

# Smart Diversification, Trending Stocks at Right Prices Help Funds Deliver on SIPs

A change in fund managers, too, plays a role as schemes benefit from fresh investment ideas

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**ET Intelligence Group:** What's the recipe for persistent success with SIPs? Fresh ideas and fresh faces, the concentration of portfolio, and intelligent diversification.

So, change in fund managers — or, fresh ideas and fresh faces — has played a role in some funds outperforming others in one, two and five-year time-frames. New fund managers bought into stocks that were "flavours of the market" at good price points. Mirae, Canara Robeco and Axis Mutual Fund, for instance, had appointed new fund managers over the past five years and outscored others.

"To a considerable extent, the 'average buying price' of stocks bought by fund managers of schemes which did well in their respective categories has been quite low," said Rupesh Bhansali, head-mutual funds, GEPL Capital. This has boosted

## What Investors Got

### EQUITY: LARGE & MIDCAP FUNDS

Scheme	1 Year (%)
Mirae Asset Emerging Bluechip Fund - Regular Plan	48.01
Canara Robeco Emerging Equities Fund - Regular Plan	47.08
ICICI Pru Midcap Select ETF	46.27
Category Average	38.67
Scheme	3 Year (%)
Mirae Asset Emerging Bluechip Fund - Regular Plan	16.44
Canara Robeco Emerging Equities Fund - Regular Plan	13.89
Kotak Equity Opportunities Fund - Regular Plan	12.79
Category Average	9.57

Source: Value Research



ted the SIP performance of most equity schemes.

Separately, two factors have boosted the performance of schemes which feature in the top-performing list. In the three-year and five-year time-frames, in the multi-cap category, the SIP returns of Parag Parikh Long-term Equity Fund have been considerably higher than the category average.

Distributors point out that the scheme is multi-cap in the truest sense of the word. It has a diversified portfolio not only in terms of geography but also in terms of themes. Close to 65% of the scheme is invested in Indian stocks and about 30% in stocks listed on the US stock exchanges.

Finally, in the large-cap category, in terms of SIP returns, low-cost passively managed scheme Nippon India ETF Shariah BeES and actively managed scheme Axis Bluechip have emerged as top performers in the three-year and five-year time-frames.