

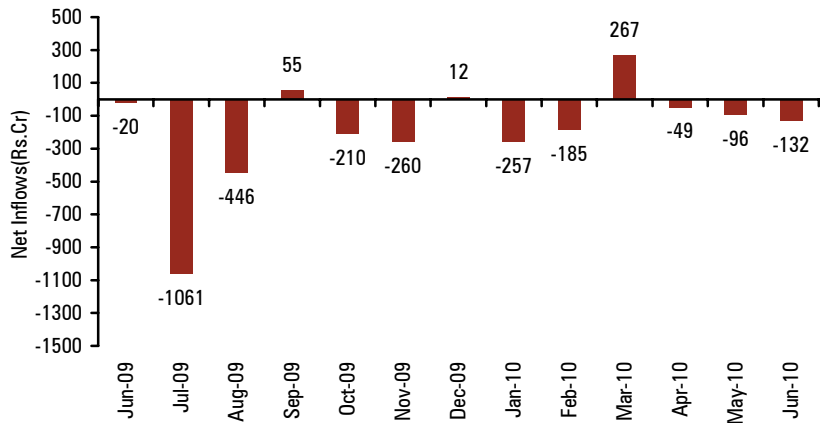
**View**  
**Short-term: Neutral**  
**Long-term: Neutral**

Fears of rising interest rates for past few months has led to no fresh money coming in for the funds ...

### Gilt Funds

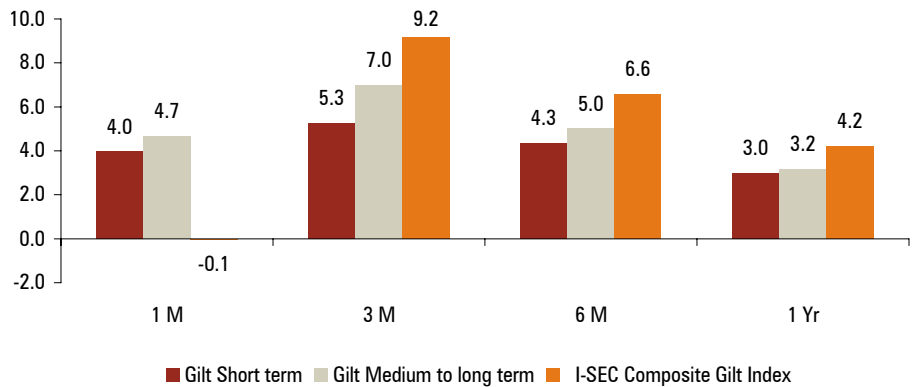
- G-sec yields across the curve are expected to remain range bound in the short-term. Gilt funds are more volatile than income funds. Therefore, in any adverse interest rate movement the impact of mark to market loss is high in the category
- Shorter duration G-Sec funds may be considered for parking funds in the short-term
- Longer duration gilt funds should be avoided as yields are likely to go up both in the short as well as long run
- We expect the yields to be range bound with an upward bias and advise investors to stay away from G-Sec funds

#### Net fund flow (Total purchase – Total sales)



Source: AMFI, ICICIdirect.com Research

#### G-Sec funds return analysis



Source: Crisil Fund Analyser, ICICIdirect.com Research

Note : Returns are annualised returns as on July 15, 2010

#### Top recommended gilt funds

Particulars/Period	3 M	6 M	1 Yr	3 Yr
Birla Sun Life Gilt Plus - Regular Plan	-0.70	2.18	1.56	0.69
Templeton India G-Sec Fund - LTP	6.47	1.00	1.24	0.28
DSP BlackRock Govt Sec Fund	5.65	13.25	7.08	3.99
ICICI Prudential Gilt - Treasury	1.24	4.22	4.48	3.02
I-SEC Composite Gilt Index	-0.05	9.17	6.56	4.20

Source: Crisil Fund Analyser, ICICIdirect.com Research

Note : Returns are annualized returns as on June 14, 2010