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With over 130 years of collective equity market experience, we have built strong expertise in identifying stocks that are at the forefront of bringing disruption, about to enter into secular growth phase, or have been ignored by the market and are close to a turnaround.

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INDEX

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Message From
PMS Bazaar Team

Greetings from PMS Bazaar !

Nothing succeeds like success. PMS & AIF Summit 3.0 - The New Normal of Alternative Investments, held on November 27 and 28, is proud to be the first and finest Alternative Investments virtual confluence, bringing together an eclectic kaleidoscope of investment and business minds in the Portfolio Management Service (PMS) and Alternative Investment Fund (AIF) industry which manages of billions of dollars of wealth.

It was an event Industry has never seen at this scale. Completely conducted on a digital platform in line with the social distancing norms due to the prevailing COVID-19 pandemic, PMS & AIF Summit 3.0 saw delegates, panellists, speakers and experts logging in from the comfort of their homes and offices 100% on time, sharing of knowledge and experience happened effortlessly and with minimal interruptions. 1000+ attendees from 17 different countries, 100+ cities took part in this annual event with irresistible enthusiasm. No queues, no delays, no last-minute hiccups!

With this grand success, the PMS & AIF industry is indeed progressing towards the New Normal of Investments. Congratulatory messages about the impeccable event have been constantly pouring in from asset managers, wealth managers, independent HNI investors, family offices, wealth product distributors, foreign institutions, research agencies and media. On the all-powerful social media, posts related to the Summit saw tens of thousands impressions and deep engagement, underlining the importance of the event.

We thank every one of you for your valuable feedback. We are especially thankful for the suggestions to make the next event more powerful and effective; we take this opportunity to assure you that the suggestions will be implemented with all seriousness. We appreciate the patience, orderly conduct and the enthusiasm shown towards every session of the Summit by the delegates, without which the Summit could not have delivered such peerless value. We share the feelings of many speakers, who have expressed that they were elated to share their experiences and learning.

PMS & AIF Summit 3.0 - The New Normal of Investments portrayed 6 Presentations, 6 Panel Discussions and 1 Exclusive Fireside Chat, all of which in total witnessed the hearty participation of 30 Seasoned Professionals who have a collective experience of 500 years.

In order to quench the feelings of “missing-the-bus” and also to enable the delegates to reminisce about the PMS & AIF Summit 3.0 - The New Normal of Investments, we will soon be releasing the videos, kindly subscribe to our YouTube Channel. https://bit.ly/39Q6qgz

With such a supportive industry, we are now enthused to innovate and provide more to everyone. PMS Bazaar welcomes all on-board “The New Normal of Investments”!

PMS Bazaar Team

Mr. Pallavarajan R
Founder - Director

Mr. Daniel G M
Founder - Director

Mr. Rajesh Kumar D
Founder - Director

Mr. Hameed Rahman
Founder - Director

Mr. K.S.Ramachandran
Director

Founders Fuel

Mr. Pallava Rajan
Founder - Director
PMSBazaar

Mr. Daniel G M
Founder - Director
PMSBazaar

Setting the tone for India's biggest virtual summit on alternative investments, Mr. Pallavarajan, Founder-Director of PMSBazaar, heartily welcomed the speakers and experts who decided to share their knowledge and learning with the eager audience at PMS & AIF Summit 3.0 - The New Normal of Investments.

Mr. Pallavarajan explained the reason for shifting the summit from its physical format to digital format in view of the pandemic. He hoped that participants will make full use of 5 hours in Day 1 and 3 hours in Day 2 from the non-stop learning, actionable insights and priceless takeaways.

The outcome hoped to be achieved by the organizers of this summit was to discuss how the 'alternative investments' are emerging as new normal, or must-haves, in portfolios of discerning wealthy investors. Mr.Pallavarajan said that he believes 'Alternatives' are no longer an option anymore. They are already challenging the status quo of traditional avenues in an unprecedented manner.

While speaking at the summit, Mr. Daniel, Founder-Director of PMSBazaar discussed the need for PMS & AIF Summit 3.0 in these trying times for the world. It is important for the wealth-creation narrative to be shaped in a way that gives necessary attention and focus on growing space that alternatives deserve in today's wealth creation journey, Mr. Daniel indicated.

Mr. Daniel hoped that PMS & AIF Summit 3.0 will go a long way in expanding the mental horizon of all participants and help enrich the Indian alternative investment community to become the best around the world. PMSBazaar's journey over the years is a testimony to the potential growth that lies hidden and untapped. From details of 8 Portfolio Managers and 20 Strategies in October 2017, today PMSBzaar covers 100+ Portfolio Manager's, 200+ PMS strategies, 40+ AIF funds.

In September 2020, PMS Bazaar launched the country's first all-in-one investment analytics platform called **Finalyca**, a new cloud-based platform that eases sophisticated investors' journey into the complex world of investment products, and drives in a revolution backed by accurate & validated data, incisive analytics and uniform standards for all alternate Investment products across the industry on a single screen available 24x7.

In 3 consecutive years, PMSBazaar has now successfully concluded their First PMS & AIF Summit in 2018, the PMS & AIF Summit 2.0 - The Next BIG Shift, and the PMS & AIF Summit 3.0 - The New Normal of Investments. This marks a giant leap towards fulfilling the needs of the investors interested in alternative investments.

As the PMS & AIF Summit 3.0 continued in full flow, PMSBazaar crossed the landmark of 20,000 registered users, marking 100% growth from the PMS & AIF Summit 2.0 when it had surpassed 10,000-subscriber base. All this has been possible due to the dedication shown by PMSBazaar in periodically releasing Articles, News Letter, PMS Guide and AIF Guide every month, enriching the information ecosystem of alternative investments.

