92

Monthly Income Plan

Income Funds			Past Performance*			Asset Class		AUM
Scheme Name	Rank	NAV	3 M	6 M	1 Yr	AAA/P	AA/AA+	Rs Cr
HDFC Monthly Income Plan Fund	1	22.68	20.08	16.01	14.92	62.84	37.15	8358.73
Reliance Monthly Income Plan Fund	2	21.45	16.82	13.28	13.67	50.69	49.30	6616.77
Tata Monthly Income Plan Plus Fund	3	15.97	13.39	12.66	11.63	66.13	33.87	135.92

Short Term Funds

Short Term Funds			Past Performance*			Asset Class		AUM
Scheme Name	Rank	NAV	1 M	3 M	6 M	AAA/P	AA/AA+	Rs Cr
Templeton India Short Term Income	1	1895.34	6.95	6.74	6.88	66.50	33.49	7051.71
DWS Short Maturity Fund	2	16.99	4.66	7.50	6.13	88.86	11.14	307.19
HDFC Short Term Plan	3	10.13	5.32	5.56	6.00	99.60	0.40	2468.67

*Annualized Performance

Investment Objective
The Scheme shall seek to generate long-term capital growth from an actively managed portfolio of predominantly equity and equity related instruments.

Market Capitalisation (% of Portfolio)		
Large	Mid	Small
43.04	10.80	45.87

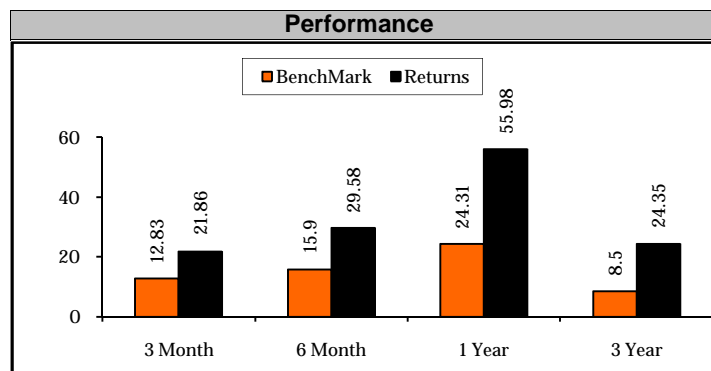
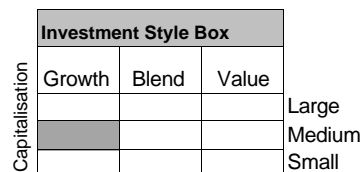
Fund Manager Details	
Fund Manager	Kenneth Andrade
Managing Fund Since	Feb-07
Total Experience	15 Years
Total AUM (In Crores)	3,426
No. of Schemes	6
Top Schemes AUM wise (1)	IDFC Premier Equity-A(G)
Top Schemes AUM wise (2)	IDFC Small & Midcap Equity(G)

Key Scheme Details	
Date of Inception	28-Sep-05
Minimum Lumpsum Investment	25000
Minimum SIP Investment	2000
Fund Size (In Crores)	1767.24
Total Stocks	21
Total Sectors	17
NAV (Growth)	35.23
NAV (Dividend)	28.55
Benchmark Index	BSE-500

SIP Analysis - Rs. 5,000				
Particulars	Performance			
	1 Year	3 Years	5 Years	Inception
Investment Amount	55,000	175,000	295,000	295,000
Current Value	65,444	290,568	616,653	616,653
SIP Returns	19	66	109	109
Benchmark Returns	7	32	43	16

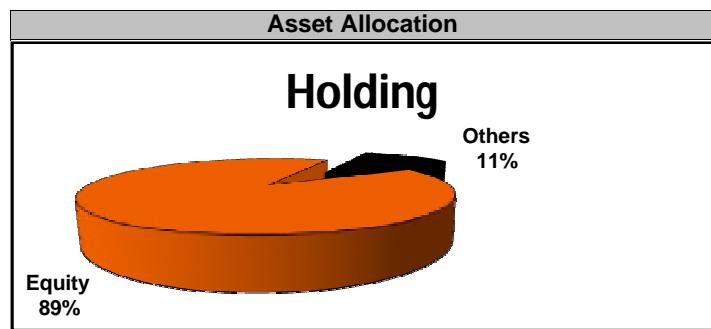
Quantitive Analysis	
Beta	0.92
Expense Ratio	1.19
P/B Ratio	6.63
P/E Ratio	28.34
Sharpe	0.74
Standard Deviation	4.64

Portfolio Review & Comments
IDFC Premier Equity Fund has been an outstanding performer in the category. This fund invests in businesses with good long term potential, which are available with cheap valuations. The fund manager rides on his bets by taking contrarian sectoral calls, this fund has FMCG & Entertainment in the top position. Ideal for Investors with high risk appituite and long term horizon .



