



Study On Relative Performance of Indian Equity Funds Versus Global Equity Funds

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Performance of Key International Markets:

Performance of Major International Markets (as of December 2010)						
Index Name	Country	1 Year	3 Years	5 Years	10 Years	15 Years
JSX Composite PR IDR	Indonesia	46.1	10.5	26.1	24.4	14.1
SET PR THB	Thailand	40.6	6.4	7.7	14.4	-1.4
RTS RTSI PR USD	Russia	22.5	-8.2	9.5	28.6	22.6
KSE KOSPI Korea PR KRW	South Korea	21.9	2.6	8.3	15.1	5.8
KLSE Composite Malaysia	Malaysia	19.8	1.8	11.1	8.4	2.9
NASDAQ 100 PR USD	United States	19.2	2.1	6.2	-0.5	9.4
BSE SENSEX India INR	India	17.4	0.4	16.9	17.8	13.4
FSE DAX PR EUR	Germany	13.9	-8.0	2.0	-1.8	
S&P 500 PR	United States	12.8	-5.0	0.1	-0.5	4.9
FTSE/SGX STI PR SGD	Singapore	10.1	-2.9	6.3	5.2	2.3
TSEC Taiwan 50	Taiwan	9.4	-0.3			
FTSE 100 PR GBP	UK	9.0	-3.0	1.0	-0.5	3.2
Hang Seng HSI PR HKD	Hong Kong	5.3	-6.1	9.1	4.3	5.7
BOVESPA Ibovespa	Brazil	1.0	2.8	15.7	16.3	3.2
S&P/ASX 200 PR	Australia	-2.6	-9.2	-0.1	4.0	5.2
Nikkei 225 Average PR JPY	Japan	-3.0	-12.6	-8.7	-2.9	-4.3
Euronext Paris CAC 40 PR EUR	France	-3.3	-12.2	-4.2	-4.3	5.3
Shanghai SE Composite PR CNY	China	-14.3	-18.9	19.3	3.1	11.4

Data sorted on the basis of 1 Yr return in descending order. Performance is in base currency and returns greater than 1 Yr are compounded annualized.
Source: Morningstar Direct

In 2010 many of the Southeast Asian markets managed to deliver strong performance, thus topping the return charts. The top performing market within Asia was Indonesia which managed to deliver a handsome return of 46% in 2010, on the back of a high-flying 89% gain in 2009. The Indonesian market has been doing well on the back of good economic prospects (IMF forecasts the country's GDP to grow in excess of 6% in 2010 and 2011), and robust foreign fund inflows. The other top performer within the region in 2010 was Thailand, whose benchmark SET index managed to close the year with close to a 41% gain. Other markets that did well in 2010 were Russia, South Korea and Malaysia. India's benchmark sensitive index also managed a decent gain of more than 17% in 2010, with record high foreign fund inflows of more than \$29 billion making its way to Indian shores. This was despite the concerns on high inflation, relatively higher valuations and a host of interest rate hikes by the central bank during the year.

Meanwhile the bottom performing market in 2010 within Asia was China, whose benchmark Shanghai Composite index closed in the red by more than 14% after registering an 80% gain in 2009. Concerns on monetary tightening, measures taken by the government to curb assets bubbles including in the real estate market, and capital diverting to the huge number of IPOs, weighed down on the performance of benchmark index. This was despite the country's economy continuing to soar during the year. Within Asia, the Japanese

market also closed in the red by more than 3% in 2010, while performance was adversely impacted in some of the European markets on account of credit worries within the Euro-zone.

Over longer time periods also some of the top performing markets have been Southeast Asian markets like Indonesia, India and China, and also some other emerging markets like Russia and Brazil. Over a five year period (as of December 2010), the Indonesian market has been a clear outperformer with its benchmark index delivering an annualized return in excess of 26%. Other key markets that fared well over a 5 year period were China, India and Brazil. Over a 10 year period (as of December 2010), the Russian market dominated, with its benchmark index delivering an annualized return in excess of 28%. Over a 15 year period as well, one of the top performing markets was Russia, followed by India and Indonesia.

Methodology:

For the purpose of this study, we have considered the oldest share class of all open-end equity funds in the Morningstar global database. The ranking analysis has been done over various time periods at the end of December 2010, viz. 1 year, 5 years, 10 years and 15 years. All performance is in the fund's base currency, and returns greater than one year are compounded annualized. The number of share classes that have the requisite performance track record over various time periods are as follows:

Period (Ended Dec 2010)	Qualifying Share Classes*
1 Year	22,407
5 Years	14,770
10 Years	9,033
15 Years	3,993
* Oldest share class has been considered	

We have also profiled five Indian equity funds that have managed to top the global charts over a 15 year period. These five Indian funds are HDFC TaxSaver Div, Reliance Growth Div, HDFC Equity Div, Franklin India Prima Plus Div, and Reliance Vision Gr. We have included a fund snapshot and commentary on each of these five profiled funds at the end of the report.

Study on Relative Performance of Indian Equity Funds Versus Global Equity Funds

Key Points:

- India focused funds clearly dominated the list of top performing open-end equity funds globally **over 15 years**, by notching up fourteen of the top twenty-five spots.
- The top performing equity fund globally over a 15 year period was a seasoned equity linked tax savings fund from India named **HDFC Tax saver Div**.
- Besides the India focused funds, **five natural resources and mining funds** domiciled in South Africa, also made it to the list of 25 top performing open-end equity funds over a **15 year period**.
- Over a **10 year period**, eight Indian equity funds made it to the list of top 25 performing open-end equity funds globally. The leader was **SBI Magnum Sector Umbrella Contra Div**, which ranked in at the third spot globally.
- Five of the top twenty-five performers over a **10 year period** were Russian equity funds, with two of them managing to steal away the top two spots. Three Indonesian funds and six precious metals funds (from various regions) also made it to this list over 10 years.
- Over a **5 year period**, China focused funds clearly dominated by grabbing 19 of the top 25 spots. No Indian equity funds featured among the top 25, but four Indian funds managed to make it into the list of top 50 performers over the same period.
- The top performing Indian equity fund over a **5 year period** was **Reliance Banking Bns**, which is a sector fund and ranked in at the 40th place globally.
- **In year 2010**, precious metals funds from Canada, U.S. and Europe dominated the charts, with these funds managing to grab 15 of the top 25 spots globally.
- **In year 2010**, no Indian funds made it to the list of top 25 or even top 100 performers globally. The top performing Indian equity fund in 2010 was **SBI Magnum Sector Umbrella FMCG**, which is a sector fund that ranked in at the 208th place globally.

For 15 year period (as of Dec 2010): India focused equity funds dominated the global charts, notching up fourteen of the top twenty-five spots

Refer to Table 1 for performance and other details of top 25 performing open-end equity funds globally over a 15 year period. 3,993 share classes qualified over a 15 year period.

