

**FUND REVIEW****Birla Sun Life Frontline Equity Fund**

# A Consistent Performer in All Phases

Investing in a scheme which has seen varied market cycles and performed better than its peers is one of the efficient ways of investing in mutual funds. Among the large-sized schemes which have more than a decade of existence in markets, Birla Sun Life Frontline Equity has distinguished itself from its peers on the sheer strength of consistent performance. The scheme has not only performed better in bull cycles of markets, but has also been able to contain fall in portfolio returns in bear phases.

The scheme, managed by Mahesh Patil since November 2005, has a strategy to focus on companies with factors such as growth stories at attractive valuations, have competitive distinguishing factors with respect to its peers in the industry, and are high on corporate governance. These factors have helped the scheme in enhancing its performance in the past five and ten-year periods. In the past five-year and ten-year periods, the scheme has given 16.5% and 14% returns, while its benchmark S&P BSE200 has given 11.1% and 8.7%, respectively in the same periods. The scheme invests 80-90% of its portfolio in large-size companies while the rest is in mid-sized firms.

In the past six months, the scheme has invested in companies where valuations are attractive. Prominent names include Aurobindo Pharma, Cairn India, Cholamandalam Investment & Finance Company, Hindalco, Motherson Sumi and Shriram City Union Finance. It has increased allocation to companies which can be categorised as 'dark horses'. These companies are Tata Steel, Mahindra & Mahindra, Hindustan Unilever and State Bank Of India.

—Rajesh N Naidu/  
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**PORTFOLIO CHANGE (PAST 6 MONTHS)**

| New Entrants     | Complete Exits           | Increase in Allocation |
|------------------|--------------------------|------------------------|
| Aurobindo Pharma | Bajaj Auto               | Tata Steel             |
| Cairn India      | Coromandel International | Mahindra & Mahindra    |
| Castrol India    | Glenmark Pharma          | Hindustan Unilever     |

**RETURNS (in %)**

| PERIOD | CAGR RETURN | SIP CAGR RETURN | LARGE-CAP- AVG ANNUALISED RETURN |
|--------|-------------|-----------------|----------------------------------|
| 1 Year | 12.11       | 17.93           | 8.59                             |
| 3 Year | 19.02       | 13.52           | 18.70                            |
| 5 Year | 16.55       | 18.33           | 16.48                            |

**RETURNS PEER COMPARISON (in %)**

|                                   | 1-YEAR | 3-YEAR | 5-YEAR |
|-----------------------------------|--------|--------|--------|
| Birla Sun Life Top 100 Fund       | 9.17   | 18.89  | 16.66  |
| Kotak Classic Equity Regular Plan | 8.07   | 14.96  | 13.77  |
| Principal Large Cap Fund          | 9.08   | 17.14  | 13.98  |

Source: Accord Fintech, Compiled by ETIG Database

**Expert Take**

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Birla Sun Life Frontline Equity Fund has been our recommended large cap fund since 2013. We feel the opportunities that the fund manager discovers in the mid cap space are creating alphas for the portfolio. We would recommend this fund to our moderately aggressive and aggressive investors on account of the active management.