



December 2011

Prepared by: iFAST Research Team

Key Points

- We don't expect fantastic earnings growth in 2012, but still we believe that the US market has potential to give good returns over the next three years.
- We expect that monetary policy in Asia will shift from a tightening/normalizing mode to become more accommodative to encourage growth.
- China's Inflation is still above the central bank target level of 4%. We are of the view that policy measures will not be extended to a rate cut this year.
- We can expect inflation to moderate in India from December owing to the high base effect. Probably, RBI will not increase interest rate going forward but will keep closer look at Inflation.
- A look at the Fund Performance shows that all the Debt oriented funds have delivered positive returns as compared to that Equity & Global Funds. In the Debt category, Gilt - Long Term category performed the best.

Equity Markets Update

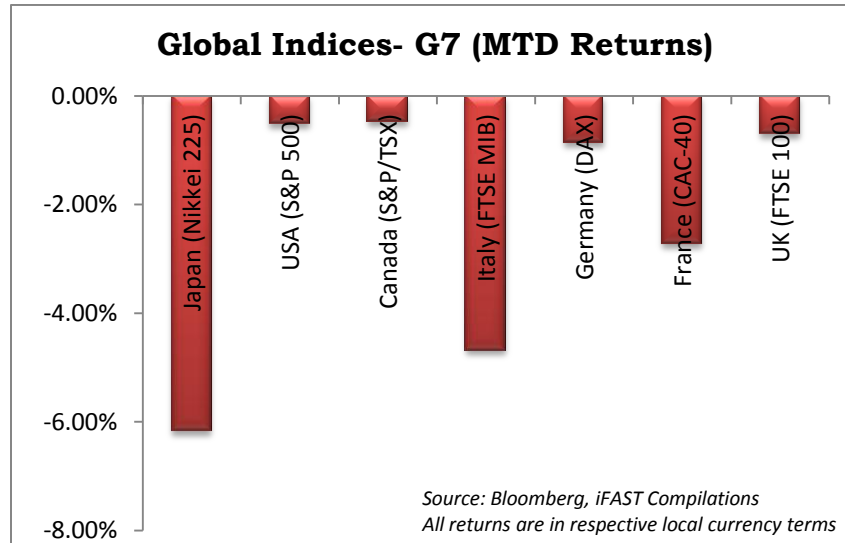
International Markets (As at end of November 2011)

	2011	2011	2010	P/E	P/E	P/E	Earnings Growth	Earnings Growth
	MTD	YTD	Return (%)	Yr 2011	Yr 2012	Yr 2013	2011 (%)	2012 (%)
Asia ex Japan (MSCI Asia ex Japan)	-8.38%	-19.31%	17.00%	11.4	10.1	8.8	3.40%	12.60%
Emerging Markets (MSCI EM)	-6.70%	-18.98%	16.40%	10.2	9.3	8.1	6.00%	9.70%
Europe (Stoxx 600)	-1.40%	-13.33%	8.60%	10.5	9.5	8.6	2.30%	10.50%
Japan (Nikkei 225)	-6.16%	-17.54%	-3.00%	15.6	12.9	10.5	-7.40%	21.50%
USA (S&P 500)	-0.51%	-0.87%	12.80%	12.6	11.4	10.3	16.10%	10.10%
Australia (S&P/ASX 200)	-4.15%	-14.00%	-2.60%	11.3	10.2	9.4	7.00%	11.20%
Brazil (IBOV)	-2.51%	-17.94%	1.00%	10.3	9.1	8.0	2.00%	12.90%
China (HS Mainland 100)	-8.28%	-20.76%	2.20%	8.9	8.0	7.2	20.10%	10.90%
Hong Kong (HSI)	-9.44%	-21.78%	5.30%	9.9	9.0	8.0	13.90%	9.40%
India (SENSEX)	-8.93%	-20.92%	17.40%	13.9	12.2	10.9	9.50%	13.80%
Indonesia (JCI)	-2.00%	0.31%	46.10%	14.7	12.3	10.5	22.40%	19.40%
Malaysia (KLCI)	-1.33%	-3.08%	19.30%	14.4	13.4	12.2	8.40%	7.40%
Russia (RTSI\$)	-1.44%	-12.96%	22.50%	4.8	5.0	5.0	56.10%	-5.70%
Singapore (STI)	-5.37%	-15.88%	10.10%	12.8	12.0	10.7	3.30%	6.90%
South Korea (KOSPI)	-3.22%	-9.92%	21.90%	10.0	8.8	7.6	7.40%	14.00%
Taiwan (Taiwan Weighted)	-9.01%	-22.49%	9.60%	14.0	12.2	10.3	-16.80%	14.60%
Technology Heavy (NASDAQ 100)	-2.75%	3.12%	19.20%	13.3	11.7	10.6	30.90%	13.50%
Thailand (SET Index)	2.11%	-3.62%	40.60%	11.7	10.3	9.2	20.80%	14.00%

Source: Bloomberg, iFAST Compilations
All returns are in respective local currency terms and MSCI Index returns are in USD

Global Market Performance

Group 7 Countries



Events

- US ISM Manufacturing PMI fell to 50.8 in Oct 11, down from 51.6 in Sep 11
- US Unemployment rate fell to 9.0% in Oct 11, down from 9.1% in Sep 11
- US GDP revised lower to 2% q-o-q annualized growth in 3Q 11 on inventory drawdown
- US Consumer confidence rose to 56.0 in Nov 11, up from an upward-revised 40.9 in Oct 11
- Germany PMI manufacturing fell to 47.9 in Nov 11, down from 48.9 in Oct 11
- Germany 3Q 2011 GDP grew 0.5% q-o-q following an upwards revised 0.3% growth in 2Q 2011
- France 3Q 2011 GDP grew 0.4% q-o-q following a downwards revised -0.1% contraction in 2Q 2011
- Euro-zone 3Q 2011 GDP grew 0.2% q-o-q, after growing 0.2% the previous quarter
- Euro-zone Industrial production fell -2.0% m-o-m in Sep 11, following an upwards revised 1.4% growth rate in Aug 11
- UK 3Q 2011 GDP grew 0.5% q-o-q following a 0.1% growth rate in 2Q 2011
- UK's ILO unemployment rate rose to 8.3% in Sep 11, up from 8.1% in Aug 11