India focused funds clearly dominated the list of top performing open-end equity funds globally over 15 years, by notching up fourteen of the top twenty-five spots. The top performing fund was **HDFC Tax saver Div**, which is a seasoned equity linked tax savings fund from India that has managed to deliver an annualized return of 34.03%, outperforming other open-equity funds around the world by a substantial margin. The fund

has an overall Morningstar rating of 5-stars. India's benchmark sensitive index delivered an annualized return of close to 14% over a 15 year period, making it one of the top performing markets over this tenure. The next three top performing funds were also Indian equity funds viz. **Reliance Growth – Div**, **HDFC Equity – Div** and **Franklin India Prima Plus – Div**. Two of the fourteen India focused funds that made it to the list of top 25 performers globally were offshore India equity funds. One was a Luxembourg domiciled fund from Alliance Bernstein named **AB SICAV India Growth AX USD**, which ranked in at the twelfth spot globally, and the other one was also a Luxembourg domiciled fund named **Jupiter JGF India Select L USD**, which ranked in at the eighteenth spot globally.

Besides the India focused funds, a number of natural resources and mining funds domiciled in South Africa, also made it to the list of 25 top performing open-end equity funds over a 15 year period. In all there were a total of five such funds, all of which belonged to the Morningstar Europe OE Sector Equity Natural Resources fund category. The top performer among these five was **Nedgroup Inv Mining & Res R**, which ranked in at the fifth spot globally, and is a Morningstar four-star rated fund.

For 10 year period (as of Dec 2010): Eight Indian funds make it to the list of top twenty-five performers globally. Others who appeared here include Russian, Indonesian and Precious Metals funds.

Refer to Table 2 for performance and other details of top 25 performing open-end equity funds globally over a 10 year period. 9,033 share classes qualified over a 10 year period.

Over a 10 year period (as of December 2010), eight Indian equity funds made it to the list of top 25 performing open-end equity funds globally. Among these eight, the leader was **SBI Magnum Sector Umbrella Contra Div**, which notched up an annualized return of 37.41%, ranking in at the third spot globally. India's benchmark sensitive index delivered an annualized return of close to 18% over a 10 year period. The next Indian fund was **Reliance Growth Div**, which secured the fifth rank globally.

The top two spots over a 10 year period went to two Russian equity funds domiciled in the Cayman Islands. Both these funds were from the stable of Prosperity Capital Management, and included a Morningstar 5-star rated fund named **Prosperity Prosperity Cub** and a Morningstar four-star rated fund named **Prosperity Russian Prosperity A**. In all, there were a total of five Russian equity funds, which emerged among the list of top 25 performers over a 10 year period. Russia's benchmark RTSI index delivered an annualized return of more than 28% over a 10 year period, making it one of the best performing markets world-wide over this tenure.

Besides these Russian funds, three Indonesia focused equity funds also made it to the list top 25 performers globally over a 10 year period. The leader amongst them was **Panin Dana Maksima**, which is a Morningstar 5-star rated fund that notched up an annualized return of 36.41% and ranked in at the fourth place globally. Indonesia's benchmark composite index delivered an annualized return of more than 24% over the same period. A few precious metals funds (numbering six), from various regions also made it to the top 25 list. The top performer amongst them was a Canadian precious metals fund named **RBC Global Precious Metals**, which is also a Morningstar 5-star rated fund and secured the sixth rank globally over a 10 year period.

For 5 year period (as of Dec 2010): China focused funds clearly dominated, by grabbing 19 of the top 25 spots over a 5 year period. No Indian equity funds featured among the top 25, but four Indian funds managed to make it into the list of top 50 performers over the same period.

Refer to Table 3 for performance and other details of top 25 performing open-end equity globally over a 5 year period. 14,770 share classes qualified over a 5 year period.

China focused funds clearly dominated the list of top 25 performing open-end equity funds globally over a 5 year period, by grabbing 19 of the top 25 spots. However, the top performing equity fund globally over the same period was an Indonesian fund viz. **Panin Dana Maksima**, which topped the charts with an annualized return of 45.51%, and at the same time is also a Morningstar 5-star rated fund. This fund also managed to rank in at the fourth place globally over a 10 year period. The top performing Chinese equity fund was **Yinhua Core Value Selected**, which is a Morningstar 5-star rated fund that delivered an annualized return of 41.96% over a 5 year period, and ranked in at the second place globally. Over a 5 year period, Indonesia's benchmark composite index delivered an annualized return of 26.1% and China's composite index returned 19.3%, thus making them among the top performing markets globally, over the tenure. Two other Indonesian equity funds, a Brazilian equity fund, and an equity fund from the Philippines also made it to the list of top 25 performers over 5 years.

No Indian equity funds featured among the top 25, but four of them did manage to make it into the list of top 50 performers over the same period. The top performing Indian equity fund among these four was **Reliance Banking Bns**, which is a sector fund that ranked in at the 40th place globally, and is also a Morningstar 4-star rated fund. The other Indian equity funds which managed to make it to the top 50 list of performer over 5 years included **IDFC Premier Equity A Div** (global rank of 41), **Reliance Pharma Bns** (global rank of 47) and **Reliance Regular Savings - Equity Gr** (global rank of 48). India's benchmark sensitive index meanwhile managed to deliver an impressive annualized return of 17% over a 5 year period.

For 1 year period (as of Dec 2010): In 2010, precious metals funds from Canada, U.S. and Europe dominated the charts, with these funds managing to grab 15 of the top 25 spots globally. No Indian funds made it to the top 25 or top 100.

22,407 share classes qualified over a 1 year period.

In 2010, precious metals funds from Canada, U.S. and Europe dominated the charts, with these funds managing to grab 15 of the top 25 spots globally. The top performing open-end equity fund in 2010 was **SFT1ps Smaller Companies Gold A**, which is an equity-linked precious metals fund domiciled in the United Kingdom, and returned a handsome 128% during the year (in the fund's base currency i.e. Pound Sterling). Following that was an equity fund from the Philippines named **Unionbank Large Cap**, which also ranked in at the 20th place globally over a 5 year period. Next in line was again the Indonesian equity fund named **Panin Dana Maksima**, which managed to capture the third place in 2010. This fund also ranked in at first place and fourth place globally, over 5 years and 10 years respectively.

In year 2010, no Indian funds made it to the list of top 25 or even top 100 performing open-end equity funds globally. The top performing open-end Indian equity fund in 2010 was **SBI Magnum Sector Umbrella FMCG**, which is a sector fund that ranked in at the 208th place globally. The next best performing Indian equity fund in 2010 was **Reliance Banking Bns**, which is also a sector fund that ranked in at 255th place globally during the year.

The global ranking tables (over 5 years, 10 years and 15 years), and the fund snapshot / commentary on the five profiled Indian funds (which topped the charts globally over 15 years), are enclosed in the following pages.

