



## Funds for volatile times

Even though the market has recovered some of the lost ground, volatility still remains the name of the game. Triggers such as a probable hike in interest rates by the US Federal Reserve, zooming oil prices and corporate performances could cause intense volatility in the market in the coming trading sessions.

In the midst of the volatility, the investors are actively scouting for opportunities to enter the market at lower levels. With the Indian economy remaining buoyant and the strong performances of the corporates, investors are seeking to garner a slice of the gains in the Indian markets.

With equities emerging as the hottest asset class over the past year, the share of the diversified equity funds in the Indian mutual fund industry has zoomed from 24% to 31% over the corresponding period last year. There are all sorts of diversified equity funds in the market. Which should

one invest in? A good question, more so considering the uncertainty of the market in the forthcoming trading sessions.

We present below the list of the equity-diversified funds, which we think are best suited for a volatile market.

These equity diversified funds come with a low beta, a high exposure to preferred sectors of the economy (such as cement, electrical equipment, capital goods, pharmaceuticals, power generation, etc) and a maximum holding of large cap stocks. These should find a place in every investor's portfolio.

Based on the three factors mentioned above, we have selected SBI Magnum Global Fund 94, Birla Advantage Fund and HDFC Growth Fund. We present below the details of the funds.

### Funds with lower beta

Scheme name	Beta	Cash & equivalent (%)	Exposure to preferred sectors (%)
SBI Magnum Global Fund 94	0.74	9.36	50.34
HDFC Growth Fund	0.82	3.25	35.76
Birla Advantage Fund	0.84	11.05	25.38
SBI Magnum Multiplier Plus 93	0.85	4.39	60.12
Kotak 30	0.85	6.07	25.98
Franklin India Prima Plus	0.85	6.94	32.10
UTI Master Growth	0.85	0.15	34.00
Tata Pure Equity Fund	0.88	9.90	32.30
UTI Mastershare	0.87	4.00	25.96
DSP ML Equity Fund	0.88	7.76	24.09

### SBI Magnum Global Fund 94

**Investment objective:** Aims at providing growth opportunities through investment in equities.

#### Asset allocation as on July 31, 2006

Equity	Debt	Money Market
90.64	0	9.36

#### Top industry allocation as on July 31, 2006

Top 10 sectors	% exposure
Housing & construction	13.54
Electricals & electrical equipments	10.3
Pharmaceuticals	8.42
Computers - software & education	7.86
Cement	7.76
Glass & ceramics	4.73
Engineering & industrial machinery	4.49
Chemicals	3.29
Steel	3.24
Paper	3.03

#### Performance as on August 09, 2006

NAV (G)	Launch Date	Absolute % (P2P)			CAGR % (P2P)			2 Years (Daily) Beta
		1 Month	3 Months	6 Months	1 Year	2 Years	3 Years	
32.18	30-Sep-94	4.96	-20.89	4.18	46.27	72.91	77.86	0.7414
<b>Indices</b>								
BSE Sensex		6.05	-10.94	10.95	46.73	45.94	42.01	

### Birla Advantage Fund

**Investment objective:** Aims to achieve long term growth of capital at relatively moderate levels of risk through a diversified research based investment approach.

#### Asset allocation as on July 31, 2006

Equity	Debt	Money Market
88.95	0	11.05

#### Top industry allocation as on July 31, 2006

Top 10 sectors	% exposure
Computers - software & education	16.99
Banks	12.71
Auto & auto ancillaries	7.29
Diversified	6.84
Telecom	6.34
Pharmaceuticals	4.84
Hotels & resorts	4.72
Tobacco & pan masala	4.17
Electricals & electrical equipments	3.98
Chemicals	3.78

#### Performance as on August 09, 2006

NAV (G)	Launch Date	Absolute % (P2P)			CAGR % (P2P)			2 Years (Daily) Beta
		1 Month	3 Months	6 Months	1 Year	2 Years	3 Years	
100.87	24-Feb-95	6.99	-14.94	1.34	36.74	45.30	46.49	0.84
<b>Indices</b>								
BSE Sensex		6.05	-10.94	10.95	46.73	45.94	42.01	

## HDFC Growth Fund

**Investment objective:** Aims to generate long term capital appreciation from a portfolio that is invested predominantly in equity and equity related instruments.

### Asset allocation as on July 31, 2006

Equity	Debt	Money Market
96.75	0	3.25

### Top industry allocation as on July 31, 2006

Top 10 sectors	% exposure
Diversified	16.54
Computers - software & education	10.7
Pharmaceuticals	10.08
Electricals & electrical equipments	9.98
Auto & auto ancillaries	8.74
Oil & gas, Petroleum & refinery	6.17
Engineering & industrial machinery	4.97
Banks	4.95
Paints	4.93
Telecom	4.03

### Performance as on August 09, 2006

NAV (G)	Launch Date	Absolute % (P2P)			CAGR % (P2P)			2 Years (Daily) Beta
		1 Month	3 Months	6 Months	1 Year	2 Years	3 Years	
38.96	10-Aug-00	9.35	-13.13	7.15	38.86	47.56	48.20	0.82
<b>Indices</b>								
BSE Sensex		6.05	-10.94	10.95	46.73	45.94	42.01	

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