Market Outlook

Extended Euro-zone debt crisis and inability of the US deficit "Super Committee" to agree on deficit-reduction plans led to a disappointed market performance for the month of November following a strong 10.8% gain registered by S&P 500 in the prior month. However, both economic data and corporate earnings reports in November were largely constructive to the US

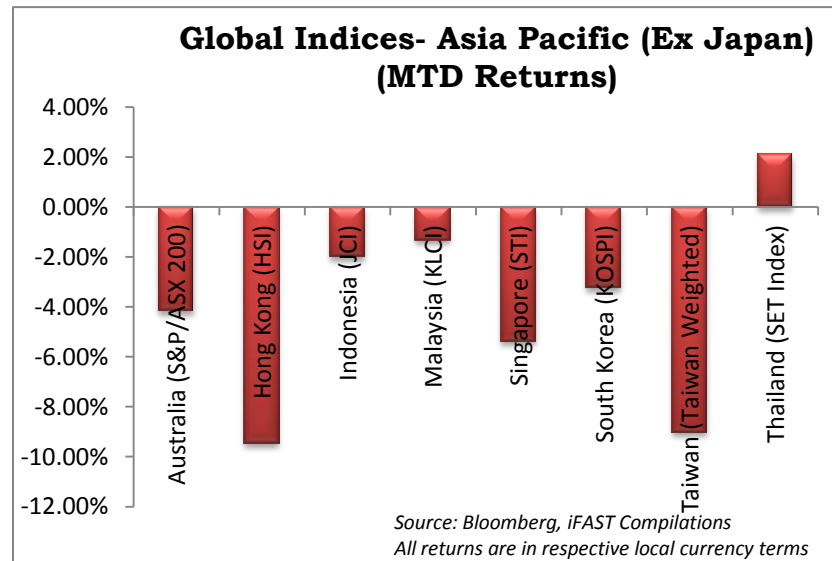
economies and stock markets. Nonfarm payrolls and retail sales figure continue to surprise on upside. 69.3% of companies in the S&P 500 reported better earnings than consensus estimates.

We don't expect fantastic earnings growth in 2012, but still we believe that the US market has potential to give good returns over the next three years as the market re-rates to a higher multiple of earnings.

Rise in consumer spending and business investment in core economies of the Eurozone (Germany and France) managed to offset the slowdown and contraction in other major economies for advance estimates of 3Q2011 GDP. The future looks gloomy for Europe though, as major economic indicators have been witnessing continuous decline.

Although Japanese economy managed to grow by 1.5% q-o-q in 3Q2011, the first quarterly growth since 4Q2010, the economy will slow considerably in next quarter due to the negative impact of strong Yen on export.

Asia Pacific (Ex Japan)



Events

- Singapore's Purchasing Managers Index rose marginally to 49.5 in Oct 11, up from 48.3 in Sep 11
- Singapore's CPI for Oct 11 rose 5.4% y-o-y, after rising 5.5% y-o-y in Sep 11
- 3Q 11 GDP growth of Singapore revised up to 1.9% q-o-q annualised (or 6.1% y-o-y), following a revised -6.4% contraction in 2Q 11
- Malaysia's CPI stayed flat at 3.4% y-o-y in Oct 11
- Malaysia GDP growth for 3Q 11 accelerated to 5.8% y-o-y, up from an upward revised 4.3% 2Q 11
- Indonesia 3Q 2011 advanced marginally to 6.54% y-o-y from 6.52% in 2Q 2011
- Indonesia's Oct 11 inflation rate softened to 4.4% y-o-y as compared to 4.6% in Sep
- Bank Indonesia slashed 50 bps off the reference rate to 6%
- Thailand 3Q 2011 GDP growth accelerated to 3.5% y-o-y from an upward revised 2.7% growth in 2Q 2011
- The Consumer Price Index (CPI) of South Korea grew at 3.9% y-o-y in Oct 11 compared to a 4.3% increase in Sep 11

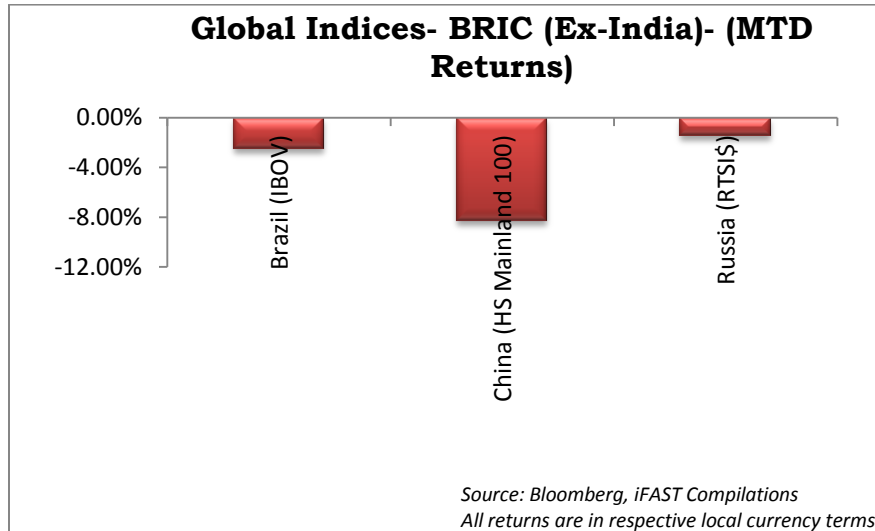
Market Outlook

Singapore's non-oil export to developed countries like the US and the EU 27 declined a hefty 51% and 31% respectively in October. Accordingly, the MTI has correspondingly lowered its growth forecast to a range of 1-3% for 2012 on lower trade growth expected next year. The consumer price index (CPI) started softening or remained flat in countries like Singapore, Malaysia, Indonesia and South Korea. The

inflationary pressure may soften in 2012; we expect that monetary policy in Asia will shift from a tightening/normalizing mode to become more accommodative to encourage growth. Bank Indonesia slashed the reference rate by 50 bps to 6%, a record low reference rate, to spur lending activities in support of domestic consumption.