Table 1: Top 25 Performing Open-End Equity Funds Globally over 15 Years (as of December 2010)

Top 25 Performing Open-End Equity Funds Globally over 15 Years (as of December 2010)											
Fund Name	Domicile	Morningstar Category	Morningstar Rating Overall	Base Currency	Total Ret. 1 Yr (in %)	Total Ret. 3 Yrs (in %)	Total Ret. 5 Yrs (in %)	Total Ret. 10 Yrs (in %)	Total Ret. 15 Yrs (in %)	15 Years Global Rank	Annual Exp Ratio
HDFC TaxSaver Div	India	India OE ELSS (Tax Savings)	★★★★★	Indian Rupee	26.41	6.83	17.92	30.34	34.03	1	1.91
Reliance Growth Div	India	India OE Small/Mid Cap	★★★★★	Indian Rupee	17.19	2.02	21.48	35.52	29.32	2	1.80
HDFC Equity Div	India	India OE Large Cap	★★★★★	Indian Rupee	29.21	10.15	22.85	31.71	28.26	3	1.82
Franklin India Prima Plus Div	India	India OE Large Cap	★★★★	Indian Rupee	19.48	2.65	20.11	27.07	25.67	4	1.93
Nedgroup Inv Mining & Res R	South Africa	Europe OE Sector Equity Natural Resources	★★★★	South African Rand	17.27	6.36	19.09	21.92	24.91	5	1.17
Investec Commodity R	South Africa	Europe OE Sector Equity Natural Resources	★★★★	South African Rand	12.05	1.89	17.92	25.14	24.71	6	1.19
Reliance Vision Gr	India	India OE Large Cap	★★★★	Indian Rupee	15.26	0.39	18.18	31.81	24.69	7	1.83
Old Mutual Mining & Res R	South Africa	Europe OE Sector Equity Natural Resources	★★★★★	South African Rand	13.21	6.67	20.86	26.90	24.40	8	1.16
Birla Sun Life Advantage Div	India	India OE Large Cap	★★	Indian Rupee	14.20	-3.88	13.32	18.91	22.78	9	2.31
Franklin India Prima Gr	India	India OE Small/Mid Cap	★★★★	Indian Rupee	19.11	-2.47	11.03	31.06	22.77	10	2.11
SBI Magnum Tax Gain 93 Div	India	India OE ELSS (Tax Savings)	★★★	Indian Rupee	12.98	-1.66	16.43	24.08	22.49	11	1.81
AB SICAV India Growth AX USD	Luxembourg	Europe OE India Equity	★★★★	US Dollar	20.71	-1.01	17.20	20.56	21.91	12	2.06
STANLUB Resources R	South Africa	Europe OE Sector Equity Natural Resources	★★★	South African Rand	8.29	-6.53	11.95	19.76	21.89	13	1.15
STYLUS Momentum	Canada	Canada Canadian Small/Mid Cap Equity	★★★★★	Canadian Dollar	27.73	6.88	12.03	19.70	21.60	14	
RMB Resources	South Africa	Europe OE Sector Equity Natural Resources	★★★★	South African Rand	18.05	5.35	18.07	23.71	20.39	15	1.94
ICICI Pru Power Div	India	India OE Large Cap	★★★★	Indian Rupee	21.66	0.03	19.90	26.61	20.38	16	2.20
HDFC Capital Builder Div	India	India OE Large Cap	★★★★	Indian Rupee	28.44	3.81	18.07	25.76	20.26	17	2.22
Jupiter JGF India Select L USD	Luxembourg	Europe OE India Equity	★★★★	US Dollar	19.25	-1.94	15.14	24.10	20.01	18	2.37
Länsförsäkringar Fastighetsfond	Sweden	Europe OE Property - Indirect Europe	★★★★★	Swedish Krona	48.14	12.43	12.65	19.39	19.94	19	1.30
Philequity Fund	Philippines	Europe OE Other Asia-Pacific Equity		Philippine Peso	54.18	14.72	22.16	18.20	19.82	20	
SBI Magnum Global Div	India	India OE Small/Mid Cap	★★★	Indian Rupee	18.10	-4.73	19.57	27.36	19.82	21	2.00
SBI Magnum Equity Div	India	India OE Large Cap	★★★	Indian Rupee	18.35	-0.78	23.57	20.85	19.56	22	2.28
Amundi Funds Latin America Eqs AU C	Luxembourg	Europe OE Latin America Equity	★★★★	US Dollar	16.55	6.81	21.91	22.30	18.91	23	2.17
JPM Europe Micro Cap A (dist)-EUR	Luxembourg	Europe OE Europe Small-Cap Equity	★★★	Euro	30.52	-4.62	1.77	4.26	18.71	24	1.90
First State China Growth II	Ireland	Europe OE China Equity	★★★★★	US Dollar	12.99	0.66	26.37	24.95	18.69	25	2.27

Data sorted in descending order on the basis of returns over 15 years. For the purpose of global ranking we have considered the oldest share class of all open-end equity funds in our global database. A total of 3,993 share classes have qualified with performance track record over a 15 year period. Performance is in fund's base currency, and returns more than one year are compounded annualised. Source: Morningstar Direct

Table 2: Top 25 Performing Open-End Equity Funds Globally over 10 Years (as of December 2010)

