

## NFO Closes: 1st June, 2009. Units at Rs. 10/- each plus loads

### What is Tata Smart Investment Plan - 1?

Tata Smart Investment Plan - 1 is a 36 months close ended hybrid scheme that gives you the advantage of investing in both debt and equity. To start with, the investment amount in the scheme will be invested in debt and over the subsequent 12 months (in Scheme A) and 24 months (in Scheme B) will be moved to equity in a systematic manner on a monthly basis. **Thus this scheme provides the advantages of debt, equity and systematic investing to the investor.**

### How will the debt market scenario help the fund?

- ▶▶▶ While yields of debt instruments have softened in the recent past, there may still be some opportunity left for further softening. Hence, locking investments at these levels may prove beneficial.
- ▶▶▶ The interest rate scenario reflects a probable downward bias. Therefore, there is a probability of capital gains in the medium term.

### How will the equity market scenario help the fund?

- ▶▶▶ Valuations in the short term remain attractive.
- ▶▶▶ Markets may rally in the medium term as the global economic conditions improve.
- ▶▶▶ Markets, however, are likely to remain volatile which augurs well with systematic investing.
- ▶▶▶ Performance of companies are expected to improve in the medium term.
- ▶▶▶ Global funds flow is picking up and is likely to remain healthy.

### What are the other benefits of investing in Tata Smart Investment Plan-1?

Generally Systematic Investment Plans involve writing a number of cheques / payment instructions, storage of multiple account statements, accounting / recording of multiple transactions, computation of tax liability in respect of each installment etc. All these may cause administrative inconvenience to the investors.

In Tata Smart Investment Plan-1, an investor will be making a one time investment in the fund. This will help investors to reduce the administrative inconvenience.

### How will you benefit from investing in Tata Smart Investment Plan - 1?

- ▶▶▶ You get the multiple advantage of investing in debt and equity at a time when the market conditions are favorable.
- ▶▶▶ You get the advantage of systematic investing which is suitable for a volatile market.
- ▶▶▶ One time investment without having to write multiple cheques.

### What are the advantages of a systematic style of investing?

#### ▶▶▶ Rupee cost averaging

A disciplined style of investing provides the scheme the opportunity of buying into more units when markets are down and consequently lesser units when they are up. On the whole, this approach results in a lower average purchase price in a volatile market. This is called "Rupee Cost Averaging". However, in a one way upward movement of the market this strategy may not benefit the investor. But one needs to bear in mind that the current outlook does not point in the direction of a one way upward movement in the medium term.

#### ▶▶▶ Power of Compounding

Systematic investing has a compounding effect on your investments. The amount invested does not remain idle for it generates income. The income thus accrued too gets invested for growth. In this manner the initial investment is subjected to a multiplier effect known as compounding.

### Who is it suitable for?

This fund is suitable for any investor with moderate risk appetite and with the ability to invest his money for a period of three years.

### Key Highlights

- ▶▶▶ Tata Smart Investment Plan - 1 is a **36 months close-ended hybrid scheme**.
  - ▶▶▶ **Choice of period for investing in equity:** Tata Smart Investment Plan - 1 Scheme A (First 12 months from the date of allotment) and Tata Smart Investment Plan - 1 Scheme B (First 24 months from the date of allotment). Each Scheme has two Options i.e Growth Option and Dividend Option.
  - ▶▶▶ The primary **investment objective** of the scheme is to generate returns by investing systematically in equity/equity related instruments over 12 months (scheme A) or 24 months (scheme B).
  - ▶▶▶ **Minimum Amount** for Application during NFO – Rs. 10,000.
  - ▶▶▶ **Load Structure:** Entry load (During NFO): 2.25% for each investment amount less than Rs. 2 crore. For each investment amount equal to or more than 2 crore: Nil. Exit load (Upon Maturity): Nil. No entry load shall be charged for direct purchase/switch in application accepted by the AMC.
  - ▶▶▶ **Mode of Allotment:** At the discretion of the investors, the units under the scheme shall either be allotted in dematerialized form (if investor has a Demat account and he has provided the details of depository account in the application form) or by way of issuing the physical account statement.
- It may please be noted that trading in the units over the stock exchange will be permitted only in electronic form and cannot be traded in physical form.

- ▶▶▶ **Liquidity:** Liquidity will be provided through listing of the scheme on the BSE. Investors can transact (buy / sell) the units of the scheme on BSE. Hence no repurchase / redemption facility will be provided by the AMC till maturity of the scheme.
- ▶▶▶ **Rounding off of Units:** Stock exchanges may not allow trading of fractional units. Hence, units will be allotted only in integers by rounding off the units allotted to the lower integer and the balance amount will be refunded to the investor.
- ▶▶▶ **Transaction Cost:** Though, there will be no entry / exit load for buying / selling the units from / to the secondary market, the investors will have to bear the other costs related to transacting in the secondary market e.g. Brokerage, Service Tax etc.
- ▶▶▶ **Book Closure:** If any dividend is declared by the scheme (under the dividend option) then there shall be a book-closure for the scheme to identify the eligible investors to receive the dividend amount and in such case there will be no trading of the units of the scheme on the stock exchange during the book-closure period. Such book closure, if any, shall be in line with the listing agreement of the stock exchange.
- ▶▶▶ **De-listing of the schemes:** The Schemes will mature on expiry of 36 months from the date of allotment. The AMC / Trustee will initiate the delisting procedure at least 30 days prior to the date of maturity of the scheme. The unitholders will not be able to trade in stock exchange once the schemes are delisted.

