



Sharekhan's top SIP fund picks

Why SIP?

◆ Disciplined investing

Being disciplined is a key to investing success. Through a systematic investment plan (SIP) you can choose to invest fixed amounts in a mutual fund scheme which could be as low as Rs500 at regular intervals (like every month) for a chosen period of time (say for a year). The amount you invest every month or every quarter will be used to purchase units of a SIP of a mutual fund scheme. Small amounts set aside every month towards well performing SIP mutual fund schemes can make an investor achieve his financial goals in future.

◆ Invest in instruments that beat Inflation

Equity investing can help you combat rising inflation that diminishes the value of your savings.

- ◆ SIP over a longer period can reduce the cost per unit
Example (see table below): An investment of Rs24,000 in a mutual fund resulted in a value of Rs25,200 after 12 months; whereas a SIP mutual fund investment of Rs2,000 per month grew to Rs27,095 after the same period.

◆ Fewer efforts to opt for SIP

The procedure to invest through SIP is easy. All you need to do is give post-dated cheques or opt for an auto debit of a specific amount towards SIP from your bank account. SIP plans are completely flexible. One can even start a SIP just by placing an order by logging into Sharekhan's online mutual fund page. One can invest for a minimum of six months or for a long tenure. Also, there is an option of choosing the investment interval which could be monthly or quarterly.

Illustrative example

| Month | Price per unit (Rs) | One-time investment | | SIP | |
|---|---------------------|----------------------|-----------------|----------------------|-----------------|
| | | Amount invested (Rs) | Units purchased | Amount invested (Rs) | Units purchased |
| Jan-10 | 20 | 24,000 | 1,200 | 2,000 | 100.0 |
| Feb-10 | 18 | -- | | 2,000 | 111.1 |
| Mar-10 | 14 | -- | | 2,000 | 142.9 |
| Apr-10 | 22 | -- | | 2,000 | 90.9 |
| May-10 | 26 | -- | | 2,000 | 76.9 |
| Jun-10 | 20 | -- | | 2,000 | 100.0 |
| Jul-10 | 18 | -- | | 2,000 | 111.1 |
| Aug-10 | 17 | -- | | 2,000 | 117.7 |
| Sep-10 | 15 | -- | | 2,000 | 133.3 |
| Oct-10 | 18 | -- | | 2,000 | 111.1 |
| Nov-10 | 20 | -- | | 2,000 | 100.0 |
| Dec-10 | 21 | -- | | 2,000 | 95.2 |
| Total investment (Rs) | | | 24,000 | | 24,000 |
| Average price (Rs) | | | 20 | | 19 |
| Total units purchased | | | 1,200 | | 1,290 |
| Value of investment after 12 months (Rs) | | | 25,200 | | 27,095 |

*NAV as on the 1st of every month. These are assumed NAVs in a volatile market.

