



DSP BlackRock Top 100 Equity Fund

The fund has acquired consistent performance track record and is expected to deliver value for its investors.

Recommendation: Invest

Snapshot	
Fund Manager	Apoorva Shah
Current NAV	Rs 86.62
Min./Add. Inv.	Rs 5,000/1000
Expense Ratio	1.88% (Jan. 2010)
Exit Load	1.00% (Max.)
Avg. Assets*	Rs 2,523.70 crores
* as on January 31, 2010 Current NAV as on February 26, 2010	

Fund Profile	
Category	Open-ended diversified equity
Style	Growth
Launch date	March 11, 2003
Years of existence	7.0
Market Cap Bias	Large Cap
Performance SI*	36.24%
*Since Inception, CAGR	

Is this fund for you?

Large cap stocks are the leaders having higher market caps. They enjoy an edge over their mid sized peers as they are well established, have stable revenues and are more predictable compared to highly volatile mid caps. The most noteworthy of them is their ability to provide stability to the investor's portfolio, during turbulent stock market conditions. This draws from the fact that large cap stocks are usually well-researched.

DSP BlackRock Top 100 Equity Fund (DBTEF) is a diversified equity scheme from DSP BlackRock Mutual Fund. Having a performance track record of nearly 7 years, it has generated returns at around 36.2% CAGR since its inception.

Reasons for recommending:-

DBTEF holds an impressive performance track record and has established itself as one of the better managed large cap funds in the category

The fund's performance over the past 3 years (at 14.2% CAGR) and 5 years (at 26.0% CAGR) is quite enticing

It has outperformed the most of its category peers on 3 years and 5 years returns front

The fund boasts an excellent track record in terms of its risk-return parameters. DBTEF belongs to the fund house driven by strong investment systems and process

We recommend investors to add DBTEF to their portfolio, since it holds a superior performance and an excellent track record.

Objective vs Actual

The investment objective of the scheme is "to generate capital appreciation, from a portfolio that is substantially constituted of equity securities and equity related securities of the 100 largest corporates, by market capitalisation, listed in India".

DBTEF has clocked a growth of 74.9% CAGR and 14.2% CAGR over the 1-Yr and 3-Yr time frames as against its benchmark BSE 100 generating 91.8% CAGR and 7.1% CAGR over the 1-Yr and 3-Yr time frames respectively.



The above graph shows that Rs 100 invested in DBTEF on February 23, 2005 would be worth Rs 317 as on February 22, 2010, whereas a similar investment in its benchmark – BSE 100, would have yielded Rs 244. This indicates that DBTEF has achieved its stated investment objective.

Performance across market cycles

	BULL PHASE	BEAR PHASE	BULL PHASE
	01-Aug-2005 - 09-Jan-2008	09-Jan-2008 - 09-Mar-2009	09-Mar-2009 - 22-Feb-2010
DSP BR Top 100 (G)	58.6%	-45.2%	83.1%
BSE 100	52.5%	-58.1%	107.7%

(Returns over 1-Yr are compounded annualised.)

