

AFFORDABLE



When would you rather buy?

EXPENSIVE



TATA

EQUITY P/E

(An Open-ended Equity Scheme)

FUND

We have all experienced the feeling of uncertainty when equity markets go up or down. Various factors have an impact on equity markets. However, high quality, well managed, globally competitive companies if bought at appropriate valuations may outperform over the medium term.

This challenge can be met by expert research and sound risk management techniques to help you identify suitable investment opportunities in a volatile market, and lead to the selection of stocks that show significant upside potential as compared to the market.

One such important technique to identify the hidden potential within individual stocks is the P/E ratio.

What is a P/E Ratio?

- ▶▶▶ P/E ratio is the commonly used term for the ratio of Market Price of a share to Earnings per Share (EPS). It could be used as an indicator of how much

an investor may be willing to pay for a share for every rupee of its earnings.

- ▶▶▶ The P/E ratio can be calculated in two ways: A forward P/E ratio is calculated as the ratio of the last traded market price of the share to its projected EPS for the current or future financial year; while for a trailing P/E ratio, the actual reported EPS for the immediately previous completed financial year is taken.
- ▶▶▶ EPS in turn, can be computed as the company's Profit after Tax divided by the number of its outstanding equity shares.

"What you require is a fund that seeks to analyse the stock market on the basis of the price-to-earnings (P/E) ratio of various stocks and invest your money in stocks which show potential of realizing their values".

Introducing the Tata Equity P/E Fund, which aims to identify undervalued companies whose rolling P/E ratios are less than that of the BSE Sensex.

The Tata Equity P/E Fund Investment Philosophy

- ▶▶▶ Tata Equity P/E Fund is an open-ended equity fund, which aims to provide reasonable income and / or possible capital appreciation to its Unitholder.
- ▶▶▶ The fund aims to invest at least 70% of its net assets (under normal circumstances) in shares whose rolling P/E ratios are less than that of the BSE Sensex at the time of investment.
- ▶▶▶ The fund would invest both in companies which are part of the BSE Sensex and in those which are not.
- ▶▶▶ The P/E ratio criterion being met, factors that would finally evaluate whether the company is investment-worthy are management competitiveness, business competitiveness, growth prospects and other fundamental parameters.
- ▶▶▶ The fund may also invest in companies which are poised for a sharp turnaround or a substantial improvement in profitability, where the rolling EPS may not be truly representative of the company's valuations. In companies whose rolling P/Es are higher than that of the BSE Sensex, the investments would be restricted to 30% of the net assets.
- ▶▶▶ The fund can also invest in debt instruments, including money market instruments to the extent of 20% of its net assets.
- ▶▶▶ Thus, the fund could go from 80% to 100% in equities depending on the market conditions and outlook.

Investment Options

Two options are available for investments:

Dividend Option: Minimum application Rs. 5,000/- and in multiples of Re.1/- thereafter.

Growth Option: Rs. 5,000/- and in multiples of Re.1/- thereafter.

Additional investment: Rs. 1000/- and in multiples of Re.1/- thereafter.

Top 10 Equity Holdings as on 30th April 2012

Script Name	% Net Assets
Cairn India Ltd.	6.05
Tata Motors - DVR	5.34
Grasim Industries Ltd.	4.72
Polaris Financial Technology Ltd.	4.25
Oil & Natu. Gas Co.	3.58
Cadila Healthcare Limited	3.33
Hindalco Industries Ltd	3.13
Oracle Financials Services Software	3.12
Tata Chemicals Ltd	3.07
BPCL	3.05
Other Equities	60.13
Cash, Others	0.23
Total Net Assets	100.00

On 1st October, 2009, Tata Mutual Fund introduced "Dividend Trigger Option" under the existing dividend option of **Tata Equity P/E Fund**. The trigger options available are Option A (Trigger A) and Option B (Trigger B) for 5% and 10% appreciation respectively as explained below.

