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Steady track record

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L&T Opportunities Fund

Steady track record

HOLD

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Investors can retain the units of L&T Opportunities Fund, given its long-term track record in delivering steady returns. The fund has managed to outpace the returns delivered by its benchmark over one-, three- and five-year timeframes.

However, it has not been able to contain downsides better than its benchmark during market corrections. Returns delivered by it are middle-of-the-road compared with peers in this category. Over a five-year period, L&T Opportunities has delivered a compounded annual return of 20 per cent.

While this compares favourably with funds such as UTI Opportunities and Tata Equity Opportunities, others such as Reliance Equity Opportunities, DSPBR Opportunities and Kotak Opportunities have managed better returns. By taking significant midcap stocks exposure of around 35-45 per cent of overall portfolio, the fund has gained from rallies in this segment, while increasing its risk profile.

While smaller asset size may help higher manoeuvrability, it also means a low base to absorb transaction costs of churning. This may have deterred the fund from making adept switches when good options were available. L&T Opportunities maybe suitable for investors with a medium risk

appetite. Investors with a lower risk appetite may take the SIP (systematic investment plan) route for optimising costs and managing volatility.

Performance and strategy: L&T Opportunities manages to surpass the returns delivered by its benchmark during periods of market upswing. During 2006, 2007 and in the prolonged rally that started in March 2009, the fund has outpaced the Nifty comfortably, the level of outperformance being 15-60 percentage points.

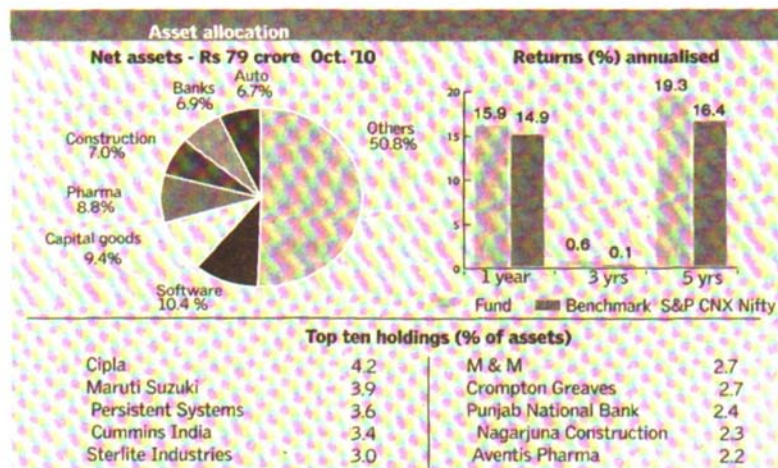
But during market falls, such as those experienced in May-June 2006, early 2007, the fund has failed to contain downsides by only a marginal percentage point or two. But in the protracted correction of 2008-09, it lagged the Nifty by as much as 10 percentage points.

The fund has more than 60 stocks in its portfolio, with very limited concentration of individual stocks.

L&T Opportunities has had heavy exposure to capital goods and construction segments across market cycles apart from banks. This helped the fund participate well in the rallies prior to 2008. Stocks in these sectors took a hard knock during subsequent market correction. Cash positions were around 10 per cent of the portfolio even during heavy market volatility

of October 2008- march 2009.

In recent months, exposure to seemingly defensive sectors such as software and pharma has increased.





Statutory Details: L&T Mutual Fund has been established as a trust under the Indian Trust Act, 1882 by L&T Finance Limited, Sponsor/ Settlor (liability restricted to the seed corpus of Rs. 1 lakh) with L&T Mutual Fund Trustee Limited as the Trustee Company and L&T Investment Management Limited as the Investment Manager.

Risk Factors: All investments in mutual funds and securities are subject to market risks and the NAV of the Schemes of the Fund may go up or down depending upon the factors and forces affecting the securities market. Investment in mutual fund units involves investment risks such as trading volumes, settlement risk, liquidity risk, default risk including the possible loss of principal. Past performance of the Sponsor/AMC/Mutual Fund does not guarantee future performance of the Schemes. The Sponsor is not responsible or liable for any loss resulting from the operation of the Schemes beyond the initial contribution of Rs. 1-lakh made by it towards setting up the Fund. The name of the Schemes/Plans/Mutual Fund do not in any manner indicate either the quality of the Schemes or its future prospects and returns; and are only the name of the Schemes/Plans. There can be no assurance that the objectives of the Schemes/Plans/Mutual Fund will be achieved. Schemes specific risk factors: Investment in the Schemes shall be subject to various risks including but not limited to risk associated with: Investment in Equity and Equity related Instruments & Fixed Income Securities such as Performance Risk, Credit Risk, Reinvestment Risk, Interest Rate Risk, Investment in Derivatives, Securitised Debt, etc. Please read the Scheme Information Document and Statement of Additional Information carefully before investing.

Investment objective and classification: L&T Opportunities Fund (an Open Ended Growth Fund): The Scheme will invest mainly to generate long term capital appreciation from a diversified portfolio of equity and equity related securities. The fund will invest in a universe of stocks, which will be identified using fundamental analysis. The fund will invest in a portfolio of both value and growth stocks. The strategy will be to build up diversified portfolio of quality stocks, with medium to long term potential

Load Structure: L&T Opportunities Fund: Entry Load – Nil. Exit Load - 1% if redeemed ≤ 1 year; Nil - if redeemed > 1 year

Terms of Issue: Units of the Schemes are being offered at NAV based prices, subject to the prevailing loads. The AMC calculates and publishes NAVs and offers for sale, redemption and switch outs, units of the Schemes on all Business Days, at the Applicable NAV of the Schemes.

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