

Enjoy dividends bit by bit

Choose your Dividend Trigger

10% 5%



4 Star rated by **MORNINGSTAR**® & Value Research

Past Performance is no guarantee of future results.

Rating Methodology: Morningstar fund rating methodology is based on a fund's risk-adjusted return within a given Morningstar category. Morningstar rating is calculated every month for the 3 years, 5 years and 10 years period. Within each rating period, the top 10% funds receive a five star rating, the next 22.5% earn a four star rating, the next 35% get three stars, the next 22.5% receive two stars, and the last 10% get one star. Loads are not considered for the purpose rating. Five-stars indicate that a fund is in the top 10% percentile of its category in terms of its historical risk-adjusted return. In the Morningstar Small/Mid cap category, 155 fund classes, which completed 3 years of performance, were considered for rating. The current fund rating is for the 3 year period as of September 30, 2010. The rating is based on NAV provided by respective funds. Morningstar does not guarantee accuracy of the data.
Rating Source & Publisher: Morningstar

Rating Methodology: Value Research Fund Ratings are a composite measure of historical risk-adjusted returns. In the case of equity funds this rating is based on the weighted average monthly returns for the last 3 years period. These ratings do not take into account any entry or exit load. Five-stars indicate that a fund is in the top 10% of its category in terms of historical risk-adjusted returns. Four-stars indicate that a fund is in the next 22.5% of its category in terms of historical risk-adjusted returns. Value Research Fund Ratings are subject to change every month. Current Fund Rating is as on September 30, 2010. Tata Equity P/E Fund have been rated 4-Star in the Equity: multi cap category, 42 funds were rated. The Rating is based on primary data provided by respective funds. Value Research does not guarantee the accuracy.
Publisher of rating data: - www.valueresearchonline.com

ASK FOR

**Automatic Dividend
Trigger Option**

TATA
EQUITY P/E
(An Open-ended
Equity Scheme) **FUND**

The hen that laid golden eggs would have continued to do so had patience and discipline been the guiding force. Likewise patience and discipline are invaluable in managing investments.

We have seen in the not too distant past, the BSE Sensex soaring to 21,000 points and then taking a deep dive all the way to 8000 points. Several investors were caught napping as most of their accumulated wealth was on paper and simply vanished before their eyes. The greed of expecting unidirectional capital appreciation that did them in has made investors realize that disciplined "profit booking" and patience should be an integral part of one's investment approach in order to enjoy the fruits of investment bit by bit.

We have all come to see that volatility is second nature to equity markets. Hence unless gains are booked at different times, all the virtual gains accrued can just disappear during the downward journey.

But, how is it possible to book profits when you have opted for a

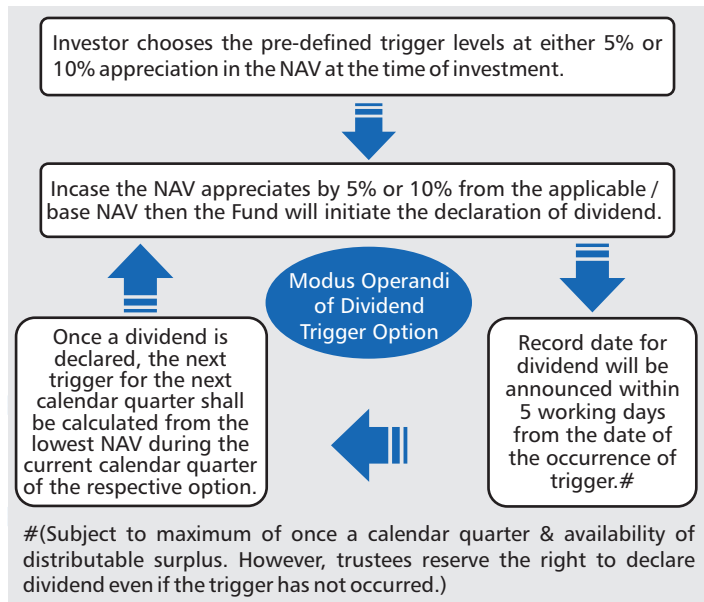
Dividend Option under a scheme, since the declaration of dividend is at the discretion of the Fund House?

To overcome this, Tata Mutual Fund has 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.

How does it work?



Please Note: The quantum of dividend shall be decided by the Trustees and will be subject to availability of distributable surplus.

A detailed illustration on how the Dividend Trigger Option will work:

The illustration stated below is for understanding purpose only and the actual NAV, dividend amount and dividend dates may not be in line with the illustration.

The assumption is based on the NAV of ₹ 40 for illustrative purpose only. Actual allotment of units will be based on the prevailing NAV at the time of subscription.

Calendar Quarter Applicable	July - September
Lowest NAV during the immediate preceding i.e. (April to June) calendar quarter (Base NAV for trigger)	₹ 40.00 per unit
Dividend Trigger Options Available	
Option A	5%
Option B	10%
Activation of Trigger	On the lowest NAV during the immediate preceding calendar quarter i.e. ₹ 40.00 per unit
Incase of 5% Trigger	₹ 42.00 per unit
Incase of 10% Trigger	₹ 44.00 per unit

Now let us analyze the different scenarios that could emerge:

Scenario 1 - NAV does not reach the trigger levels during the said quarter:

Dividend may not be declared.

