



# CREAMY LAYE(A)RS

|                                  | Rating | 3M          | 12M         | 24M         | 36M         | 60M         |
|----------------------------------|--------|-------------|-------------|-------------|-------------|-------------|
| Birla Midcap                     | ****   | 28.7        | 61.9        | 51.7        | 53.2        | 58.0        |
| Birla SL Frontline Equity        | *****  | 25.9        | 50.9        | 53.4        | 50.0        | 51.0        |
| DSPML Equity                     | ****   | 28.3        | 55.5        | 53.6        | 56.5        | 61.5        |
| DSPML Opportunities              | ****   | 27.2        | 46.5        | 49.1        | 51.2        | 59.6        |
| Franklin India Bluechip          | ***    | 24.1        | 42.6        | 46.4        | 45.7        | 53.2        |
| Franklin India Prima             | ***    | 20.3        | 33.6        | 29.5        | 41.6        | 58.4        |
| Franklin India Prima Plus        | ****   | 24.4        | 48.3        | 51.3        | 50.5        | 54.7        |
| HDFC Equity                      | ****   | 22.1        | 41.7        | 44.2        | 50.6        | 57.8        |
| HDFC Top 200                     | ****   | 25.5        | 44.6        | 46.3        | 50.0        | 57.8        |
| ICICI Pru Dyanamic               | **     | 17.1        | 35.8        | 48.2        | 52.3        | 49.9        |
| Kotak 30                         | ****   | 34.8        | 56.5        | 53.5        | 55.2        | 56.0        |
| SBI Magnum Contra                | *****  | 28.2        | 50.7        | 53.1        | 63.6        | 69.7        |
| SBI Magum Equity                 | ****   | 35.6        | 59.8        | 57.8        | 55.9        | 52.7        |
| SBI Magnum Global                | *****  | 27.3        | 37.8        | 51.4        | 62.8        | 67.7        |
| SBI Magnum Multipler Plus        | ****   | 32.4        | 61.1        | 55.5        | 63.6        | 64.4        |
| Principal Resurgent India Equity | ***    | 22.0        | 50.1        | 46.7        | 43.4        | 54.1        |
| Reliance Growth                  | *****  | 34.4        | 62.6        | 54.8        | 61.7        | 71.3        |
| Reliance Vision                  | ****   | 23.4        | 51.2        | 49.7        | 52.4        | 59.9        |
| Sundaram BNPP Select Focus       | ****   | 45.9        | 69.0        | 63.3        | 57.8        | 56.3        |
| Sundaram BNPP Select Midcap      | *****  | 30.9        | 45.4        | 58.0        | 59.6        | 67.2        |
| Tata Pure Equity                 | ****   | 30.4        | 51.5        | 49.7        | 49.1        | 58.4        |
| Templeton India Growth           | ***    | 28.6        | 51.6        | 44.6        | 43.3        | 50.8        |
| UTI Master Growth                | **     | 29.5        | 42.2        | 43.5        | 40.8        | 47.2        |
|                                  |        |             |             |             |             |             |
| Birla SL Tax Relief              | ****   | 37.2        | 65.9        | 56.9        | 51.0        | 54.1        |
| Canara Robeco Equity Tax saver   | ***    | 27.1        | 52.4        | 43.7        | 49.8        | 44.2        |
| Franklin Tax Shield              | ***    | 28.1        | 46.6        | 41.0        | 44.2        | 51.0        |
| HDFC LT Advantage                | ****   | 16.4        | 32.9        | 29.8        | 39.9        | 55.8        |
| HDFC Tax Saver                   | *****  | 21.8        | 34.5        | 37.4        | 52.1        | 61.5        |
| ICICI Pru Tax Plan               | ***    | 22.5        | 25.0        | 28.6        | 42.2        | 55.8        |
| SBI Magnum Taxgain               | *****  | 27.3        | 36.7        | 47.7        | 68.0        | 72.9        |
| Principal Personal Tax saver     | **     | 26.4        | 68.0        | 57.4        | 48.6        | 48.9        |
| Principal Tax Savings            | ****   | 33.5        | 62.2        | 57.1        | 54.7        | 56.0        |
| Sundaram BNPP Tax saver          | ****   | 38.9        | 57.7        | 50.1        | 54.3        | 58.0        |
| Tata Tax Saving                  | ***    | 76.8        | 44.0        | 35.8        | 40.7        | 51.1        |
| UTI Equity Tax Savings           | ***    | 26.6        | 39.0        | 33.1        | 40.0        | 43.1        |
| <b>Nifty</b>                     |        | <b>29.1</b> | <b>45.7</b> | <b>47.4</b> | <b>43.3</b> | <b>40.6</b> |

The year 2011 was a painful year for all the market participants be it investors, fund managers, intermediaries, etc. And particularly last five months were nightmare. The 20% relief rally till date from the bottom made in Dec.'11 has surprised many experts. Now the question is will the rally continue. While short term cannot be predicted, we have a precedent between 2000 to 2008.

Let us go thru this. Sensex had touched a high of 6150 in Feb'00 at the height of the dotcom bubble and then it fell to 2600 in Sep'01 post Ketan Parekh scam and twin-tower fall in USA. Till May'03, it was flat trading only in a narrow range of 2600 to 2950.

From the middle of 2003, Sensex rallied from 2600 to touch 21000 in Jan'08, five best years in that decade. As the accompanying table show equity funds have made an average of 50% CAGR return during this period from 2003 to 2007, a phenomenal return by any yardstick. Incidentally that was the period when corporate profits and GDP went up after bottoming out from 2000 to 2003. In simple terms Rs.100/- invested at the beginning of the rally would have returned to Rs.750/- at the end of this rally. The entire gain in that decade was just made in five best years.

Coming back, SENSEX is trading in the range of 18000 from Aug'07 to till date. Hence we may see a rally sooner or later. The following indicators are also pointing to this.

1. Pessimism has peaked out.
2. Inflation has peaked out.
3. Interest rates have peaked out.
4. Bottoming out of corporate profits and GDP.

Certainly the risk reward ratio is in favour of equity.

**Return less than one year are absolute and over one year are annualised (CAGR)**

**Returns from Jan '03 to Dec '07 – Source Value Research**