

## Fund Managers Who Stayed Ahead of the Returns Curve

**ET WEALTH-MORNINGSTAR RANKING** of best fund managers identifies the wizards whose stock-picking skills delivered superior risk-adjusted returns over the past five years

### ET Wealth

**Mumbai:** The tumultuous sequence of events in the stock markets over the past few years would make for a blockbuster at the box office, but a handful of reputed fund managers stoically sifted through the noise to shower investors with riches.

"Focus on stock selection based on thorough ground-up research has been critical particularly in this climate where several businesses' near term profitability is seemingly impaired yet long term earnings potential remains intact," insists Mirae Asset MF's Neelesh Surana, who has the unique distinction of bagging the top slot in ET Wealth-Morningstar rankings of best fund managers in both large cap and mid-and-small cap fund categories.

His remarkable consistency in delivering superior risk-adjusted returns across two distinct mandates — Mirae Asset Emerging Bluechip Fund and Mirae Asset India Equity Fund — has seen him make the fourth consecutive appearance in our annual rankings.

Taking the top slot in the multi-cap funds category is Axis Mutual Fund's Jinesh Gopani, whose deft handling of the country's biggest tax-saving fund — Axis Long Term Equity — has fetched investors annualised returns of 26% over the past five years. Gopani has kept faith with long-term, secular growth stories rather than riding momentum-driven opportunities that have found favour in recent times.

"It is better to stick with companies with strong business models supported by a pedigreed management with proven ability to navigate different business cycles," asserts Gopani.

The ET Wealth-Morningstar ranking is based on weighted average five-year performance of open-ended diversified equity schemes upto June 30, 2018. Schemes with an AUM of at least ₹200 crore were considered, with the study limited to fund managers who handled a combined AUM of at least ₹500 crore across all qualifying funds and had a continuous five-year fund management experience, with the exception of fund managers who have up to four-month gap between two stints.

### The Best Fund Managers in 2018

Rank	Fund manager	Fund house	5-Year asset-weighted return (%)	Average 5-year AUM (₹ cr)
<b>Large-Cap</b>				
1	Neelesh Surana	Mirae Asset MF	21.28%	2,376
2	Harsha Upadhyaya	Kotak MF	21.00%	6,196
3	Sohini Andani	SBI MF	18.28%	6,951
4	Sailesh Raj Bhan	Reliance MF	18.64%	2,768
5	Maresh Patil	Aditya Birla Sun Life MF	17.14%	13,595
<b>Multi-cap</b>				
1	Jinesh Gopani	Axis MF	23.88%	8,620
2	Dhimant Shah	Principal MF	27.35%	714
3	Rajeev Thakkar	PPFAS MF	19.23%	636
4	Ajay Garg	Aditya Birla Sun Life MF	22.45%	2,930
5	Mrinal Singh	ICICI Prudential MF	22.49%	11,189
<b>Small/Mid-cap</b>				
1	Neelesh Surana	Mirae Asset MF	30.33%	2,036
2	S.N. Lahiri	L&T MF	27.51%	1,634
3	Ravi Gopalakrishnan*	Canara Robeco MF	31.16%	1,136
4	Anoop Bhaskar^	IDFC MF	26.08%	4,419
5	R. Janakiraman	Franklin Templeton MF	25.78%	7,108

\*left the fund house in May 2018; ^switched from UTI MF to IDFC MF during period under consideration. Data considers performance during both stints; Note: The ranking is based on risk-adjusted returns so some managers with a higher asset weighted returns may be ranked lower than others; The study pertains to the period between 1 July 2013 and 30 June 2018

But the ranking is not based on the returns alone. The aggregate returns were adjusted for risk to evaluate how much risk was taken by the managers to generate the returns. The recent scheme categorisation exercise has led to several schemes changing flavours as they adapt to stricter definitions for operating in a particular category.

But since these have been introduced only recently, and our study is based on fund performance of the previous five years, we have chosen to rank the fund managers according to the erstwhile categories as defined by Morningstar India.

In a market environment polluted with deafening noise and unwanted distractions, these fund managers have fallen back to the basics. Avoiding costly mistakes and moving with caution is the common thread that binds the most successful

fund managers during this period.

"Portfolio returns are as much driven by stocks not held as they are by the stocks invested in," contends Harsha Upadhyaya of Kotak Mutual Fund, who ranks second in the list of best large-cap fund managers.

In the mid and small cap space particularly, cutting down on number of mistakes is far more valuable than being among the first to identify new ideas, argues R Janakiraman of Franklin Templeton MF. Another consistent performer, he ranks among the top five fund managers in the mid- and small-cap funds category.

In recent years, most fund managers have placed particular emphasis on providing better downside protection to ensure that return profile is intact.

Detailed story in today's ET Wealth