Even though, 3Q GDP 2011 figure for economies of Asia Pacific (Ex Japan) were relatively better than the 2Q GDP 2011, we believe that 2012 will remain muted for most of the economies.

BRIC (Ex India) Countries



Events

- Brazil's IPCA inflation decelerated to 7.0% y-o-y in Oct 11, down from a 7.3% reading in Sep 11
- Brazil's PMI Manufacturing rose to 46.5 in Oct 11, up from a 45.5 reading in Sep 11
- Brazil's Benchmark Selic rate cut by 50 bps to reach 11.0%, down from 11.5%
- Russia's 3Q 11 GDP grew 4.8% y-o-y, below consensus estimates of 5.0%
- Russia PMI Manufacturing rose to 50.4 in Oct 11 from 50.0 in Sep 11
- Industrial production of Russia expanded 3.6% y-o-y in Oct 11, after a 3.9% y-o-y increase in Sep 11
- Russia's Consumer Prices gained 8.2% y-o-y in Aug 11, down from 9.0% in Jul 11
- China's Exports increased by 15.9% y-o-y in Oct 11 as compared with a 17.1% increase y-o-y in Sep 11
- China's Manufacturing PMI was 50.4 points in Oct 11, a decrease from 51.2 points in Sep 11
- CPI of China rose 5.5% y-o-y in Oct 11 as compared with a 6.1% rise in Sep 11
- China's industrial production grew by 13.2% y-o-y in Oct 11 as compared with a 13.8% y-o-y increase in Sep 11

Market Outlook

The external global activity continued to decelerate the Brazilian economy. Economic figures like Industrial Production, Economic Activity Index and 3Q GDP 2011 remained in downward trajectory or flat compared to previous month/quarter. Brazil's Central Bank cut its key Selic rate by 50 basis points

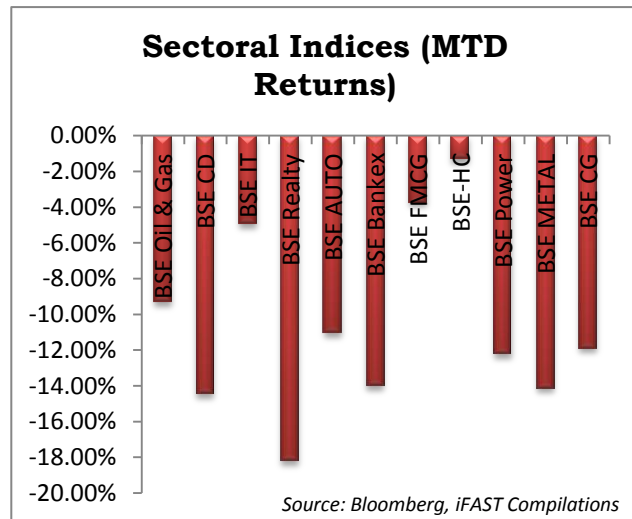
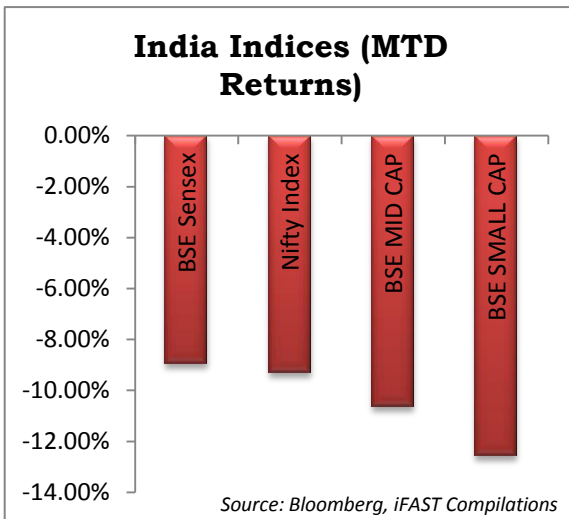
yet again to reach 11% and has been one of the leading institutions to cut rates in an attempt to lessen the impact from Europe's debt woes. Inflation softened to 6.97% in October against 7.31% in September to provide more room to Brazilian central Bank to further lower its benchmark Selic rate as officials look to lessen the impact of external conditions on Latin America's largest economy. The Russian economy is facing contraction in growth as well. The entry to the WTO will provide support to industrial production in near future.

China's central bank lowered the reserve ratio requirement (RRR) by half a percentage point to revive many Small and Medium Enterprises (SMEs) from bankruptcy, particularly in the city of Wenzhou. Inflation in October softens significantly to 5.5% year-on-year compared with a 6.1% rise the month before. But it is still above the central bank target level of 4%. We are of the view that policy measures will not be extended to a rate cut this year. Still, we believe that currently valuations are attractive and we are positive on both Chinese A shares and Hong-Kong listed Chinese equities over the next 3 years.