Top 25 Performing Open-End Equity Funds Globally over 10 Years (as of December 2010)											
Fund Name	Domicile	Morningstar Category	Morningstar Rating	Base Currency	Total Ret. 1 Yr (in %)	Total Ret. 3 Yrs (in %)	Total Ret. 5 Yrs (in %)	Total Ret. 10 Yrs (in %)	10 Yrs Global Rank	Total Ret. 15 Yrs (in %)	Annual Exp Ratio
Prosperity Prosperity Cub	Cayman Islands	Europe OE Russia Equity	★★★★★	US Dollar	52.47	9.53	21.13	39.14	1		
Prosperity Russian Prosperity A	Cayman Islands	Europe OE Russia Equity	★★★★	US Dollar	47.40	-0.72	12.44	37.56	2		
SBI Magnum Sector Umbrella Contra Div	India	India OE Large Cap	★★★★	Indian Rupee	9.57	-0.73	23.13	37.41	3		1.85
Panin Dana Maksima	Indonesia	Europe OE Indonesia Equity	★★★★★	Rupiah	102.10	42.40	45.51	36.41	4		
Reliance Growth Div	India	India OE Small/Mid Cap	★★★★★	Indian Rupee	17.19	2.02	21.48	35.52	5	29.32	1.80
RBC Global Precious Metals	Canada	Canada Precious Metals Equity	★★★★★	Canadian Dollar	75.12	28.90	28.90	35.40	6	18.67	
Schroder Dana Prestasi Plus	Indonesia	Europe OE Indonesia Equity	★★★★	Rupiah	33.75	15.88	30.77	34.82	7		
Reliance Vision Gr	India	India OE Large Cap	★★★★	Indian Rupee	15.26	0.39	18.18	31.81	8	24.69	1.83
HDFC Equity Div	India	India OE Large Cap	★★★★★	Indian Rupee	29.21	10.15	22.85	31.71	9	28.26	1.82
HDFC Top 200 Div	India	India OE Large Cap	★★★★★	Indian Rupee	25.05	9.98	23.10	31.13	10		1.81
Franklin India Prima Gr	India	India OE Small/Mid Cap	★★★★	Indian Rupee	19.11	-2.47	11.03	31.06	11	22.77	2.11
Russian Prosperity Euro A	Finland	Europe OE Russia Equity	★★★★	Euro	48.16	-1.41	7.92	31.01	12		4.22
USAA Precious Metals and Minerals	United States	US OE Equity Precious Metals	★★★★	US Dollar	39.92	19.67	25.66	30.80	13	15.19	1.19
HDFC TaxSaver Div	India	India OE ELSS (Tax Savings)	★★★★★	Indian Rupee	26.41	6.83	17.92	30.34	14	34.03	1.91
Baring Russia Fund C	Luxembourg	Europe OE Russia Equity	★★★	US Dollar	22.95	-6.88	12.72	30.17	15		2.21
Phinisi Dana Saham Inc	Indonesia	Europe OE Indonesia Equity	★★★	Rupiah	32.69	11.31	28.66	30.15	16		
East Capital Ryssland	Sweden	Europe OE Russia Equity	★★★★	Swedish Krona	24.59	-5.38	8.17	30.04	17		2.50
Falcon Gold Equity A	Switzerland	Europe OE Sector Equity Precious Metals	★★★★	US Dollar	53.37	19.63	24.59	30.01	18	12.40	1.46
Investec Value R	South Africa	Europe OE South Africa & Namibia Equity	★★★★★	South African Rand	22.01	10.50	16.32	29.94	19		1.15
Van Eck Intl Investors Gold A	United States	US OE Equity Precious Metals	★★★★	US Dollar	50.99	20.61	26.56	29.71	20	10.87	1.43
AGF Precious Metals	Canada	Canada Precious Metals Equity	★★★★	Canadian Dollar	59.62	18.24	23.66	29.49	21	13.61	
ING Russia A	United States	US OE Europe Stock	★★★★	US Dollar	27.57	-5.80	12.85	29.35	22		2.11
ICICI Pru Taxplan Div	India	India OE ELSS (Tax Savings)	★★★★	Indian Rupee	24.15	5.01	15.53	28.93	23		2.08
Value Partners China Convergence	Cayman Islands	Europe OE China Equity	★★★★★	US Dollar	21.35	7.57	29.52	28.90	24		
Dynamic Precious Metals	Canada	Canada Precious Metals Equity	★★★★	Canadian Dollar	68.39	25.16	27.49	28.87	25	13.18	

Data sorted in descending order on the basis of returns over 10 years. For the purpose of global ranking we have considered the oldest share class of all open-end equity funds in our global database. A total of 9,033 share classes have qualified with performance track record over a 10 year period. Performance is in fund's base currency, and returns more than one year are compounded annualised. Source: Morningstar Direct

Table 3: Top 25 Performing Open-End Equity Funds Globally over 5 Years (as of December 2010)

Top 25 Performing Open-End Equity Funds Globally over 5 Years (as of December 2010)										
Fund Name	Domicile	Morningstar Category	Morningstar Rating Overall	Base Currency	Total Ret. 1 Yr (in %)	Total Ret. 3 Yrs (in %)	Total Ret. 5 Yrs (in %)	5 Years Global Rank	Total Ret. 10 Years	Annual Exp Ratio
Panin Dana Maksima	Indonesia	Europe OE Indonesia Equity	★★★★★	Rupiah	102.10	42.40	45.51	1	36.41	
Yinhua Core Value Selected	China	China OE Equity Funds	★★★★★	Chinese Yuan Renminbi	-2.72	-0.51	41.96	2		1.92
MANULIFE TEDA Sector Select	China	China OE Equity Funds	★★★	Chinese Yuan Renminbi	12.73	-0.18	41.45	3		2.27
ChinaAMC Income Equity	China	China OE Equity Funds	★★★★★	Chinese Yuan Renminbi	-6.83	-1.87	41.37	4		2.12
Invesco Great Wall Domestic Demand Gr	China	China OE Equity Funds	★★★	Chinese Yuan Renminbi	11.36	-1.77	41.10	5		2.35
Guotai Jinying Growth	China	China OE Equity Funds	★★★★	Chinese Yuan Renminbi	5.33	0.59	38.64	6		1.95
CIFM China Alpha	China	China OE Equity Funds	★★★★	Chinese Yuan Renminbi	-6.99	-7.86	38.61	7		2.10
GF Ju Feng	China	China OE Equity Funds	★★★★	Chinese Yuan Renminbi	-1.29	-8.36	37.08	8		1.85
ICBCCS Core Value Equity	China	China OE Equity Funds	★★★★	Chinese Yuan Renminbi	5.59	-0.61	36.71	9		1.98
Rio Bravo Fundamental Intl	British Virgin Islands	Europe OE Brazil Equity	★★★★	US Dollar	12.22	19.20	36.46	10		
Bosera Thematic Sectors Eq (LOF)	China	China OE Equity Funds	★★★★★	Chinese Yuan Renminbi	-10.60	-7.39	36.20	11		1.85
CMF High-quality Growth (LOF)	China	China OE Equity Funds	★★★	Chinese Yuan Renminbi	-0.71	-8.92	35.79	12		2.16
GF Small-cap Growth (LOF)	China	China OE Equity Funds	★★★	Chinese Yuan Renminbi	4.03	-7.38	35.52	13		1.91
Fortune SGAM Power Portfolio	China	China OE Equity Funds	★★★★	Chinese Yuan Renminbi	-5.46	-5.44	33.22	14		1.97
Rongtong SSE 100 Index	China	China OE Equity Funds	★★★	Chinese Yuan Renminbi	-3.66	-8.19	33.21	15		1.23
CSFMC High Growth (LOF)	China	China OE Equity Funds	★★	Chinese Yuan Renminbi	12.35	-8.45	32.85	16		2.00
Lion Equity	China	China OE Equity Funds	★★★★	Chinese Yuan Renminbi	-2.68	-8.34	32.61	17		1.98
Invesco Great Wall DingYi (LOF)	China	China OE Equity Funds	★★★	Chinese Yuan Renminbi	-10.85	-11.52	32.53	18		2.32
Flexifund Equity China A I	Luxembourg	Europe OE China Equity	★★★★	Euro	8.73	-7.64	32.11	19		1.88
Unionbank Large Cap	Philippines	Europe OE Other Asia-Pacific Equity		Philippine Peso	109.32	28.72	31.87	20		
Sentry Precious Metals Growth	Canada	Canada Precious Metals Equity	★★★★	Canadian Dollar	78.52	27.66	31.77	21	26.61	
Huatai-pb Prosperous China Equity	China	China OE Equity Funds	★★★	Chinese Yuan Renminbi	6.62	-7.10	31.61	22		2.04
BOCOM Schroder Selected Equity	China	China OE Equity Funds	★★★★	Chinese Yuan Renminbi	-14.33	-7.96	31.17	23		2.28
Schroder Dana Istimewa	Indonesia	Europe OE Indonesia Equity	★★★★	Rupiah	39.50	16.67	31.02	24		
Schroder Dana Prestasi Plus	Indonesia	Europe OE Indonesia Equity	★★★★	Rupiah	33.75	15.88	30.77	25	34.82	

