

**Infrastructure: Where to Invest?**
**31<sup>st</sup> May, 2014**

Infrastructure stocks have seen a good rally on the back of Election results. It is expected that the NDA government will definitely start new projects in infra and will revive the stalled ones. The uncertain part now is the timing and execution of government plans. Markets are focusing on this sector on hopes that NDA government under a strong leadership will be able to deliver what it had promised.

The government is expected to announce major policy decisions in the Union Budget on infrastructure and construction sector. Both of these sectors were stuck in the last couple of years due to lack government spending, lack of liquidity and high interest rates. With the removal of these bottlenecks, the sector is expected to see strong long term growth. The sector has potential to outperform the broader markets as earnings should increase at a higher pace. Investors should stay invested and allocate some part of their portfolio to Infrastructure specific mutual funds.

**Our Top MF Recommendations:**

Fund	Expense Ratio (%)	Net Assets (Cr)	1-Month Return	3-Month Return	1-Year Return	3-Year Return	5-Year Return
PineBridge Infrastructure and Economic Reform Fund - Standard Plan	2.86	68.19	19.64	37.05	37.25	8.33	10.78
DSP BlackRock T.I.G.E.R. Fund - Regular Plan	2.47	994	21.59	42.58	32.28	9.07	8.05
Birla Sun Life Infrastructure Fund	2.73	290.4	21.31	42.96	44.23	10.57	9.66
HDFC Infrastructure Fund	2.87	520.67	21.31	49.59	39.83	6.17	9.64

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