

# Taurus Mutual Fund among the best Fund Houses

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BEST MUTUAL FUNDS HDFC MF

## A Class Apart

India's biggest mutual fund, HDFC, is also the most consistent performer.  
By ANAND ADHIKARI

**M**ilind Barve was pulled out from HDFC Ltd – where he was in the treasury division – to join as Managing Director of HDFC Mutual Fund just four days after it came into existence in June 2000. Today, Barve is one of only two CEOs in India – the other is IDFC MF's Naval Bir Kumar – who remains head of a fund house since its inception. What satisfies the media-shy Barve even more is the experience of building India's largest-fund house from scratch. HDFC MF boasts the highest assets under management (AUM) of ₹88,628 crore, with Reliance Mutual Fund closely following with ₹82,305 crore. Apart from size, HDFC MF is also India's best fund house, according to the BT-Value Research Best Mutual Fund rankings. Displacing rivals like ICICI Prudential Mutual Fund

and Canara Robeco Mutual Fund, HDFC MF's schemes, both in equity and debt, have consistently outperformed in the past five-year period (20 quarters). Stability at the top has certainly helped. "My team has also been around for a fairly long time," says Barve. "Our stable and high performing team puts us on a better footing," adds Anil Bamboli, a fund manager with HDFC. Bamboli, who has been adjudged the best debt fund manager in the BT-Value Research study (*Firmly Grounded*, page 77), says the parentage of HDFC, the brand, its practices and investor focus have all contributed to HDFC MF's growth. On HDFC MF's investment approach, Barve says: "We would always like to be a no-surprise fund." For instance, HDFC MF launched just three schemes, including a gold fund, during the boom time of 2003 to 2008, while its rivals launched four to five schemes each year. "You have to keep your product simple," says Barve. "Our new products are driven by the investment team, not the marketing team." Ditto for due diligence while making investments in the market. Chirag Setalvad, who manages half a dozen HDFC schemes – one, HDFC Balanced, has topped the Hybrid: Conservative Growth category in this study (*Disciplined Show*, page 76) – says that while valuing a company his team insists on meeting customers, suppliers, ex-employees, and carries out factory visits. "At the end, we try to stick to our circle of understanding, focus on the purchase price and a margin of safety," says Setalvad. "A bottom-up approach is the hallmark of HDFC MF," says Sanjeev Ahuja, a Delhi-based

RANK	FUND HOUSE	SCORE
1	HDFC Mutual Fund	34.56
2	ICICI Prudential Mutual Fund	33.79
3	Canara Robeco Mutual Fund	32.23
4	Taurus Mutual Fund	29.06
4	DSP BlackRock Mutual Fund	29.06

Read methodology on page 82  
Source: BT-Value Research Best Mutual Funds study

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**BusinessToday Rating Methodology:** Best Fund House, Best Equity Fund Manager, Best Debt Fund Manager

- For the above exercise, the universe of mainstream funds were only considered. This meant exclusion of niche and peripheral categories and fund categories which are fairly commoditized by their very design. **The Universe:** Equity: Large & Mid Cap, Equity: Large Cap, Equity: Mid & Small Cap, Equity: Multi Cap, Equity: Tax Planning, Equity: Infrastructure, Hybrid: Equity-oriented, Hybrid: Debt-oriented Conservative, Hybrid: Debt-oriented Aggressive, Hybrid: Arbitrage, Hybrid: Asset Allocation, Debt: Income, Debt: Short Term, **Excluded Categories:** Debt: FMP, Debt: Gilt Medium & Long Term, Debt: Gilt Short Term, Debt: Liquid, Debt: Ultra Short Term, Equity: Banking, Equity: FMCG, Equity: International, Equity: Others, Equity: Pharma, Equity: Technology, Gold: Funds, Hybrid: Others.
- The exercise was based on the quarterly performance over the past 5-years (20 quarters). Each quarterly performance of a fund was assigned a quartile rank in their respective categories. **Best Fund House** - The fund house with relatively highest top quartile performance was adjudged the best. Fund companies with less than Rs 500 crore asset under management and companies which started in the past five-year were not considered.

Mutual Fund Investment are subject to market risks, read all scheme related documents carefully