Data sorted in descending order on the basis of returns over 5 years. For the purpose of global ranking we have considered the oldest share class of all open-end equity funds in our global database. A total of 14,770 share classes have qualified with performance track record over a 5 year period. Performance is in fund's base currency, and returns more than one year are compounded annualised. Source: Morningstar Direct



Top Five Performing Indian Equity Funds

(Over a 15 year period)

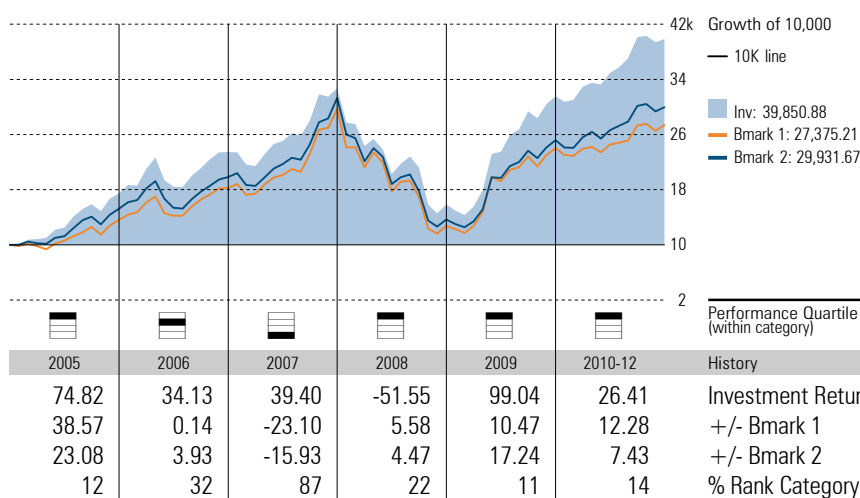
<u>Fund Name</u>	<u>15 Yrs Global Rank</u>
HDFC Tax saver Div	1 / 3,993
Reliance Growth Div	2 / 3,993
HDFC Equity Div	3 / 3,993
Franklin India Prima Plus Div	4 / 3,993
Reliance Vision Gr	7 / 3,993

Fund Profile: HDFC TaxSaver Div

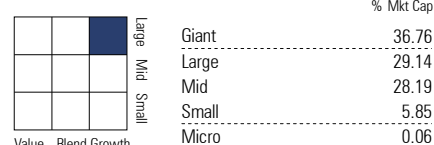
Benchmark 1
IISL S&P/CNX 500 PR INR

Benchmark 2
India OE ELSS (Tax Savings)

Investment Growth as of 12/31/2010



Morningstar Equity Style Box™ as of 11/30/2010



Value Measures as of 11/30/2010

Value Measures	Equities	Cat Avg
Price/Prospective Earnings Ratio	16.38	16.98
Price/Prospective Book Ratio	3.87	3.05
Price/Prospective Sales Ratio	1.76	1.46
Price/Prospective Cash Flow Ratio	7.54	7.53
Prospective Dividend Yield%	2.52	1.89
Avg Mkt Cap (mil)	310,644	306,158

Fund Commentary:

This equity linked tax saving fund from India has an enviable long term performance track record and has emerged as the best performing open-end stock fund globally over a 15 year period and the sixteenth best performing stock fund globally over a 10 year period (as of 31 Dec 2010). Performance dipped significantly in year 2007, with the fund underperforming its benchmark index by a huge 23.10%. However in year 2008 the fund managed to restrict some its losses in a falling market and was a top quartile performer within its peer group in calendar years 2008, 2009, and 2010.

On the risk front, the fund has displayed a good standing over various periods (be it 3 years, 5 years or 10 years). It has been historically less volatile compared to both its benchmark index and peer group over these time periods. But at the same time it has managed to secure a higher sharpe ratio (risk adjusted return) compared to its benchmark and peer group over all the above three time periods. The fund has managed to secure a 5-star overall Morningstar Rating, but its rating dipped to 4-stars over a three-year period and five-year period.

On the portfolio front, the fund has historically maintained a major part of the portfolio in large cap stocks with some allocation in mid and small stocks as well. The fund is presently significantly overweight in the Healthcare sector, when compared to its benchmark index, and is underweight in the Industrial Materials sector, to which it has been paring down exposure over the years. On the valuation front, the fund's P/E Ratio is relatively lower than that of its peer group category.

Morningstar Ratings as of 12/31/2010

	Overall	3-Yr	5-Yr	10-Yr
Rating	★★★★★	★★★★	★★★★	★★★★★
Risk	—	10.92	9.55	8.86
Return	—	0.80	10.78	22.78
Risk-Adj Return	—	-10.12	1.23	13.92
Investments Rated	50	50	37	25

Trailing Return as of 12/31/2010

	Inv %	Bmark 1 %	Bmark 2 %	Cat Rnk %
YTD	26.41	14.13	18.98	14
Inception	33.93	—	—	—
1-Month	1.22	3.34	2.06	72
3-Month	-0.62	0.32	-0.59	47
1-Year	26.41	14.13	18.98	14
3-Year	6.83	-2.64	-1.50	5
5-Year	17.92	14.97	14.46	12
10-Year	30.34	18.40	22.64	5

Global Ranking as of 12/31/2010

	Return	Global Rank*
1 year	26.41	2462 / 22407
5 Years	17.92	327 / 14770
10 Years	30.34	16 / 9033
15 Years	34.03	1 / 3993

*For the purpose of global ranking we have considered the oldest share class of all open-end equity funds globally. Returns are in the fund's base currency. Returns greater than one year are compounded annualized.

Risk Statistics as of 12/31/2010

	3-Yr	5-Yr	10-Yr
Standard Deviation	33.07	29.17	26.75
Downside Deviation	5.19	5.94	4.94
Sharpe Ratio	0.03	0.39	0.90
Sortino Ratio	0.03	0.55	1.36
Calmar Ratio	0.12	0.32	0.54