For Private Circulation only



Data as on May 12, 2015

| SIP investment (monthly Rs1,000)* | | 1 year | | 3 years | | 5 years | |
|--|-----------------|--------------------|----------------------------------|--------------------|----------------------------------|--------------------|----------------------------------|
| Total amount invested (Rs) | | 12,000 | | 36,000 | | 60,000 | |
| Funds would have grown to → | NAV | Present value (Rs) | Compounded annualised return (%) | Present value (Rs) | Compounded annualised return (%) | Present value (Rs) | Compounded annualised return (%) |
| Large-cap funds | | | | | | | |
| SBI Bluechip Fund | 27.2 | 12,824.1 | 7.5 | 52,674.6 | 13.9 | 99,395.1 | 10.8 |
| Reliance Top 200 Fund | 23.0 | 12,453.1 | 4.1 | 52,091.5 | 13.5 | 96,686.3 | 10.2 |
| Birla Sun Life Frontline Equity Fund - Reg | 157.1 | 12,420.0 | 3.8 | 50,833.4 | 12.6 | 95,485.7 | 9.9 |
| UTI Top 100 Fund | 47.7 | 12,546.7 | 5.0 | 49,457.9 | 11.5 | 90,531.3 | 8.7 |
| Kotak 50 - Reg | 165.5 | 12,536.5 | 4.9 | 49,139.8 | 11.3 | 89,124.6 | 8.4 |
| BSE Sensex | 26,877.5 | 11,863.7 | -1.20 | 45,248.2 | 8.06 | 81,274.8 | 6.32 |
| Multi-cap funds | | | | | | | |
| Franklin India High Growth Companies Fund | 28.7 | 13,268.9 | 11.6 | 61,735.5 | 20.3 | 118,043.7 | 14.8 |
| SBI Magnum Global Fund 94 | 130.4 | 13,416.3 | 13.0 | 60,549.9 | 19.5 | 116,798.5 | 14.5 |
| ICICI Prudential Value Discovery Fund | 110.5 | 12,863.2 | 7.9 | 60,451.4 | 19.5 | 116,772.7 | 14.5 |
| Franklin India Prima Plus | 425.7 | 13,000.0 | 9.1 | 54,644.4 | 15.4 | 102,171.4 | 11.4 |
| Franklin India Flexi Cap Fund | 60.1 | 12,853.4 | 7.8 | 54,632.3 | 15.4 | 100,738.9 | 11.1 |
| BSE 500 | 10,598.7 | 12,140.8 | 1.25 | 47,257.3 | 9.67 | 83,738.9 | 6.97 |
| Mid-cap funds | | | | | | | |
| SBI Small & Midcap Fund | 29.6 | 14,211.0 | 20.3 | 70,679.1 | 26.0 | 134,356.7 | 17.8 |
| UTI Mid Cap Fund | 75.6 | 13,079.5 | 9.9 | 65,606.3 | 22.9 | 124,283.4 | 16.0 |
| Tata Mid Cap Growth Fund - Plan A | 97.8 | 13,354.8 | 12.4 | 63,343.9 | 21.4 | 118,855.3 | 14.9 |
| Principal Emerging Bluechip Fund | 65.7 | 13,209.7 | 11.1 | 62,045.0 | 20.5 | 117,873.8 | 14.7 |
| Franklin India Prima Fund | 638.6 | 13,194.5 | 10.9 | 61,608.9 | 20.2 | 118,916.5 | 14.9 |
| BSE Midcap | 10,274.1 | 12,486.1 | 4.30 | 51,722.8 | 13.08 | 88,600.6 | 8.19 |
| Tax saving funds | | | | | | | |
| Axis Long Term Equity Fund | 29.8 | 13,187.7 | 10.9 | 60,459.2 | 19.5 | 119,132.8 | 15.0 |
| Reliance Tax Saver (ELSS) Fund | 45.3 | 12,586.5 | 5.2 | 60,482.9 | 19.2 | 113,984.2 | 13.8 |
| IDFC Tax Advantage (ELSS) Fund - Reg | 39.1 | 13,315.7 | 12.0 | 55,925.0 | 16.3 | 105,229.1 | 12.1 |
| Franklin India Taxshield | 407.0 | 12,908.4 | 8.3 | 54,215.7 | 15.1 | 101,926.6 | 11.4 |
| BNP Paribas Long Term Equity Fund | 28.3 | 12,771.1 | 6.8 | 54,358.7 | 15.0 | 103,538.2 | 11.7 |
| CNX Nifty | 8,127.0 | 11,945.0 | -0.49 | 45,523.1 | 8.29 | 81,767.7 | 6.45 |

(*invested on 2nd day of every month)

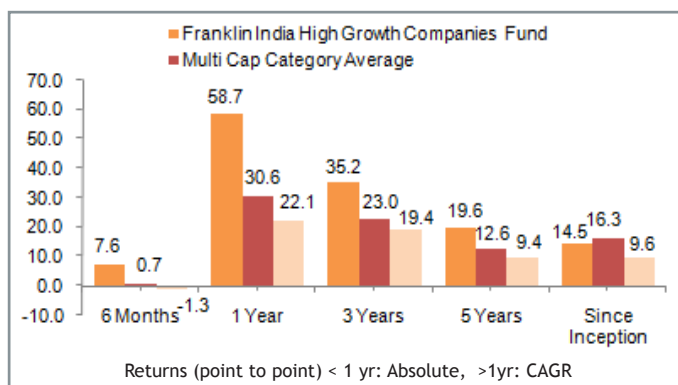
We will be showing compounded annualised returns for three years and five years from now on.

