

# Ride out volatility with this quality player

The fund has a solid record of containing losses during market declines

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Top-quartile performance across timeframes and the ability to contain downsides well make Franklin India Prima Plus a good choice for conservative investors. With less risky large-cap stocks making up more than three-fourth of its portfolio, the fund is well placed to ride out uncertain phases in the market.

Since January this year when the market turned shaky, Franklin India Prima Plus has lost less than 2.5 per cent, much lower than the nearly 8 per cent decline in its benchmark CNX 500. Likewise, it did better than the benchmark during the dips of 2009, 2011 and 2013.

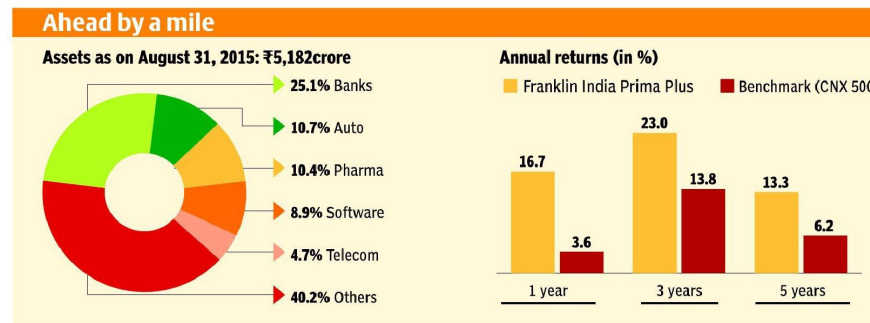
While restricting losses has been its forte for long, the fund's performance during bull runs in the past was middle-of-the-road. A relatively conservative approach, with nearly 80 per cent

of its portfolio in large caps, played a part in this.

But this changed over the past couple of years – Franklin India Prima Plus outperformed the benchmark handsomely since August 2013 when the market started booming.

While large-caps continued to dominate, an increase in mid-cap stocks in the portfolio, well-timed with the rise of the market, helped. When the market turned volatile, the fund was nimble enough to again peg up its large-cap exposure (currently 77 per cent). Its one, three and five-year returns have paced ahead of the CNX 500's returns by 7-13 percentage points.

The fund's daily rolling returns have been higher than that of the benchmark 95 per cent of the time over the past five years. It also ranks in the top quartile among its large-cap peers. At less



than 2.3 per cent for its regular plans, the fund's expense ratio is among the lowest in its category.

**Contrarian bets**

Franklin India Prima Plus tilts towards a value stock picking strategy and does not shy away from contrarian bets, such as beaten-down PSU banks over the past year. It also has some offbeat bets such as Cognizant Technology Solutions, which is listed overseas. Mid-caps in its portfolio,

such as Jagran Prakashan and SKF India, are sound companies which should be able to hold their own if the market remains choppy.

The fund read the tea leaves right. In August 2013, when the market mood was turning buoyant, it upped exposure to auto and bank stocks which gained significantly.

Earlier this year, when the tide showed signs of turning, the fund stocked up again on defen-

sive sectors, such as pharma. Private sector banks form the largest chunk in the fund's portfolio.

In the past year, stocks in the portfolio, such as Torrent Pharma, have doubled.

There have been missteps, such as exiting Himatsingka Seide early, but the good moves outnumber the bad ones. Over longer time-periods, multi-baggers, such as Eicher Motors and Amara Raja Batteries, have boosted the fund's returns.



**Fundas**

- Large-cap focus
- Benchmark beater
- Top quartile performer