

When it's about money...  
 PRESENTS  
**#REBOOTINGINDIA**  
**BUDGET** 2018

 5paisa.com

**V O L V O**

 L&T Realty

ET Home > MF > Analysis

Search for News, Stock Quotes & NAV's

09:44 AM   05 FEB	<b>LIVE</b>	ಸೆನ್ಸೆಕ್ಸ್ <b>34,736</b> ▼ -330.64	ನಿಫ್ಟಿ 50 <b>10,648</b> ▼ -112.40	ಬೆನ್ಚ್ (ಎಂಸಿಎಕ್ಸ್) (₹/10 ಗ್ರಾ... <b>30,350.00</b> ▼ -155.00	ಯುಎಸ್ ಡಿ/ಭಾರತೀ... <b>64.16</b> ▲ 0.14	 <b>CREATE PORTFOLIO</b>	ಈ-ಟಿ ಮಾರುಕಟ್ಟೆಗಳ ಅಪ್ ಅನ್ನು ಡೌನ್‌ಲೋಡ್ ಮಾಡಿ  	CHOOSE LANGUAGE <b>KAN</b>	<b>LIVE TV</b>
-------------------	-------------	---------------------------------------	--------------------------------------	--	--	---	--	-------------------------------	----------------

# Should you switch from small and midcap to largecap mutual fund schemes?

BY SHIVANI BAZAZ, ET ONLINE | UPDATED: JAN 25, 2018, 02.02 PM IST

 Post a Comment

Mutual fund managers are predicting a sharp correction in the market in wake of the stretched valuations. They believe that largecap mutual fund schemes are the best place to be in such a scenario . [Mutual fund advisors](#) are also on the same page and many of them have stopped recommending small and [midcap schemes](#). The reason for this shift is the low risk-reward ratio in mid and [smallcap schemes](#). Is it time for mutual fund investors to shift to [largecap schemes](#)?

"Markets are overvalued as a whole, especially the small and midcap space. We saw a little correction recently but that is not helpful. The valuations are high and expecting big gains in the short term looks difficult. The smallcap space needs a bigger consolidation in the time to come in order to get to reasonable valuations," says [Vinit Sambre](#), Fund manager, DSP BR Microcap Fund.



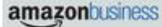
**Big Change:**  
 The end of Five-Year Plans: All you need to know

Advisors are also saying that we have entered the last phase of the current bull market and they are predicting a correction soon. "Small and midcaps have run up very sharply in the last couple of years. So when everyone around is predicting correction, these two spaces will be hit the most. That is why largecaps are a good place to be in the equity market," says [Vishal Dhawan](#), Founder, Plan Ahead Wealth Managers.

But does this mean mutual fund investors need to change their portfolio? Many new mutual fund investors are anxious about the recent correction in the mid and smallcap space and the prediction of a fall. Vinit Sambre believes that investors do not need to fret about this volatility. "When we say move to largecap because of volatility that is fundamentally a stock call. These decisions are not for mutual fund investors. The fund manager is already taking the calls in the scheme. Investors should focus on their goals and not change their asset allocation in line with the market performance," suggests Vinit Sambre.

Mutual funds are long-term [investment](#) vehicles and investors should not get in and get out according to market movements. "Fundamentally, we tell all the investors to invest according to their risk appetite and investment horizon. Most investors who are anxious at this time definitely didn't have a stomach for volatility. Such investors are anyway a misfit in the small and midcap space. Mutual fund investors need to stick to basics of investing and not think about the free advice floating in the market," says [Vishal Dhawan](#).

Investors should try to make changes in their portfolio during market volatility. However, a little caution can help investors. Mutual fund advisors suggest that if your risk appetite and investment horizon allows you, you can invest in small and midcap space anytime. "It is always a good time to start investing but if are planning to invest in a smallcap scheme, make sure you have an investment horizon of close to 10 years," says [Vishal Dhawan](#).

 **Amazon Business-GST Invoice & Bulk Discounts**  
 Amazon SME

 **Escape to Life with Rio de Goa by Tata Housing**  
 TATA HOUSING

Recommended By 

"If you want to be a little safe and you think you might need the money at any time, better go for a multicap scheme. The fund manager

in such schemes will have the luxury of investing in any market capitalisation. It is better than switching schemes," says Vinit Sambre.