Franklin India High Growth Companies Fund

Fact sheet

Franklin India High Growth Companies Fund is an open-end diversified equity fund that seeks to achieve capital appreciation through investments in Indian companies and sectors with high growth rates or potential.

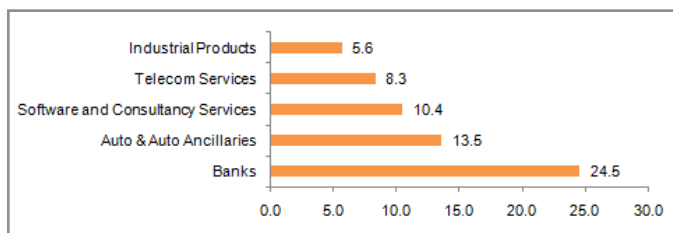
Scheme's performance



Style box analysis



Top 5 sectors



Key features

- Fund category: Multi-cap fund category
- Launch date: July 26, 2007
- Minimum investment: Rs5,000
- Load structure: Entry load is nil/if redeemed bet. 0 year to 2 year, exit load is 1%
- Fund manager: R Janakiraman, Roshi Jain, Neeraj Gaurh
- Latest NAV (gr.): Rs29.5
- Latest NAV (div.): Rs24.5
- Expense ratio (%): 2.3 (April 25, 2015)
- AUM: Rs1,894 crore (March 31, 2015)
- Benchmark index: CNX 500 Index

Holding by market cap

| Particular | % |
|-----------------|------|
| CNX Nifty | 49.7 |
| CNX Mid-cap | 14.6 |
| CNX Small-cap | 3.2 |
| CNX 500 | 76.9 |
| Top 5 holdings | 27.8 |
| Top 10 holdings | 45.4 |

Top 10 stock holdings (total no. of scrips: 37)

| Company name | % of net assets |
|------------------------------|-----------------|
| HDFC Bank | 5.9 |
| Axis Bank | 5.8 |
| Maruti Suzuki India | 5.7 |
| State Bank of India | 5.4 |
| Idea Cellular | 5.0 |
| ICICI Bank | 4.3 |
| Tata Consultancy Services | 3.4 |
| TVS Motor Company | 3.4 |
| Tata Motors - DVR - A - ORDY | 3.3 |
| Bharti Airtel | 3.3 |

Scheme analysis

With more than seven years of experience, the fund has been an outstanding performer in comparison with both the benchmark index, CNX 500 and the category average. Despite the volatility and uncertainties in the market, the fund performed better than its peers, giving returns of 58.7% over one year as against that of 22.1% and 30.6% given by the benchmark index and the category average respectively in the same period. Over the longer time horizon of three years, the fund has grown at 35.2% compounded annual growth rate while the BSE 500 Index and the category average have grown at 18.9% and 23% respectively. In the recent months, the fund has garnered returns of 7.6% compared with -1.3% and 0.7% returns posted by the benchmark index and the multi-cap funds category average.

The fund currently has about 37 stocks in its portfolio. It has nearly 90% of its net assets exposed to equity while the rest is exposed to the other money-market instruments. The top ten stocks form about 45.4% of the portfolio. The fund has invested nearly 24.5% of its funds in the banking sector followed by the auto and software services sectors with 13.5% and 10.4% allocations respectively.