INDIA

Equity Market Outlook

India-Equity



Events

- India's Manufacturing Purchasing Managers' Index is at 52.0 in Oct 11 as compared to 50.2 in Sep 11
- India's Services Purchasing Managers' Index is at 49.1 in Oct 11 as compared to 49.8 in Sep 11
- Index of Industrial Production (IIP) stands at 1.9% in Sep 11 y-o-y, down from 3.6% in Aug 11
- WPI Inflation for the month of Oct 11 stands at 9.73% y-o-y as against 9.72% in Sep 11
- Passenger car sales in India is down by -23.8% in Oct 11 m-o-m as compared to -1.80% in Sep 11
- Our estimated earnings growth for FY2011-12 and FY2012-2013 are 9.5% and 16.0%, which translates to a forward PE of 13.5X and 11.6X respectively

Market Outlook

The Index of Industrial Production (IIP), which measures production at factories, utilities and mines, for Sep 2011 came at 1.9% year-on-year as against the Bloomberg expectation of 3.5%. Adding to the woes, the IIP figures for Aug 2011 were revised to 3.6% from 4.1% due to the slow down in manufacturing activities and decline in mining output. This was the slowest growth witnessed by the Index of Industrial Production (IIP) in last 28 months. The growth in the mining, manufacturing and electricity sectors stood at -5.6%, 2.1% and 9.0% respectively. As per Use-based Classification, the Capital Goods Sector grew at -6.8%, Intermediate Goods at 1.5% and Basic Goods grew at 4.5%. On the other hand, the Consumer Durables and Consumer non-durables grew at 8.7% and -1.3% respectively.

After witnessing a continuous decline from May, the manufacturing sector has shown slight improvement in October 2011. India's Manufacturing PMI rose to 52.0 in October, up from 50.4 in September. Services PMI on the other hand deteriorated further as it remains below the 50.0 point mark which suggests a contraction within the services sector. This is the lowest reading since March 2011.

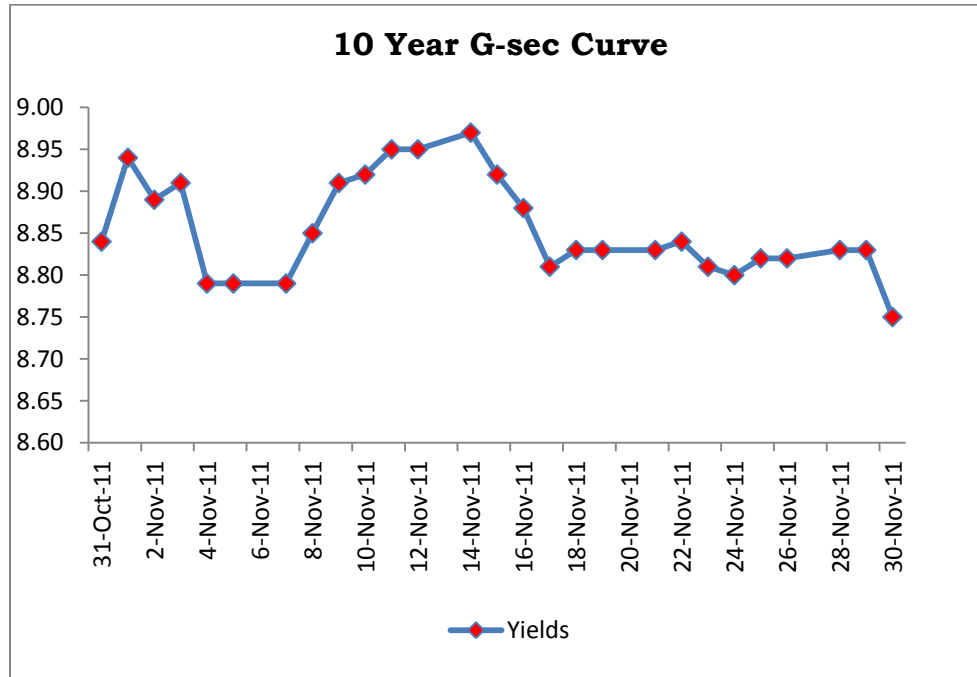
The WPI Inflation stayed at the same level in October and well above the Bloomberg estimates of 9.65%. The major cause of concern for Reserve Bank of India was food inflation which had increased to 11.43% from 10.60%. Inflation excluding food had shown sign of easing. We can expect inflation to moderate from December owing to the high base effect. Probably, RBI will not increase interest rate going forward but will keep closer look at Inflation.

According to our estimates, as of 25 November 2011, the estimated PE for India's stock market (Sensex) is 13.5X, 11.6X and 10.2X for FY2011-12, FY2012-13 and FY2013-14 respectively. Estimated earnings growth is 9.5%, 16.0% and 14.0% for FY2011-12, FY2012-13 and FY2013-14 respectively. Hence, we maintain a "Very Attractive" rating of 4.0 stars for the Indian market.

INDIA

Debt Market Outlook

India-Debt



The 10-year G-Sec yield was volatile during the month of November. It increased 10 bps on the first day from 8.84% to 8.94%. After a slump, it touched a new high of 8.97% on November 14, 2011. It then decreased to 8.75% at the end of the month. This volatility was a result of the tight liquidity in the economy. The annual rate of inflation, based on monthly WPI, stood at 9.73% for the month of October 2011 as compared to 9.72% for the previous month and 9.08% during the corresponding month of the previous year.

During the month, industrial production data showed that growth dropped to its slowest pace in the last two years at 1.9% for September 2011 as against 6.1% in September 2010. The 2Q FY12 GDP growth came in at 6.9% as against 7.7% in the previous quarter. RBI announced open market operations (OMOs) to purchase government securities worth Rs. 10,000 Cr due to evolving liquidity conditions. The announcement of OMO purchases by the RBI has capped the rise in G-Sec yields in the short term. With slowing growth and inflation peaking off, yields in the long term are expected to head lower.

We would like to advise investors to invest in Short-Term Funds as they are expected to give higher returns as compared to other categories. In this scenario, we advise:

1. Investors with idle cash in the savings account should go for Ultra-Short Term Funds. The Recommended Funds in this category include DWS Ultra Short

- Term Fund and Birla Sun-life Ultra short term Fund. The investment horizon that we suggest for such instruments is 1 month-3 months.
2. Investors with a time horizon between 12 - 18 months should go for Short-Term Funds. We would recommend Reliance Short Term Fund and Templeton India Short Term Fund in this category.

