

Investor's guide



A Steady Performance Across All Seasons

FUND Review TATA DIVIDEND YIELD FUND LAUNCHED October 2004

Tata Dividend Yield has performed consistently since 2007 and investors have little reason to quit the scheme. New investors can take a plunge too. But they must exercise caution as the scheme is high on mid-cap stocks which pose a relatively higher risk in volatile markets

Basics NAV 52 WEEK: High ₹36.9 Low ₹29.6 EXPENSE RATIO 2.39% NET ASSETS (Cr) ₹179 crore (Mar 2011) BENCHMARK: Sensex

Fast Facts

RATING ●●●

▶ ET Quarterly MF Tracker
PLATINUM (MAR 2011)

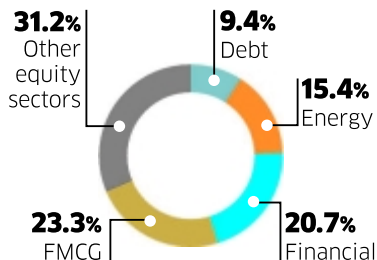
▶ Value Research
★★★★

NAV ●●●

▶ **₹33.5** (June 16, 2011)

OBJECTIVE ●●●

▶ The scheme aims to optimise returns by investing a minimum of 70% of assets in stocks that have higher dividend yield than the Sensex. Other stock selection criteria includes management and business competitiveness, and growth prospects of the company.



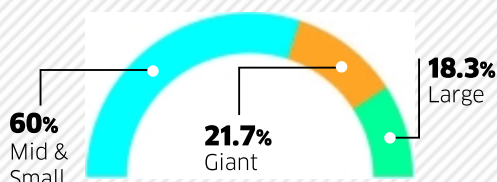
Returns

	PERCENTAGE		VALUE OF ₹1200 INVESTED	
	THE FUND	SENSEX	ONE TIME	SIP OF ₹100 PER MONTH*
Year to Date	-4.5%	-10.4%	1,145.9	606.5
2010	32.4%	17.4%	1,588.3	1,391.2
2009	88.5%	81.0%	2,261.4	1,769.2
2008	-53.3%	-52.4%	560.7	866.8
2007	75.7%	47.1%	2,109.0	1,859.4
Since Launch	236.4%	208.3%	4,036.9	2,209.5

*SIP returns are calculated at the end of each calendar year for a total investment of ₹1,200 p.a. or ₹100 p.m. Thus, YTD SIP investment is ₹600 only. For returns since inception, the total investment in SIP is ₹1,200 to make it comparable with one time investment

Portfolio

▶ By market cap as percentage of portfolio



▶ Top Holdings as percentage of portfolio

CRISIL	6.3%
Glaxo Consumer Healthcare	5.6%
Navneet Publication	4.4%
Nestle India	3.9%
Castrol India	3.7%

While Sensex is the designated benchmark for this fund, **CNX 500** would be an ideal benchmark given its portfolio composition

The scheme invests in stocks that have a dividend yield higher than that of Sensex stocks, which is currently about 1.1%. The average dividend yield of the fund's portfolio is about 2.2%, which cannot be said to be high.

But the scheme has delivered in all phases, come rain or shine given its strategy to invest in businesses that are high on capital efficiency.

The scheme is optimistic on the FMCG sector, despite its high valuations because it is also high on capital efficiency. The fund manager believes that brands and pricing power will help select companies to do well. Going forward, the scheme aims to invest in stocks that have already witnessed a de-growth in valuations.



BHUPINDER SETHI

Co-head Equities, Tata Asset Management

A high dividend yield acts as a support to the price and thus gives a defensive characteristic to the stock. Apart from dividend yield, it is capital efficiency and growth prospects of the company that we seek before taking an investment decision

Bakul Chugan Tongia