In order to imbibe further knowledge, PMSBazaar has released a **"Special-Edition"** of the PMS & AIF Summit 3.0, The New Normal of Alternative Investments.

New Normal of Alternative Investments

Mr.Aashish P. Somaiyaa, Chief Executive Officer, White Oak Capital

Mr. Aashish Somaiyaa, Chief Executive Officer, White Oak Capital presented a knowledge session explaining the summit theme - New Normal of Alternative Investments and his insights on the subject. Mr. Aashish is responsible for strategizing, growing and managing the operations at White Oak Capital, a highly differentiated equity boutique managing offshore funds investing into India as well as domestic AIF and PMS strategies totaling over $ 2 billion.

Mr. Aashish started off by stating that there is huge overall growth in asset management and capital markets - $89 trillion assets under management (AuM). Coming to Indian trends, Mr. Aashish explained how Category III AIFs have grown from Rs 5,000 crore in Mar-15 to Rs 50,000 crore in Sep-20. He also added that the Real Estate Investment Trusts (REITs) market value now is Rs 45,000 crore and the market value of Infrastructure Investment Trusts (InvITs) is Rs 10,000 crore.

Talking about the PMS bucket, Mr. Aashish pointed out how discretionary equity PMS has grown multifold from Rs 40,000 crore in Mar-15 to an estimated Rs 1.5 trillion today. In short, India is following a global pattern. Last 3 years have seen an acceleration in growth of passives and that of PMS and AIF relative to active equity mutual funds.

Mr. Aashish hoped that this growth path would get stronger on the back of Innovation, Growth in Alternative asset classes, Rise in HNI and affluent client base, regulatory trends that straight-jacket mutual funds while mainstreaming 'alternatives' & better understanding of the nuances of PMS and AIF structure.

Niche, thematic, smallcap, low credit strategies that are not suited for retail investors of MFs and open-ended formats of PMSes, are better executed on AIF platforms, observed Mr. Aashish. In conclusion, investing in equities for the long-term via alternatives helps investors keep their behaviour in the cycle and hence the experience of the cycle is isolated from the crowd.

> **"Alternative Investments growth path would get stronger on the back of Innovation, Growth in Alternative asset classes, Rise in HNI and affluent client base,"**

Can Humans Minds Be Programmed to be a Rational Investor

Mr. Aniruddha Sarkar, Chief Investment Officer - Quest Investment Advisors

Mr. Aniruddha Sarkar is the Chief Investment Officer & Portfolio Manager at Quest Investment Advisors. With over 13 years experience in portfolio management and equity research, Sarkar has a record for consistent generation of CAGR. He presented a knowledge session on the ways human minds can be shaped into rational thinking. It is well-accepted that irrational behaviour costs investors a lot, and hence rational investors can gain a definite edge over others.

Emotions are an important factor in all our investments. This is an area of critical importance, and so investors should spend some time in understanding how the mind works, said Mr. Aniruddha. The biggest problem with the human mind is that they are fixated with the outcome all the time. If the outcome is good, we believe the decision was good and if the outcome was bad, we feel the decision was bad, Mr. Aniruddha added.

Calling a rational investor Homo Economicus, Mr. Aniruddha said this individual makes use of all available information to arrive at a decision that gives the best optimum desired output without allowing emotions or biases come into play.

Delving deep into how the human brain has developed, Mr. Aniruddha stated that studies show over the 1.5 lakh years of evolution, the human brain has practically remained stagnant. The complexity of the world where the brain operates has increased exponentially.

Human minds desire instant gratification by default. Once a loss has been experienced, the pain centres of the brain become aroused and future decisions tend to be less rational than before, explained Mr. Aniruddha. This is why when investors incur a loss, they start taking much more risky bets.

Bad experiences linger longer. And, they have a profound impact on thinking even after many years. Explaining further, Mr. Aniruddha talked about how the failure to take profits off the table is a common phenomenon and another common cause for dissatisfaction is continuously seeking relative outperformance.

Explaining the wrong analysis of risk, Mr. Aniruddha during his session elaborated upon the various emotional biases with easy to understand examples and thus enriched the knowledge base of participants in a big way.

> **"Human minds desire instant gratification by default. Once a loss has been experienced, the pain Centre's of the brain become aroused and future decisions tend to be less rational than before"**

Investment Philosophy: The Cornerstone of Portfolio

Panel Discussion : (L to R) Dr.Renu Pothen, Mr. Parag N Thakkar, Mr.Susmit Patodia, Mr.Varun Goel & Mr.Trideep Bhattacharya

An investment philosophy is a set of beliefs and principles that guide an investor's decision-making process. It's not a set of laws, more a set of guidelines. This was precisely the topic of discussion for our illustrious panel comprising Mr. Parag N Thakkar, Portfolio Manager, ICICI Prudential PMS, Mr. Trideep Bhattacharya, Senior Portfolio Manager - Alternative Equities, Axis AMC, Mr. Susmit Patodia, Fund Manager, Motilal Oswal AMC, and Mr. Varun Goel, Head Equity - Alternate Assets, Nippon India. The event was moderated by Dr. Renu Pothen of Client Associates.

Mr.Trideep Bhattacharya
Senior Portfolio Manager, Alternative Equities, Axis AMC

The panel discussion began with Mr. Trideep of Axis AMC explaining the thinking behind Axis 'Brand Equity' Portfolio that seeks to achieve long term capital appreciation through investment in companies with 'strong brands.' Having worked outside India for quite some time, Mr. Trideep said that he observed investments in brands worked out well for investors and so he realized that the time for brands has come in India as well. Brands in the form of an equity portfolio construct shows promise of significant relative outperformance.

