

Fund review: Tata Balanced

Good pick for brave, long-term investors

THE fund is not for the faint-hearted investors but for those who can stay put for the long run.

What is impressive about the fund is its ability to compensate well in a rising market. And this has helped the fund build a competitive record over the long run. Over the five-year period ending April 30, 2010, the fund has delivered an annualised return of 22 per cent against its category's 18 per cent.

In the 2008 bear phase though, it shed 44.78 per cent, slightly higher than its category's fall of 42.70 per cent.

But in the subsequent bull run (09/03/ 2009 to 30/04/2010) it delivered 83 per cent ag- ainst category's 70 per cent.

From 2003 till 2007, it has outperformed its category in every year except for 2005 when it delivered average performance. In 2007, it beat its category by an impressive margin of

around 12 per cent.

The fund's equity allocation can move between 65 and 75 per cent.

Although historically, its equity allocation has gone below 65 per cent on a few occasions but not in recent years and it has ranged between its limit of 65-75 per cent.

The fund has no capitalisation bias and churns frequently between stocks of various market caps. It started as a large-cap fund but with the start of the bull run in 2003, it got heavy on mid and small-cap stocks by mid 2003, reducing it to 35 per cent (November 2003) in large-caps from 61 per cent (December 2002).

But again in 2006, it started moving up the large-cap exposure to around 70 per cent in November 2008, while in the present rally, it has been again reduced to 50 per cent in March 2010.

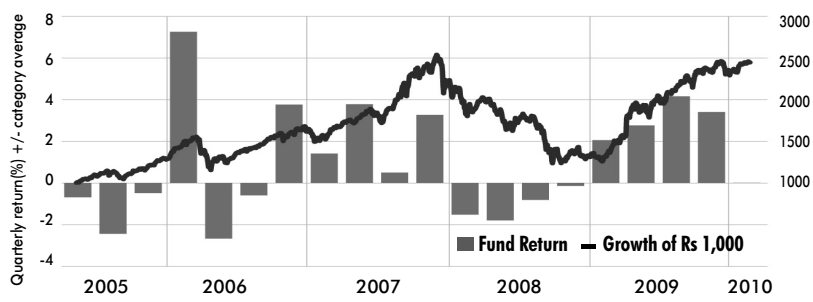
—Value Research

Peer-set return

Scheme Name	Returns %					Assets (Rs Cr)
	1 Month	6Month	3Month	1 Year	3 Year	
Birla Sun Life 95	60.27	15.45	22.83	71.64	28.37	267.46
Birla Sun Life Freedom	12.47	4.68	13.62	68.25	31.75	162.15
Canara Robeco Balance	56.72	14.73	24.10	73.31	26.69	162.70
DSPBR Balanced	57.30	15.63	23.15	72.06	27.94	660.28
FT India Balanced	40.18	10.37	19.53	70.49	29.52	304.61
HDFC Balanced	63.87	15.74	19.71	68.31	31.69	146.57
HDFC Prudence	79.59	17.37	25.29	74.54	25.46	3730.34
ICICI Prudential Balanced	43.55	5.50	16.34	69.79	30.22	262.02
Kotak Balance	38.71	8.58	18.50	71.03	28.97	67.39
Magnum Balanced	51.22	10.90	21.53	75.19	24.81	513.80
Tata Balanced	65.48	13.77	21.45	74.89	25.11	274.29

Returns data as on May 3, 2010, Data of assets as on March 31, 2010

Performance

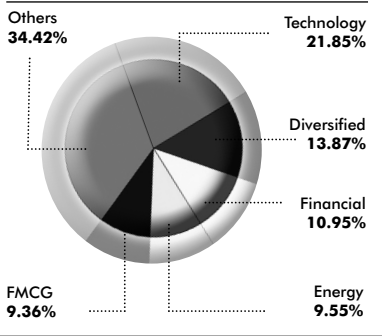


Top 10 holdings

Company	Asset (%)
Export-Import Bank	5.55
State Bank of Bikaner	5.47
Reliance Industries	3.93
IDBI Bank	3.65
Lupin	3.57
Oracle Fin Ser Software	3.51
Crompton Greaves	3.23
Infosys Technologies	2.97
Rural Electrification	2.93
Wipro	2.88

Data as on March 31, 2010

Top sectors



Data as on December 31, 2009