



# Taurus Infrastructure Fund



**Invest in India's most promising sector.  
Invest in Taurus Infrastructure Fund!**



# Taurus Infrastructure Fund

## **Investment Strategy :**

- ❖ An actively managed diversified equity scheme.
- ❖ Medium to long term capital gain by investing predominantly in companies in infrastructure Space.
- ❖ Selection of stocks based on structural infrastructure growth story and support services.
- ❖ Investment across the capitalisation.

## **Key Features:**

- ❖ Riding the Infrastructure growth in India
- ❖ Long term wealth creation through value investing in Infrastructure Space.

# Taurus Infrastructure - Performance

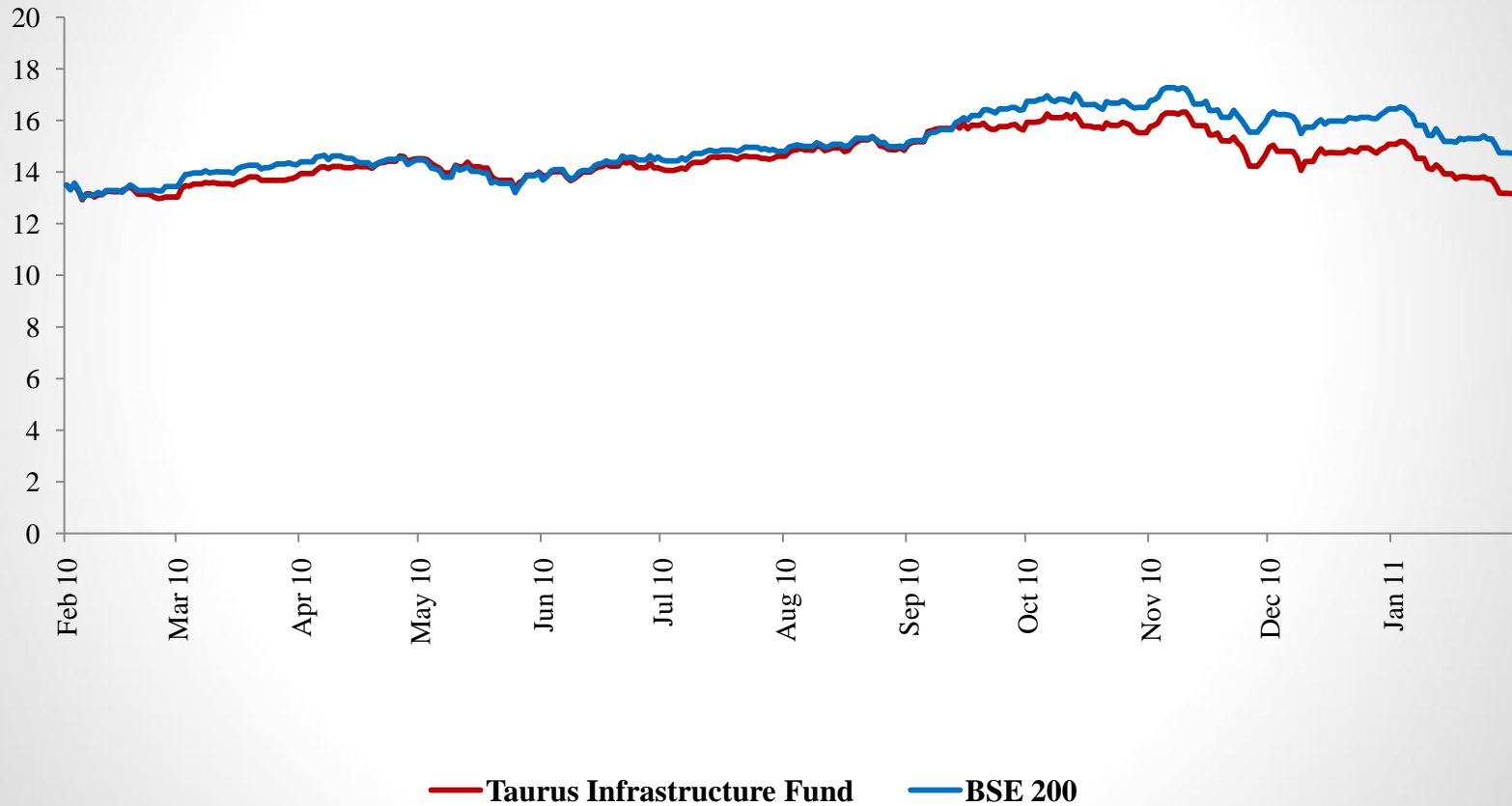
Performance as on 31st Jan'11	1 Year	2 Year	3 Year
Taurus Infrastructure	-0.53	55.55	-1.85
BSE 200	9.93	43.20	0.59