> **"Time for brands has come in India as well. Brands in the form of an equity portfolio construct shows promise of significant relative outperformance."**

Mr. Susmit Patodia
Associate Director & Fund Manager, Motilal Oswal AMC

Mr. Susmit of Motilal Oswal AMC demystified the QGLP and Buy Right-Sit Tight philosophies to the summit participants. He explained that Buy Right - Sit Tight involves buying the right companies/stocks and then the waiting game begins as time is given for the portfolio to grow. Unless something important changes in the investment argument, Mr. Susmit said the goal is to see the desired outcome. As scale-up happens, the cost for the client reduces. QGLP, on the other hand, is a synthesis of 25 plus years of wealth creation studies headed by Raamdeo Agrawal. Q is Quality companies run by Quality managements, G is Growth for revenues, operating profits and cash flows, L is Longevity in terms of business sustainability and P is reasonable Price.

> **"Buy Right - Sit Tight involves buying the right companies/stocks and then the waiting game begins as time is given for the portfolio to grow"**

Speaking on the core framework for building a resilient equity portfolio, Mr. Parag Thakkar of ICICI Prudential PMS explained that the focus is on 4 main pillars. The Core 4 Framework is an integrated approach that covers the Quality of Business, Valuations, Sentiments and Themes. The first part is Corporate governance/quality of management/ perception of management in market/history of promoters, Leverage in form net debt to EBITDA of the company, Cash Flow cycle, and Return Ratios etc. The second pillar is the sentiment, business cycles. The third part, Mr. Parag said, is of course valuations. He added that valuations are also dependent on sentiment. The fourth part is Themes. Portfolios being overweight on dominant themes have the potential to capture a market upside. In the various phases of a market cycle, investment themes can either be dormant or dominant. Alpha is likely to be created by riding dominant themes, Mr. Parag said

> **"The Core 4 Framework is an integrated approach that covers the Quality of Business, Valuations, Sentiments and Themes."**

Mr.Parag N Thakkar
Portfolio Manager – PMS, ICICI Prudential PMS

Mr. Varun Goel
Head - Equity & Alternative Assets, Nippon India

Elaborating on the 5-pillar investment framework adopted by Nippon India, Mr. Varun Goel, Head Equity - Alternate Assets talked at length on the subject. Each of these 5 pillars is extremely important when it comes to identifying or adding any stock to the portfolio. Mr. Varun looks at Capital Efficiency, Extremely High Corporate Governance, Fast & Consistent Earnings Growth, Clear Track Record of Rewarding Shareholders and Respect for Capital. Pointing to the lessons learned during Covid times, Mr. Varun said the nimbler a corporate balance sheet is, the greater is the protection during tough times. He also explained the thinking behind the various alternative portfolio strategies and why it is better to work with various themes in a bid to capture maximum opportunities.

> **"5-pillar investment framework - Each of these 5 pillars is extremely important when it comes to identifying or adding any stock to the portfolio"**

How To Think & Build a Business Like a Monopolist

Mr. Saurabh Mukherjea, Founder & CIO, Marcellus

A monopolist controls all of the market for a particular good or service. A monopolist probably also believes in policies that favour monopolies since it gives them greater power. This is the reason the stock market likes monopolies excessively. Speaking on this very important subject was none other than Mr. Saurabh Mukherjea, Founder & CIO, Marcellus. It was by all accounts an enthralling session, but it was special for PMSBazaar and Marcellus because exactly two years ago Mr. Saurabh had announced in a PMSBzaar summit that he has received the permit to manage money in India and today his company oversees Rs 5,000 crore in assets.

It is no secret that great promoters in India think like monopolists. This is not necessarily bad, Mr. Saurabh said, because such businesses allow all to compound wealth at a steady rate. Understanding the monopoly construct is central to making money in Indian stock markets, he added.

It may come as a shock but India's 20 largest profit generators actually deliver 70% of India's profits. In many sectors, the top 1-2 companies account for 80% of the profit pie, MR. Saurabh said, giving examples of paints, small cars, biscuits, cigarettes, adhesives, cooking oil, hair oil, baby milk, glass lined reactors, aliphatic amines etc.

Monopolies as business enjoy consistent success. Monopolists report robust earnings growth year after year. Whether you look at 3 year or 5 year earnings per share patterns, the compounding of Indian monopolists is around 20% mark, Mr. Saurabh said.

Attributing some of the lessons to venture capitalist Mr. Peter Thiel who wrote the book 'Zero To One', Mr. Saurabh said that all happy companies are different. Each one earns a monopoly by solving a unique problem. All failed companies are the same, they failed to escape competition.

Further talking about how monopolists build their business, Mr. Saurabh said they identify businesses where there is a narrow unserved market, capture the market comprehensively and build entry barriers. They then only think about scaling up to capture the broader market.

Giving examples of Indian monopolists, Mr. Saurabh said these companies attack a challenging aspect of a sector. In doing so, they don't address the challenge in a simple manner which would be replicable. They intensify challenges by adding extra layers of difficulties around it. They then keep evolving the challenge and the solution over time to make it difficult for competitors to catch up. Also, the 7 things to do and the 7 things to avoid in terms of building a monopoly were discussed at great length.

> **Monopolies as business enjoy consistent success. Monopolists report robust earnings growth year after year. Whether you look at 3 year or 5 year earnings per share patterns, the compounding of Indian monopolists is around 20% mark**

AAA Masterclass - Alpha generation over the long-term

Panel Discussion : (L to R) Mr. Nimesh Mehta, Mr. Sunil Singhania, Mr. Dinshaw Irani & Mr. Kenneth Andrade

A Masterclass is usually given by an expert to highly talented students. And because this was India's biggest virtual summit, PMSBazaar requested 3 Experts to grace the occasion and share their knowledge and experiences in Alpha Generation journey with 1000+ attendees. So, began a hugely successful session where Mr. Sunil Singhania, Founder, Abakkus Asset Managers, Mr. Kenneth Andrade, Founder & CIO, Old Bridge Capital and Mr. Dinshaw Irani, CIO, Helios Capital (India) revealed their magic formula. The session was moderated by Mr. Nimesh Mehta of ASK.