Mutual Funds

Fund Category Returns

Fund Category Returns (as of November 2011)		
	1 Month	1 Year
Equity: Large Cap	-7.82%	-17.03%
Equity: Multi Cap	-5.72%	-11.32%
Equity: Mid Cap	-8.02%	-18.36%
Equity: ELSS	-7.61%	-17.49%
Equity: Index	-9.15%	-18.00%
Equity: Global	-0.95%	-3.05%
Hybrid: Balanced	-5.72%	-11.32%
Hybrid: MIP	-0.80%	2.43%
Debt: Income	0.87%	7.12%
Debt: Gilt Short Term	0.74%	6.46%
Debt: Gilt Long Term	1.24%	5.14%
Debt: Floating Rate	0.70%	8.58%
Debt: Ultra Short Term	0.69%	8.50%
Debt: Short Term	0.73%	8.33%
Liquid	0.69%	8.11%
Source: ACE MF, iFAST Compilations (Excludes Institutional Plans)		

1. The month of November was not good especially for Equity-oriented categories, which delivered negative returns as compared to last month's positive returns. Deb-oriented funds gave positive returns, Gilt Long Term category being the best performer. From the Hybrid funds segment, Balanced and MIP delivered negative returns.
2. Index funds were the worst performing funds from the Equity-oriented category, delivering negative returns of 9.15% month-on-month basis. The remaining three actively managed large cap, multi cap and mid cap categories also delivered negative returns of 7.82%, 5.72%, 8.02% respectively month-on-month basis.
3. Global funds category also performed negatively delivering 0.95% returns on month-on-month basis, mainly due to volatility seen in most global markets in the same month.
4. Among the debt segment, mostly all the categories have delivered positive returns for the seventh consecutive month. Gilt Long Term category performed well as compared to other categories in debt segment. It delivered 1.24% returns month-on-month basis.

Top and Bottom Performing Equity Funds in November

Top Performing Equity funds on our Platform in November 2011			
	Sector	1 Month	1 Year
Canara Robeco Equity Diversified Fund	Large Cap	-6.33%	-10.22%
BNP Paribas Equity Fund	Large Cap	-6.45%	-10.16%
CNX Nifty Index (Benchmark)		-9.28%	-17.58%
TATA Ethical Fund	Multi-Cap	-4.17%	-11.63%
UTI Opportunities Fund	Multi-Cap	-5.35%	-7.81%
CNX 500 Index (Benchmark)		-9.60%	-20.29%
L&T Midcap Fund	Midcap & Small Cap	-5.14%	-23.94%
Franklin India Prima Fund	Midcap & Small Cap	-5.74%	-18.40%
CNX Midcap Index (Benchmark)		-8.62%	-25.44%
Sundaram Tax Saver Fund	ELSS	-5.93%	-19.18%
Canara Robeco Equity Tax Saver Fund	ELSS	-6.21%	-12.18%
CNX 500 Index (Benchmark)		-9.60%	-20.29%
Fidelity Global Real Assets Fund	Overseas	5.04%	10.47%
JPMorgan Emerging Europe Middle East & Africa Equity Off-shore Fund(G)	Overseas	5.01%	-4.13%
MSCI World Index (in INR) (Benchmark)		4.19%	12.93%

Source: ACF MF, iFAST Compilations

Large Cap Funds

All the large cap funds have delivered negative returns on month-on-month basis. Canara Robeco Equity Diversified Fund and BNP Paribas Equity Fund were the top two performers in the category, delivering least negative returns of 6.33% and 6.45% respectively.

Multi Cap Funds

Both the Multi cap funds, Tata Ethical Fund and UTI Opportunities Fund delivered negative returns of 4.17% and 5.38% respectively on month on month basis. They were the top two performers for this month. UTI Opportunities Fund is among our recommended funds from the Multi cap category.

Mid Cap Funds

In the Mid cap category, L&T Midcap Fund and Franklin India Prima Fund were the top two performers this month, delivering least negative returns of 5.14% and 5.74% respectively on a month-on-month basis.

ELSS Funds

In the ELSS funds category, Sundaram Tax Saver (ELSS) Fund was the top performer during the month of November delivering a least negative return of 5.93% followed by Canara Robeco Tax Saver (ELSS) Fund, which also delivered least negative return of 6.21%.

Global Funds

In this category, Fidelity Global Real Assets Fund and JPMorgan Emerging Europe Middle East & Africa Equity Off-shore Fund were the top two performers delivering 5.04% & 5.01% returns respectively on month-on-month basis as against their benchmark which delivered positive return of 4.19%.

Bottom Performing Equity funds on our Platform in November 2011			
	Sector	1 Month	1 Year
Reliance Vision Fund	Large Cap	-11.35%	-22.65%
ICICI Pru Top 200 Fund	Large Cap	-10.03%	-20.53%
CNX Nifty Index (Benchmark)		-9.28%	-17.58%
LIC Nomura MF Opportunities Fund	Multi-Cap	-10.52%	-21.48%
JM Equity Fund	Multi-Cap	-10.12%	-23.23%
CNX 500 Index (Benchmark)		-9.60%	-20.29%
HSBC Midcap Equity Fund	Midcap & Small Cap	-12.68%	-36.01%
ICICI Pru Midcap Fund	Midcap & Small Cap	-10.33%	-26.25%
CNX Midcap Index (Benchmark)		-8.62%	-25.44%
JM Tax Gain Fund	ELSS	-9.66%	-24.44%
IDFC Tax Advantage Fund	ELSS	-9.55%	-17.54%
CNX 500 Index (Benchmark)		-9.60%	-20.29%
Templeton India Equity Income Fund	Overseas	-6.41%	-17.57%
BSL International Equity Fund – Plan B	Overseas	-6.27%	-15.27%
MSCI World Index (in INR) (Benchmark)		4.19%	12.93%

Source: ACF MF, iFAST Compilations

Large Cap Funds

In the Large Cap category, Reliance Vision Fund and ICICI Pru Top 200 Fund were the bottom two performing funds delivering negative returns of 11.35% and 10.03% respectively. Both the funds have underperformed the benchmark CNX Nifty which delivered negative returns of 9.28% in this month.

