

# Proud to say I care for mutual funds

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Mutual funds (MFs) are a boon for the investing community, be it retail, high networth individuals (HNIs) or ultra-HNIs. MFs provide us access to competent fund managers, whose talent would otherwise be lost to non-institutional investors.

Here, I would prefer to focus on equity MFs. Most individual investors do not have the resources, the ability or the time to track individual equities. Equity MFs provide individual investors

with an easy access to the country's equity markets and thus an option to participate in India's growth. The in-

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vesting process is transparent, secure and reliable. The turnaround time required for both, investment and redemption, is comparable with the best in the world. The funds, sponsors, asset management and trustee companies all are regulated.

Each fund has a fund manager, who manages the fund according to the given mandate. Most large fund houses have a team of fund managers supported by research analysts, who cover various sectors like automobiles, banking, pharma, etc. The research is mostly supported by inputs from an economist. And this wealth of information goes on to help the fund managers in their decision-making process.

In every field, there are knowledgeable people who help us make the appropriate choices. A doctor recommends appropriate medication, a CA guides us in presenting our financials under appropriate tax laws, a lawyer helps us wade through the complexities of the Indian legal system and a financial advisor can help us in choosing the appropriate investment products for our portfolio. There are those who deride the advice provided by financial advisors — calling it unscientific selection from 'commission-earning agents'.

I did not doubt the advice of my gynaecologist when she recommended a C-section, knowing fully well that she would be

a financial beneficiary. I doubt the advice of the obstetrician when he recommended that my son be admitted to the ICU. I did not doubt the advice of the cardiologist when he recommended a by-pass for my father. Over the years, I have followed the advice of a doctor, CA, lawyer, real estate broker, interior decorator. All advice and services rendered have been paid for. I have never said that, I see no reason to doubt the advice provided by financial advisors any more or less than the advice provided by many others. Most of us have realized that the vast majority of professionals — doctors, engineers, lawyers, financial advisors are serious and diligent. Every industry has a few black sheep whose actions unfortunately cast a shadow on many others.

So when some one says, "Who cares for mutual funds?" I would like to stand up, take my hand and shout out: "I care for mutual funds!"

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