Risk Free Proxy: India 364 day T-Bill TR INR

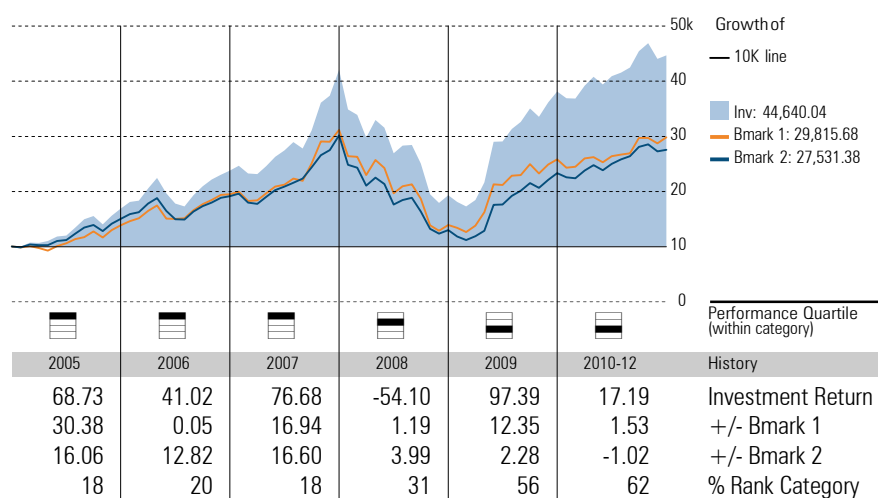
Data provided by Morningstar

Fund Profile: Reliance Growth Div

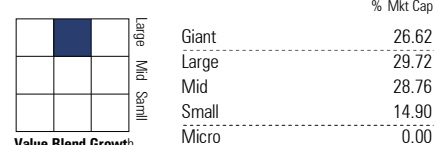
Benchmark 1
BSE 100 India INR

Benchmark 2
India OE Small/Mid Cap

Investment Growth as of 12/31/2010



Morningstar Equity Style Box™ as of 11/30/2010



Value Measures as of 11/30/2010

	Equities	Cat Avg
Price/Prospective Earnings Ratio	14.93	14.25
Price/Prospective Book Ratio	1.98	2.36
Price/Prospective Sales Ratio	1.39	1.21
Price/Prospective Cash Flow Ratio	6.31	4.87
Prospective Dividend Yield%	2.57	1.87
Avg Mkt Cap (mil)	202,013	103,322

Trailing Return as of 12/31/2010

	Inv %	Bmark 1 %	Bmark 2 %	Cat Rnk %
YTD	17.19	15.66	18.21	62
Inception	29.21	—	—	—
1-Month	1.34	3.83	1.01	43
3-Month	-1.72	0.45	-1.95	50
1-Year	17.19	15.66	18.21	62
3-Year	2.02	-1.45	-3.01	29
5-Year	21.48	16.60	12.96	9
10-Year	35.52	18.04	21.34	1

Global Ranking as of 12/31/2010

	Return	Global Rank*
1 year	17.19	7726 / 22407
5 Years	21.48	140 / 14770
10 Years	35.52	5 / 9033
15 Years	29.32	1 / 3993

*For the purpose of global ranking we have considered the oldest share class of all open-end equity funds globally. Returns are in the fund's base currency. Returns greater than one year are compounded annualized.

Risk Statistics as of 12/31/2010

	3-Yr	5-Yr	10-Yr
Standard Deviation	35.02	31.61	29.31
Downside Deviation	4.28	5.97	5.54
Sharpe Ratio	-0.11	0.48	1.00
Sortino Ratio	-0.16	0.70	1.56
Calmar Ratio	0.03	0.37	0.60

Risk Free Proxy: India 364 day T-Bill TR INR

Data provided by Morningstar

Fund Commentary:

The fund has an illustrious track record, emerging as the second best performing open – end stock fund globally over a 15 year period and the fifth best performing open-end stock fund globally over a 10 year period (as of 31 Dec 2010). However, performance has dipped in the past few years, with its assets growing considerably to Rs. 8,106 Crores at the end of Sep 2010, thus making it difficult to manage the fund. This is even more applicable to the fund as it has historically deployed majority of its assets in mid and small cap stocks, but has lately been increasing its exposure to large cap stocks gradually. During calendar years 2005, 2006 and 2007 the fund has been a top quartile performer within its peer group, but in years 2009 and 2010, the fund dropped to a third quartile performer. In year 2010, the fund outperformed its prospectus benchmark by 1.53%, but underperformed its peer group category by 1.02%.

On the risk front, the fund has been relatively more volatile when compared to its benchmark index and peer group, as indicated by its higher standard deviation over various periods (be it 3 years, 5 years or 10 years). However, the fund has managed to deliver a higher sharpe ratio (risk-adjusted return) compared to its benchmark index and peer group over the same periods. The fund has thus managed a 5-star overall Morningstar Rating, but its rating dipped to 4-stars over a three year period.

On the portfolio front, the fund is presently overweight in Healthcare and Industrial Materials sectors, and underweight in Software and Financials sectors, when compared to its benchmark index. The portfolio is reasonably well diversified with no stock having more than 5% allocation.

Morningstar Ratings as of 12/31/2010

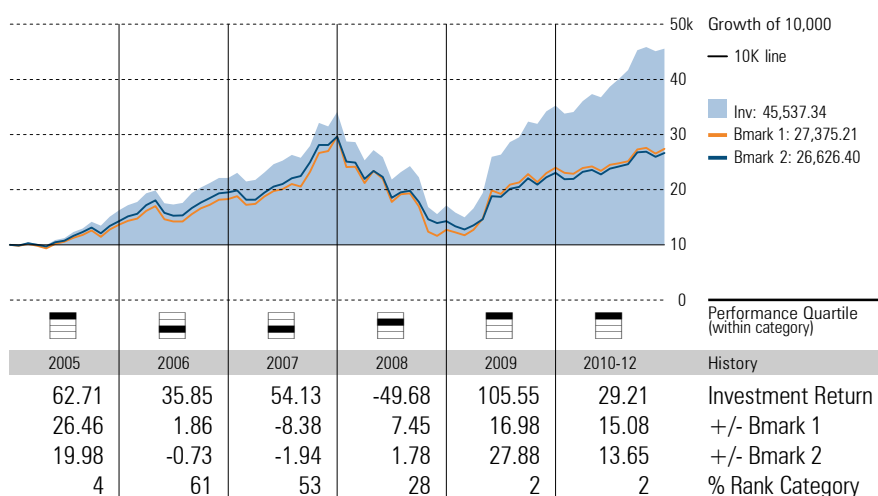
	Overall	3-Yr	5-Yr	10-Yr
Rating	★★★★★	★★★★	★★★★★	★★★★★
Risk	—	10.79	10.80	10.69
Return	—	-3.73	14.13	27.66
Risk-Adj Return	—	-14.53	3.34	16.97
Investments Rated	145	145	100	26

Fund Profile: HDFC Equity Div

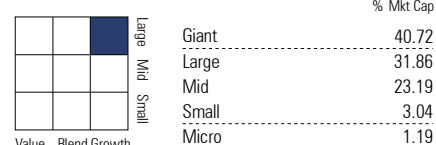
Benchmark 1
IISL S&P/CNX 500 PR INR

Benchmark 2
India OE Large Cap

Investment Growth as of 12/31/2010



Morningstar Equity Style BoxTM as of 11/30/2010



Value Measures as of 11/30/2010

Value Measures	Equities	Cat Avg
Price/Prospective Earnings Ratio	16.33	16.59
Price/Prospective Book Ratio	3.52	2.85
Price/Prospective Sales Ratio	1.41	1.18
Price/Prospective Cash Flow Ratio	6.92	6.62
Prospective Dividend Yield%	2.08	2.06
Avg Mkt Cap (mil)	350,029	396,992

Trailing Return as of 12/31/2010

	Inv %	Bmark 1 %	Bmark 2 %	Cat Rnk %
YTD	29.21	14.13	15.57	2
Inception	24.17	—	—	—
1-Month	1.00	3.34	2.68	87
3-Month	0.63	0.32	-0.45	41
1-Year	29.21	14.13	15.57	2
3-Year	10.15	-2.64	-3.45	2
5-Year	22.85	14.97	13.30	4
10-Year	31.71	18.40	20.14	9

Global Ranking as of 12/31/2010

	Return	Global Rank*
1 year	26.41	1629 / 22407
5 Years	22.85	103 / 14770
10 Years	31.71	10 / 9033
15 Years	28.26	3 / 3993

*For the purpose of global ranking we have considered the oldest share class of all open-end equity funds globally. Returns are in the fund's base currency. Returns greater than one year are compounded annualized.

