

FUND REVIEW Franklin India Taxshield Fund (G)

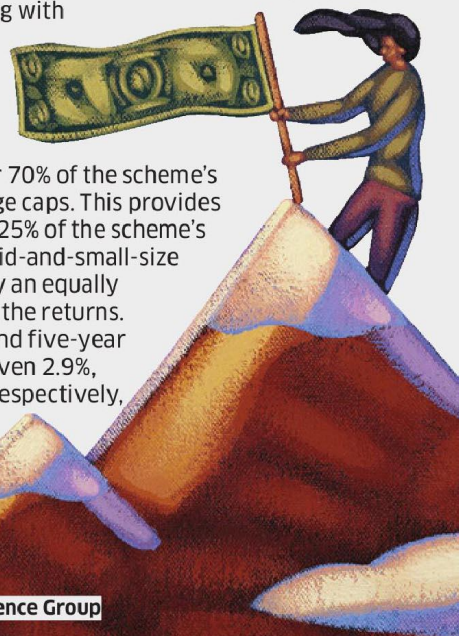
Equity Exposure with Lower Risk

Investments are all about timing. Longer the period considered for investments, better are the prospects of superior returns. Given the volatility in markets, it makes sense to look at conservative avenues of investments, which are long term in nature. Tax saving equity schemes are best suited for that. They serve two purposes. First, they provide tax benefits. Second, a reasonably good equity exposure that provides handsome returns.

Among the tax savings equity schemes, Franklin Tax Shield is one of the few schemes which has performed well. The scheme follows growth style of investment where 'valuation' of a company is given the prime importance along with its cashflows. Keeping these factors in mind, the scheme's fund manager Anand Radhakrishnan chooses stocks through bottom-up approach. Over 70% of the scheme's portfolio is invested in large caps. This provides stability in returns. About 25% of the scheme's portfolio is dedicated to mid-and-small-size companies, which also play an equally important role in boosting the returns.

In one-year, three-year and five-year periods, the scheme has given 2.9%, 21.8% and 14.7% returns, respectively, while its category funds have given -0.3%, 18.7% and 11.4%, respectively.

—Rajesh N Naidu/ET Intelligence Group



PORTFOLIO CHANGE

New Entrants	Complete Exits	Increase in Allocation
Aditya Birla Fashion & Retail	Crompton Greaves	Arvind
Bata India	Eicher Motors	Voltas

RETURNS (in %)

PERIOD	FUND RETURN CAGR	SIP RETURN CAGR	ELSS - AVG ANNUALISED RETURN
1 Year	2.90	4.28	-1.73
3 Year	21.82	19.15	17.56
5 Year	14.72	19.96	10.80

RETURNS PEER COMPARISON (in %)

	1-YEAR	3-YEAR	5-YEAR
Birla Sun Life Tax Plan	1.19	22.44	14.08
Birla Sun Life Tax Relief 96	1.61	23.38	13.87
ICICI Prudential Long Term Equity	0.33	20.75	12.88

Source: Accord Fintech, Compiled by ETIG Database

Expert Take **SURESH SADAGOPAN,** Founder, Ladder7 Financial Advisories

Franklin Tax Shield scheme is a large-cap oriented fund. It has been a consistent performer for a long time now. It sticks to its mandate closely— stays in equity during all cycles and avoids cash calls. Due to its consistent performance with favourable risk measures it scores well with investors who don't want to take too much risk.