

Turnaround Story

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Taurus Tax Shield



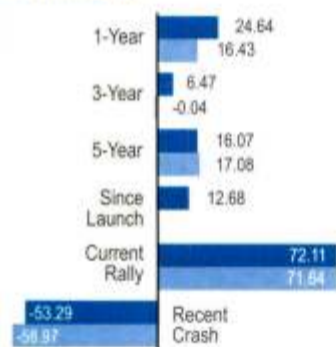
Turnaround story

Average Net Assets: ₹62 cr
(Sep 2010)

Launch: March 1996

Fund Manager: Sadanand Shetty

Returns (%)



■ Fund ■ BSE 200
Current Rally: 09/03/2009 - 30/11/2010
Recent Crash: 08/01/2008 - 09/03/2009

Fund Top Holdings (%)

Company	Fund (%)	BSE 200 (%)
Reliance Industries	6.33	7.54
Aurobindo Pharma	5.19	0.12
Voltas	4.90	0.22
Tata Chemicals	4.55	0.28
ICICI Bank	4.02	5.10

The last column indicates the holdings' allocation in the benchmark

Capitalisation Break-up (%)



Fund Style



Data as on Nov 30, 2010; Holdings related data as on Oct 31, 2010

This fund revels in flirting with risk. The fund has seen a turnaround in its performance since 2007 and has delivered impressively during market rallies since then. Despite frequent changes in fund management, the fund has worked towards better performance. Before 2008, it was usual for this fund to have concentrated stock bets and high exposure to mid- and small-cap stocks, which dragged its performance during the market downturn. The number of stocks in the portfolio rarely exceeded 20 and it was common to see the top



Internal risk framework checks the exposure to any single sector and stocks. Our top holdings in sector and stocks are aligned to respective benchmark indices.

SADANAND SHETTY, VP & SR FUND MANAGER

five holdings account 60 per cent of the portfolio. However, in recent times, it has adopted a multi-cap approach and has changed its composition to suit market conditions.

After being the worst performing tax planning fund in 2006, it was the best performer in 2007. This performance was mostly to do with the concentrated stocks such as JP Associates and Reliance Capital, in its portfolio, sector bets in financial services and the exposure to mid- and small-cap stocks that had a good run in the bull phase. Once the mar-

kets started to tank in January 2008, the fund transformed into a diversified offering. The number of stocks increased to 37 by 2008 compared to less than 20 in 2007. The allocation to top five holdings was limited to 15 per cent by December 2008. Increase in exposure to large-caps and high cash positions also helped the fund limit its fall to an average level.

In May 2010, the fund reduced its engineering stock holding and increased its exposure to the financial sector. "The fund was underweight on BFSI sector so we scaled up our weight

and exited some of the engineering stocks which didn't have a clear visibility," says Sadanand Shetty, fund manare, Taurus Mutual Fund,

Out View

The fund's performance during market upside has been impressive in recent times and it is also able to contain the downfall. But the fund is still the most volatile among the tax planning funds. It is most suited for tax savers looking for a fund with higher risk that can also result in higher returns. ■

Performance



We will continuously keep you abreast of latest development and happenings at Taurus Mutual Fund through this mail service "TAURUS Talk".

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