Mr.Sunil Singhania
Founder, Abakkus Asset Managers

The panel discussion began with Mr. Sunil Singhania, who previously as star fund manager led Reliance Growth Fund's over 100 times growth in less than 22 years, sharing his top 3 lessons in alpha generation. Firstly, equity investors have to be optimists. You can't be in equity if you are a little bit apprehensive about the future, said Mr. Sunil. Secondly, India is a fast-growing economy and it is not a mature economy and this should be clear in any investors' mind. Thirdly, according to Mr. Sunil, India grows because of entrepreneurs and despite the government. Investors should understand that the 3,46-sigma events earlier used to happen maybe in 10 years. The world has become very dynamic today, which means every 2-3 years one can see 6-sigma events happening and every other year there is a 25-30% drawdown chance, Mr. Sunil added.

> **"Equity investors have to be optimists. You can't be in equity if you are a little bit apprehensive about the future"**

Mr. Kenneth Andrade
Founder & CIO, Old Bridge Capital

Mr. Kenneth Andrade, who is credited with delivering a double-digit compounding rate for almost two decades, expressed his view that performance of portfolios vis-a-vis the broader indices will come down in the next few years. Nonetheless, he remains confident that there are pockets of opportunities which can be capitalized upon. If investors have active portfolios, Mr. Kenneth felt that there are high chances of beating benchmark indices comfortably over the long-term. This would entail sticking to the time-tested approach of concentrating risks in few segments of the market, he added.

> **"There are high chances of beating benchmark indices comfortably over the long-term"**

Mr. Dinshaw Irani of Helios Capital (India) first disclosed the nature of his company's PMS offering that has been launched just this year but its investment philosophy was developed over the past 25+ years. He talked about how to have a bottom-up approach on a stock works best when the stock/industry is having massive tailwinds. Get the big picture right! If the picture is right, the massive tailwinds will do their job. How to identify them? Mr. Dinshaw revealed that a set of themes (like competing with the government, benefit from lifestyle & demographic changes, exports) have to be identified and these themes will show the beneficiary industries.

> **"Get the big picture right! If the picture is right, the massive tailwinds will do their job"**

Mr. Dinshaw Irani
Chief Investment Officer, Helios Capital (India)

Secrets Behind Chart Topping Returns

Panel Discussion : (L to R) Mr. Deviprasad Nair, Mr. Deepak Shenoy, Mr. Amit Jeswani, Mr.V Jayaram & Mr.Rakshit Ranjan

One of the most common points of argument between investors is which style is winning more these days. In our special panel discussion of secrets behind chart topping returns, there was a healthy mix of performers with unique investment styles viz. Momentum, Value, Growth and Blended. The session moderated by Mr. Deviprasad Nair of ICICI Prudential PMS saw the active participation of best-performing managers in the form of Mr. Deepak Shenoy, Founder & CIO, Capitalmind, Mr. Amit Jeswani, Founder, Stallion Asset, Mr. Rakshit Ranjan, Founder & Portfolio Manager, Marcellus and Mr. V Jayaram, CIO, Joindre Capital.

Mr. Deepak Shenoy
Founder & CEO, Capitalmind

Talking about Momentum style, Mr. Deepak said that stocks that tend to show momentum have strong price increases accompanied by strong volumes and this behaviour seems to get retained for some time. There may not be an easy explanation for it, but Capitalmind has developed an algorithm based purely on quants. Mr. Deepak said by putting some filters in place so as to avoid too small counters or thin volumes, the strategy aims to enter and exit momentum driven stocks. In this way, a few stocks of the portfolio will give supernormal returns and a few of them will top out, which means if you win only half of the time, you tend to gain substantially.

> **A few stocks of the portfolio will give supernormal returns and a few of them will top out, which means if you win only half of the time, you tend to gain substantially**

Mr.Amit Jeswani
Founder, Stallion Asset

Mixing humour with pragmatism, Mr. Amit Jeswani shared that last year portfolio returns were driven by the Indian Finance Minister Nirmala Sitharaman cutting the corporate tax rates and this year the U.S. Federal Reserve doubling its balance sheet has helped burnish portfolio gains. The only way to escape a bubble is to create an even bigger bubble, Mr. Amit quipped. Revealing that his firm's portfolio is divided into 4 main sectors viz. Consumers, Pharma, Financials and Technology, Mr. Amit showed how Consumers and Pharma protect the downside while Financials contribute when there is upside. Stressing that he is a Growth Investor, Mr. Amit looks for companies with 15-20% CAGR growth potential.

> **Last year portfolio returns were driven by the Indian Finance Minister Nirmala Sitharaman cutting the corporate tax rates and this year the U.S. Federal Reserve doubling its balance sheet**

Mr. Rakshit Ranjan disclosed the secret sauce behind how his firm's winning strategy continues to consistently compound returns. First and foremost, their portfolio holds stocks of companies that sell day to day essential products and services across the spectrum, Mr. Rakshit said, adding that this gives the stock basket low volatility. On top of this, the stocks selected belong to companies who have built very strong barriers to entry around them, which helps these companies benefit more when there is a broader disruption or macro challenge compared to when there is euphoria all around.

> **First and foremost our portfolio holds stocks of companies that sell day to day essential products and services across the spectrum**

Mr.Rakshit Ranjan
Founder & Portfolio Manager, Marcellus

Mr.V Jayaram
CIO & Fund Manager, Joindre Capital

It is well-known that Value Investing hasn't been delivering the goods like it used to. Even in this environment, did it take something special from Mr. V Jayaram to deliver stellar returns? Not really. The approach to stock valuation is from an entrepreneur's perspective i.e. as owner of the business rather than a short-term speculator's perspective, said Mr. Jayaram. Next, it needs to be clearly understood that in the short term the markets can behave irrationally and at such times the stock price has no relation to its actual worth. As long as the focus is on intrinsic value, long term growth potential and stability of earnings while doing stock selection and selection based on current market fad is avoided, success will come, Mr. Jayaram added.

