

Sharekhan's top equity fund picks

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For Private Circulation only

Top rated equity mutual funds

Data as on March 01, 2017

Scheme name	Star rating	NAV (Rs)	6 mths' returns %	Annually compounded returns (%)			
				1 yr	3 yrs	5 yrs	Since inception
Large-cap funds							
Birla Sun Life Top 100 Fund - Growth	★★★★★	49.8	3.9	29.8	20.7	17.7	15.2
BNP Paribas Equity Fund - Growth	★★★★	71.0	-0.7	19.5	18.8	15.8	17.1
ICICI Prudential Focused Bluechip Equity Fund - Ret - Growth	★★★★	33.7	4.4	31.4	18.5	15.4	14.8
Franklin India Bluechip - Growth	★★★★	401.6	2.7	26.0	18.4	13.3	21.7
IDFC Classic Equity Fund - Reg - Growth	★★★★	37.6	5.7	36.1	17.4	15.1	12.1
Indices							
BSE Sensex		28984.49	2.0	21.9	11.1	10.5	15.9
Mid-cap funds							
Reliance Small Cap Fund - Growth	★★★★	32.7	12.2	44.1	39.1	29.5	20.1
Canara Robeco Emerging Equities - Growth	★★★★	74.0	6.2	41.4	38.2	26.9	18.2
Kotak Emerging Equity Scheme - Reg - Growth	★★★★★	33.4	7.0	43.7	37.2	24.6	12.9
Mirae Asset Emerging Bluechip Fund - Growth	★★★★★	40.8	9.9	45.5	36.6	29.1	23.5
Principal Emerging Bluechip Fund - Growth	★★★	85.5	4.8	44.4	32.4	26.6	29.5
Indices							
BSE MID CAP		13569.56	3.1	37.5	27.7	16.4	21.5
Multi-cap funds							
L&T India Value Fund - Reg - Growth	★★★★★	31.3	11.5	41.5	34.7	24.6	17.3
Birla Sun Life Equity Fund - Growth	★★★★★	609.0	6.8	42.6	27.6	20.9	24.8
Kotak Select Focus Fund - Reg - Growth	★★★★	27.9	5.1	35.2	25.4	20.1	14.7
Franklin India Prima Plus - Growth	★★★★★	507.1	3.4	26.4	23.8	18.3	19.1
Mirae Asset India Opportunities Fund - Reg - Growth	★★★★★	38.7	5.4	34.5	23.1	19.1	16.4
Indices							
BSE 500		12247.98	3.8	28.9	16.7	12.5	14.9
Tax-saving funds (ELSS)							
Reliance Tax Saver (ELSS) Fund - Growth	★★★★	53.2	6.7	36.7	29.0	20.6	15.7
DSP BlackRock Tax Saver Fund - Growth	★★★★★	39.5	4.1	37.6	25.2	20.0	14.5
Birla Sun Life Tax Relief 96 - Growth	★★★	24.4	2.2	24.8	23.8	19.4	10.4
Franklin India Taxshield - Growth	★★★★★	481.2	2.5	25.6	23.2	17.8	24.2
L&T Tax Advantage Fund - Reg - Growth	★★★★	44.9	6.8	35.2	22.2	16.4	14.6
Indices							
Nifty 500		7754.7	3.8	28.8	16.9	12.8	9.5
Thematic funds							
DSP BlackRock Natural Resources & New Energy Fund - Reg - Gth	★★★★★	29.9	24.4	78.1	35.9	16.8	13.2
Franklin Build India Fund - Growth	★★★★★	34.9	7.7	39.8	35.1	24.9	18.2
ICICI Prudential Banking and Financial Services Fund - Retail - Growth	★★★★★	49.4	8.2	63.3	34.0	23.9	20.6
Kotak Infrastructure & Economic Reform Fund - Reg - Growth	★★★★★	18.2	4.5	34.1	29.7	15.7	6.9
Sundaram Rural India Fund - Reg - Growth	★★★★★	35.7	5.9	47.6	28.3	20.0	12.5
Indices							
Nifty 50		8945.8	2.0	23.9	12.5	10.9	13.9
Balanced funds							
L&T India Prudence Fund - Reg - Growth	★★★★	22.6	5.0	23.6	21.8	17.8	14.4
ICICI Prudential Balanced - Growth	★★★★★	112.3	7.7	32.8	21.5	18.2	15.0
HDFC Balanced Fund - Growth	★★★★	127.3	5.0	28.7	21.3	17.0	16.7
Franklin India Balanced Fund - Growth	★★★★	102.8	1.3	20.6	20.3	16.0	14.5
SBI Magnum Balanced Fund - Growth	★★★	107.0	1.9	19.4	19.7	17.9	16.1
Indices							
Crisil Balanced Fund Index		--	2.5	19.5	12.3	10.5	12.5
BNP Paribas Mutual Fund Equity Schemes							
Scheme name	Category	NAV (Rs)	6 mths' returns %	Annually compounded returns (%)			
				1 yr	3 yrs	5 yrs	Since inception
BNP Paribas Dividend Yield Fund - Growth	Multi Cap	39.1	2.9	27.0	22.5	17.2	12.6
BNP Paribas Equity Fund - Growth	Large Cap	71.0	-0.7	19.5	18.8	15.8	17.1
BNP Paribas Long Term Equity Fund - Growth	ELSS	31.0	-1.4	17.6	20.1	16.9	10.7
BNP Paribas Mid Cap Fund - Growth	Mid Cap	28.3	0.5	28.8	29.2	24.0	10.1