Source – Value Research

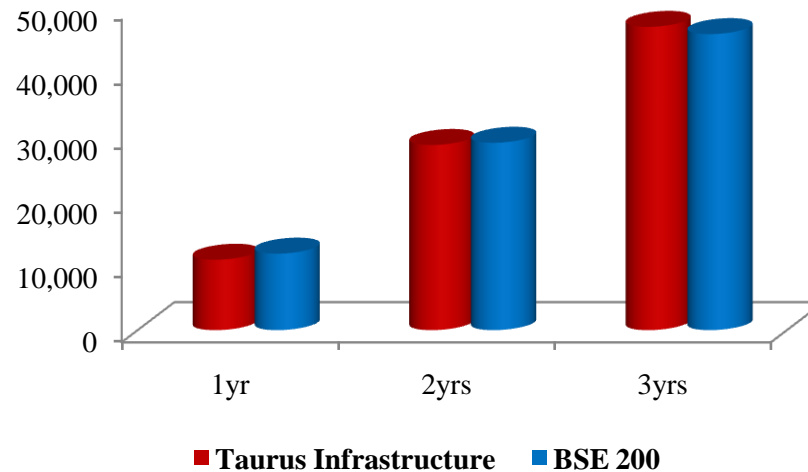
Period 1 year or less – Absolute & Period more than that – CAGR

Past Performance may or may not sustain in future.

# Taurus Infrastructure – 1 year performance relative to Benchmark



# Taurus Infrastructure SIP relative to Benchmark



Taurus Infrastructure and BSE 200			
Monthly Investment (1st of every month)	1,000	1,000	1,000
No of Months	12	24	36
Total Investment	12,000	24,000	36,000
Value of TIF Investment (31st Jan'11)	10,910	28,695	46,996
Value of Benchmark (31st Jan'11)	11,855	29,038	45,873

# Taurus Infrastructure Fund- Portfolio Data as on Jan'11



## Top 10 Equity Holdings of Taurus Infrastructure

Company Name	% of Net Asset
Reliance Industries Ltd	7.42%
Coal India Ltd	6.54%
Bharat Heavy Electricals Ltd	5.55%
Power Finance Corporation Ltd	5.31%
Mercator Lines Ltd	5.12%
Hathway Cable And Datacom Ltd	4.89%
Larsen & Toubro Ltd	4.30%
Gujarat State Petronet Ltd	4.27%
Mundra Port & Special Eco Zone Ltd	4.12%
GVK Power & Infrastructure Ltd	3.35%
<b>Total of Top 10 Equity</b>	<b>50.87%</b>
<b>Other Equity</b>	<b>39.58%</b>
<b>Total Equity</b>	<b>90.45%</b>

## Top 10 Equity Sectors of Taurus Infrastructure

Sector Name	% of Net Asset
Transportation	9.24%
Industrial Capital Goods	8.09%
Power	7.88%
Finance	7.73%
Petroleum Products	7.42%
Construction Project	6.91%
Minerals/Mining	6.54%
Gas	6.34%
Non - Ferrous Metals	4.94%
Media & Entertainment	4.89%
<b>Total of Top 10 Equity</b>	<b>69.98%</b>
<b>Other Equity Sectors</b>	<b>20.47%</b>
<b>Total</b>	<b>90.45%</b>

