



You aspire, we facilitate

Portfolio Performance Review

December 2007

1. Highly aggressive portfolio

Performance summary

- 1: The portfolio has outperformed both the index and category averages. Portfolio has outperformed the index and category average since its launch by an outstanding 9.75% and 13.09% respectively in terms of annualized returns.
- 2: The recent months rally in a few sectors has led to tremendous performance of both category as well as index. However, the performance is still lesser than our portfolio performance.
- 3: Investment of Rs. 1,00,000 has become Rs. 2,37,679 delivering a return of Rs. 1,37,679 (in absolute terms).
- 4: Highly aggressive portfolio has taken higher risk than the index and the category averages. However, the additional risk taken is very clearly supported by the greater returns that our portfolio generated over the index and category average.

Returns

	3 months (abs)	6 months (abs)	1 year (ann)	Since launch (CAGR) ^	Risk adjusted (Sortino ratio) ^
Portfolio	34.84	43.45	54.74	54.17	2.36
CNX Midcap	32.26	41.63	57.70	44.42	1.85
Category average	25.34	31.94	43.81	41.08	2.00

^ since Nov 30, 2005

Our portfolio

Our highly aggressive portfolio was originally framed on November 30, 2005. An investor who would have invested Rs. 1,00,000 on that day would have seen that his portfolio has gone up to Rs. 1,76,272 by Aug 07, Rs. 1,65,685 by May 07 and to Rs. 1,53,601 by Nov 06. The returns computed in the chart below are the preceding 3 month, 6 month and 1 year returns from Nov 30, 07.

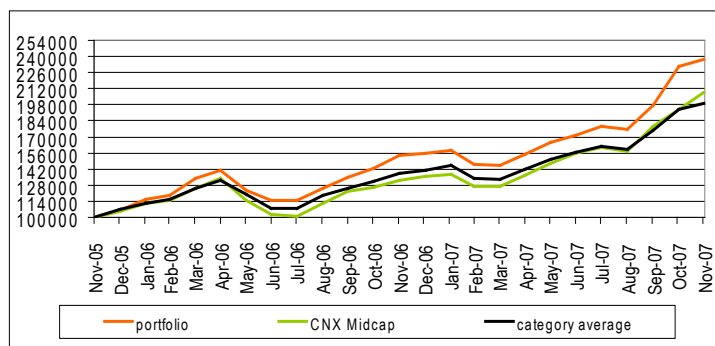
	3 months ^	6 months ^	1 year ^	Since launch ^
Portfolio	61,407.7	71,994.49	84,078.97	1,37,679.75
CNX Midcap	50,878.0	61,305.94	76,313.11	1,08,576.72
Category average	40,244.6	48,189.67	60,641.85	99,048.55

^ Investment of Rs.1 lakh in Nov, 2005

Notes:

1. Returns as on November 30, 07
2. Returns and deviations have been annualised.
3. For computation of Sortino ratio, returns are computed using monthly NAV on the last working day of every month, risk-free rate is taken as 6% p.a.

Growth of investment of Rs.1 lakh*

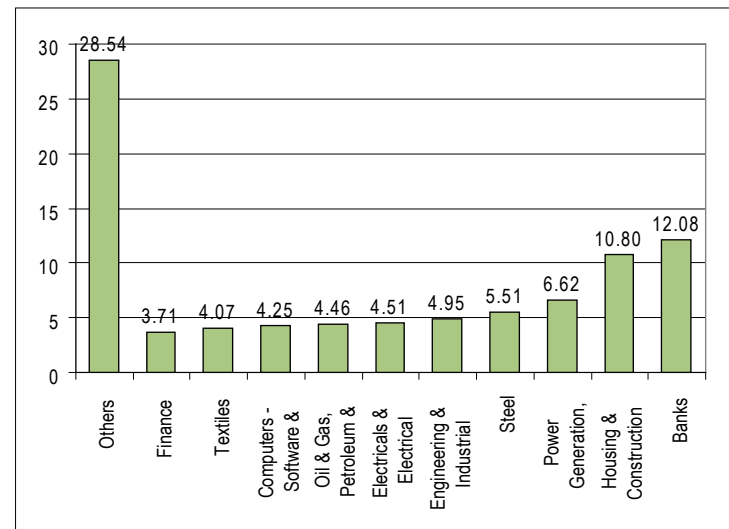


* Value of investment worth Rs.1 lakh made on Nov 30, 2005 based on our recommendations