Sharekhan's top equity mutual fund picks

| Index | |
|--------------------------|--|
| ◆ Top rated equity funds | >> Large-cap funds |
| | >> Mid-cap funds |
| | >> Multi-cap funds |
| | >> Tax-saving funds |
| | >> Thematic funds |
| | >> Balanced funds |
| ◆ Fund focus | >> Franklin Build India Fund |
| ◆ Fund ranking procedure | |

For Private Circulation only

Top rated equity mutual funds

Data as on May 12, 2015

| Scheme name | Star rating | NAV (Rs) | 6 mths' returns % | Annually compounded returns (%) | | | |
|---|-------------|----------|-------------------|---------------------------------|-------|-------|-----------------|
| | | | | 1 yr | 3 yrs | 5 yrs | Since inception |
| Large-cap funds | | | | | | | |
| SBI Bluechip Fund | ***** | 27.2 | 4.6 | 37.3 | 27.7 | 14.5 | 11.5 |
| Birla Sun Life Frontline Equity Fund - Reg | **** | 157.1 | 1.3 | 28.8 | 26.2 | 14.3 | 24.2 |
| Reliance Top 200 Fund | **** | 23.0 | 0.8 | 35.9 | 25.1 | 14.8 | 11.3 |
| UTI Top 100 Fund | ***** | 47.7 | 1.8 | 30.8 | 22.2 | 12.6 | 12.6 |
| Kotak 50 - Reg | **** | 165.5 | 1.8 | 29.5 | 21.9 | 12.0 | 23.8 |
| Indices | | | | | | | |
| BSE Sensex | | 26,877.5 | -4.0 | 14.1 | 18.1 | 9.3 | 16.6 |
| Mid-cap funds | | | | | | | |
| SBI Small & Midcap Fund | ***** | 29.6 | 18.9 | 83.6 | 42.3 | 23.3 | 21.0 |
| Mirae Asset Emerging Bluechip Fund | ***** | 28.3 | 6.8 | 56.7 | 37.2 | - | 24.0 |
| UTI Mid Cap Fund | ***** | 75.6 | 3.7 | 61.1 | 36.7 | 20.4 | 21.0 |
| Principal Emerging Bluechip Fund | **** | 65.7 | 6.7 | 56.3 | 35.4 | 17.5 | 33.6 |
| Franklin India Prima Fund | **** | 638.6 | 7.7 | 52.8 | 34.7 | 20.4 | 21.4 |
| Indices | | | | | | | |
| BSE MID-CAP | | 10,274.1 | 1.4 | 36.8 | 20.0 | 8.2 | 22.3 |
| Multi-cap funds | | | | | | | |
| Franklin India High Growth Companies Fund | ***** | 28.7 | 7.6 | 58.7 | 35.2 | 19.6 | 14.5 |
| Birla Sun Life Pure Value Fund | ***** | 36.0 | 0.5 | 40.9 | 33.1 | 18.2 | 19.7 |
| ICICI Prudential Value Discovery Fund | ***** | 110.5 | 5.0 | 49.6 | 32.4 | 20.2 | 25.1 |
| SBI Magnum Global Fund 94 | ***** | 130.4 | 10.9 | 55.9 | 32.2 | 20.9 | 15.7 |
| Franklin India Flexi Cap Fund | ***** | 60.1 | 3.9 | 37.3 | 27.7 | 16.0 | 19.2 |
| Indices | | | | | | | |
| BSE 500 | | 10,598.7 | -1.3 | 21.9 | 18.9 | 9.1 | 15.6 |
| Tax-saving funds | | | | | | | |
| Axis Long Term Equity Fund | ***** | 29.8 | 7.8 | 48.4 | 35.0 | 22.3 | 22.6 |
| IDFC Tax Advantage (ELSS) Fund - Reg | **** | 39.1 | 11.5 | 45.3 | 30.7 | 16.6 | 23.8 |
| Reliance Tax Saver (ELSS) Fund | **** | 45.3 | 1.4 | 49.8 | 30.6 | 18.9 | 17.0 |
| BNP Paribas Long Term Equity Fund | **** | 28.3 | 3.7 | 39.9 | 27.2 | 17.0 | 11.8 |
| Franklin India Taxshield | **** | 407.0 | 4.4 | 40.6 | 26.3 | 17.2 | 25.9 |
| Indices | | | | | | | |
| CNX500 | | 6,689.4 | -1.3 | 22.1 | 19.4 | 9.4 | 9.6 |
| Thematic funds | | | | | | | |
| ICICI Prudential Exports and Other Services Fund | ***** | 43.0 | 5.5 | 49.1 | 40.6 | 21.3 | 16.7 |
| Franklin Build India Fund | ***** | 28.1 | 8.7 | 66.7 | 37.7 | 19.8 | 19.9 |
| Religare Invesco Infrastructure Fund | ***** | 13.7 | 5.3 | 53.3 | 28.4 | 11.2 | 4.3 |
| Birla Sun Life Special Situations Fund | **** | 16.7 | 5.1 | 44.7 | 27.1 | 11.6 | 7.3 |
| Kotak Infrastructure & Economic Reform Fund - Reg | **** | 14.8 | 0.2 | 48.0 | 24.6 | 10.7 | 5.6 |
| Indices | | | | | | | |
| S&P Nifty (CNX Nifty) | | 8,127.0 | -3.1 | 15.9 | 18.1 | 9.5 | 14.5 |
| Balanced funds | | | | | | | |
| SBI Magnum Balanced Fund | ***** | 93.3 | 7.3 | 35.0 | 26.3 | 14.0 | 16.9 |
| Franklin India Balanced Fund | ***** | 87.8 | 5.5 | 35.0 | 23.1 | 14.2 | 15.1 |
| HDFC Balanced Fund | **** | 104.9 | 3.1 | 33.4 | 23.1 | 17.1 | 17.4 |
| DSP BlackRock Balanced Fund | **** | 103.9 | 2.6 | 33.4 | 18.3 | 11.3 | 15.8 |
| Edelweiss Absolute Return Fund | **** | 18.5 | 5.7 | 28.9 | 16.1 | 12.0 | 11.3 |
| Indices | | | | | | | |
| Crisil Balanced Fund Index | | -- | 1.3 | 16.9 | 15.7 | 9.6 | 13.3 |