# Taurus Infrastructure Fund

## Top 10 Holdings of Taurus Infrastructure, as on January 2011

Company	FY13 PE	EPS growth (FY11-13E)	Reason to buy
Reliance Industries Ltd	11.20	15.50%	Higher utilisation and stable GRMs augur well for the company. EBITDA improvement in the Polyester products should also help the company's bottomline.
Coal India Ltd	15.20	10.70%	Largest coal reserve in the world. As demand supply deficit will rise in India, set to gain to seller's market
Bharat Heavy Electricals Ltd	14.00	19.80%	Strong order pipeline, improvement in working capital cycle and improvement in operating efficiency will drive the profit growth for the company.
Power Finance Corporation Ltd	7.50	18.70%	Strong ROE numbers with a sustainable loan book growth augur well for the sustainable profit growth. Stock is attractive on count of high ROA, low NPA and sustainable business growth
Mercator Lines Ltd	2.90	46.80%	It's capabilities in shipping and coal handling will help in getting large share of ever increasing coal imports of India. Non-shipping SBUs like coal mining and trading, offshore, dredging and logistics to put in better performance.
Hathway Cable And Datacom Ltd	21.60	79.90%	Benefit from the TV digitalization with improvement in ARPU. This will support the EBITDA of the company
Larsen & Toubro Ltd	12.80	31.90%	A strong balance sheet, sound execution engine, range of capabilities and integrated set of operations (tailored to suit the India infrastructure growth story), lead us to repose faith in the default India infrastructure story—L&T
Gujarat State Petronet Ltd	0.12	27.90%	Strong volume growth is expected on the back of the demand growth in the state.
Mundra Port & Special Eco Zone Ltd	0.54	46.30%	Capacity expansion across locations with higher expected utilization will drive profitability
GVK Power & Infrastructure Ltd	14.80	38.20%	Recent fund infusion in power venture ease funding constraints. Placed at discount to its DCF based value with best infra assets in its kitty

# Why Taurus Infrastructure Fund ?

- Existing Infrastructure Fund with more than 3 years track record.
- 5 Star rated fund by Value Research in Infrastructure Category.
- Declared maiden dividend of Re1 per unit on 16<sup>th</sup> August 2010.
- With the government providing additional allocation & focus on Infrastructure, this sector to derive maximum benefits from Infra-spend.

**\*\*Best Turnaround Manager Award\*\***

for the year 2009 for

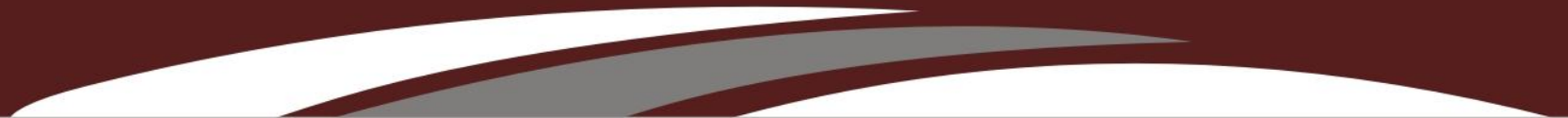
**“Taurus Infrastructure Fund”**

At Business World: India's Best Mutual Fund Awards

# Scheme Details

Particulars	Features
Nature	Open ended scheme to provide capital appreciation
Minimum Application Amount	Rs.5000 and multiple of Rs.1000 thereof
Load Structure	Entry Load - Nil
	Exit Load - 1% if exited before 1 year, Nil after 1 year
Choice of Investment	Growth Option
	Dividend Option - Dividend payout and Dividend Reinvestment
Benchmark	BSE 200
Scheme Strategy	Capital appreciation by investing pre-dominantly in equity and equity related securities of the Companies belonging to infrastructure sector, it's related industries inclusive of suppliers of capital goods, raw materials and other supportive services to infrastructure companies and balance in debt and money market instruments.
NAV (as on 31st January 2011)	Growth - 13.17
	Dividend - 12.36
AAUM	Rs. 19.54 Cr
Fund Manager	Mr.Sadanand Shetty