Notes:

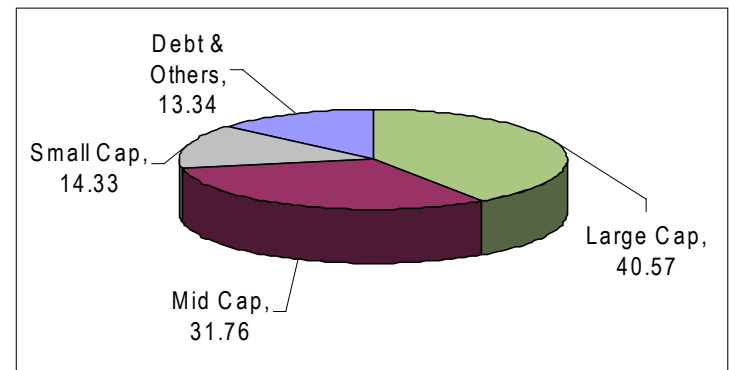
1. Portfolio changes are made on the 1st of every month.
2. Impact of loads and capital gains not considered
3. Schemes have been classified in terms of aggression based on their investment universe, investment style and target market segmentation.

Top sector weightings (% of net assets)*



Our Highly aggressive portfolio suggests that we have a high exposure towards sectors like Infrastructure and Banking/Finance. Our weightage towards these sectors under this portfolio is as high as 36.65%. Our faith in these two sectors has paid us good returns and we continue our bullish view on these sectors

Market capitalisation (% of net assets)*



Note: * as on Oct. 31, 07

(Data source: MF1 explorer)

2. Moderately aggressive portfolio

Performance summary

- 1: The Portfolio has been closely tracking the index in terms of risk adjusted returns. The portfolio has given fair risk adjusted returns. Both the index and the category average have higher sortino ratio than the portfolio signaling a higher risk.
- 2: The Portfolio has underperformed the index and category average this month. This could be attributed to the under performance of Reliance Vision which is carrying a 16% weight in the portfolio. The fund has given a negative return of (1.18%) during the month. However, this fund has been a consistent performer for a very long period and is expected to perform well in future as well.
- 3: Investment of Rs. 1,00,000 has become Rs. 2,02,987, delivering a return of Rs. 1,02,987 (in absolute terms).

Returns

	3 months (abs)	6 months (abs)	1 year (ann)	Since launch (CAGR) ^	Risk adjusted (Sortino ratio) ^
Portfolio	22.45	28.84	39.96	42.47	2.11
CNX500	31.20	36.65	48.44	45.31	2.12
Category average	31.03	38.95	50.13	45.84	2.26

^ since Nov 30, 2005

Our portfolio

Our moderately aggressive portfolio was originally framed on November 30, 2005. An investor who would have invested Rs. 1,00,000 on that day would have seen that his portfolio has gone up to Rs. 1,65,774 by Aug 07, Rs. 1,57,549 by May 07 and to Rs. 1,45,030 by Nov 06. The returns computed in the chart below are the preceding 3 month, 6 month and 1 year returns from Nov 30, 07.

