

Diversified funds shine in slump

AGE CORRESPONDENT
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In the current state of the markets where one could rarely spot a smile on an investor's face, there are few lucky ones who now feel far better off than others as fund managers of some of the top equity diversified funds have managed to outperform the broader market despite high volatility and uncertain market condition in the last one year.

For instance if an investor had invested ₹2 lakh a year ago in SBI Magnum Emerging Business Fund, he would have lost just ₹1,800 as compared to a loss of ₹46,000 if he had directly invested the same amount in top blue chip stocks. Similarly, if an investor had invested a similar amount in Edelweiss Absolute Return Fund, his portfolio value would

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have dropped by ₹3,340.

The SBI Magnum Emerging Business Fund had seen just a 0.90 per cent drop in its net asset value (NAV) in the last one-year as compared to the Sensex fall of close to 23 per cent. Similarly, Edelweiss Absolute Return Fund and UTI Wealth Builder Fund have seen just 1.67 per cent and 4.97 per cent drop respectively in their NAV in a sliding market.

Mr Navneet Munot, CIO,

SBI Mutual Fund observed that the strategy of bottom up stock selection across sectors had paid off. "This is one fund which had adopted the bottom up stock picking approach. In a falling market, we identify good quality stocks across sectors," he said. He added that the systematic investment plan (SIP) is the best route for retail investors to enter the market as they could benefit out of the different market cycles.

Mr Vikas M Sachdeva, CEO, Edelweiss AMC said that the stock prices have come down so sharply to unbelievable valuations that an investor should take this opportunity to start investing. "The basic mistake that an ordinary investor commits is to stay away from a falling market expecting it to further slide. If we look at it more logically, this is the right time," he added.