# Market Wrap



# Market Wrap- Jan'11

- ❖ BSE Sensex lost 10.6% during the month and ended at 18327, a loss of 2183 points. Nifty too ended in red at 5505.9, loss of 628 points i.e. negative 10.25%
- ❖ FIIs flow remained negative during the month because of the inflation concern. In total FIIs sold approx Rs.4813crs (\$1053.5mn). The FIIs have sold Rs.5009.3cr (\$1096.8mn) in the secondary market and bought Rs.196.4cr (\$43.20mn) in the primary market
- ❖ On the contrary, Indian Mutual funds were net buyers in the market. During January, Mutual funds bought net Rs.590.8crs worth of equities
- ❖ All the sectoral indices ended in red during the month. Realty lost 22% followed by Auto (-13%), Capital Goods (-12.2%) and Bankex (-9.8%). IT and consumer durable have comparatively done well as they posted loss of 7% and 6% only
- ❖ India's fiscal deficit narrowed by 44.75% year-on-year to INR1.71trn during the first three quarters of the current fiscal on the back of better-than-expected revenue from the sale of spectrum and robust tax collections
- ❖ The latest fortnight, ending 14 Jan'11 Credit growth stands at 23.6% compared with 24.4% the previous fortnight. Deposit growth for the fortnight slipped marginally year –on-year to 16.4% compared with 16.5% the previous fortnight

## **Key events in Domestic Markets:**

- ✧ The Reserve Bank of India (RBI) has increased key policy rates by 25 bps each. The inflation target has been increased to 7% for FY11, while the GDP forecast for FY11 has been kept steady at 8.5% with an upward bias.
- ✧ The industrial production stood at 2.7% in Nov'10, as against 11.3% (upwardly revised from provisional estimate of 10.8%) in Oct'10.
- ✧ India's indirect tax collections grew 42.8% year-on-year to Rs. 2,371.92 bn in Apr-Dec'10 period, as against Rs. 1,661.33 bn in Apr-Dec'09, which is 75.7% of the Budget Estimates for FY11
- ✧ India's WPI rose 8.43% year-on-year in Dec'10, faster than 7.48% increase in Nov'10, and 6.92% in Dec'09. Food inflation too rose marginally to 15.57% for the week ended January 15.

## Key events in International Markets:

- ✧ Existing home sales in the US rose sharply in Dec'10, with sales rising for the fifth time in the past six months. The existing home sales rose 12.3% to an annual rate of 5.28 mn in Dec'10, as against 4.7 mn
- ✧ China's growth accelerated to a 9.8 % in the 4Q-10 compared with a 9.6 % in 3Q.
- ✧ Inflation in the euro zone rose to 2.2% in Dec, the highest since Oct 2008 and above the ECB's target of close to but below 2%.
- ✧ Unrest in Egypt has disturbed the oil supply through the Suez canal and this may result in upward movement in the crude price.

# Strategy Going Ahead

- Indian Economy is witnessing interest rate risk in the near term but the same is expected to ease out in the first half of FY12
- In line tax collection and other revenues makes us to believe that GOI will maintain the fiscal deficit on the forecasted line. This will bring back the action in the private investment.
- Given some macro headwinds to the India growth story in short term, we maintain a cautious investment strategy as we look for
  - Sustainable consumption demand.
  - Softening on the core inflation and buoyant outlook in Industrial production
  - Improvement in lead indicators like IIP and core industry growth.
  - Any change in money allocation by the FIIs and active buying by domestic institutions



Winning the Game for us means  
Winning the Market for you

## About Taurus Mutual Fund

# Why Taurus Mutual Fund?

## It's a fund house on the move...



- Fastest growing Mutual Fund during F.Y. 2009-10. Managing an **AAUM of Rs 2228.5 crs** as on 31/1/2011.
- Product basket comprises of 6 Equity Funds, 1 ELSS, 4 Fixed Income Funds and one Monthly Income Plan besides FMPs'. Launched Taurus Ethical Fund in April 2009 and Taurus Nifty Index Fund & Taurus MIP Advantage in June 2010.
- **Taurus Liquid Fund** and **Taurus Ultra Short Term Bond Fund** rated as **AAAf** by **CRISIL** for credit quality of the portfolio.
- Two equity funds – '**Taurus Tax Shield**' and '**Taurus Infrastructure Fund**' bagged the prestigious **Business World Best Mutual Funds Awards** for the year 2009.
- Professional Service Providers:
  - ✎ Registrar & Transfer Agent : Karvy Computershare Pvt. Ltd
  - ✎ Custodian: HDFC Bank Ltd
  - ✎ Fund Accountant : Deutsche Bank AG

## Our Schemes

### EQUITY

- Taurus Starshare
- Taurus Bonanza Fund
- Taurus Discovery Fund
- Taurus Infrastructure Fund
- Taurus Ethical Fund
- Taurus Tax Shield (ELSS)
- Taurus Nifty Index Fund