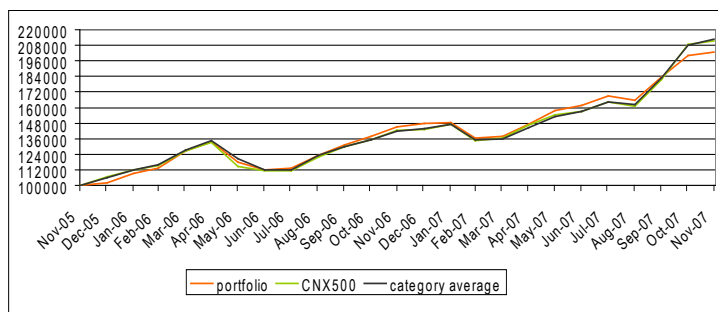
	3 months ^	6 months ^	1 year ^	Since launch ^
Portfolio	37,212	45,437.98	57,956.37	1,02,986.74
CNX500	50,214	56,626.85	68,907.05	1,11,154.96
Category average	50,374	59,619.86	71,025.77	1,12,705.66

^ Investment of Rs.1 lakh in Nov, 2005

Notes:

1. Returns as on November 30, 07
2. Returns and deviations have been annualised.
3. For computation of Sortino ratio, returns are computed using monthly NAV on the last working day of every month, risk-free rate is taken as 6% p.a.

Growth of investment of Rs.1 lakh*

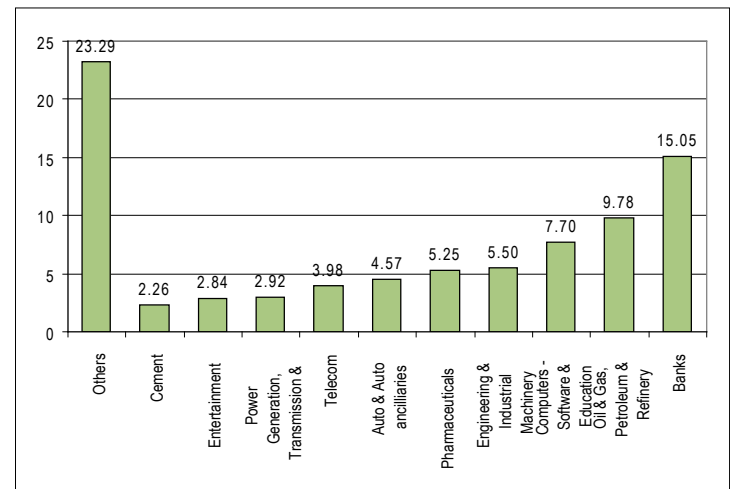


* Value of investment worth Rs. 1 lakh made on Nov 30, 2007 based on our recommendations

Notes:

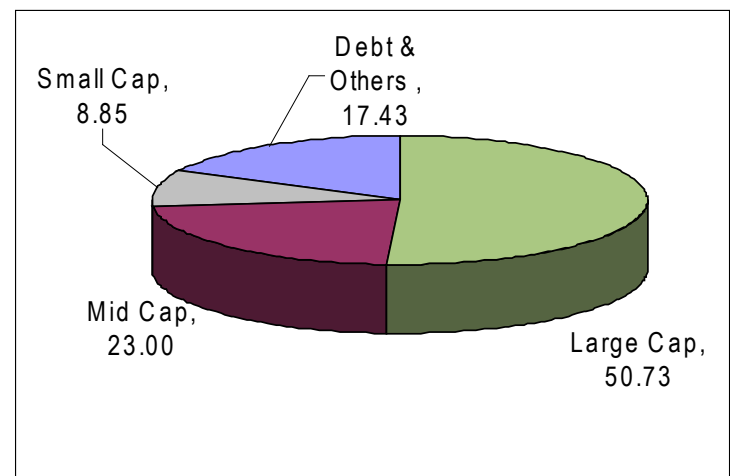
1. Portfolio changes are made on the 1st of every month.
2. Impact of loads and capital gains not considered
3. Schemes have been classified in terms of aggression based on their investment universe, investment style and target market segmentation.

Top sector weightings (% of net assets)*



Our Moderately aggressive portfolio suggests that we have a high exposure towards sectors like Infrastructure and Banking/Finance. Our weightage towards these sectors under this portfolio is as high as 33.05%. Though this portfolio has under performed the index and category averages our faith in these two sectors has helped us from not evidencing more under performance.

Market capitalisation (% of net assets)*



As one fund's portfolio details are not available, It has been excluded for purpose of above data. All information represent 88% of the portfolio.

