

## Taurus Tax Shield is amongst the Top ELSS by Mutual Fund Insight

Source: Mutual Fund Insight, Editions: All India, Date: March 15 - April 14, 2011

### Taurus Tax Shield



# Transformed, but still a handful

Average net assets: ₹66 cr

(Dec 2010)

Launch: March 1996

Fund manager: Sadanand Shetty

#### Returns (%)



■ Fund ■ BSE 200

Current rally: 09/03/2009 - 28/02/2011

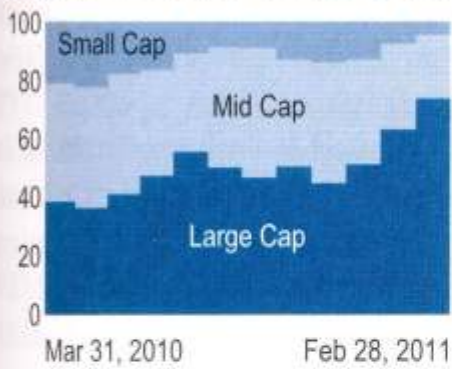
Recent crash: 08/01/2008 - 09/03/2009

#### Fund top holdings (%)

Company	Fund (%)	BSE 200 (%)
Reliance Industries	7.89	7.60
Infosys Technologies	6.46	6.42
ITC	5.13	4.00
Mahindra & Mahindra	4.50	1.29
HDFC	4.40	3.63

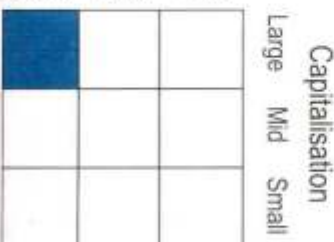
The last column indicates the holdings' allocation in the benchmark.

#### Capitalisation break-up (%)



#### Fund style

Investment style  
Growth Blend Value



All data as on Feb 28, 2011

The fund has seen a turnaround in its performance since 2007 and has delivered impressively during market rallies since then.

The portfolio is also more diversified. It contained its downfall to an average level in 2008 but is still one of the most volatile offerings in this category. Bold investors can look at this fund.

#### Strategy

The fund manager invests across the market capitalisation and sectors. The selection of stocks is made on the basis of long-term business prospects and value creation.

#### Fund insight

Launched in March 1996, the fund was a laggard with just two annual outperformances. Concentrated stock bets and high exposure to mid and small caps led to it being hit harder during market downturns. The number of stocks in the portfolio never exceeded 20 and it was not rare to see the top 5 holdings account for around 60 per cent of the portfolio.

After being the worst performing tax planning fund in 2006, it grabbed the top slot in 2007, thanks to concentrated stock and sector bets and high exposure to mid and small caps.

Once the market started its southward journey in January 2008, the

fund turned into a more diversified offering. The number of stocks increased and allocation to the top holdings decreased. Coupled with increased exposure to large caps and high cash positions, the fund limited its fall to an average level.

There has been a lot of reshuffling in the fund's portfolio as it has seen frequent fund manager changes. Sadanand Shetty, who joined in May 2010, cut down exposure to Engineering and increased it to Financial Services.

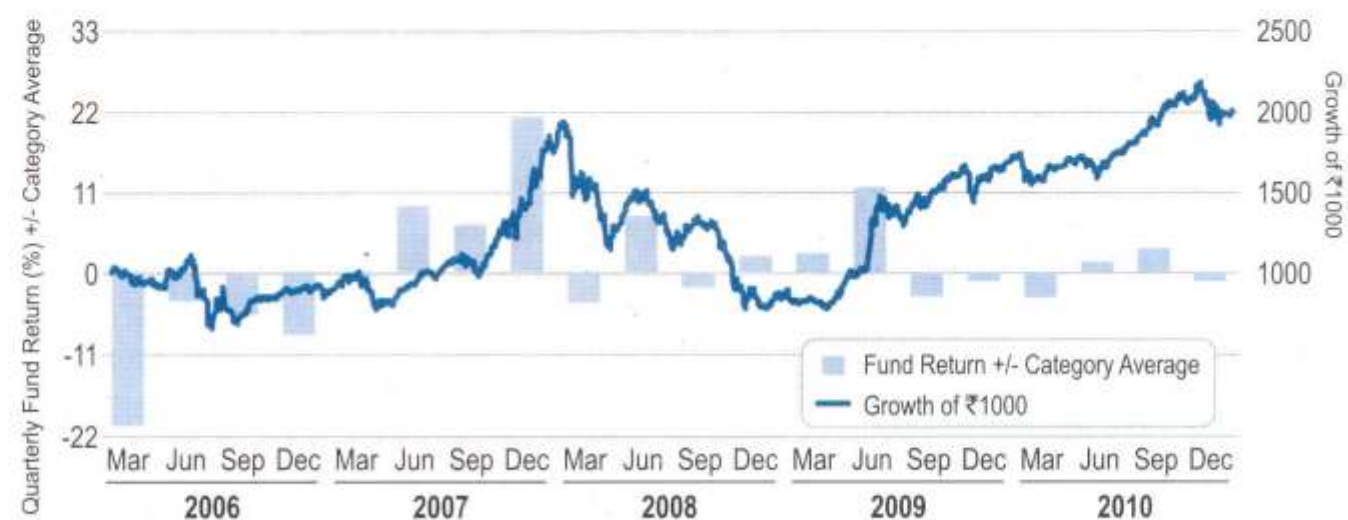
#### Portfolio insight

A diversified offering of 38 stocks with the top 5 cornering 26 per cent of the portfolio. Prior to 2008, a clear bias towards mid and small caps was evident. More recently, a multi-cap approach has been adopted and the portfolio changes according to market conditions. Large-cap exposure has moved from 62 per cent (December 2008) to 25 per cent (October 2009) and now stands at close to 74 per cent.

#### Risks

The track record shows a lot of aggression in terms of concentrated sector and stocks bets. In September 2007, Financial Services accounted for around half (52.43%) the fund's portfolio. Such stances could backfire tremendously. ■

#### 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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