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

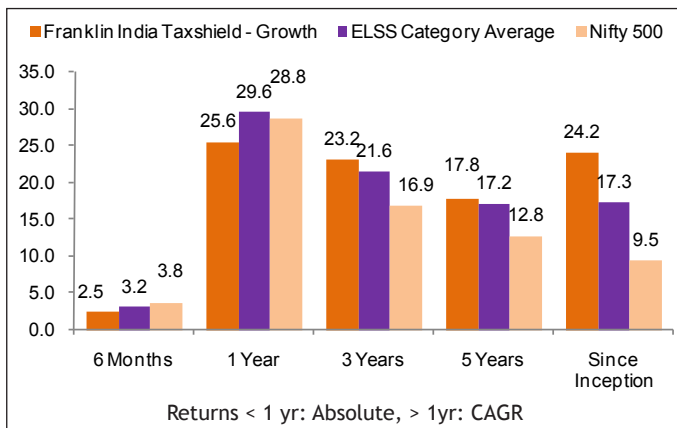
Disclosure: Sharekhan Limited is now part of the BNP Paribas SA group.

Franklin India Taxshield

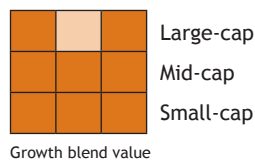
Objective

The Scheme aims to provide growth of capital along with income tax exemption benefits to investors.

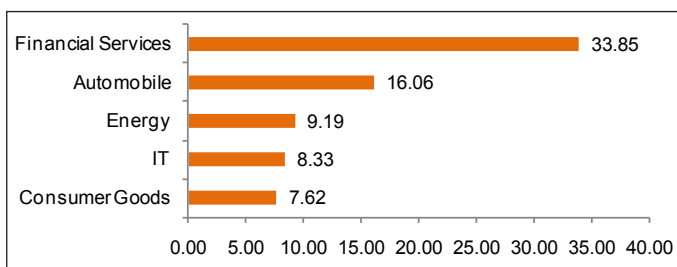
Scheme's performance



Style box analysis



Top 5 sectors



Key features

- Fund category : ELSS
- Launch date : April 10, 1999
- Minimum investment : Rs500
- Load structure : Exit Load is Nil
- Fund manager : R Janakiraman, Lakshmikanth Reddy
- Latest NAV (gr) : Rs481.25
- Latest NAV (div) : Rs41.88
- Expense ratio (%) : 2.5
- AUM : Rs2,384 cr
- Benchmark Index : Nifty 500