Note: * as on Oct. 31, 07

(Data source: MFI explorer)

3. Least aggressive portfolio

Performance summary

- 1: The portfolio has outperformed the category average by a significant 5.91% and has outperformed the benchmark by a margin 0.48% in terms of compounded annualized returns.
- 2: The fund could not significantly outperform the index as it did in the case of category average because nifty moved up owing to a rally in a few banking stocks during the last month.
- 3: Investment of Rs. 1,00,000 has become Rs. 1,88,607, delivering a return of Rs. 88,607 (in absolute terms).

Returns

	3 months (abs)	6 months (abs)	1 year (ann)	Since launch (CAGR) ^	Risk adjusted (Sortino ratio) ^
Portfolio	29.92	36.85	51.89	47.88	2.33
S&P Nifty	29.09	34.15	45.73	47.40	2.24
Category average	31.37	37.58	49.55	41.97	2.14

^ since Nov 30, 2005

Our portfolio

Our least aggressive portfolio was originally framed on November 30, 2005. An investor who would have invested Rs. 1,00,000 on that day would have seen that his portfolio has gone up to Rs. 1,68,318 by Aug 07, Rs. 1,40,986 by May 07 and to Rs. 1,43,967 by Nov 06. The returns computed in the chart below are the preceding 3 month, 6 month and 1 year returns from Nov 30, 07.

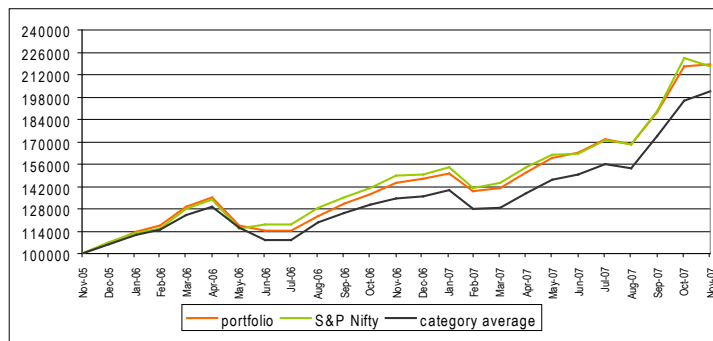
	3 months ^	6 months ^	1 year ^	Since launch ^
Portfolio	50,359.34	58,889.51	74,710.50	1,18,677.29
S&P Nifty	48,967.86	55,309.64	68,177.96	1,17,277.78
Category average	48,131.25	55,053.87	66,782.49	1,01,554.26

^ Investment of Rs.1 lakh in Nov, 2005

Notes:

1. Returns as on November 30, 07
2. Returns and deviations have been annualised.
3. For computation of Sortino ratio, returns are computed using monthly NAV on the last working day of every month, risk-free rate is taken as 6% p.a.

Growth of investment of Rs. 1 lakh*

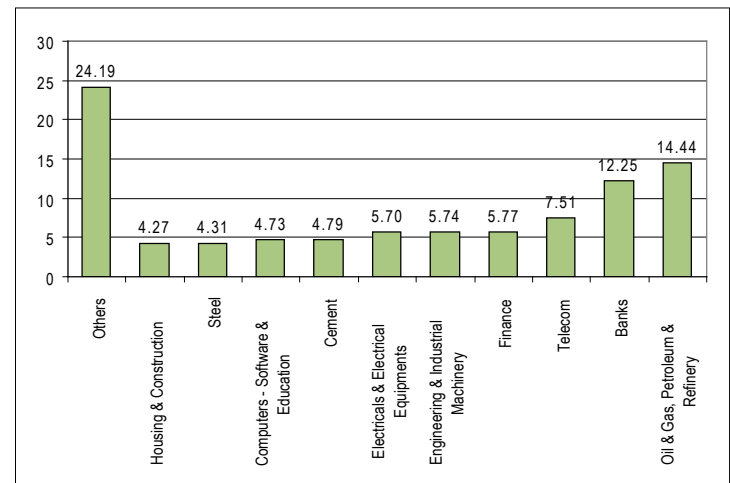


* Value of investment worth Rs. 1 lakh made on Nov 30, 2005 based on our recommendations