### DEBT

- Taurus Short Term Income Fund
- Taurus Ultra Short Term Bond Fund
- Taurus Liquid Fund
- Taurus Gilt Fund
- Taurus MIP Advantage
- Taurus FMP Schemes

# Board of Directors of Taurus AMC



Mr. J. P. Kundra - Former MD, State Bank of India

Mr. M.G. Gupta - Former Addl Controller General of Accounts, Govt. of India

Maharaja Jai Singh — From the Royal family of Jaipur / Hotelier

Mr. Lalit Bhasin - Promoter Director

Mr. Vijay Sood - Ex Investment Banker, HSBC (Asia Pacific)

Mr. R K Gupta- MD, Former MD-PNB Mutual Fund

# Key Management Personnel

**Mr. Waqar Naqvi:** Chief Executive (AICWA, MBA, 19 years exp)

**Mr. Sanjay Parikh:** Chief Operations Officer(CA, CFA, 19 years exp)

**Mr. Sadanand Shetty:** Sr. Fund Manager-Equity(M.Com, PGDFA, 16 years exp)

**Mr. Rahul Pal:** Head- Fixed Income (B.Com, C.A., 9 years exp)

**Mr. V. Sasidhar :** Head-Customer Service (M.Com, 22 years exp)

**Mr. Nazish Ahmed :** Head- Marketing(M.Com, MBA, 11 years exp)

**Mr. Ramesh Kabra :** Head- Product Development (B.Sc., M.A. (Eco), 30 years exp)

# VP & Senior Fund Manager - Equity



## **Mr. Sadanand Shetty**

Masters in Commerce (specialisation in Banking & Finance), Sadanand has done his PGDFA

He has a total work ex of 16 years. His last assignment was with Kotak Securities as VP & Portfolio Manager -Equity for 5 years & 8 months. He has also worked with Soc Gen in Institutional equities for 4 years, Newscorp owned Indya.com Pvt. Ltd. for 2 years, Principal Capital Markets Ltd. as VP-Investments for 2 years and Capital Markets Publishers Pvt. Ltd. as an analyst for 3 years.

**Statutory Details:** Taurus Mutual Fund has been constituted as a Trust under the Indian Trust Act, 1882.

**Sponsor:** HB Portfolio Ltd.

**Trustee:** Taurus Investment Trust Company Limited **Investment Manager:** Taurus Asset Management Company Limited

## **Scheme Nature & Objective**

**Taurus Infrastructure Fund** is an open-end equity thematic scheme. Scheme is to provide capital appreciation and income distribution to unit-holders by investing pre-dominantly in equity & equity related securities of the companies belonging to Infrastructure sector, it's related industries inclusive of suppliers of capital goods, raw materials and other supportive services to infrastructure companies and balance in debt and money market instruments.

**Risk Factors: : All Investments in mutual funds and securities are subject to market risks and the NAV of the schemes may go up or down depending upon the factors and forces affecting the securities market. There can be no assurance that schemes' investment objectives will be achieved. The past performance of the Mutual Fund is not indicative of the future performance of the schemes. The Sponsor is not responsible or liable for any loss resulting from the operation of the schemes beyond the initial contribution of Rs.2 Lakh made towards setting up of the Mutual Fund. The scheme, Taurus Infrastructure, does not in any manner indicate the quality of the scheme , its future prospects or returns. There is no guarantee or assurance as to any return on investment of the unit holders. The investments made by the schemes are subject to external risks on transferring , pricing, trading volumes, settlement, etc. of securities. Please read the Scheme Information Document / Statement of Additional Information / Key Information Memorandum of all schemes before investing.**

\* Detailed methodology of Value Research Rating is available at [www.valueresearchonline.com](http://www.valueresearchonline.com)

# Disclaimer



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\*Detailed methodology of Value Research rating is available at [www.valueresearchonline.com](http://www.valueresearchonline.com).

**\*\*Businessworld India's Best Mutual Funds Awards methodology :**

For Best turnaround manager: Funds that moved from D10 decile in end-2008 to D1 in end-2009 were taken, after which they were ranked on scale of change in their one-year returns. For complete details on the methodology please refer to [www.businessworld.in](http://www.businessworld.in).

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**Thank You**