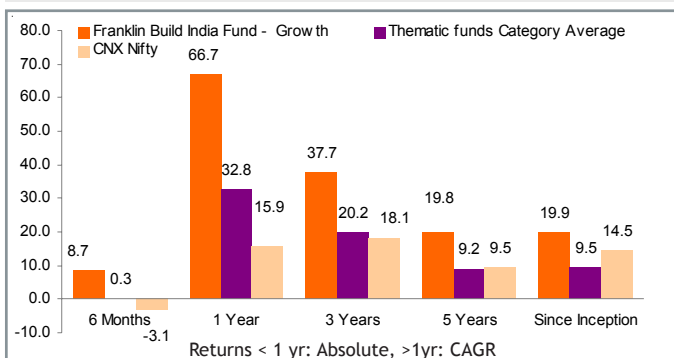
Note: Returns < 1 year - absolute, > 1 year - CAGR (compounded annual growth rate)

Franklin Build India Fund

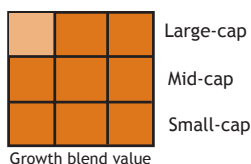
Fact sheet

Franklin Build India Fund is an open-end equity fund which seeks to achieve capital appreciation through investments in companies engaged either directly or indirectly in infrastructure-related activities.

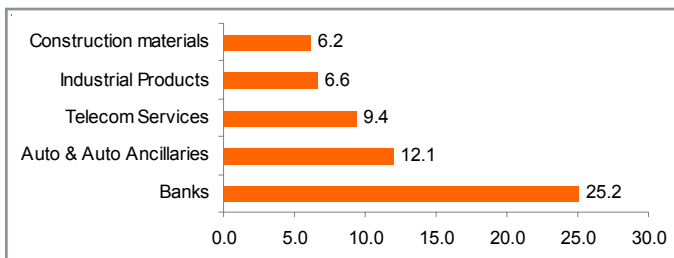
Scheme's performance



Style box analysis



Top 5 sectors



Key features

- Fund category: Thematic fund category
- Launch date: September 04, 2009
- Minimum investment: Rs5,000
- Load structure: Entry load is nil/ if redeemed bet. 0 year to 2 year, exit load is 1%
- Fund manager: Anand Radhakrishnan, Roshi Jain, Neeraj Gaurh
- Latest NAV (gr.): Rs29.0
- Latest NAV (div.): Rs21.7
- Expense ratio (%): 2.8 (April 25, 2015)
- AUM: Rs361 crore (March 31, 2015)
- Benchmark index: CNX 500 Index