Holdings by market cap

Particulars	%
Nifty 50	69.2
Nifty Free Float Midcap 100	15.5
Nifty Free Float Smallcap 100	0.7
BSE Sensex	-
Top 5 holdings	29.3
Top 10 holdings	45.8

Top 10 stock holdings (total no. of scrips: 51)

Company name	% of net assets
HDFC Bank	9.1
Axis Bank	6.3
Infosys	5.0
Mahindra & Mahindra	4.5
IndusInd Bank	4.4
State Bank of India	4.2
Yes Bank	3.7
Bharti Airtel	3.1
Tata Motors	3.0
Dr Reddys Laboratories	2.4

Scheme analysis

With a long history of more than 17 years, the MF scheme has been an outperformer compared to both, the benchmark Nifty 500 index and the Tax Saving (ELSS) category average in more than three years. Despite the volatility and uncertainties in the market, the MF scheme has performed better than its peers, giving a return of 23.2% over the past three years as against 16.9% and 21.6% returns given by the Nifty 500 index and the ELSS category average, respectively, in the same period. Over the long-term time horizon of five years, the MF scheme has posted a compounded annual growth rate (CAGR) of 17.8%, while the Nifty 500 index and the ELSS category average have reported a CAGR of 12.8% and 17%, respectively. In the recent months, the MF scheme has given a return of 2.5% compared to the 3.8% return posted by the Nifty 500 index and the 3.2% return generated by the ELSS category average.

The MF scheme currently has about 51 stocks in its portfolio. It has nearly 93% of its net assets exposed to equity, while the rest is exposed to other debt and money-market instruments. The top ten stocks form about 46% of the MF scheme's portfolio. The MF scheme has invested nearly 34% of its funds in the Financial Services sector followed by Automobile and Energy sectors, with 16% and 9% allocations, respectively.

Mutual Fund Selection Criteria

Equity Mutual Funds

Equity Mutual Fund selection within a particular category is done on two broad parameters, namely 'Returns' and 'Risk'. Our selection process helps to identify funds with a track record of giving superior returns consistently compared to the category benchmark and peers. Along with superior returns, it is also important to factor in risk and volatility in returns to take a holistic investment decision. Equity Mutual Fund rating is done by giving equal weightage (20% each) to the below mentioned risk and return parameters.

1. **'Returns' - measured across 1, 2 and 3 years:** To rank the funds we give a 20% weightage to performance on absolute and relative basis (to category benchmark and peers) across three time periods of 1 year, 2 years and 3 years.
2. **'Risk' - captured through Sharpe ratio and Information ratio:** These ratios are widely used in the Mutual Fund industry to measure risk-adjusted returns of a Mutual Fund scheme. The Sharpe ratio considers Standard Deviation to measure a portfolio's

risk-adjusted returns, whereas the information ratio measures the ability of the portfolio manager to provide excess returns relative to category benchmark on a consistent basis. We give a weightage of 20% each to both the ratios, to finally arrive at the ranking of the fund in a particular category.

In addition to quantitative analysis, we also use qualitative factors to filter out relatively smaller fund houses or funds with small asset size to minimise allied risk.

Fixed Income or Debt Mutual Fund

In the Fixed Income Mutual Fund segment, the selection is done by considering returns, along with other criteria like credit quality, volatility, yield to maturity, modified duration, expense ratio etc. Also, the ranking depends upon macro-economic factors like the view on interest rates and the economic cycle. Overall, we follow a conservative approach while recommending Debt Mutual Funds with a clear focus on minimising risks rather than chasing marginally excess returns.

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