



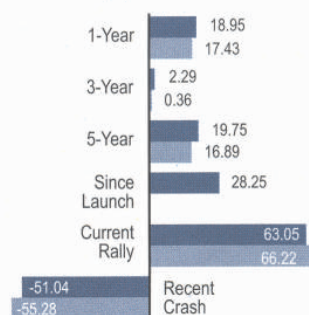
# Weathering downturns

**Average Net Assets: ₹668 cr**

(Dec 2010)

**Launch: May 1998**
**Fund Manager: M Venugopal**

## Returns (%)



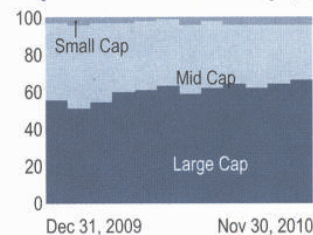
■ Fund ■ BSE Sensex  
 Current Rally: 09/03/2009 - 31/12/2010  
 Recent Crash: 08/01/2008 - 09/03/2009

## Fund Top Holdings (%)

Company	Fund (%)	Sensex (%)
Lupin	3.90	-
Tata Motors	3.89	2.79
Cadila Healthcare	3.77	-
HDFC Bank	3.57	5.33
Reliance Industries	3.55	11.66

The last column indicates the holdings' allocation in the benchmark

## Capitalisation Break-up (%)



## Fund Style

Investment Style	Capitalisation		
	Large	Mid	Small
Growth	■	■	■
Blend	■	■	■
Value	■	■	■

Data as on Dec 31, 2010, Holdings related data as on Nov 30, 2010

Launched in 1998 as Tata Twin Option (Equity), the scheme got rechristened to Tata Pure Equity in 2000 when the balanced option of the fund was merged into Tata Balanced. The scheme aims at medium to long term capital growth, with 100 per cent equity investments in large-cap, liquid blue-chip companies.

The fund started with a large-cap bias but gravitated into being a mid-cap fund in 2003. However, the character of this fund emerged when M Venugopal took charge as fund manager in February 2005. He has maintained



**The fund is positioned as a predominantly large-cap oriented fund and therefore the volatility of returns is expected to be relatively low**

**M VENUGOPAL, FUND MANAGER, TATA MUTUAL FUND**

a large-cap bias that has never gone under 50 per cent and has created a well diversified portfolio. The mid-cap exposure comprises of bigger companies such as Ashok Leyland and Pantaloon Retail, which have all the necessary components to transform into future large-caps. "Approximately 15-25 per cent of the assets are in mid cap stocks," according to M Venugopal, fund manager, Tata Pure Equity. "This exposure is to balance the portfolio with a little higher risk," he clarifies. However, the mid-cap stocks are selected carefully to ensure that all stocks in

the portfolio are of good quality and no undue risk is taken.

In 2010, the fund stood ahead most of its peers and benchmark. The speciality of this fund is its ability to not only outperform its peers in a rising market but also protect the downside when the market tanks. In 2008 it lost 49.21 per cent while the category average was down 52.97 per cent and Sensex, its benchmark was down 52.45 per cent. This was largely due to Venugopal's aggressive cash calls which touched 24 per cent in June 2008 at ₹75 crore. The fund also took

exposure in equity derivatives in 2008 to hedge better.

## Our View

This long-run outperformer has weathered many a storm and protected investors' money. During its long existence, there would be underperformance in some years and outstanding returns in others. But by and large, it beats the category average by a small margin and has set a good long-term track record. The large-cap tilt and diversified portfolio make it a stable offering. ■

## Performance