Risk Statistics as of 12/31/2010

	3-Yr	5-Yr	10-Yr
Standard Deviation	35.09	29.80	26.99
Downside Deviation	3.65	4.16	4.34
Sharpe Ratio	0.12	0.55	0.95
Sortino Ratio	0.17	0.81	1.43
Calmar Ratio	0.18	0.41	0.57

Risk Free Proxy: India 364 day T-Bill TR INR

Data provided by Morningstar

Fund Commentary:

This equity fund has been a consistent long term performer and has emerged as the third best performing open-end stock fund globally over a 15 year period and the tenth best performing stock fund globally over a 10 year period (as of 31 Dec 2010). From calendar year 2001 to 2005, the fund has been a top quartile performer every year, within its respective peer group. Performance dipped in calendar years 2006 and 2007, with the fund dropping to a third quartile performer within its peer group. However in years 2009 and 2010 the fund managed to regain its glory by becoming a top quartile performer in both the years. It outperformed its benchmark index by 17% in 2009 and then by an impressive 15.08% in 2010, making it one of the best performing large cap equity funds in the country, during 2010. The fund managed its superior performance in 2010, despite the fact that its assets grew by a strong 55% from the end of 2009 to touch Rs. 8,370 crores in Nov 2010.

On the risk front, the fund has been historically less volatile than its benchmark index, but has been more volatile than its peer group category. However, it has managed to secure a higher sharpe ratio (risk adjusted return) compared to its benchmark and peer group over various time periods, be it 3 years, 5 years or 10 years. The fund has secured a 5-star overall Morningstar Rating, and has retained the same over 3 year, 5 year and 10 year periods as well.

On the portfolio front, the fund has historically maintained a major part of the portfolio in large cap stocks with some allocation in mid and small stocks as well. The fund is presently overweight in the Healthcare sector and underweight the Materials sector, compared to its benchmark.

Morningstar Ratings as of 12/31/2010

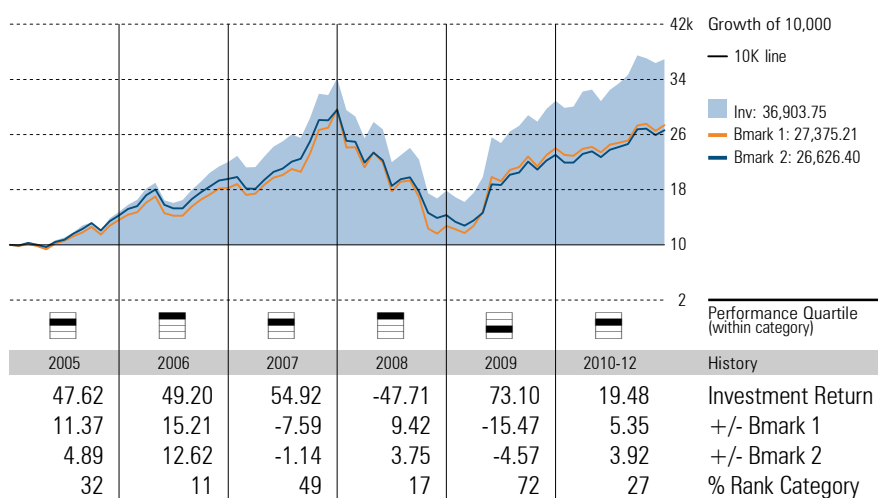
	Overall	3-Yr	5-Yr	10-Yr
Rating	★★★★★	★★★★★	★★★★★	★★★★★
Risk	—	12.01	9.99	9.05
Return	—	3.94	15.42	24.07
Risk-Adj Return	—	-8.07	5.43	15.03
Investments Rated	265	265	184	71

Fund Profile: Franklin India Prima Plus Div

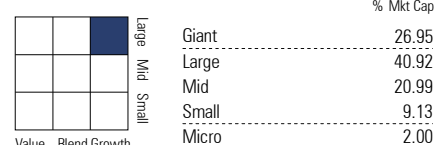
Benchmark 1
IISL S&P/CNX 500 PR INR

Benchmark 2
India OE Large Cap

Investment Growth as of 12/31/2010



Morningstar Equity Style BoxTM as of 11/30/2010



Value Measures as of 11/30/2010

Value Measures	Equities	Cat Avg
Price/Prospective Earnings Ratio	16.78	16.59
Price/Prospective Book Ratio	2.26	2.85
Price/Prospective Sales Ratio	1.27	1.18
Price/Prospective Cash Flow Ratio	7.11	6.62
Prospective Dividend Yield%	1.36	2.06
Avg Mkt Cap (mil)	241,631	396,992

Trailing Return as of 12/31/2010

	Inv %	Bmark 1 %	Bmark 2 %	Cat Rnk %
YTD	19.48	14.13	15.57	27
Inception	22.17	—	—	—
1-Month	1.49	3.34	2.68	80
3-Month	-1.53	0.32	-0.45	74
1-Year	19.48	14.13	15.57	27
3-Year	2.65	-2.64	-3.45	22
5-Year	20.11	14.97	13.30	22
10-Year	27.07	18.40	20.14	17

Global Ranking as of 12/31/2010

	Return	Global Rank*
1 year	19.48	6029 / 22407
5 Years	20.11	194 / 14770
10 Years	27.07	44 / 9033
15 Years	25.67	4 / 3993

*For the purpose of global ranking we have considered the oldest share class of all open-end equity funds globally. Returns are in the fund's base currency. Returns greater than one year are compounded annualized.

Risk Statistics as of 12/31/2010

	3-Yr	5-Yr	10-Yr
Standard Deviation	31.44	27.79	25.77
Downside Deviation	5.37	4.61	4.70
Sharpe Ratio	-0.11	0.49	0.81
Sortino Ratio	-0.14	0.70	1.18
Calmar Ratio	0.05	0.38	0.52

Risk Free Proxy: India 364 day T-Bill TR INR

Data provided by Morningstar

Fund Commentary:

In some years the fund has managed to deliver top quartile performance, but in some other years its performance has not been upto the mark. In years 2002 to 2005, the fund has been a second quartile performer within its peer group. Amidst the financial crisis in 2008 the fund managed to restrict some of the market loss, and fell less than its peer group and benchmark. However, with the market rallying in 2009, the fund managed to deliver a third quartile performance, underperforming its benchmark index by more than 15%. In 2009 the fund has delivered second quartile returns, but managed to outperform its peer group and benchmark index. However, on the basis of trailing returns, the fund has managed to notch up a noteworthy performance, emerging as the fourth best performing open-end stock fund globally over a 15 year period (as of 31 Dec 2010).

