

L&T Mutual Fund promoted by engineering and construction major, L & T MF in the News Larsen & Toubro; saw the maximum 64.30% rise in its assets its AUM stood at Rs 41.26 billion in April.

L&T entered the mutual fund business recently after it acquired 100% stake in the erstwhile DBS CholaMutualFund.

In the open ended category L&T Freedom Income (Institutional Plan) witnessed inflow of Rs 15,281.65 million and L&T Freedom Daily Dividend Re-investment Plan gained Rs 15,606.4 million on the other hand in the closed ended category L&T Fixed Maturity Plan - Series 12 (Growth) registered inflow of Rs 917.3 million.

Talking to myiris.com about the same Sanjay Sinha, chief executive officer (CEO), L&T Mutual Fund, said, "Post Feb 16, 2010, AMC has focused on building the sales and distribution channel to reach out to various investors. We already had performing products on both debt and equity side which have been well recognized. We expanded our branch network from 19 cities to presently 36 cities. All this has led to recognition of the fund house as performing fund house well connected with investors as well as channel partners."

L&T's current portfolio includes funds like L&T Opportunities Fund, L&T Growth Fund, L&T MultiCap Fund, L&T Contra Fund on the equity side on the debt side it offers L&T Liquid fund, L&T Triple Ace Fund, L&T Gilt to name a few. It also offers L&T Income Plus in the hybrid category.

When asked about innovative products which the AMC is looking to launch Sinha said, "Our current product suite is uncomplicated with distinct positioning of each product. We believe the current product basket is still small and we have identified certain gaps in our product basket. For example, we do not have short term fund on debt side, certain thematic funds like Banking etc are also interesting, and we do not have any passively managed fund in our product suite. We will attempt to fulfill these gaps."

In 2009 MF industry went through a revolutionary phase as SEBI but about many reforms which have altogether changed the way mutual funds are sold and operated by distributors and AMCs respectively.

Many believe that the MF industry environment is not very welcoming and challenging too due all the regulatory changes but Sinha believes that there is lot to explore; he said, "MF industry has grown at a rapid pace of around 30% CAGR over last 5 years. This has led to total assets under management crossing 7500 billion as on April 30, 2010. We believe there is still a large opportunity in bringing more investors under the umbrella of professional management of funds. This would be the key driver for the industry in the current year."

When asked about strategy to be followed by investors in 2010, he said, "Equity as an asset class will remain a preferred choice for long term wealth creation. With interest rates likely to go up in the second half of the financial year, debt will also present an attractive investment option for both retail as well as HNI customers."