Scenario 2 - NAV reaches the trigger level say on 1st August :

- Record date for dividend will be announced within 5 working days from the date of occurrence of trigger say 8th August.
- Dividend for the next calendar quarter would be based on the lowest NAV of the respective options during the current calendar quarter.

Scenario 3 - NAV reaches the next trigger level in the same quarter say on 15th September:

- No 2nd dividend will be declared in July - September quarter.

What are the advantages of the Dividend Trigger Option?

- Dividend received will be **Tax-free income** in the hands of the investor.
- Pre-determined targets** of 5% and 10% appreciation in the NAV helps to book profits in a disciplined manner.
- Possibility of **Multiple dividend triggers** would ensure **repeated automatic profit booking** by way of dividends at the pre-set trigger levels as chosen by the investor.
- Pre-set dividend triggers serve as an effective **hedging tool against the volatile** nature of equity investments.

Sub - option available under Dividend Trigger A & B:

- Dividend Payout, Or
- Dividend Reinvestment, Or
- Dividend Sweep to Tata Floater Fund – Growth Option

Default Option: Dividend Trigger Option B (10%) & Default Sub- option: Dividend Sweep to Tata Floater Fund – Growth Option

Important points to be noted:

- The base NAV for declaration of dividend would be the lowest NAV of the respective options declared during previous calendar quarter e.g. for the quarter 01 October, 2010 to 31 December, 2010, the base NAV for declaration of dividend would be the lowest NAV of the respective options during the calendar quarter ended 30 September, 2010.
- Not more than one dividend may be declared in a particular calendar quarter.
- Subject to the Regulations and disclosure requirements as specified by SEBI, the Trustees reserve the right to amend / modify any or all the features of the Dividend Trigger Option, including the minimum application amount, recurring expenses, load structure etc. from time to time.
- The Dividend Trigger Option and sub-options there under are an integral part of Tata Equity P/E Fund.
- Investors should choose the appropriate dividend trigger option and sub-option thereunder in the application form. Incase there is no indication as to the choice of Dividend Trigger Option (A - 5% or B - 10%) made by the unitholders then the investment by default will be in Dividend Option B – i.e. 10% trigger & Sub-option sweep to Tata Floater Fund - Growth Option.
- 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 respective trigger option of the scheme would fall to the extent of 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.
- The redemption / switches request from Tata Floater Fund - Growth option can be made for a minimum of ₹ 1000/- / 100 units or in multiples of ₹ 1/- thereafter or for all the Units.
- Dividend Trigger option is also available under Systematic Investment Plan (SIP) and Systematic Transfer Plan (STP).
- All plans / options under the scheme shall have common portfolio.
- The above provisions will remain in force till further notice.
- All other terms and conditions of the Scheme Information Document read with other addendums if any remain unchanged till further notice.

% Figures as mentioned (10% & 5%) are with reference to appreciation of NAV and not the quantum of dividend.

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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. **Nature & Investment Objective:** An open ended equity scheme. The investment objective of the scheme will be to provide reasonable income and / or possible capital appreciation to its Unitholder. **Applicable Loads: Entry Load (including SIP): Nil. Exit Load (including SIP): 1% of the applicable NAV if redeemed on or before expiry of 365 days from the date of allotment. Statutory Details: Investment Manager: Tata Asset Management Ltd. Trustee: Tata Trustee Company Ltd., 9th Floor, Mafatal Centre, Nariman Point, Mumbai - 400 021. Constitution: Tata Mutual Fund (TMF) has been set up as a Trust under the Indian Trusts Act, 1882. Sponsors & Settlers: Tata Sons Ltd., Tata Investment Corporation Ltd. Risk Factors • All investments in Mutual Fund & securities are subject to market risks & the NAV of the units issued under the schemes can go up or down depending on the factors & forces affecting the capital markets • Mutual Fund & securities investments are subject to market risks & there can be no assurance & no guarantee that the objectives of the scheme will be achieved • Past performance of the previous scheme, the Sponsors or its group affiliates is not indicative of & does not guarantee the future performance of the schemes • Tata Equity P/E Fund is only the name of the scheme & does not in any manner indicate either the quality of the scheme, its future prospects or the returns • The Sponsors are not responsible or liable for any loss resulting from the operations of the Mutual Fund beyond the contribution of an amount of ₹ 1 lac made by them towards setting up of the Mutual Fund. Investments in debt securities are subject to interest rate risk, credit risk & liquidity risk. • Investment in mutual fund units involves investment risk such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of capital. Kindly refer Scheme Information Document (SID), Statement of Additional Information (SAI) & Key Information Memorandum (KIM) of the scheme for applicable loads. For scheme specific risk factors & other details please read the SID/SAI/KIM of the scheme carefully before investing.**