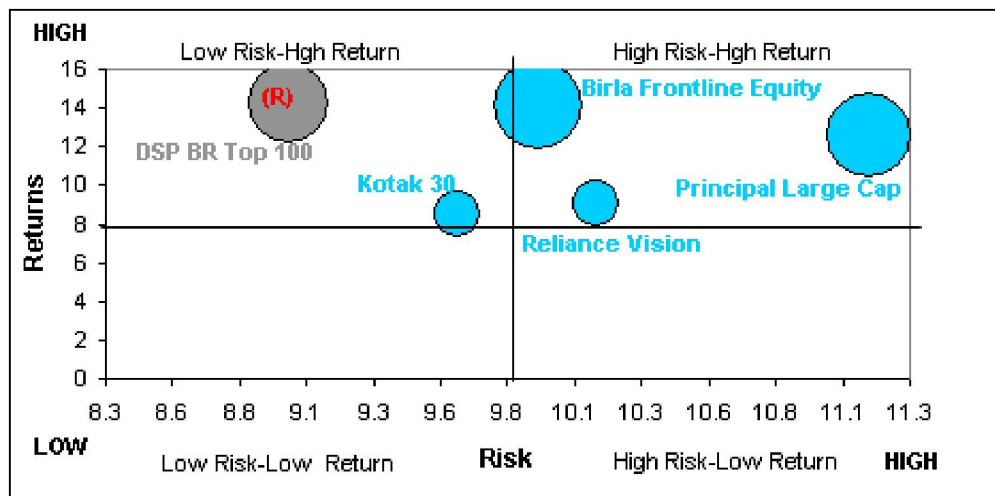
Peer Comparison

	1-Yr (%)	3-Yr (%)	5-Yr (%)	Risk* (%)	Risk-Adjusted Return**	Top 10 Stocks (%)	Avg. Assets (Rs Cr.)	Exp. Ratio (%)
DSP BR Top 100 (G) (R)	74.9	14.2	26.0	8.98	0.05	43.0	2,523.7	1.88
Birla SL Frontline Equity (G)	94.9	14.1	25.5	9.91	0.06	29.6	1,723.1	2.09
Principal Large Cap (G)	109.9	12.6	-	11.15	0.05	37.4	451.9	2.30
Reliance Vision (G)	90.0	9.0	22.1	10.13	0.02	44.0	3,881.8	1.83
Kotak 30 (D)	69.5	8.5	22.2	9.62	0.02	43.8	1,024.4	2.04
BSE-100	91.8	7.1	19.5					

(*Risk is measured by Standard Deviation and **Risk-Adjusted Return is measured by Sharpe Ratio. They are calculated over 3-Yr period assuming a risk-free rate of 6.37% p.a.) ((R) Recommended) (NAV data is as on February 22, 2010. Returns over 1-Yr are compounded annualised.)

(Top 10 stocks and Average AUM is as on January 31, 2010)

Risk-Return Comparison



(Higher the Sharpe Ratio, larger the size of the bubble)

The four quadrants in the above graph represent different levels of risk and return. DBTEF, with a Standard Deviation of 8.98% and with a return of 14.2% CAGR (over the 3-Yr period), falls in the Low Risk - High Return quadrant. The fund has been able to generate higher returns at lower volatility as compared to its peers. The fund also leads its category peers in terms of its risk-adjusted returns.

Equity Portfolio

	Sep 2009	Oct 2009	Nov 2009	Dec 2009	Jan 2010
Reliance Industries Ltd.	7.0	4.2	5.6	6.2	8.9
Larsen & Toubro Ltd.	4.5	5.6	4.8	6.0	5.0
State Bank Of India Ltd.	6.0	5.1	3.0	4.6	4.7
Tata Consultancy Services Ltd.	6.7	5.9	5.6	4.7	4.5
GAIL (India) Ltd.	4.0	4.0	4.3	4.0	4.2
Axis Bank Ltd.	3.9	3.2	3.2	3.0	3.5
Bharat Petroleum Corpn. Ltd.	3.4	2.9	4.4	4.3	3.4
Cipla Ltd.	2.3	2.4	3.7	3.4	3.0
Infosys Technologies Ltd.	1.8	0.6	2.6	4.0	2.9
Glaxosmithkline Pharmaceutical Ltd.	3.4	3.5	3.4	2.9	2.8

Top 10 holdings (in %) as on January 31, 2010

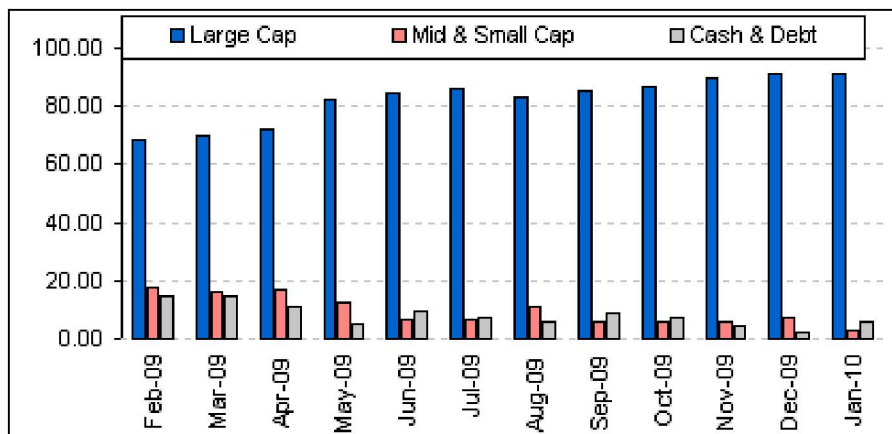
Portfolio Strategy

Being a large cap fund, DBTEF is mandated to invest in top 100 stocks by market capitalisation. Following its investment mandate, the major portion of the fund's portfolio comprises of stocks in the large cap segment.

