

Outperforming fund: Edelweiss Midcap Fund

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Ratings are reviewed after mutual fund analysts are convinced of the investment quality of the fund. In Morningstar's February 2024 report, Edelweiss Midcap Fund's 'Direct Plan' has been rated 'Gold' and 'Regular Plan' has been rated 'Silver'.

A leading factor in the 'analyst rating' is the long-term risk-adjusted performance of that fund family. The Edelweiss Fund family has developed a FAIR philosophy for

investing. 'F' stands for Forensic Audit 'A' stands for Acceptable Price 'T' stands for ESG and 'R' stands for Robustness. Forensic Audit- When we invest in the market, we need to know all the risks associated with that investment. In order to understand this investment risk, a methodology is developed to analyze the company's balance sheet, corporate governance, after a thorough analysis of the company's management quality, past history of the company, fraud and the possibility of miss-

estimation of growth rate. Naturally, this fund family has been assigned a Morningstar rating of 3.5 stars on 10-year performance. Edelweiss has a five-year risk-adjusted ratio of 82 percent, better than its peer fund peers. An effective risk-adjusted ratio indicates that the fund is performing well for investors and that the fund has a bright future. It can benefit investors. The fund has shown good five-year performance relative to the index with excellent risk-adjusted returns. Fund

managers seem to manage investment risk skillfully.

This strategy of the fund family has been successful compared to competing funds in the midcap fund segment. Analyzing other factors influencing investment, Edelweiss Midcap Fund's strategy over the last five years seems to have consistently performed well with high growth companies. Trideep Bhattacharya joined Edelweiss Mutual Fund in September 2021. He was appointed as Fund Manager

of Midcap Fund on 1st October 2021. The fund has outperformed in the last six quarters.

Managers have included companies with lower index exposure (index weight) but higher than average growth rates compared to other funds in the midcap group in recent quarters. As the number of companies that have reported growth in earnings has increased, recently they have been adding 'growth stocks' to their portfolios and taking on the additional risk of return. Recently, he has

increased his investments in technology companies and reduced his investments in the financial services sector. Communication services and energy sectors are underinvested compared to the index.

Edelweiss Midcap Fund does not do much churning of the portfolio; This fund is included among the funds with low portfolio turnover. Edelweiss Midcap Fund's portfolio cash liquidity is reasonable; The average time to liquidate an entire portfolio is less than 30 days.

Fund is a fund that practices buy and hold strategy. It is a good option for long term portfolio.

After getting to know the strategy and performance details it is advisable to know that Edelweiss Midcap Fund is only for high risk takers. Edelweiss Midcap Fund is for minimum investment of 5 to 7 years or more and it is recommended to invest in this fund only through SIP mode. Do not allocate more than 30 percent of your portfolio.

Morningstar rating is based on past performance

while 'analyst rating' is a forecast of future performance. 'Analyst Rating' is Morningstar's predictive analyst-driven rating system. Under this system, funds are classified as 'Gold', 'Silver', 'Bronze', Neutral and Negative. Ratings are reviewed after mutual fund analysts are convinced of the investment quality of the fund. Morningstar has awarded 'Silver' rating to Edelweiss Midcap Fund in its February 2024 report. (Author is a Mutual Fund Analyst/Views are his own)