Notes:

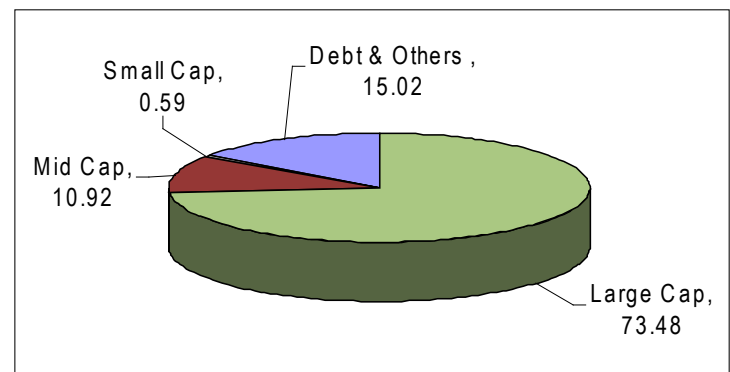
1. Portfolio changes are made on the 1st of every month.
2. Impact of loads and capital gains not considered.
3. Schemes have been classified in terms of aggression based on their investment universe, investment style and target market segmentation.

Top sector weightings (% of net assets)*



Our Least aggressive portfolio suggests that we have a high exposure towards sectors like Infrastructure and Banking/Finance. Our weightage towards these sectors under this portfolio is as high as 38.80%. Our faith in these two sectors has paid us good returns and we continue our bullish view on these sectors.

Market capitalisation (% of net assets)*



Note: * as on Oct. 31, 07

(Data source: MFI explorer)

4. Rationale behind portfolio construction

The portfolios are diversified across different fund types and AMCs as well. This would contribute towards better risk-adjusted returns.

The fund selection approach

1. We have classified all equity funds into three categories based on the risk associated with them. The categories are most aggressive, moderately aggressive and least aggressive. The criterion for assessing the risk associated include investment strategy, exposure to various market capitalisations, themes and sectors.
2. The next step involves short listing funds based on the outlook with reference to specific themes, sectors, and market segments (large, mid and small capitalisations).
3. After filtering funds based on the above theme, we identify the best performing schemes in all the categories short listed in step 2.
4. The quantitative parameters for identifying the best performing schemes include: historical risk-return performance, portfolio concentration, corpus size etc.
5. Qualitative parameters considered are AMC track record, performance of existing equity funds and strength of the fund management team.

Some new funds which could not be assessed based on their historical performance, have also been included based on qualitative parameters and outlook on theme/ investment strategy etc.

Highly Aggressive Funds:

These funds are considered as high risk-high return funds. Selection of these funds depends on their exposure to stocks and sectors. Aggressive funds have more exposure to mid cap stocks which are considered riskier and at the same time have the potential of offering good returns. Sector funds are also considered more risky as they have concentrated exposure in a particular sector; such as FMCG funds, power sector funds, commodities fund etc. Thematic funds such as services, infrastructure and capex are expected to generate good returns due to the govt. initiatives on infrastructure projects, which may result in growing revenues of capital goods companies.

Moderately Aggressive Funds:

These funds are typically purely diversified funds which do not have any bias towards any sector, theme or market segment. At the same time, these funds do not adopt the strategy of taking very concentrated exposure. This means that due to high degree of diversification, such funds are meant to be more consistent than the one's belonging to the aggressive category. This category also includes contrarian funds. Such funds invest in stocks which are out of favour, thus offering a potential to deliver higher risk-adjusted returns over a long-term.

Least Aggressive Funds:

These funds offer low return with low risk. Selection of these funds mainly depends on the defensive strategy taken by mutual funds. Like large cap funds are exposed large companies which generally offers a low return and the risk involved in these funds are low. Also, PE and dividend yield funds fall under this category since it follows a conservative approach by investing more in low P/E stocks or high dividend yield stocks.



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