

FUND REVIEW

Franklin Build India Fund

Focus on Big Infra Cos, Banks is Key

In the past two years, the Modi-led government has shown keen interest in ushering in reforms in the infrastructure sector. This augurs well for schemes which have a dedicated focus on infrastructure themes directly or indirectly. Among the schemes which have strong focus on infrastructure, Franklin Build India Fund is one of the best schemes for retail investors. Investors can invest in the scheme with a horizon of at least five years.

One of the main distinguishing factors between Franklin Build India and other infrastructure-focused schemes is the way it plays the theme in its portfolio. It is estimated that close to 25% of its portfolio comprises banks. Banks fund capital expenditure of private companies and hence, they also serve as a proxy play for infra

theme. Besides, the scheme also invests in key infra companies, which not only generate high cashflow from operations but also are market leaders in their respective sectors. A few prominent companies in the scheme's portfolio are UltraTech Cement, Maruti, HDFC Bank and State Bank of India.

In the past three-year and five-year periods, it has given 30% and 18.8% returns, while Nifty 500 has given 13.1% and 7% in the same period.



—Rajesh N Naidu/ET Intelligence Group

PORTFOLIO CHANGE

New Entrants	Complete Exits	Increase in Allocation
Heidelberg Cement India	Gateway Distriparks	The Federal Bank
Power Grid	Bharat Electronics	

RETURNS (in %)

PERIOD	FUND RETURN CAGR	SIP RETURN CAGR	INFRASTRUCTURE - CAP- AVG ANNUALISED RETURN
1 Year	-0.17	5.93	-8.20
3 Year	30.56	28.05	18.84
5 Year	18.87	28.75	6.06

RETURNS PEER COMPARISON (in %)

	1-YEAR	3-YEAR	5-YEAR
Canara Robeco Infrastructure	-4.77	18.97	9.21
Kotak Infra & Economic Reform	-0.11	22.48	10.54
Religare Invesco Infrastructure	-12.85	21.31	8.81

Source: Accord Fintech, Compiled by ETIG Database

Expert Take **RUPESH BHANSALI,**
Head-mutual funds, GEPL Capital

We believe the worst is over for banks and in the coming quarters banks are expected to show positive performances. Since the government has expressed its interest in clearing hurdles in infra sector, we believe schemes like Franklin Build India are expected to do well in the long-term.