

Tata Mutual Fund eyes reforms windfall, but new plans face risk hurdle

By [Prashant Mahesh](#), ET Bureau | 14 Dec, 2015, 03.00AM IST

MUMBAI: Tata Mutual Fund has announced five new fund offerings (NFOs) and is relaunching an existing fund, under an umbrella called "Own a Piece of India", theme. The NFO is open and closes on December 18. The new funds are — Tata Banking and Financial Services Fund, Tata India Consumer Fund, Tata Digital India Fund, Tata India Pharma & Healthcare Fund and Tata Resources & Energy Fund. The existing fund that comes under the theme is Tata Infrastructure Fund.

These are sector-specific and thematic funds that will invest in stocks (a minimum of 80% of a scheme's total corpus) which come under the sector where each fund will focus. The fund managers believe that the government will usher in reforms that will push growth which in turn will benefit these sectors. This new fund offering from the fund house also brings in a multiple fund manager approach where each fund will have a lead fund manager who is also supported by one or more fund managers in the portfolio management process.

Cashing In	
Fund name	Benchmark
Tata Banking & Financial Services	CNK Finance Index
Tata India Consumer	CNK Consumption Index
Tata Digital India	S&P BSE IT Index
Tata India Pharma & Healthcare	CNK Pharma Index
Tata Resources & Energy	CNK Commodity Index
Tata Infrastructure	CNK 500 Index



Financial planners believe such sectoral and thematic funds hold concentrated portfolios and since they buy stocks in a single sector or theme, they are exposed to high risk. "There are several funds within the same segment which have a track record.

Investors wanting an exposure to some themes would do well to invest through them, rather than opting for an NFO where the portfolio and style is unknown," says Vishal Dhawan, chief financial planner, Plan Ahead Wealth Advisors.