



RELIGARE PSU EQUITY FUND

Wake up to the power of the Public Sector.

PSUs: The Opportunity is Now

Mughal emperor Akbar's darbar (court) had nine extraordinary men who advised him on different matters. Conferred with the title of Navratna (nine gems) they soared to almost legendary heights in their respective area of activity. The modern day Navratnas in India, honoured by the Government of India, are the new crown jewels of the nation. These Navratnas are the best Indian home-grown companies, which have become the flag-bearers in their respective area of activity. For e.g., companies like ONGC, NTPC, SBI etc. have almost become synonymous with Oil, Power and Banking respectively, in India.

But fortunately for investors, unlike Akbar's court, this is not an exclusive club. The mini-ratna companies in India are getting ready to break into the big league and are standing out for their efficiency and performance. With more and more PSUs entering the market like MMTC, Coal India etc. and many more on the roadmap, the opportunities are ever expanding.

Religare PSU Equity Fund invests in such public sector undertakings (PSUs) in India, and give you the chance to be the modern day Akbar.

Six Reasons to own PSUs

1. Strong Fundamentals
2. Low Debt-Equity Ratio
3. Valuations - PSU Stocks are available at attractive valuations
4. PSU Companies - Wealth Creators
5. Benefit from Disinvestment
6. Dividend Gains

Religare PSU Equity Fund - Where will the Fund invest?

- The Fund invests in companies where the Central/State Government has majority shareholding or where the management control is with the Government
- The Fund invests in Government companies having presence in core sectors and companies, which are expected to benefit from divestment process and reforms. These include:

Oil	Industrial Capital Goods
Petroleum Products	Banks & Finance Companies
Power	Gas
Minerals & Mining	Utilities

- The Fund will also participate in forthcoming IPOs of Government Companies
- The Fund mandate provides the flexibility up to **20%** to hold companies even after Government exits or becomes a minority shareholder

Religare's Approach to Managing the Fund

- Bottom up and top down approach to create a diversified portfolio of stocks
- Aims to select fundamentally sound companies having the potential to deliver superior growth in the long term
- At least 65% of the assets will be invested in companies, which are part of the BSE PSU Index. Balance 35% will be invested in PSUs outside the BSE PSU Index
- The Fund will have no market capitalisation bias and will be style neutral
- Portfolio to comprise of 25 – 30 stocks

Who Should Invest?

- Investors looking for an opportunity to own performing public sector giants
- Investors looking forward to benefitting from the long term Value unlocking in Public Sector Enterprises
- Investors looking for diversification

Fund Review & Outlook

The fund invests only in PSU companies keeping in mind their fundamentals and valuations. Divestment is one of the themes; however we participate in IPOs or FPO's of PSU's only if they are attractive. The fund has further reduced its Financials exposure this month while adding to the Industrials sector with Bharat Electronics entering the portfolio. The fund also exited Container Corporation. In the context of current market valuations the PSU fund trades at extremely attractive valuations. The companies have a strong domestic focus and aggressive investment plans.

Fund Performance (as on 30th June, 2011)

Period	6 Months *	1 Year **	Since Inception **@
Scheme^	-7.83%	-3.11%	3.61%
BSE PSU Index^^	-9.70%	-10.16%	-4.54%

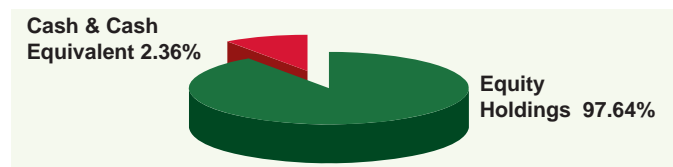
^ Past performance may or may not be sustained in future. ^^ Benchmark * Absolute returns ** Compounded Annualised @Inception Date: 18th November 2009. Returns are of Growth Option.