On the risk front, the fund has been historically less volatile than its benchmark index, but has been more volatile than its peer group category. However, it has managed to secure a higher sharpe ratio (risk adjusted return) compared to its benchmark and peer group over various time periods, be it 3 years, 5 years or 10 years. The fund has secured a 4-star overall Morningstar rating, and retained the same rating over 3 year, 5 year and 10 year periods as well.

On the portfolio front, the fund has historically maintained a major part of the portfolio in large cap stocks with some allocation in mid and small stocks as well. The fund is presently overweight in the Materials and Telecom sectors, and underweight in the Financial sector, when compared to its benchmark. This could have impacted its performance in 2009, as Materials and Telecom underperformed, while the Financial sector did very well during the year.

Morningstar Ratings as of 12/31/2010

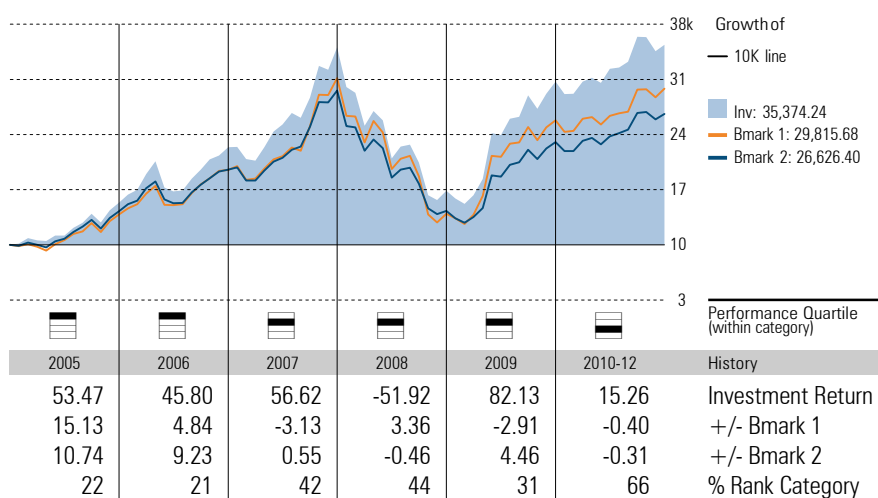
	Overall	3-Yr	5-Yr	10-Yr
Rating	★★★★	★★★★	★★★★	★★★★
Risk	—	9.22	8.70	8.08
Return	—	-3.14	12.84	19.70
Risk-Adj Return	—	-12.37	4.15	11.62
Investments Rated	265	265	184	71

Fund Profile: Reliance Vision Gr

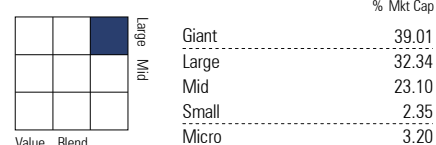
Benchmark 1
BSE 100 India INR

Benchmark 2
India OE Large Cap

Investment Growth as of 12/31/2010



Morningstar Equity Style BoxSM as of 12/31/2010



Value Measures as of 12/31/2010

Value Measure	Equities	Cat Avg
Price/Prospective Earnings Ratio	18.40	17.28
Price/Prospective Book Ratio	2.76	3.02
Price/Prospective Sales Ratio	0.85	1.52
Price/Prospective Cash Flow Ratio	6.53	8.37
Prospective Dividend Yield%	2.32	2.05
Avg Mkt Cap (mil)	365,000	441,267

Trailing Return as of 12/31/2010

	Inv %	Bmark 1 %	Bmark 2 %	Cat Rnk %
YTD	15.26	15.66	15.57	66
Inception	24.75	—	—	—
1-Month	2.34	3.83	2.68	58
3-Month	-2.80	0.45	-0.45	86
1-Year	15.26	15.66	15.57	66
3-Year	0.31	-1.45	-3.45	40
5-Year	18.18	16.60	13.30	39
10-Year	31.81	18.04	20.14	5

Fund Commentary:

This large cap equity fund had a glorious past, but performance has dipped in the past few years. In calendar years 2005 and 2006, the fund was a top quartile performer within its peer group, but it dropped to the second quartile in years 2007, 2008 and 2009. In calendar year 2010, the fund's performance further dipped to the third quartile, and it underperformed both its benchmark index and peer group category. However, from a trailing returns perspective, the fund has delivered a noteworthy performance, with it emerging as the seventh best performing open-end equity fund globally over 15 year period, and securing the ninth place globally over a 10 year period.

On the risk front, the fund has been historically less volatile than its benchmark index, but has been more volatile than its peer group category. However, it has managed to secure a higher sharpe ratio (risk adjusted return) compared to its benchmark and peer group over various time periods, be it 3 years, 5 years or 10 years. The fund has secured a 4-star overall Morningstar Rating, but its rating dropped to 3-stars over both a 3 year period and a 5 year period. However, it has managed to secure a 5-star Morningstar rating over a 10 year period.

On the portfolio front, the fund has historically maintained a major part of the portfolio in large cap stocks with some allocation in mid and small stocks as well. The fund is presently significantly overweight in the Healthcare and Energy sectors and underweight the Materials and Financials sectors, when compared to its benchmark index. On the valuation front, the fund has a relatively higher P/E ratio compared to other funds in its peer group category.

Global Ranking as of 12/31/2010

	Return	Global Rank*
1 year	15.26	9275 / 22407
5 Years	18.18	294 / 14770
10 Years	31.81	9 / 9033
15 Years	24.69	7 / 3993

*For the purpose of global ranking we have considered the oldest share class of all open-end equity funds globally. Returns are in the fund's base currency. Returns greater than one year are compounded annualized.

Risk Statistics as of 12/31/2010

	3-Yr	5-Yr	10-Yr
Standard Deviation	33.36	29.97	28.36
Downside Deviation	4.63	4.85	5.30
Sharpe Ratio	-0.17	0.39	0.90
Sortino Ratio	-0.23	0.56	1.35
Calmar Ratio	0.01	0.32	0.56

Risk Free Proxy: India 364 day T-Bill TR INR

Data provided by Morningstar

Morningstar Ratings as of 12/31/2010

	Overall	3-Yr	5-Yr	10-Yr
Rating	★★★★	★★★	★★★	★★★★★
Risk	—	9.84	9.74	10.04
Return	—	-5.35	11.03	24.17
Risk-Adj Return	—	-15.19	1.29	14.13
Investments Rated	265	265	184	71