

# For volatile times

## INVEST

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Dividend yield funds make for a good investment bet, what with the markets continuing to remain volatile. Tata Dividend Yield Fund (Tata Dividend) can be considered as an investment option, given its improving track record of performance and portfolio choices.

While peer funds such as Birla Sun Life Dividend Yield Plus and UTI Dividend Yield too look promising, Tata Dividend has demonstrated better performance over the last year. That the fund's consistently bettered its benchmark BSE Sensex as well as the broader index BSE 500 over one-, three- and five-year time-frames also adds to its sheen. Investors can accumulate units in this fund through a Systematic Investment Plan (SIP).

**Suitability:** Though the fund has at times lagged its peer funds (dividend yield funds) during bouts of volatile and corrective phases in the market, it has managed to either match or outperform during rallies. The fund therefore makes a suitable choice for investors with a moderate risk appetite, looking predominantly for steady returns.

**Performance:** Tata Dividend has

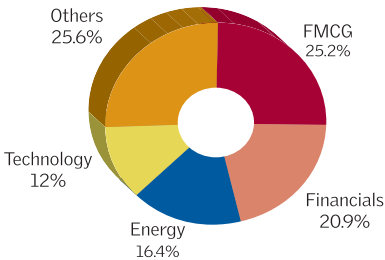
delivered 15 per cent, 14 per cent and 13 per cent over a one, three and five-year periods respectively. During these periods, the fund has also outperformed the Sensex and BSE 500 by comfortable margins. While the fund has lagged peers over longer time frames, the fund's improved returns over the year gone by provides confidence given that the past year, marked by high volatility was challenging for funds.

With markets likely to remain indecisive, Tata Dividend's ability to manoeuvre volatile markets provides confidence. In market declines such as the one seen in May-June 2006 and the prolonged fall of 2008-09 or from Nov-10 highs to now, the fund has checked downsides better than its benchmark.

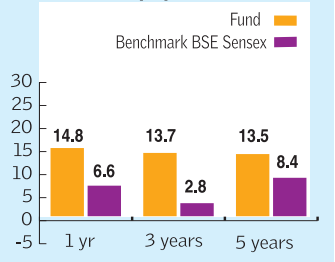
**Portfolio:** The fund sports a concentrated portfolio, what with top three sectors making up about 63 per cent of its total holdings respectively. Its top stock choices also aren't the typical large-cap high dividend yield stocks; instead it features many a small and mid-cap stocks. Its current portfolio is made up of 54 per cent large-cap stocks (market capitalization more than Rs 7500 crore) and rest being mid and smallcaps, such as CRISIL, Navneet Publications and Deepak Fertilizers.

## HOW THE PORTFOLIO BREAKS UP

**Net assets - Rs 179 crore**



**Returns (%) annualised**



**Top ten holdings (% of assets)**

|                      |     |                    |     |
|----------------------|-----|--------------------|-----|
| CRISIL               | 6.5 | Hindustan Unilever | 3.7 |
| GSK Healthcare       | 6.3 | Deepak Fertilisers | 3.4 |
| Navneet Publications | 4.6 | Coal India         | 3.0 |
| Nestle India         | 4.1 | H D F C            | 2.9 |
| Castrol India        | 3.7 | Hindalco           | 2.8 |