Multi Cap Funds

In the Multi Cap Funds segment, both the bottom performing funds, LIC Nomura MF Opportunities Fund and JM Equity Fund, have underperformed the benchmark, i.e., CNX 500 Index. Both the funds have delivered negative returns of 10.52% and 10.12% respectively.

Mid Cap Funds

In the Mid Cap space, HSBC Midcap Fund and ICICI Pru Midcap Fund are the two bottom performing funds delivering negative returns of 12.68% and 10.33% respectively. Both the funds underperformed the benchmark CNX Midcap which gave negative returns of 8.62%.

ELSS Funds

JM Tax Gain and IDFC Tax Advantage Fund are the bottom two ELSS category performers during the month of November delivering negative returns of 9.66% and 9.55% respectively. Both the funds underperformed the category average return of -7.61%.

Global Funds

In case of Global funds, Templeton India Equity Income Fund and Birla Sun Life International Equities Fund – Plan B are the bottom two performing funds for the month of November. Both the funds have delivered negative returns of 6.41% and 6.27% respectively, far lower than the category average return of -0.95%.

Top and Bottom Performing Debt/Hybrid Funds in November

Top Performing Debt funds / Hybrid on our Platform in November 2011			
	Sector	1 Month	1 Year
ICICI Pru Balanced Fund	Balanced	-3.86%	-4.35%
Canara Robeco Balanced Fund	Balanced	-4.73%	-5.96%
Crisil Balanced Fund Index		-5.83%	-9.51%
DWS Money Plus Advantage Fund	MIP	0.25%	3.98%
SBI Magnum MIP Floater Fund	MIP	0.23%	4.28%
Crisil MIP Blended Index		-0.73%	2.52%
Baroda Pioneer Income Fund	Income	1.66%	8.74%
IDFC Dynamic Bond Fund – Plan A	Income	1.45%	9.68%
Crisil Composite Bond Fund Index		0.83%	6.22%
Baroda Pioneer Gilt Fund	Gilt - Long Term	2.21%	10.79%
IDFC G-Sec Investment – Plan A	Gilt - Long Term	1.86%	8.87%
I-BEX (I-Sec Sovereign Bond Index)		0.82%	4.75%
Religare Short Term Plan	Short Term	1.04%	8.79%
Reliance Short Term Fund	Short Term	0.90%	7.56%
Crisil Short-Term Bond Fund Index		0.67%	7.42%

Source: ACF MF, iFAST Compilations

Balanced Funds

In this category, both the top two performing funds ICICI Balanced Fund and Canara Robeco Balanced Fund delivered least negative returns of 3.86% and 4.73% respectively on a month-on-month basis. Both the funds outperformed the benchmark which delivered negative returns of 5.83% this month.

Monthly Income Plans

Both the top performing Monthly Income Plans, i.e., DWS Money Plus Advantage Fund and SBI Magnum MIP Floater Fund have outperformed their benchmark index Crisil MIP Blended Index delivering positive returns of 0.25% and 0.23% respectively. The benchmark Crisil MIP Blended Index delivered negative returns of 0.73% on a month-on-month basis.

Income Funds

In the Income Funds space, out of the 45 income funds analyzed, all the funds delivered positive returns. Baroda Pioneer Income Fund and IDFC Dynamic Bond Fund – Plan A were the top two performers in the month of November. The fund delivered month-on-month returns of around 1.66% and 1.45% respectively.

Gilt- Long Term Funds

Baroda Pioneer Gilt Fund was again the top performer this month, retaining its top position for the third consecutive month. It delivered 2.21% returns on a month-on-month basis. IDFC G-Sec Fund Investment Plan A followed the Baroda Pioneer Gilt Fund delivering 1.86% returns. Both the funds outperformed benchmark I-BEX (I-Sec Sovereign Bond Index), which delivered 0.82% returns.

Short Term Funds

All the funds in this category have delivered positive returns on a month-on-month basis. Religare Short Term Plan and Reliance Short Term Fund were the top two performers delivering returns close to 1.04% and 0.90% respectively. Both the funds also outperformed benchmark Crisil Short-Term Bond Fund Index which delivered 0.67% returns.

Bottom Performing Debt / Hybrid funds on our Platform in November 2011			
	Sector	1 Month	1 Year
Sundaram Balanced Fund	Balanced	-7.02%	-15.73%
SBI Magnum Balanced Fund	Balanced	-6.87%	-18.15%
Crisil Balanced Fund Index		-5.83%	-9.51%
DWS Twin Advantage	MIP	-1.86%	2.30%
Religare MIP	MIP	-1.78%	2.20%
Crisil MIP Blended Index		-0.73%	2.52%
L&T Triple ACE Fund	Income	0.49%	6.12%
Morgan Stanley Active Bond Fund	Income	0.51%	5.01%
Crisil Composite Bond Fund Index		0.83%	6.22%
L&T Gilt – Investment Plan	Gilt - Long Term	0.13%	4.17%
Edelweiss Gilt	Gilt - Long Term	0.31%	2.52%
I-BEX (I-Sec Sovereign Bond Index)		0.82%	4.75%
Mirae Asset Short Term Bond Fund	Short Term	0.61%	6.02%
Bharti AXA Short Term Income Fund	Short Term	0.62%	7.48%
Crisil Short-Term Bond Fund Index		0.67%	7.42%
Source: ACF MF, iFAST Compilations			

Balanced Funds

Sundaram Balanced Fund and SBI Magnum Balanced Fund were the bottom two performing funds delivering negative returns close to 7.02% and 6.87% respectively. Both the funds underperformed the Benchmark Crisil Balanced Fund Index which delivered negative returns of 5.83% on a month-on-month basis.

Monthly Income Plans

In the MIP category, DWS Twin Advantage Fund and Religare MIP are the bottom performers on a month-on-month basis, delivering negative returns close to 1.86% and 1.78% respectively. Both the funds have underperformed their benchmark, i.e., Crisil MIP Blended Index which delivered negative returns of 0.73%.

