

SRINIVASAN'S SCORECARD

Return in %	1-Year	3-Year	5-Year	10-Year*	2015	2014	2013	2012	2011	2010
SBI Contra	-0.10	13.17	6.89	13.06	-0.09	47.65	-1.75	34.24	-28.25	9.57
SBI Emerging Businesses	4.33	14.95	16.24	14.72	4.33	58.01	-7.87	56.31	-10.58	33.08
SBI Magnum Equity	2.43	15.53	9.96	15.06	2.43	42.65	5.54	29.89	-19.69	18.35
SBI Magnum Global	7.92	25.40	18.12	16.84	7.92	66.55	9.69	35.98	-14.20	18.10
SBI Small & Midcap	20.56	39.92	22.28	-	20.56	110.66	7.85	31.91	-24.31	18.97

*The scheme has been in existence before Srinivasan took over

As on December 31, 2015

competitiveness, tech advantage, regulatory edge and network effect.

A MIXED BASKET

The Srinivasan-run Global Equity Fund comprises Procter & Gamble Hygiene and Health Care (P&G), Solar Industries India, Cholamandalam Finance, Grindwell Norton, Britannia Industries, and Dr Lal PathLabs among the top 10 holdings. While P&G continues to increase its market share in the feminine care market (currently 57%), so has Britannia under new MD, Varun Berry. In the case of Cholamandalam, he believes that even though they are not low on financials, the fund cannot be more than 8% underweight in the sector. Thus, to maintain a benchmark, it had to make a choice. "Shriram Transport Finance is by far the best in the commercial vehicle loan business. That's because nobody has been able to do what it has done for decades. But Cholamandalam is the only player that has managed to make its presence felt in this business, if Shriram lends to seven of the 10 vehicles funded, the other three will be by Cholamandalam. Then again, we won't simply buy anything in financials because we need a sector representation...Chola also makes the cut due to its high ROC and better growth prospects," Srinivasan points out.

Since the emphasis is on quality and high-growth companies in the Global Business Fund, valuations may not necessarily be attractive. He is cognisant about it and defends his position, "In the Global Business Fund, the philosophy is more important than price. While quality is not a function of price, recommendation is always a function of price. So, at these levels, the sell-side could have a "sell" call.

P&G may underperform the market for three years, but it will not give a negative return of 50%. Stocks that can deliver 500% may also fall 90%, like we had seen in the case of IP."

Though P&G with an impressive portfolio comprising Whisper — India's leading feminine hygiene brand — Vicks and Old Spice, is trading at 40x one year ahead, Srinivasan claims that the best is yet to come. "I strongly believe in the structural growth story of P&G that will be driven by low market penetration in the feminine care segment [two-third of sales] of around 15%. In addition to this, its distribution reach and diverse product portfolio make for higher entry barriers," he says. Despite the presence of Johnson & Johnson and attempts made by Emami to enter the sanitary napkin space, they have not been able to snatch market share from P&G. "There is a huge amount of brand stickiness and as more

AVERAGE SECTOR ALLOCATION