> **In the short term the markets can behave irrationally and at such times the stock price has no relation to its actual worth**

How India's Largest Asset Managers create Investors Wealth

Panel Discussion : (L to R) Mr. Siddhartha Rastogi, Mr. R Srinivasan, Mr. Prashanth Khemka Mr. Prateek Agrawal & Mr. Anup Maheswari

You think big, you get big. In the Indian investment space, a clutch of companies manage large swathes of investor wealth that they have created over the years. What is their secret? In an exclusive panel discussion, some of India's largest asset managers reveal what it takes to grow from zero to hero. The occasion was graced by Mr. R Srinivasan, Head of Equity, SBI Mutual Fund, Mr. Prateek Agrawal, Business Head & CIO, ASK Investment Managers, Mr. Anup Maheshwari, Joint CEO & CIO, IIFL AMC and Mr. Prashant Khemka, Founder, White Oak Capital. The session was moderated by Siddhartha Rastogi of Ambit Asset

Mr. Prashanth Khemka
Founder, White Oak Capital

White Oak Capital has built a highly differentiated equity boutique managing offshore funds investing into India and is the biggest in the business even though it came late. Explaining the strategy, Mr. Prashant said 80% of assets come from outside India due to his client relationships that he has grown over the years since he managed global emerging markets strategies at Goldman Sachs. All the 22 years of interaction with global investors helped him grow the offshore business at White Oak since there was much greater familiarity among global investors with his style of investments, added Mr. Khemka.

> **"There was much greater familiarity among global investors with White oak style of investments"**

Mr.R Srinivasan
Head of Equity, SBI Mutual Funds

Today, SBI Mutual Fund is India's largest mutual fund house. Although the company started its journey about 30 years ago, till about 4-5 years ago the fund-house was not in the top 5 slots. But, SBI MF picked up a furious pace and has outdone everybody in the last few years. Attributing the reasons, Mr. Srinivasan talked about the fact that State Bank of India is a huge distributor for SBI MF. Also, SBI MF has been one of pioneers in passive investments, which today contributes one-fourth of AUM. He also pointed out that his fund-house should have number 1 a few years ago since there was steady pursuit in that direction

> "SBI MF picked up a furious pace and has outdone everybody in the last few years"

IIFL AMC has become the largest distributor and manufacturer of AIFs in the country. AIFs are reckoned as a tough sell in the financial distribution landscape due to the higher Rs 1-cr ticket size. Mr. Anup, who joined the form about two years ago, said that IIFL has a natural advantage since it has over the years built relationships with High Networth Clients and therefore the products designed by the firm are across the spectrum. In the alternate space, which is very different from the traditional mutual fund segment, there are multi-asset solutions in the form of private equity, private credit and it is really an aggregate of all this that IIFL AMC today has catapulted itself to the pole position, Mr. Anup added.

> "IIFL has a natural advantage since it has over the years built relationships with High Networth Clients"

Mr. Anup Maheswari
Joint CEO & CIO, IIFL AMC

Mr. Prateek Agrawal
Business Head & CIO, ASK Investment Managers

In just 13 years, ASK Investment Managers has topped the AUM charts, outpacing traditional heavyweights in the PMS business. The lead has grown with every passing month. Elaborating on this, Mr. Prateek said ASK was one of the first acquirers of PMS licence but the journey gained steam when Mr. Bharat Shah joined the group. When Mr. Prateek joined in 2011, the AUM was Rs 1100 crore. One of the key lessons shared by Mr. Prateek is that aspiring professionals must definitely believe that they are the best in terms of solutions offered and this conviction will help when they go to HNI clients for business. Our audience buys when what we do appeals to them, what we offer meets their needs and what we do is the best offering out there, added Mr. Prateek.

> "Our audience buys when what we do appeals to them, what we offer meets their needs."

Fireside Chat with Mr. Mark Mobius

Mr. Mark Mobius, Founder, Mobius Capital Partners

If emerging markets investing was ever made into a movie, Mr. Mark Mobius would be playing Indiana Jones. Over the years, Mr. Mark has visited 112 countries, invested in over 5,000 plus companies, written 12 books and managed assets worth USD 50 billion. At more than 80 years of age, one would be surprised to see the amount of energy and life residing in him. In a very very special Fireside Chat session, Mr. Mark shared his insights and his views on investing, economy and everything in between with Shyam Sekhar of Ithought.

Talking about where he sees value investing over the next decade, Mr. Mobius said that the concept is changing as previously investors looked at the prism through rear-view mirrors or historical earnings. The emphasis was always on the price, the earnings and the book value. In the new era of internet transmission, the problem with that approach is that it does not tell you what the situation is going to be in a few years from now, Mr. Mobius said. So, the whole concept of value is changing and definitely value investing not going to vanish, he added. Earlier, Growth was overlooked in the chase for Value and now Growth is getting more attention, Mr. Mobius said.

Commenting on Passive vs Active Investing trends, the Founding Partner of Mobius Capital Partners admitted that passive investing has become very very popular, ETFs asset base has grown dramatically. The whole theory behind passive investing was that an investor had no hope of doing better than the market, and so one was asked to buy the market. But, Mr. Mark said, the reality is that investors can do better than the market if you consistently smart and diligent research. While passive investing pulls in money due to the lower costs associated, Mr. Mobius said active investing is here to stay and there will be peaceful co-existence of both these investment styles for years to come.

