

Standard Portfolio – Conservative (Issue No: 20100825)
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Conservative portfolio investors would like to limit the risk and in turn have lower but steady return expectations. For conservative investors value investing is more important than momentum. These investors would not like to churn their portfolio too often. They would also like to limit the number of scrips they own and prefer not to be overweight on particular stocks or sectors. Typically their returns would be benchmarked to the Sensex / Nifty.

Recommendation made on August 23, 2010

We recommend investors to book profit / exit from the following stock / stocks – Aventis Pharma either due to a significant run up in the stock price over the past few weeks or continuous underperformance of the stock vis-à-vis the market.

Stocks exited	Weighted Avg Price (230810)	CMP (230810)
Aventis Pharma	1827.0	1850.0

Investors could add BGR Energy, Nilkamal Ltd, Pantaloon Retail and Bharat Forge to the portfolio. The weight of each scrip in the conservative portfolio is 6.3 (equal weight) and we maintain the same. This will involve using up part of cash lying with the portfolio.

Company Name	Industry	Weight	FV	Lat. BV	TTM P/E	P/BV	52 Week High	52 Week Low	Beta	Weighted Avg Price (230810)	CMP (230810)
BGR Energy	Engineering - Turnkey Services	6.3	10.0	97.6	24.7	8.5	838.8	404.9	0.8	826.9	827.6
Nilkamal	Plastics Products	6.3	10.0	208.6	8.7	1.6	347.0	96.6	1.0	338.1	342.2
Pantaloon Retail	Textiles - Products	6.3	2.0	133.4	61.3	3.6	531.3	277.7	0.9	483.8	486.0
Bharat Forge	Castings & Forgings	6.3	2.0	77.6	42.6	4.5	356.8	206.6	1.3	350.4	352.8

Based on standalone numbers

Current Portfolio Holding

Given below is a summary of the stocks currently held in the portfolio with their entry dates and weighted average prices on the date of entry.

Company	Industry	Entry date	Weighted Avg Price as on date of entry	Investment Value	Current Market Price (230810)	% Gain or Loss Invest
Gujarat Gas	Miscellaneous	15-Mar-10	269.6	62500	343.2	27.3%
Cipla	Pharmaceuticals	22-Mar-10	335.7	62500	317.3	-5.5%
Fortis Healthcare	Healthcare	19-Apr-10	160.3	62500	162.6	1.4%
REC	Finance - Term-Lending Institutions	9-Jun-10	289.9	62500	339.0	16.9%
Pfizer	Pharmaceuticals - Multinational	9-Jun-10	1089.7	62500	1151.1	5.6%
Finolex Industries	Petrochemicals	8-Jul-10	85.2	62500	95.5	12.1%
Mahindra Lifespace	Construction	8-Jul-10	491.6	62500	491.9	0.1%
BGR Energy	Engineering - Turnkey Services	23-Aug-10	826.9	62500	827.6	0.1%
Nilkamal	Plastics Products	23-Aug-10	338.1	62500	342.2	1.2%
Pantaloon Retail	Textiles - Products	23-Aug-10	483.8	62500	486.0	0.4%
Bharat Forge	Castings & Forgings	23-Aug-10	350.4	62500	352.8	0.7%
Total Cash on Hand				525004		
Short Nifty Futures		16-Sept-09	4941.3	200000	5536.9	-12.1%
		11-August-10	5426.0	200000	5536.9	-2.0%

Note:

The price of entry and exit for various scrips will be based on the weighted average price recorded during the day of recommendation. This should enable the portfolio to more accurately reflect actual performance (while affecting returns marginally as both the entry and exit price taken could on most occasions be adverse to the suggested action as compared to the last close). Also, the performance of the overall portfolio will be computed and sent out at regular intervals. Changes in recommendations (buy / exit) could be via an internal note while updates (like this) could be prepared once the weighted average prices are available at the end of the day of recommendation.

If the equity weight stance is overweight, no hedging position by way of Nifty future sales is recommended. In case of equal weight stance, Nifty hedge upto the extent of 20% of the portfolio is recommended. In case of underweight stance, Nifty hedge upto the extent of 40% of the portfolio is recommended. This reflects an attempt to beat benchmark indices, but could result in temporary underperformance in case the call on equity stance turns out to be incorrect. Instead of Nifty Futures hedges may be taken at times by way of Stock Futures or Nifty/Stock options. For taking Nifty Futures hedge it is assumed that margin @ 10% of the exposure is payable.

Current Value of Index	BSE Sensex – 18,409	BSE Midcap – 7,887	Nifty - 5,544
Initial Corpus assumed to be Rs. 10,00,000 (excluding margin on Nifty Futures)			
Equity Weight Stance – Equal weight			
As a matter of policy, we do not recommend group / associate company stocks.			

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