

# CPSE ETF oversubscribed four times by anchor investors

## Issue Saw Participation From Banks, Insurers, FIIs & MFs

Allirajan.M@timesgroup.com

**Chennai:** The further fund offer (FFO) of CPSE (Central Public Sector Enterprises) ETF (exchange traded fund), has been oversubscribed four times by anchor investors when the issue opened for subscription for them on Tuesday. Anchor investors put in Rs 6,000 crore against Rs 1,500 crore reserved for them in CPSE ETF, which is managed by Reliance Mutual Fund (MF).

The issue has a base size of Rs 4,500 crore with provision to retain oversubscription of up to Rs 1,500 crore. CPSE ETF opens for retail investors, who are being allocated 70% of the issue, on January 18 and closes on January 20. As part of the FFO, an up-

front discount of 5% is being offered to all category of investors.

**PSE ETF offers investment opportunity in 10 underlying PSUs stocks including blue-chip 'Maharatnas' and 'Navaratnas'**

The FFO is part of the Government of India's (GOI) overall disinvestment program, announced earlier by the Department of Investment and Public Asset Management (DIPAM), Ministry of Finance, using the ETF route.

The issue received participation from banks, insu-

rance companies, FIIs and MFs, both domestic and foreign. Nomura, Morgan Stanley, SBI, LIC, Axis Bank and Birla Sun Life MF were some of anchor investors.

"The issue saw very strong participating from the private sector, in addition to government participation, on the first day itself and we are hopeful of strong momentum in the retail category that opens tomorrow," Sundeep Sikka, chief executive officer, Reliance MF. CPSE ETF offers investment opportunity in 10 underlying PSUs stocks including blue-chip 'Maharatnas' and 'Navaratnas', which are leading players in their respective sectors. GOI used this innovative route to divest its holding in CPSEs via the ETF

route. Its new fund offer (NFO) was launched in March 2014 with an issue size of Rs 3,000 crore. The GOI offered upfront NFO discount of 5% on the underlying Nifty CPSE Index shares to all categories of investors during the NFO. Oil and Natural Gas Corporation and Coal India have a weightage of 47.31% in CPSE ETF's portfolio.

The ETF offers investors the opportunity to diversify exposure across a number of public sector companies through a single instrument. The FFO is open for all category of investors including anchor investors, retail investors, retirement funds, qualified institutional buyers, non-institutional investors and foreign portfolio investors.