On the liquidity situation globally, Mr. Mark said this is a conducive environment for emerging markets, particularly those countries which need liquidity and finance. Extremely low interest in the US, Europe and Japan means that investors are searching for yield. Sovereign rates continue to inch lower. For a country like India, Mr. Mark said, the current situation serves up an incredible opportunity to go into the markets and gather the floating liquidity to pump into infrastructure building

Over the course of Fireside Chat, Mr. Mark also shared his valuable insights on gold, stocks, debt and investing in various asset classes to make the best of the plethora of opportunities from an investor perspective.

> **"The whole concept of value is changing and definitely value investing not going to vanish, Earlier, Growth was overlooked in the chase for Value and now Growth is getting more attention"**

The Compelling Case of Indian Alternatives

Mr. Shahzad Madon, Head - PMS & Alternative Assets, Nippon India

The Indian Alternatives space is hotting up. To throw more light on this growing business and its prospects, Shahzad Madon, Head - PMS & Alternative Assets, Nippon India held a delightful session on the subject.

Before going into the local segment of alternatives, Mr. Shahzad shared insights about the global arena. Data shows both alternatives and index funds have seen huge growth over years. The percentage share of normal or core assets has gone down from 60% to 33%, Mr. Shahzad noted, citing global AUM split by product.

When one looks at the global AUM split by revenue, 46% of global industry revenues are contributed by alternatives while the assets are only 16% of the pie. This means there is a lot of value-add in terms of higher returns which ultimately translate to higher income, said Mr. Shahzad talking about the past two decades. Do note the global market is an institutional market while the local market is an HNI market.

Coming to the Indian market, Mr. Shahzad narrated to the audience the massive growth in Alternatives over the 20 years, which he said could be due to the low base but nevertheless the impressive trends highlight the potential for growth. The trends are not diluted if data is looked at from last few years perspective and every period shows that Alternatives such as AIF and PMS have outpaced Traditional asset-classes like MFs. In fact, today the Alternative Investments in India is far far higher than Traditional Investments. The offshore market is quite big in the case of Alternatives and every single global player is very much in India, he added.

Mr. Shahzad elaborated on how traditional funds as they get larger in size and as their wiggle-room across investments gets cramped will find it tougher to deliver alpha compared to Alternatives that have a long runway of growth ahead of them.

In the future, Mr. Shahzad expects a great expansion in the number of asset-class choices for investors, which will help the market grow bigger in India. By 2030, Alternate Investments can reach $200-250 billion size, he predicted.

> **Alternatives such as AIF and PMS have outpaced Traditional asset-classes like MFs. In fact, today the Alternative Investments in India is far far higher than Traditional Investments**

When Fear Trumps Rationality

Mr. Varun Goel, **Head - Equity & Alternative Assets, Nippon India**

Year 2020 has been a roller-coaster ride for investors. We started the year with Nifty at 12,000 and expectations were built in for the next phase of growth. Extreme volatility greeted those dreams. Markets crashed to 7,500 (Nifty) as Covid-19 pandemic dug its claws deep. In a session on behavioural finance, Fear and Rationality were discussed at length by Varun Goel, Head Equity - Alternate Assets, Nippon India.

Markets fell and it was as if there was no stopping. Nifty levels of 4,500-5,000 were being discussed and suddenly the markets started recovering, pointed out Mr. Varun. First, Nifty breached 11,000, then 12,000 and today we are pushing past 13,000 at lifetime high. You wouldn't be alone if you are zapped by this phenomenal move.

Mr. Varun went out to talk about the 3 Major Corrective Phases seen by global and local markets in the last few years. First, the Dot-com crash in 1999-2000. Second was the Lehman Brothers crisis in 2007-08. Third was the Covid crisis that started in 2019-end. The Price to Earnings (P/E) ratio fell much below their 15-year average during corrections.

If one simply went by the mathematical analysis, it was a great time to invest a lot of money into equities, said Mr. Varun. But when such events happen, there is a lot of fear, he added. Investors must remember that there is a fundamental value of each company and at the end of the day, stocks are not just prices but a part of underlying businesses that have stood the test of time.

Whenever the forward P/E ratio falls below 15 times, in 90% of occasions investors get absolute positive returns in the next one year time-frame, Mr. Varun stated, underlining the need to remain rational when markets perhaps are irrational. When the actual event of market crashes happen, investors tend to forget amid fear, Mr. Varun said. He reminded investors that PMSes and AIFs have SIP facilities and one should not stop them during periods of market volatility.

Quoting Morgan Housel, Mr. Varun said "Every step down plants the seeds for the next ride up."

> **There is a fundamental value of each company and at the end of the day; stocks are not just prices but a part of underlying businesses that have stood the test of time.**

Setting Ultra Rich Investors Expectation

Panel Discussion : (L to R) Mr. Feroze Azeez, Mr. Ashish Shanker, Mr.Atul Singh & Mr.Viral Berawala

Ultra HNIs are the big wallets everybody in the wealth management chases. But after acquiring such a client, losing them could be terrible. Such a scary scenario can occur if expectations are not properly set. In our panel discussion on setting ultra rich investors expectations, we had the honour of hosting Mr. Ashish Shanker, Deputy MD, Motilal Oswal Private Wealth, Mr. Feroze Azeez, Deputy CEO, Anand Rathi Wealth Services and Mr. Atul Singh, Founder & CEO, Validus Wealth in a session moderated by Viral Berawala of Buoyant Capital.

Mr. Ashish Shanker
Deputy Managing Director, Motilal Oswal Pvt Wealth

Mr. Ashish talked about the fact that wealth managers need to recognize that Ultra HNIs are successful in creating wealth. So, wealth managers should not be under any illusion that they will create wealth for Ultra HNIs. Infact, promoters, who have cashed out the value from their businesses, become extremely conservative for their personal portfolios, added Mr. Ashish. It is very important to set expectations after fully understanding what are the objectives and outcomes targeted by the Ultra HNI. For example, a start-up founder may have got big money but at the same time they want to keep investing in the start-up ecosystem.