#### Where will the scheme invest and what would be the risk profile?

Under normal circumstances, the total assets of the Scheme, shall (after providing for all ongoing expenses) generally be invested / the indicative asset allocation shall be as follows:

Scheme A	Proportion** (% of Funds Available / Net Asset)		
Instrument	Minimum	Maximum	Risk Profile
<b>During first Twelve Months from the date of allotment</b>			
Equity / Equity Related Instruments	0	100	High
Debt, Money Market and Securitized Debt Instruments*	0	100	Low to medium
<b>After completion of Twelve months till maturity</b>			
Equity / Equity Related Instruments	65	100	High
Debt, Money Market and Securitized Debt Instruments*	0	35	Low to medium
<b>Scheme B</b>			
<b>During first Twenty Four months from the date of allotment</b>			
Equity / Equity Related Instruments	0	100	High
Debt, Money Market and Securitized Debt Instruments*	0	100	Low to medium
<b>After completion of Twenty Four months till maturity</b>			
Equity / Equity Related Instruments	65	100	High
Debt, Money Market and Securitized Debt Instruments*	0	35	Low to medium

Please note that with respect to investment in debt, money market and securitized debt instruments, in line with the SEBI Circular No. 12/147132/08 dated December 11, 2008, the scheme shall invest only in such securities which mature on or before the date of the maturity of the scheme.

\* Investment by the scheme in securitized debt, will not normally exceed 20% of the net asset of the scheme. \*\* At the time of investment.

**Please read the scheme information document for more details.**

**Call us at: 1800-209-0101 SMS: 'TMF' to 57575 E-mail: kiran@tataamc.com Website: www.tatamutualfund.com**

**Nature and Investment Objective: TATA SMART INVESTMENT PLAN - 1:** A three years close ended hybrid scheme. The primary investment objective of the scheme is to generate returns by investing systematically in equity/equity related instruments. **Risk Factors:** • All investment in Mutual Funds and securities are subject to market risks, reinvestment risk, changes in political, economic environment and government policy and there is no assurance or guarantee that the objectives of the Scheme will be achieved. • As with the investment in stocks, shares and securities, the NAV of the Scheme can go up or down depending on factors and forces affecting the Capital Market. • Past performance of the previous schemes, the sponsors or its group affiliates are not indicative of and do not guarantee of future performance of the Scheme. • The Sponsor or any of its associates is not responsible or liable for any loss resulting from the operation of the Scheme beyond the corpus of the Trust of Rs. 1,00,000/- • Investors in the scheme are not being offered any guaranteed or assured rate of return. • **TATA SMART INVESTMENT PLAN – 1** is only the names of the schemes and do not in any manner indicate either the quality of the schemes, future prospects or returns. • Investment in fixed income securities are subject to interest rate risk, credit risk and liquidity risk. • Derivatives are highly leveraged instruments and can provide disproportionate gains as well as disproportionate losses to the investors. • The risks associated with the use of derivatives are different from or possibly greater than the risk associated with investing directly in securities and other traditional investments. • Information about Income Tax treatment mentioned in the SID / SAI is based on the prevailing tax laws and interpretation given by Fund's tax advisor. It may be interpreted differently by tax authorities. Investors are advised to consult their tax advisor respect to the specific tax implications arising by investing in the scheme. • Copy of SID / SAI and key information memorandum along with application form may be obtained from the office of Tata Mutual Fund, Mulla House, Ground Floor, 51 M.G. Road, Near Flora Fountain, Mumbai-400 001 or at your nearest collection centres. **Load Structure:** Entry (During NFO) 2.25% for each investment amount less than Rs. 2 crore. Nil for each investment amount equal to or more than 2 crore. Exit (Upon Maturity) N.A. No loads shall be charged on the units subscribed by any fund of fund scheme. **Statutory Details:** Constitution: Tata Mutual Fund (TMF) has been set up as a Trust under the Indian Trust Act 1882. **Sponsors:** Tata Sons Limited and Tata Investment Corporation Limited. **Trustee:** Tata Trustee Company Pvt. Ltd. **Investment Manager:** Tata Asset Management Ltd. For other scheme specific risk factors and other details please read the Scheme Information Document (SID) and Statement of Additional Information (SAI) carefully before investing. **RISK FACTORS WITH RESPECT TO LISTING OF THE SCHEME :** • Buying and selling units on stock exchange requires the investor to engage the services of a broker and are subject to payment of margins as required by the stock exchange/broker, payment of brokerage, securities transactions tax and such other costs. • Trading in scheme could be restricted due to which market price may or may not reflect the true NAV of the scheme at any point of time. Also there can be no assurance that an active secondary market will develop or be maintained for the units of the Scheme. • The market price of the units, like any other listed security, is largely dependent on two factors, viz., (1) the intrinsic value of the unit (or NAV), and (2) demand and supply of units in the market. Sizeable demand or supply of the units in Exchange may lead to market price of the units to quote at premium or discount to NAV. • Where units are issued or later on converted in demat form through depositories, the records of the depository will be final with respect to the number of units available to the credit of unit holder. Settlement of trades, repurchase of units by the mutual fund upon maturity depends up on the confirmations to be received from depository(ies) on which the mutual fund has no control. • Any change in Tax Laws applicable to mutual funds may affect the returns to the investor. **Bombay Stock Exchange Ltd's disclaimer:** It is to be distinctly understood that the permission given by Bombay Stock Exchange Ltd. should not in any way be deemed or construed that the scheme information document has been cleared or approved by Bombay Stock Exchange Ltd. nor does it certify the correctness or completeness of any of the contents of the scheme information document. The investors are advised to refer to the scheme information document for the full text of the Disclaimer clause of the Bombay Stock Exchange Ltd.