

Plexus Management Services

NFO Review: Kotak Gold Fund

Offer Period	4th Mar 2011 – 18th Mar 2011
Scheme Type	Open Ended Funds of Funds
Unit Price & Subscription:	Unit Price: Rs. 10 per unit. Subscription : Rs. 5000
Load & options.	Entry load: Nil Exit load: 1% if redeemed within 365 days from the date of allotment/investment. Options: Growth Option & Dividend
Fund Objective:	The investment objective of the scheme is to generate returns reasonably in line with returns generated by investment in physical gold.
Benchmark:	Indian Bullion
Fund Manager	Mr. Abhishek Bisen

Idea Distiller:

Gold is at an all time high. Yet many investors can't get into the paper part of it as they don't have demat accounts. A Gold ETF is just the right vehicle for such investors.

Asset allocation:

Item	Percentage
Units of Gold ETF:	90-100%
Debt, Gsec & money market instruments:	0-10%

Peer Scheme

AIG World Gold

Track record:

Management	Fund Manager
Risk: ★★☆☆☆	Risk: ★★☆☆☆
Return: ★★★☆☆	Return: ★★★☆☆

Scheme DNA:

Unique Idea: ★★☆☆☆
Return Possibility: ★★☆☆☆
Risk: ★★☆☆☆
Opera ability: ★★★★★

Risk of Investing: Gold in the last two years have seen a huge upside. However, expectations of repeating the same performance is limited, given the fact that the global recovery in markets and economies is well under way and hedging dollars with gold is witnessing limited action.

Return possibility: Very difficult to see very steep upside inn prices of gold for the current year and beyond. However, as a hedge against equity it could work for a short while.

Comments: My personal opinion is from current levels versus equity, gold would be an underperformer.

Oomph appeal: High. Because a large investor base with appetite for gold but without a demat account is going to get introduced to mutual funds.