> **“ It is very important to set expectations after fully understanding what are the objectives and outcomes targeted by the Ultra HNI ”**

Mr. Feroze Azeez
Deputy CEO, Anand Rathi Wealth Services

Mr. Feroze made a great point about how managing Ultra HNI money can become transactional in nature. In terms of strategy, a full portfolio, of different constituents having different roles to play, needs to deliver a specific outcome as a group. That remains a big challenge, said Mr. Feroze. If Ultra HNIs think about single transactions like investing in a stock, investing in unlisted equity, the job of the wealth manager is to make them think of transactions in the context of a portfolio. Another important area to look at is the estate planning of Ultra HNI. Mr. Feroze said despite the fact that an Ultra HNI may consider their tax-planning of having received the proceeds as good, there is a lot of scope in terms of tax-planning from a recurring standpoint.

> **"Despite the fact that an Ultra HNI may consider their tax-planning of having received the proceeds as good; there is a lot of scope in terms of tax-planning from a recurring standpoint."**

Talking about service capabilities, Mr. Atul said that many businesses in India will go through succession in management/ ownership and of wealth. Developed market data shows that these successions have been the biggest destroyers of wealth if they are not planned well. The key is to plan everything when things are good. Mr. Atul said when something happens to the patriarch, at that point there may be crisis, family fight, so planning cannot be done optimally. The objective should be to have the conversation when there is virtually no need for it, he added. Mr. Atul also laid emphasis on the point that there is often no systematic aggregation of risk in some old ultra HNI families and there is scope for the wealth managers to set it right.

> **"There is often no systematic aggregation of risk in some old ultra HNI families and there is scope for the wealth managers to set it right."**

Mr. Atul Singh
Founder & Chief Executive Officer, Validus Wealth

India Equity Opportunity - Perspective for The Next Market Cycle

Mr. Shailendra Kumar - CIO & Co Founder, Narnolia Financial Advisors Ltd

The Indian markets, after remaining in the grips of bears, seem to be bullish now. The sentiment has changed. Prices are rising. Money is flowing in again. Is this the start of the next cycle? In a deep knowledge session by Shailendra Kumar, CIO & Co-founder, Narnolia Financial Advisors, participants got an up, close and personal look at the India Equity Opportunity.

A range of 2-2.5 years seems to have broken. Mr. Shailendra used his over 20 years of experience in research and fund management to shed light on the possible contours of the next bull cycle. Firstly, the rally that has started in India today has been initiated with zero structural compromise, felt Mr. Shailendra. Secondly, the macro situation of India remains strong and intact, which gives comfort. Thirdly, if China import is halved and India decides to manufacture the goods, Indian manufacturing will grow 5.7% based on that factor alone, added Mr. Shailendra. Fourthly among the long term forces at work is the trifecta of Agri, Industry and Digital.

Talking about the short term forces at play, Mr. Shailendra alluded to the fact that the India Yield Curve needs to be looked at. While the equity market has made a new high and that part of the financial market has shown confidence, the debt market continues to be quite circumspect, he added. Longer dated securities and even the medium term corporate debt still trades at higher yield, which warrants a normalization to indicate a true break-out, said Mr. Shailendra.

> "If China import is halved and India decides to manufacture the goods, Indian manufacturing will grow 5.7% based on that factor alone"

Century of Investing Wisdom

Panel Discussion : (L to R) Mr.Raamdeo Agrawal, Mr.Samir Arora, Mr.Hiren Ved, Mr.Bharat Shah & Mr.Ajaya Sharma

Between Mr. Raamdeo Agrawal, Mr. Bharat Shah, Mr. Hiren Ved and Mr. Samir Arora, there are over 100 years of investing wisdom. Indeed, they have lived tens of thousands trading days looking at markets with a magnifying glass like no one ever has. The showpiece event on the concluding day of PMS & AIF Summit 3.0 - The New Normal of Alternative Investments, was aimed at sharing with the audience the lessons and experiences of these Dalal Street Wizards. The session was expertly moderated by Ajaya Sharma of ET Now.

Mr.Samir Arora
Founder & Fund Manager, Helios Capital

Mr. Samir started off by saying that there are many lessons that one can learn, but at the expense of the initial investors who started 25 years ago. Basically, one pays a cost for these lessons as one makes mistakes and then avoids repeating them. Recounting his early investing days, Mr. Samir of Helios Capital talked about the fallacy of Indian Infrastructure scenario presented at that time. Giving an example, Mr. Samir said one of the first things he learned as an investor is that an infrastructure project that is in the pipeline is no project as far as India is concerned.

> **"There are many lessons that one can learn, but at the expense of the initial investors who started 25 years ago."**

Mr. Raamdeo Agrawal
Chairman, Motilal Oswal Financial Services

Asked about his lessons especially in the context of the 2020 market correction, Mr. Raamdeo of Motilal Oswal recalled a famous quote on making mistakes. If a man is both wise and lucky, he will not make the same mistake twice but he will make any one of the 10,000 brothers or cousins of the original. One the key lessons Mr. Raamdeo had for investors: Avoid investing in companies run by bad management. More than the money, the experience can be humiliating to go through bad management in their investment journey. Bad managements will never take you to heaven, they always take you to hell, Mr. Raamdeo quipped.

> **Bad managements will never take you to heaven; they always take you to hell**

Known as the GrandDaddy of India markets, Mr. Bharat of ASK Group talked about how the markets in yesteryears and markets today may not differ much, barring the fact that noise has increased. When asked whether markets are sane, Mr. Bharat opined that markets are what they are and it is not the business of investment managers to judge markets. Even the brightest minds cannot avoid the temptation of judging the market. He made a great point when he said that markets represent distilled collective intelligence which is much higher than any one individual can bring today. He clarified that markets do make mistakes, sometimes horrible mistakes happen, but over time all this gets realigned.

