



## EDELWEISS DIVERSIFIED GROWTH EQUITY TOP 100 ★★★★★

# Balancing risk with returns

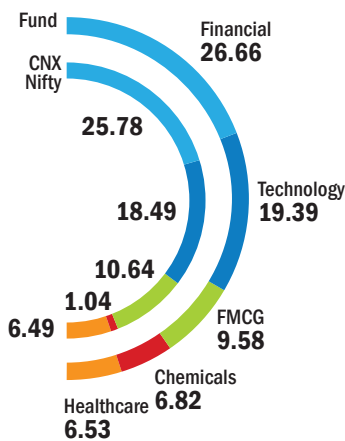
Assets **₹25 crore**  
(March 2014)

Launch **May 2009**

Fund manager **Paul Parampreet, Bhavesh Jain**



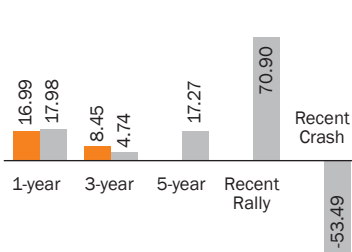
### Top-5 sectors (%)



### Market Capitalisation (%)



### Trailing returns (%)



1 2 3 4 Quartile

■ Fund ■ CNX Nifty  
Recent Rally - Mar 09, 2009 - Nov 09, 2010  
Recent Crash - Jan 08, 2008 - Mar 09, 2009

Data as on Mar 31, '14, Portfolio related data as on Feb 28, '14  
\*YTD as on Mar 31, 2014

Edelweiss Mutual Fund's only large and mid-cap fund is a bit of an outlier in our selection. Launched a little less than four years ago, it's not only the youngest but with assets of ₹22 crore, it's also the smallest. While Value Research has never considered size to be a factor in the desirability of a fund, a short history means that a fund has to stand out clearly to be part of our selection.

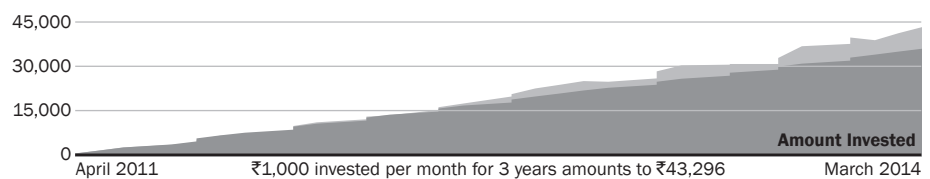
Since its launch, this fund has generated returns of 12.9 per cent p.a. It has outperformed the benchmark in three of its five years and the category in two. However, the cornerstone of its performance is its relative risk-adjusted returns, which reflect in its Value Research Star Rating. For the last one year, the fund has consistently stayed in the four to five star range, with the average rating being 4.5. Since the rating depends on the previous three to five (in this case, three) year's returns and risk, this reflects an excellent propensity to generate excellent returns while managing risk.

The fund's portfolio has evolved in

the direction of reducing large cap bias. During 2011-12, an average of 74 per cent of assets were large cap. In 2013-14, this number was down to 65 per cent, which currently is 55 per cent. Unusually, there's no small cap exposure at all. Maintaining this kind of performance with this kind of capitalisation bias indicates excellent stock selection. In principle, we don't really like funds where the fund manager flits in and out of stocks. This fund is an extreme case with the average holding period being just 7.7 months. However, one can't argue with results—since the net result is good returns, so be it.

Sector-wise, there's not much deviation from the benchmark or peers. However, the fund has been lightening up on the sectors that come right behind, which are FMCG, energy and autos. This fund could be the start of something good and while short, the track record has enough proof already. It'll bear close watching but the fund deserves some allocation from the discerning investor. ■

### SIP value (₹)



### Fund History

Year	2008	2009	2010	2011	2012	2013	YTD*
Rating	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★	★★★★★
Quartile ranking	■ ■ ■ ■	■ ■ ■ ■	■ ■ ■ ■	■ ■ ■ ■	■ ■ ■ ■	■ ■ ■ ■	■ ■ ■ ■
Fund	-	-	15.97	-18.58	29.77	11.10	1.23
Category	-52.47	80.24	16.99	-23.19	30.41	5.06	6.42
CNX Nifty	-51.79	75.76	17.95	-24.62	27.70	6.76	6.35
Expense Ratio	-	2.39	2.26	2.29	2.29	2.86	-
Fund Style	■ ■ ■ ■	■ ■ ■ ■	■ ■ ■ ■	■ ■ ■ ■	■ ■ ■ ■	■ ■ ■ ■	■ ■ ■ ■