

Equity MFs offer dividends on rising mkts

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The sharp rise in the markets over the past two months has triggered a flurry of dividend offers from equity mutual funds (MFs). Nearly a dozen equity MFs have announced dividends in their schemes in the past few days for which payouts are being made between June 25 and 27.

Birla Sun Life MF, HSBC MF, BNP Paribas MF and L&T MF are among the fund houses that have declared dividends. While some equity funds have announced their maiden dividends, others are offering a payout after a gap of more than three years.

Birla Sun Life Infrastruc-

PAYOUT TIME

Scheme	Dividend (₹/unit)	Previous dividend	Year-to-date returns (%)
HSBC Equity	2.5	Feb '13	26.5
Birla Sun Life Infra	1.75	Apr '11	46.7
HSBC India Opportunities	1.5	Feb '13	32.5
L&T India Value	1	NA	43.9
Reliance Tax Saver	0.36	Mar '14	44.6

Source: Value Research

ture Equity Fund is giving a dividend to investors after more than three years. The fund last declared a dividend in April 2011. Incidentally, the payout being made now is the highest from the fund since its launch. L&T India Value Fund is making its first dividend payout to investors. The fund

was launched in January 2013.

Fund houses usually announce dividends towards the end of the financial year. Several funds, which have declared payouts, had given dividends during January-March as well. But with markets surging in the past three months, a fresh round of payouts is be-

ing made. The payouts, however, have been quite modest with equity funds restricting their dividends to Rs 0.36-2.50 per unit, or 3.6-25%.

Equity MFs that invest in shares of infrastructure companies have been the best performers in the three-month period, surging 37.4% on an average and were followed by funds having exposure to mid- and small-cap stocks, which jumped 32.3%. Popular equity MF categories clocked returns in excess of 20% during the period. "We are rewarding investors as a lot of funds have had a very good performance in the past few months," says a top official with a leading fund house.

Gopal Agrawal, chief in-

vestment officer, Mirae Asset Global Investments India, says, "The rally in the markets has resulted in a good appreciation in NAVs (net asset values) of schemes. This is allowing fund houses to declare dividends now. This is an incentive for existing investors to stay back. It also encourages new investors to look at our schemes."

The benchmark sensex and nifty have increased by 15% and 15.1% respectively in the past three months. While the small-cap index was the best performer clocking an impressive 45.8% growth during the period, the capital goods and mid-cap indices gained 37.6% and 34.7% respectively.