> **Markets do make mistakes, sometimes horrible mistakes happen, but over time all this gets realigned.**

Mr. Bharat Shah
Executive Director, ASK Group

Mr. Hiren Ved
Co Founder, CEO & CIO, Alchemy Capital

Mr. Hired of Alchemy asked investors to understand that by the time a previous pattern is discovered in markets, a new pattern would have already started playing out in markets. So, there will always be a struggle in deciphering patterns. Rather than focussing energies on discovering patterns realtime, Mr. Hiren said investors should try to remain adaptable. He recalled that during the 2000 dotcom craze, many investors questioned how these tech stocks trade at high valuations but markets have shown that those were no flash in the pan. Even if one made an attempt to understand, Mr. Hiren said that investors at some point in time would have profited from the tech trend. He believes that markets are intelligent and superior, and if some stocks trade at expensive valuations than others, there has to be something learned about why it is so.

> **If some stocks trade at expensive valuations than others there has to be something learned about why it is so.**

Glimpse of Virtual Summit

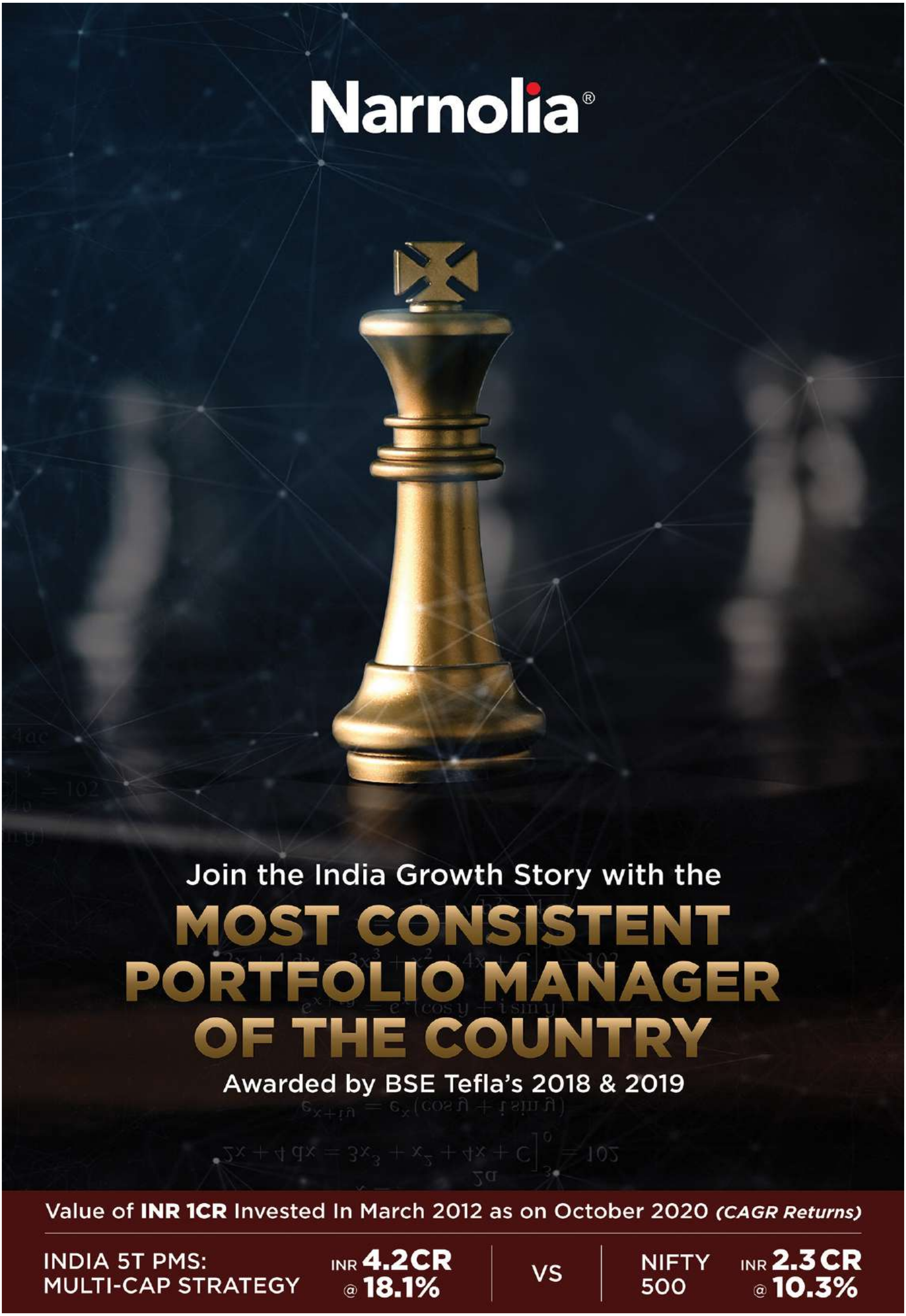
Auditorium

Exhibit-Hall

Info-Center

Lobby

Social-Lounge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Value of INR 1CR Invested In March 2012 as on October 2020 (CAGR Returns)
INDIA 5T PMS: MULTI-CAP STRATEGY
INR 4.2CR @ 18.1%
VS
NIFTY 500
INR 2.3CR @ 10.3%

Investor Connect Initiatives

Sponsors

pmsbazaar MILLION to BILLION

ET NOW

Title Sponsor

Quest Investment Advisors

Platinum Sponsors

Narnolia®

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finalyca authentic | accurate | analytics

Wealth Partner

myalternates Your Investment Expert

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