Income Funds

In the Income funds segment, L&T Triple Ace Fund and Morgan Stanley Active Bond Fund were the bottom performing funds delivering 0.49% and 0.51% respectively. Both the funds underperformed their benchmark, i.e., Crisil Composite Bond Fund Index, which delivered returns of 0.83% on a month-on-month basis.

Gilt- Long term Funds

Both the bottom performing Gilt Long Term funds underperformed the benchmark, i.e., I-BEX (I-Sec Sovereign Bond Index), which delivered 0.82% on a month-on-month basis. L&T Gilt – Investment Plan and Edelweiss Gilt Fund are the bottom two performers during the month delivering positive returns close to 0.13% and 0.31% respectively. Edelweiss Gilt Fund was in the bottom two for the second consecutive month.

Short Term Funds

The bottom performing funds Mirae Asset Short Term Bond Fund and Bharti AXA Short Term Income Fund delivered returns close to 0.61% and 0.62% respectively. Both these funds delivered slightly lesser returns compared to their benchmark which delivered 0.67% returns month on month basis.

Recommended Portfolios Update

Recommended Portfolios Update

1. Conservative Portfolio

Portfolio Objective:

The portfolio aims to achieve long term capital appreciation by investing 90% into bond funds and 10% into equity funds. The target allocation may change depending on our views on financial markets. Currently, we hold a **neutral position in equities** and we target to have an exposure of 90% to bond funds and 10% to equity funds.

<i>Total Investment:</i>	INR 1,00,000	Portfolio Absolute Return since inception: (Inception Date: 26 Feb 2010)	13.49%
<i>Portfolio Value:</i>	INR 1,13,491	<i>November 2011 Portfolio Return:</i>	0.81%

Portfolio Commentary:

The Conservative portfolio gave a return of 0.81% in the month of November 2011. The portfolio continued to stay on positive territory for the second consecutive month.

In the debt segment, all the funds have delivered positive returns in the range of 0.69% to 0.90%. Reliance Short Term Fund was the leader delivering 0.90% returns month-on-month basis. This was followed by JM Short Term Fund and Birla Sun Life Dynamic Bond Fund which delivered 0.77% returns each this month.

In the equity portfolio, both HDFC Top 200 Fund and UTI Dividend Yield Fund contrary to their performance in the previous month delivered negative returns in the month of November.

2. Moderately Conservative Portfolio

Portfolio Objective:

The portfolio aims to achieve long term capital appreciation by investing 70% into bond funds and 30% into equity funds. The target allocation may change depending upon our views on financial markets. Currently, we hold a **neutral position in equities** and we target to have an exposure of 70% to bond funds and 30% to equity funds.

<i>Total Investment:</i>	INR 1,00,000	Portfolio Absolute Return since inception: (Inception Date: 26 Feb 2010)	11.27%
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<i>Portfolio Value:</i>	INR 1,11,269	<i>November 2011 Portfolio Return:</i>	-0.27%
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Portfolio Commentary:

The Moderately Conservative portfolio gave a negative return of 0.27% in the month of November as compared to 1.60% in October. The portfolio returns were negative on account of negative performance of the equity funds despite the positive performance of debt funds.

In the debt category, Reliance Short Term Fund was the top performer delivering 0.90% returns month-on-month basis. Both floating rate funds, i.e., Birla Sun Life Floating Rate Fund Long Term Plan and Canara Robeco Floating Rate Fund delivered 0.72% and 0.76% returns respectively month-on-month basis.

In the Equity segment, all the funds delivered negative returns. ICICI Prudential Focused Bluechip Equity Fund, HDFC Top 200 Fund, and UTI Dividend Yield Fund, delivered -7.08%, -8.88%, and -7.29% respectively on month-on-month basis.

3. Balanced Portfolio

Portfolio Objective:

The portfolio aims to achieve long term capital appreciation by investing 50% into bond funds and 50% into equity funds. The target allocation may change depending upon our views on financial markets. Currently, we hold a **neutral position in equities** and we target to have an exposure of 50% to bond funds and 50% to equity funds.

<i>Total Investment:</i>	INR 1,00,000	Portfolio Absolute Return since inception: (Inception Date: 26 Feb 2010)	8.98%
<i>Portfolio Value:</i>	INR 1,08,977	<i>November 2011 Portfolio Return:</i>	-1.61%

Portfolio Commentary:

The Balanced portfolio gave a negative return of -1.61% in the month of November. Last month, the portfolio gave positive returns but due to negative performance of equity funds in this month, the portfolio delivered negative returns as 50% of the portfolio is invested in Equity funds.

In the debt portfolio, all the funds have delivered positive returns. Short Term Funds delivered in the range of 0.70% to 0.90%, whereas Floating Rate Funds delivered in the range of 0.72% to 0.76% last month.

In the equity portfolio, all the equity funds have given negative returns. Out of three large cap funds, two of them, i.e., HDFC Top 200 Fund and ICICI Prudential Focused Blue Chip Equity Fund have lost the maximum of all the equity funds in the portfolio.

4. Moderately Aggressive Portfolio

Portfolio Objective:

The portfolio aims to achieve long term capital appreciation by investing 30% into bond funds and 70% into equity funds. The target allocation may change depending upon our views on financial markets. Currently, we hold a **neutral position in equities** and we target to have an exposure of 30% to bond funds and 70% to equity funds.

<i>Total Investment:</i>	INR 1,00,000	Portfolio Absolute Return since inception: (Inception Date: 26 Feb 2010)	6.49%
<i>Portfolio Value:</i>	INR 1,06,494	<i>November 2011 Portfolio Return:</i>	-3.85%

Portfolio Commentary:

The Moderately Aggressive portfolio gave a negative return of 3.85% as compared to positive return of 1.91% in October. The returns were negative on account of negative performance of equity funds in the portfolio.

In the debt category, all the funds have delivered positive returns. ICICI Prudential Gilt Fund showed the most returns in the debt portfolio delivering 1.16% returns month-on-month basis. This was followed by Reliance Short Term Fund from Short Term Category delivering 0.90% returns month-on-month basis.