Holding by market cap

| Particular | % |
|-----------------|------|
| CNX Nifty | 44.7 |
| CNX Mid-cap | 15.8 |
| CNX Small-cap | 4.3 |
| CNX 500 | 76.7 |
| Top 5 holdings | 28.4 |
| Top 10 holdings | 46.3 |

Top 10 stock holdings (total no. of scrips: 36)

| Company name | % of net assets |
|---------------------|-----------------|
| Axis Bank | 6.09 |
| Maruti Suzuki India | 5.89 |
| HDFC Bank | 5.58 |
| State Bank of India | 5.48 |
| Idea Cellular | 5.33 |
| ICICI Bank | 4.11 |
| Bharti Airtel | 4.09 |
| TVS Motor Company | 3.59 |
| Whirlpool of India | 3.16 |
| Sanofi India | 3.00 |

Scheme analysis

With more than five years of experience, the fund has been an outstanding performer in comparison with both the benchmark index, CNX Nifty and the category average. Despite the volatility and uncertainties in the market, the fund performed better than its peers, giving returns of 66.7% over one year as against that of 15.9% and 32.8% given by the benchmark index and the category average respectively in the same period. Over the longer time horizon of three years, the fund has grown at 37.7% compounded annual growth rate while the CNX 500 and the category average have grown at 19.4% and 20.2% respectively. In the recent months the fund has garnered returns of 8.7% compared with the -3.1% return posted by the benchmark index and the 0.3% return from the thematic funds category average.

The fund currently has about 36 stocks in its portfolio. It has nearly 90.51% of its net assets exposed to equity while the rest is exposed to the other money-market instruments. The top ten stocks form about 46.3% of the portfolio. The fund has invested nearly 25.2% of its funds in the banking sector followed by the auto and telecommunications sectors with 12.1% and 9.4% allocations respectively.

Fund ranking procedure

We have identified the best equity-oriented schemes available in the market today based on the following five parameters: the past performance as indicated by the one-year, two-year and three-year returns, the Sharpe ratio and the Information ratio.

The Sharpe ratio indicates risk-adjusted returns, ie the returns earned in excess of the risk-free rate for each unit of the risk taken. The Sharpe ratio is also indicative of the consistency of the returns as it takes into account the volatility in the returns as measured by the standard deviation.

The Information ratio is one of the most important tools in active fund management. It is the ratio of active return (the return over the index return) to active risk annualised. A higher Information ratio indicates a better fund manager.

We have selected the schemes based upon their ranking using the above five parameters and then calculated the maximum value of each of the five parameters. Thereafter, we have calculated the percentage under-performance or over-performance of each scheme (relative

performance) based on each of the five parameters vis-a-vis the maximum value among them.

For our final selection of schemes, we have generated a total score for each scheme giving 60% weightage each to the relative performance as indicated by the one-year, two-year and three-year returns; 20% weightage to the relative performance as indicated by the Sharpe ratio; and the remaining 20% to the relative performance as indicated by the Information ratio of the scheme.

Sharekhan mutual fund ranking scale

| Stars | Description |
|-------|---|
| ★★★★★ | For top 10 percentile of the eligible schemes |
| ★★★★ | Next 22.5 percentile of the eligible schemes |
| ★★★ | Next 35 percentile of the eligible schemes |
| ★★ | Next 22.5 percentile of the eligible schemes |
| ★ | Bottom 10 percentile of the eligible schemes |

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