Top 10 Companies		
Companies	%	Change
Asian Paints Ltd.	5.22	▲
Coromandel International Ltd.	4.98	▼
Bajaj Electricals Ltd.	4.89	▲
Sun T V Network Ltd.	4.46	▼
Shriram Transport Finance Compar	4.41	▼
IRB Infrastructure Developers Ltd	4.17	▼
Glaxosmithkline Consumer Healthc	3.89	▼
Page Industries Ltd.	3.58	▲
Petronet LNG Ltd.	3.37	▲
Motherson Sumi Systems Ltd.	3.23	▲

Top 10 Sector Allocation (%)		
Sectors	%	Change
FMCG	6.86	▼
Paints	5.22	▲
Fertilizers	4.98	▼
Consumer Durables	4.89	▲
Entertainment	4.46	▼
Finance	4.41	▼
Real Estate	4.17	▼
Textile	3.58	▲
Oil & Gas	3.37	▲
Auto Ancillary	3.23	▲



Investment Objective	The scheme aims to achieve long term capital appreciation through exclusively investing in shares of Fast Moving Consumer Goods.																	
Market Capitalisation (% of Portfolio)																		
Large	Mid	Small																
84.37	5.99	9.64																
Fund Manager Details																		
Fund Manager	Anil Prabhudas																	
Managing Fund Since	Nov-05																	
Total Experience	19 Years																	
Total AUM (In Crores)	48																	
No. of Schemes	2																	
Top Schemes AUM wise (1)	Franklin FMCG(G)																	
Top Schemes AUM wise (2)	Franklin India Index Tax																	
Key Scheme Details																		
Date of Inception	21-Apr-99																	
Minimum Lumpsum Investment	5000																	
Minimum SIP Investment	500																	
Fund Size (In Crores)	45.74																	
Total Stocks	27																	
Total Sectors	10																	
NAV (Growth)	67.7																	
NAV (Dividend)	42.49																	
Benchmark Index	ET Brandex																	
SIP Analysis - Rs. 5,000																		
Particulars	Performance																	
	1 Year	3 Years	5 Years	Inception														
Investment Amount	55,000	175,000	295,000	680,000														
Current Value	64,943	277,101	504,247	2,441,315														
SIP Returns	18	58	71	259														
Benchmark Returns	0	0	0	0														
Quantitive Analysis																		
Beta	0																	
Expense Ratio	2.5																	
P/B Ratio	8.29																	
P/E Ratio	20.53																	
Sharpe	1.23																	
Standard Deviation	2.7																	
Portfolio Review & Comments																		
This is a fund dedicated to the FMCG sector. The exposure to large caps lends some stability to the fund. We have a positive outlook for the near future on this sector and believe this fund is a good way to get the requisite exposure in this sector.																		
Investment Style Box																		
Capitalisation	Growth	Blend	Value															
	Large																	
	Medium																	
			Small															
Performance																		
<table border="1"> <thead> <tr> <th>Period</th> <th>Benchmark</th> <th>Returns</th> </tr> </thead> <tbody> <tr> <td>3 Month</td> <td>0</td> <td>16.04</td> </tr> <tr> <td>6 Month</td> <td>0</td> <td>28.58</td> </tr> <tr> <td>1 Year</td> <td>0</td> <td>54.76</td> </tr> <tr> <td>3 Year</td> <td>0</td> <td>21.83</td> </tr> </tbody> </table>				Period	Benchmark	Returns	3 Month	0	16.04	6 Month	0	28.58	1 Year	0	54.76	3 Year	0	21.83
Period	Benchmark	Returns																
3 Month	0	16.04																
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1 Year	0	54.76																
3 Year	0	21.83																
Top 10 Companies																		
Companies	%	Change																
Nestle India Ltd.	13.38	▼																
ITC Ltd.	11.38	▼																
Asian Paints Ltd.	10.27	▲																
Pidilite Industries Ltd.	6.61	▲																
Marico Ltd.	6.28	▼																
Hindustan Unilever Ltd.	4.62	▼																
United Spirits Ltd.	4.62	▼																
Dabur India Ltd.	4.07	▲																
Glaxosmithkline Consumer Healthca	3.99	▼																
Emami Ltd.	3.97	▼																
Top 10 Sector Allocation (%)																		
Sectors	%	Change																
FMCG	62.69	▼																
Paints	10.27	▲																
Breweries & Distilleries	8.14	▲																
Chemicals	6.61	▲																
Retailing	1.98	▼																
Others	1.92	▼																
Consumer Durables	0.96	▲																
Asset Allocation																		
Holding																		
<table border="1"> <thead> <tr> <th>Category</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Equity</td> <td>93%</td> </tr> <tr> <td>Others</td> <td>7%</td> </tr> </tbody> </table>				Category	Percentage	Equity	93%	Others	7%									
Category	Percentage																	
Equity	93%																	
Others	7%																	