- Under **Dividend Trigger A**, the Fund will initiate the declaration of dividend in the current calendar quarter when there is an appreciation in the NAV from the lowest NAV during the immediate preceding calendar quarter by 5%.
- In case of **Dividend Trigger B**, the Fund will initiate the declaration of dividend in the current calendar quarter when there is an appreciation in the NAV from the lowest NAV during the immediate preceding calendar quarter by 10%.

This option endeavours to book profits when the markets move up so that you are not left with any regrets when the market moves southwards. To know more, please refer Dividend Trigger leaflet or contact your investment adviser.

Dividend History

(Before 30th September 2009)

Dividend per unit (₹)	NAV (₹) (Date of Declaration of dividend)
0.50	11.4449 (23/09/2004)
0.50	31.1969 (25/03/2008)
(After Split under Dividend Option w.e.f. 1st October 2009 - Dividend Trigger Option A (5%))	
1.80	39.8535 (26/11/2009)
1.50	41.2148 (15/01/2010)
1.50	41.0426 (27/08/2010)
1.00	40.4276 (03/09/2010)
1.75	43.0925 (11/10/2010)
1.75	38.1627 (10/01/2011)
1.50	36.9789 (13/04/2011)
1.50	34.3724 (11/07/2011)
1.25	30.7136 (08/11/2011)
1.00	27.9373 (20/01/2012)
1.00	29.1452 (16/04/2012)
(After Split under Dividend Option w.e.f. 1st October 2009 - Dividend Trigger Option B (10%))	
3.00	43.1703 (15/01/2010)
1.50	41.5023 (27/08/2010)
3.50	44.6825 (11/10/2010)
3.00	38.5898 (13/04/2011)
2.25	32.1223 (02/02/2012)
2.00	30.7950 (16/04/2012)

Past performance may or may not be sustained in future. • After payment of dividend the NAV will fall to the extent of dividend payout and statutory levy, if any. (Unit face value - ₹ 10/-).

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Two options for investment under the Dividend option - Dividend Trigger Option A (Trigger A) and Dividend Trigger Option B (Trigger B). The Fund will initiate the declaration of dividend in the current calendar quarter when there is an appreciation in NAV from the lowest NAV of the option during the immediate preceding calendar quarter by 5% incase of Trigger A and 10% incase of Trigger B, subject to maximum of one dividend per calendar quarter. Declaration of dividend is at the discretion of Trustees. As per the prevailing regulatory guidelines, dividend can be paid only out of distributable surplus. Pursuant to the payment of dividend, the NAV of the scheme would fall to the extent of the payout and statutory levy (if applicable). Due to various reasons beyond the control of the Investment Manager, it may be possible that in spite of appreciation in NAV there is no distributable surplus available on the record date. Under such a scenario, no dividend will be distributed.

% Figures as mentioned (10% & 5%) are with reference to appreciation of NAV and not the quantum of dividend. This is not a guaranteed return scheme. Dividend distribution is subject to availability and adequacy of distributable surplus.

Disclaimer: Trigger facility in any manner whatsoever is not an assurance or guarantee on part of Tata Mutual Fund (TMF) / Tata Asset Management Limited (TAML) to the unit holders in terms of returns or capital appreciation or minimization of loss of capital or otherwise. TMF / TAML shall not be responsible if the trigger is not achieved and / or implemented due to reasons which are beyond the control of TMF / TAML such as technology failure / default etc. Further, this trigger facility shall be subject to terms and conditions as outlined in the application form of the scheme. Trigger facility being an additional facility can be withdrawn at any time at the discretion of Trustees.

Statutory Details: Investment Manager: Tata Asset Management Ltd. **Trustee:** Tata Trustee Company Ltd., 9th Floor, Mafatlal Centre, Nariman Point, Mumbai - 400 021. **Constitution:** Tata Mutual Fund (TMF) has been set up as a Trust under the Indian Trust Act, 1882. **Sponsors & Settlers:** Tata Sons Ltd., Tata Investment Corporation Ltd.

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.