In the equity segment, all the funds delivered negative returns. Sector Funds were the worst performing; Reliance Banking Fund in the portfolio delivered negative returns of 11.23% month-on-month basis. Among mid cap category, DSP Black Rock Small & Mid cap Fund delivered negative returns of 9.87%. Among multi cap category, HDFC Equity Fund performed worst delivering negative returns of 9.01% which was followed by Fidelity Equity Fund which delivered negative returns of 7.65% month-on-month basis. From the Large cap category, HDFC Top 200 Fund delivered negative 8.80% returns in this month.

5. Aggressive Portfolio

Portfolio Objective:

The portfolio aims to achieve long term capital appreciation by investing 10% into bond funds and 90% into equity funds. The target allocation may change depending upon our views on financial markets. Currently, we hold a **neutral position in equities** we target to have an exposure of 10% to bond funds and 90% to equity funds.

<i>Total Investment:</i>	INR 1,00,000	Portfolio Absolute Return since inception: (Inception Date: 26 Feb 2010)	6.43%
<i>Portfolio Value:</i>	INR 1,06,433	<i>November 2011 Portfolio Return:</i>	-5.16%

Portfolio Commentary:

The Aggressive portfolio returns turned back to negative territory after delivering positive returns in previous month. The portfolio gave negative returns of 5.16% in this month of November. Though, the equity contribution was in negative terms, the debt portfolio recovered a little by delivering positive returns.

In the debt segment, ICICI Prudential Gilt Fund- Investment Plan performed well delivering positive returns of 1.16% on a month-on-month basis. Reliance Short Term Fund followed by delivering positive returns of 0.90% on a month-on-month basis.

In the equity segment, all the funds delivered negative returns. Reliance Banking Fund was the worst performing fund delivering negative returns of 11.23% month-on-month basis. This was followed by DSP Black Rock Small & Mid cap Fund from Mid and Small Cap category. It delivered negative returns of 9.87% this month. HDFC Equity Fund performed worst in Multi cap category delivering negative returns of 9.01% month-on-month basis.

6. Moderately Aggressive (Global) Portfolio:

Portfolio Objective:

The portfolio aims to achieve long term capital appreciation by investing 30% into bond funds, 46% in domestic equity funds and 25% in global equity funds. The target allocation may change depending upon our views on financial markets. Currently, we hold a **neutral position in equities** and we target to have an exposure of 30% to bond funds, 46% to domestic equity funds and 25% to global equity funds.

<i>Total Investment:</i>	INR 1,00,000	Portfolio Absolute Return since inception: (Inception Date: 26 Feb 2010)	7.96%
<i>Portfolio Value:</i>	INR 1,07,962	<i>November 2011 Portfolio Return:</i>	-0.59%

Portfolio Commentary:

The Moderately Aggressive (Global) portfolio turned back to negative space after delivering positive returns in the previous month. The portfolio delivered negative returns of 0.59% in this month as compared to 3.71% in the month of October.

In the debt segment, ICICI Prudential Gilt Fund- Investment Plan performed well delivering positive returns of 1.16% on a month-on-month basis. Reliance Short Term Fund followed by delivering positive returns of 0.90% on a month-on-month basis.

In the domestic equity segment, all the funds delivered negative returns. Reliance Banking Fund was the worst performing fund delivering negative returns of 11.23% on a month-on-month basis. This was followed by DSP Black Rock Small & Mid cap Fund from Mid and Small Cap category. It delivered negative returns of 9.87% this month. HDFC Equity Fund performed worst in Multi cap category delivering negative returns of 9.01% month-on-month basis. From Large Cap, HDFC Top 200 Fund delivered negative returns of 8.88% this month.

In the Global equity funds, both the Gglobal funds, i.e., Mirae Asset China Advantage Fund and Principal Global Opportunities Fund gave negative returns. Principal Global Opportunities Fund delivered negative returns of 3.27%, this month whereas, Mirae Asset China Advantage Fund delivered negative returns of 2.20% month-on-month basis.

7. Aggressive (Global) Portfolio

Portfolio Objective:

The portfolio aims to achieve long term capital appreciation by investing 10% into bond funds, 59% into domestic equity funds and 31% into global equity funds. The target allocation may change depending upon our views on financial markets. Currently, we hold a **neutral position in equities** and we target to have an exposure of 10% to bond funds, 60% to domestic equity funds and 30% to global equity funds.

Total Investment:	INR 1,00,000	Portfolio Absolute Return since inception: (Inception Date: 26 Feb 2010)	6.76%
Portfolio Value:	INR 1,06,763	November 2011 Portfolio Return:	-1.34%

Portfolio Commentary:

The Aggressive (Global) portfolio gave negative returns of 1.34% in November as compared to positive returns of 4.54% in the month of October. The portfolio returns turned back to negative territory after delivering positive returns in the last month.

In the debt segment, ICICI Prudential Gilt Fund- Investment Plan performed well delivering positive returns of 1.16% on a month-on-month basis. Reliance Short Term Fund followed by delivering positive returns of 0.90% on a month-on-month basis.

In the domestic equity segment, all the funds delivered negative returns. Reliance Banking Fund was the worst performing fund delivering negative returns of 11.23% month-on-month basis. This was followed

by DSP Black Rock Small & Mid cap Fund from Mid and Small Cap category. It delivered negative returns of 9.87% this month. HDFC Equity Fund performed worst in Multi cap category delivering negative returns of 9.01% month-on-month basis. From Large Cap, HDFC Top 200 Fund delivered negative returns of 8.88% this month.

In the Global equity funds, both the Global funds, i.e., Mirae Asset China Advantage Fund and Principal Global Opportunities Fund gave negative returns. Principal Global Opportunities Fund delivered negative returns of 3.27%, this month whereas, Mirae Asset China Advantage Fund delivered negative returns of 2.20% month-on-month basis. This affected the portfolio a lot as 30% of the portfolio is invested in Global Equity Funds.