Investment Objective	An Open ended equity growth scheme, primarily seeking to generate long term capital appreciation from a portfolio substantially constituted of equity and equity related securities, which are not part of top 100 stocks by market capitalization. From time to time, the Investment Manager will also seek participation in other equity and equity related securities to achieve
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Market Capitalisation (% of Portfolio)		
Large	Mid	Small
28.43	47.46	23.43

Investment Style Box			Capitalisation
Growth	Blend	Value	
			Large
			Medium
			Small

Fund Manager Details	
Fund Manager	Apoorva Shah
Managing Fund Since	Apr-08
Total Experience	22 Years
Total AUM (In Crores)	8,018
No. of Schemes	7
Top Schemes AUM wise (1)	DSPBR Top 100 Equity-Reg(G)
Top Schemes AUM wise (2)	DSPBR Equity-Reg(D)

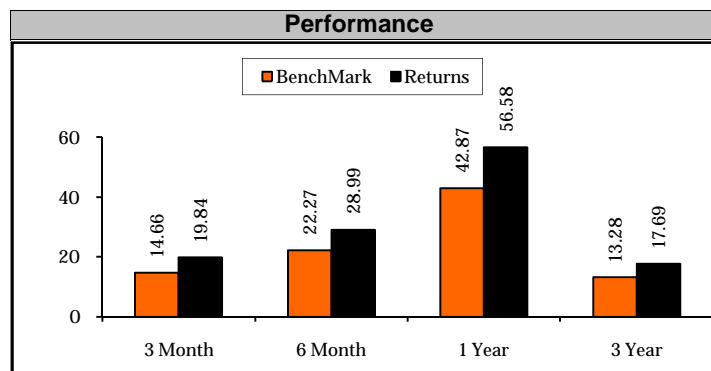
Key Scheme Details	
Date of Inception	16-Nov-06
Minimum Lumpsum Investment	5000
Minimum SIP Investment	1000
Fund Size (In Crores)	1030.58
Total Stocks	86
Total Sectors	48
NAV (Growth)	19.41
NAV (Dividend)	17.79
Benchmark Index	CNX Midcap

SIP Analysis - Rs. 5,000				
Particulars	Performance			
	1 Year	3 Years	5 Years	Inception
Investment Amount	55,000	175,000	225,000	225,000
Current Value	65,209	299,066	382,976	382,976
SIP Returns	19	71	70	70
Benchmark Returns	13	53	66	27

Quantitive Analysis	
Beta	1.06
Expense Ratio	2.07
P/B Ratio	2.85
P/E Ratio	15.49
Sharpe	0.76
Standard Deviation	4.6

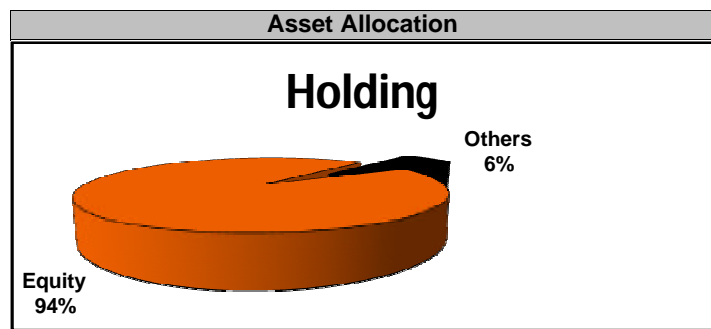
Portfolio Review & Comments

DSP Blackrock Small & Midcap Fund, as the name suggests would invest mainly in the mid and small cap stocks but it also has partial exposure to large caps which prevents it from being too volatile. It has been one of the best funds in this category and we recommend it for those ready to compromise on stability and take a little risk. In the current market scenario, it is best to invest in this fund through an SIP.



Top 10 Companies		
Companies	%	Change
Bayer Cropscience Ltd.	3.18	▲
Tata Chemicals Ltd.	2.95	▲
Eicher Motors Ltd.	2.71	▲
EID-Parry (India) Ltd.	2.70	▲
Jubilant Life Sciences Ltd.	2.46	▼
Alstom Projects India Ltd.	2.43	▼
Bata India Ltd.	2.37	▼
Torrent Pharmaceuticals Ltd.	2.37	▼
Trent Ltd.	2.30	▲
Thermax Ltd.	2.19	▼

Top 10 Sector Allocation (%)		
Sectors	%	Change
Fertilizers	9.84	▲
Pharmaceuticals & Drugs	6.53	▼
Textile	6.37	▲
Oil & Gas	5.94	▲
FMCG	4.98	▲
Finance	4.62	▼
Banks	4.46	▼
Real Estate	4.23	▼
Software	3.85	▲
Auto Ancillary	3.83	▼



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