Stay on top of business news with The Economic Times App. [Download it Now!](#)

# THE ECONOMIC TIMES

Powered by **TIMESINTERNET**

[Live Market](#)  
[News](#)  
[Portfolio](#)  
[Mobile](#)  
[Live TV](#)  
[Biz Listings](#)

[Industry](#)  
[Newsletters](#)  
[Commodities](#)  
[Speed](#)  
[Blogs](#)  
[RSS](#)

[About Us](#)  
[Create Your Own Ad](#)  
[Advertise with Us](#)  
[Terms of Use & Grievance Redressal](#)  
[Privacy policy](#)

**FOLLOW US**



Download it from  
**APP STORE**



Download it from  
**GOOGLE PLAY**



Download it from  
**Windows Store**

#### Other Times Group news sites

[इकनॉमिक टाइम्स](#) | [ईडेनोमिक टाइम्स](#) | [Pune Mirror](#) | [Bangalore Mirror](#) | [Ahmedabad Mirror](#) | [ItsMyAscent](#) | [Education Times](#) | [Brand Capital](#) | [Mumbai Mirror](#) | [Times Now](#) | [Indiatimes](#) | [नवभारत टाइम्स](#) | [महाराष्ट्र टाइम्स](#) | [ವಿಜಯ ಕರ್ನಾಟಕ](#) | [Go Green](#) | [AdAge India](#) | [Eisamay](#) | [IGN India](#) | [NavGujarat Samay](#) | [Times of India](#) | [Samayam Tamil](#) | [Samayam Telugu](#) | [Miss Kyra](#) | [Bombay Times](#) | [Filmipop](#)

#### Living and Entertainment

[Timescity](#) | [iDiva](#) | [Entertainment](#) | [Zoom](#) | [Healthmeup](#) | [Luxpresso](#) | [Gadget Reviews](#) | [Titanium & Platinum Credit Card](#) | [Online Songs](#) | [MensXP](#) | [Hotels](#) | [Travel Destinations](#) | [Cricbuzz](#) | [Recipes](#) | [Gaana](#) | [Happytrips](#) | [Getsmartapp](#)

#### Interest Network

[itimes](#)

#### Hot on the Web

[Budget Highlights](#) | [Tax Saving Investments](#) | [Income Tax Slabs](#) | [Aadhaar Card](#) | [How to Save Income Tax](#) | [Budget Session](#) | [Income Tax](#) | [Sensex Today](#) | [Budget](#) | [Sensex](#) | [Income Tax Calculator](#) | [Aadhaar](#)

#### Services

[Book print ads](#) | [Online shopping](#) | [Matrimonial](#) | [Astrology](#) | [Jobs](#) | [Tech Community](#) | [Property](#) | [Buy car](#) | [Bikes in India](#) | [Free Classifieds](#) | [Send money to India](#) | [Used Cars](#) | [Restaurants in Delhi](#) | [Remit to India](#) | [Buy Mobiles](#) | [Listen Songs](#) | [News](#) | [TimesMobile](#) | [Real Estate Developers](#) | [Restaurant Deals in Delhi](#) | [Car Insurance](#) | [Gadgets Now](#) | [Free Business Listings](#) | [CouponDunia](#) | [Remit2India](#) | [Techradar](#) | [AliveAR](#) | [Getsmartapp App](#) | [ETMoney Finance App](#) | [Feedback](#) | [AutoManage Notifications](#)

## In Case You Missed It

- ✦ [Aditya Birla Sun Life Mutual Funds](#)
- ✦ [L&T Mutual Funds](#)
- ✦ [Budget 2018](#)
- ✦ [Kotak Mahindra Mutual Funds](#)
- ✦ [Reliance Mutual Fund](#)
- ✦ [HDFC Mutual Fund](#)
- ✦ [Franklin Mutual Funds](#)
- ✦ [IDFC Mutual Funds](#)
- ✦ [Nifty50 @10,000; should mutual fund investors still wait for correction?](#)
- ✦ [Best Mutual Funds](#)
- ✦ [UTI Mutual Fund](#)
- ✦ [ICICI Mutual Fund](#)

Copyright © 2018 Bennett, Coleman & Co. Ltd. All rights reserved. For reprint rights: [Times Syndication Service](#)