Quarterly Performance

Yr.	Qtr1*		Qtr2*		Qtr3*		Qtr4*		Year**	
	Sch-eme^ (%)	Bench-mark# (%)	Sch-eme^ (%)	Bench-mark# (%)	Sch-eme^ (%)	Bench-mark# (%)	Sch-eme^ (%)	Bench-mark# (%)	Sch-eme^ (%)	Bench-mark# (%)
11	-4.61	-5.29	-3.38	-4.66	n. a	n. a	n. a	n. a	n. a	n. a
10	-1.07	-5.18	7.16	5.20	11.53	8.11	-5.74	-7.97	11.45	-0.75

^ Past performance may or may not be sustained in future. Refer relative performance table. Based on calendar quarter. * Absolute Returns ** Compounded Annualised Returns. # BSE PSU Index. Returns are of Growth Option.

Asset Allocation (as on 30th June, 2011)



Portfolio Shifts (% of net assets)

New Entry	June-11	Complete Exit	% Allocation in The Previous Month
Bharat Electronics Ltd.	3.51	Bank of India	1.64
Dena Bank Ltd.	0.74	Canara Bank Ltd.	1.78
Punjab & Sind Bank	0.72	Container Corp. Of India Ltd.	0.32

Top 5 Sectors / Respective Stock[^]

Banks	21.41%	Bank Of Baroda	4.78%
Power	18.15%	NTPC Ltd	8.39%
Oil	14.51%	Oil & Natural Gas Corp. Ltd.	9.14%
Minerals/Mining	11.83%	Coal India Ltd	6.04%
Industrial Capital Goods	10.74%	Bharat Heavy Electricals Ltd	7.23%

[^](% of Net Assets) as on 30th June, 2011.

Get In Touch:

call > 1800-209-0007 > sms 'Invest' to 56677 >

invest online at www.religaremf.com

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Key Facts

Type of Scheme	An Open Ended Equity Scheme													
Investment Objective	To generate capital appreciation by investing in equity and equity related instruments of companies where the Central / State Government(s) has majority shareholding or management control or powers to appoint majority of directors.													
Asset Allocation	Instruments	Indicative Allocation (% of Net Assets)	Risk Profile											
	Equity and Equity Related Instruments of the constituents of BSE PSU Index	65	100											
	Equity and Equity Related Instruments of PSU companies other than the constituents of the BSE PSU Index	0	35											
	Equity and Equity Related Instruments of non PSU companies#	0	20											
	Debt* & Money Market Instruments	0	35											
			High											
			High											
			High											
			Low to Medium											
Options	• Growth • Dividend Payout • Dividend Reinvestment (If dividend payable under the dividend option is equal to or less than ₹ 500/- then the dividend would be compulsorily reinvested)													
Minimum Amount of Investment	Lumpsum : Rs.5,000/- and in multiples of Re.1/- thereafter Systematic Investment Plan: <table border="1"> <thead> <tr> <th>Options</th> <th>Minimum Amount</th> <th>Minimum Installments</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Monthly</td> <td>Between ₹ 500/- per month and ₹ 1,000/- per month and in multiples of Re. 1/- thereafter.</td> <td>12</td> </tr> <tr> <td>₹ 1,000/- or more per month and in multiples of Re. 1/- thereafter.</td> <td>6</td> </tr> <tr> <td>Quarterly</td> <td>₹ 1,500/- per quarter and in multiples of Re.1/- thereafter.</td> <td>4</td> </tr> </tbody> </table>			Options	Minimum Amount	Minimum Installments	Monthly	Between ₹ 500/- per month and ₹ 1,000/- per month and in multiples of Re. 1/- thereafter.	12	₹ 1,000/- or more per month and in multiples of Re. 1/- thereafter.	6	Quarterly	₹ 1,500/- per quarter and in multiples of Re.1/- thereafter.	4
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Load Structure (Lumpsum Purchase/ SIP/ STP)	Entry Load: Nil The upfront commission, if any, on investment made by the investor shall be paid by the investor directly to the Distributor, based on his assessment of various factors including the service rendered by the Distributor. Exit Load: 1% (if redeemed /switched out on or before 1 year from the date of allotment); Nil (if redeemed /switched out after 1 year from the date of allotment)													
Fund Manager	Mr. Vetri Subramaniam & Mr. Amit Ganatra													
Benchmark Index	BSE PSU Index													



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