

Plexus Management Services

NFO Review: Baroda Pioneer PSU Equity Fund

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|---------------------------------------|---|
| Offer Period | 13 th Sep 2010 to 24 th Sep 2010 |
| Scheme Type | Open Ended Theme Equity |
| Unit Price & Subscription: | Unit Price : Rs. 10 per unit: Subscription : Rs. 5000 |
| Load & options. | Entry load – NIL. Exit load - 1.00% if redeemed on or before 365 days from the date of allotment of units. NIL, if redeemed after 365 days from the date of allotment of units. Options: Growth & Dividend |
| Fund Objective: | To provide investors with opportunities for long-term growth in capital along with the liquidity of an open-ended scheme through an active management of investments in a diversified basket of equity stocks of domestic PSU (Public Sector Undertakings). There is no assurance that the investment objective of the Scheme will be realized. |
| Benchmark: | BSE PSU Index |
| Fund Manager | Dipak Acharya |

Idea Distiller:

The PSU pack continues to find attraction amongst fund houses and investors. Its theme has not been so well settled as perhaps the other sectors and with the big ticket divestment ideas largely restricted to the PSU sector, more interest, is expected to be generated here.

Asset allocation:

| Item | Percentage |
|-------------------------|------------|
| Debt & Cash equivalent: | 0%-35% |
| Equity | 65%-100% |

Track record:

| Management | Fund Manager |
|-------------------|-------------------|
| Risk: ★ ★ ★ ★ ☆ | Risk: ★ ★ ★ ★ ☆ |
| Return: ★ ★ ★ ☆ ☆ | Return: ★ ★ ★ ☆ ☆ |

Comments:

Clearly PSU stocks are gearing up for making it to the “buzz list” sometime into the future. Divestments will continue to happen and ensure a lot of money flow happens into the sector. The recent upside in the indices have not been reflected in the PSU sector and for the patient investor, there is adequate reward to be reaped. However, the fund house is a small one and the fund manager has only small corpuses at his disposal. Somehow, the law of diminishing returns possibility is a worry on the part of the fund and the manager.

Oomph appeal:

Good sector, weak managers. I would avoid.

Peer Scheme

Religare PSU Equity

Scheme DNA:

Unique Idea : ★ ★ ☆ ☆ ☆
Return Possibility : ★ ★ ★ ★ ☆
Risk : ★ ★ ☆ ☆ ☆
Opera ability/Complexity : ★ ★ ★ ★ ☆