Under normal circumstances, the fund can invest between 90%-100% of its assets in equity and equity-related instruments, and upto 10% in debt and money market instruments. Usually being fully invested into equities, the fund has resisted from taking cash and debt calls even in turbulent markets. In order to generate excess return the fund also takes timely exposure into derivatives.

As on January 31, 2010, the top 10 stocks in the portfolio accounted for 43.0% of its assets, making it a slightly concentrated fund among the peer group. On the other hand, Birla Sun Life Frontline Equity (29.6%) held the most diversified stock holdings amongst its category peers.

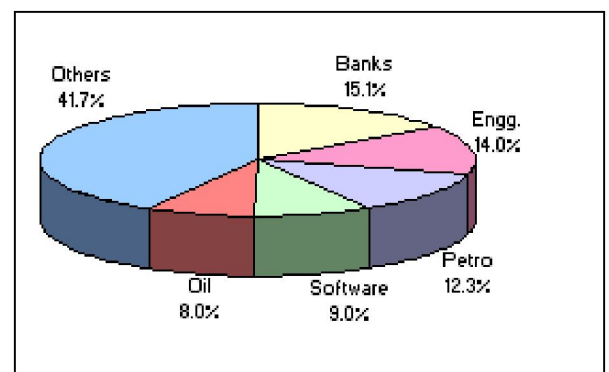
DBTEF's portfolio is inclined towards large cap stocks, which usually accounts for 80%-90% of the fund's portfolio, while its exposure towards mid cap stocks ranges between 5%-15% of its portfolio.



At Personal FN, we maintain that a diversified equity fund should hold no more than 40% of its assets in the top 10 stock holdings, since a top-heavy portfolio can make the fund a candidate for above-average volatility.

Sectoral Allocation

	Top 5 sector (%)
Principal Large Cap (G)	58.4
DSP BlackRock Top 100 (G) (R)	58.3
Kotak 30 (D)	57.8
Reliance Vision (G)	57.0
Birla SL Frontline Equity (G)	44.9



As on January 31, 2010, DBTEF's top 5 sectoral holdings accounted for 58.3% of its assets, constituting the second most highly concentrated sectoral portfolio among its category peers. On the other hand, Birla Sun Life Frontline Equity (44.9%) held the most diversified sectoral portfolio among the peers.

For the purpose of computing sectoral holdings, similar-natured sectors have been clubbed together. For example, Industrial Products and Industrial Capital Goods have been clubbed under 'Engineering'.

Fund Manager

Mr. Apoorva Shah, Senior Vice President and Fund Manager, has done PGDBM from IIM Ahmedabad. He has been associated with DSP BlackRock Mutual Fund since April 2006. Mr. Shah previously held senior positions in the Global Private Client and Institutional Equity Sales division of erstwhile DSP Merrill Lynch Ltd. He holds over 18 year of experience in the banking and investment industry.

Managing DSP BR Top 100 since April 2006, Mr. Apoorva Shah is also the fund manager for DSP BR Equity, DSP BR Small & Mid Cap, DSP BR Micro-Cap, DSP BR Technology.com and DSP BR Balanced.

Fund Outlook

As the funds portfolio comprises of large caps, it can adequately provides stability to the investors' portfolio
 Given the fund's bias towards large cap stocks, its fortunes will be closely linked to that of the large cap segment
 Restricting to its investment mandate, the fund will not be able to capitalise on a bull run witnessed in the mid and small cap segment
 If the fund continues to pursue its present investment style, it can be expected to perform in the same way going forward

Sources: Data for the tables and graphs sourced from ACE MF. Data for Sectoral allocation are from the factsheets