

# ‘The primary challenge in India is not cost, but access’

## Reducing the expense ratio

We believe that the primary challenge in India is not cost, but access. There is still an overwhelming majority in our country which does not have access to the financial markets. So, while a focus on costs is welcome, one needs to ensure that this doesn't result in denying access to those currently excluded.

Our industry has covered the top of the investor pyramid. Going forward, as the base widens, average transaction sizes are bound to moderate. Pushing costs lower risks making it uneconomical for distributors to service those who need them the most. So, from an overall perspective, while passive funds that offer no expertise or assistance can operate at much lower costs, for the rest, the current expense-ratio structure leaves very little room for further reduction. At our end, we will seek to pass on all available economies to our investors while ensuring that the distribution community is compensated fairly for their financial-inclusion efforts.

## Strategic road map

We're clearly differentiated with an undivided focus on rule-based active investing. This form of investing has been very successful in developed markets and offers a disciplined approach to investing along with a possibility of outperforming the index, combining the advantages of passive investing and discretionary active investing. As a portfolio manager, we have been following this for over a

decade and through this time have accumulated the skill sets and developed the intellectual property needed for this form of investing. Acceptance from discerning investors has made us among the largest

---

**Diversification and compounding are magical in their impact. But one needs the stability offered by diversification to benefit from compounding.**

**RAJIV SHASTRI, DIRECTOR & CEO**



portfolio managers in the country with over ₹3,000 crore in assets from close to 3,500 investors.

We are confident that our products will gain acceptance among fund investors as well. We will continue to invest in both people and technology, while actively engaging with the academic community to incorporate the latest and best practices into our investment protocols.

Our goal is to offer simple, uncomplicated and clearly differentiated products to investors to make their investment and wealth-creation journey a pleasant one. Our focus is on investor experience because the longevity in investments needed to create wealth comes from having a good experience and not from merely earning high returns.

## Rapid-fire questions

● **INVESTMENT GURU/MANAGER YOU ADMIRE THE MOST:** David Booth

● **BUSINESS LEADER YOU'D LIKE TO EMULATE:** Herb Kelleher, founder of Southwest Airlines. He proved that customer satisfaction isn't just about lower costs.

● **THE MOST REWARDING FINANCIAL INVESTMENT YOU'VE EVER MADE:** My mid-career master's degree in the UK at the age of 40

● **MONEY MANTRA YOU SWEAR BY:** Diversification and compounding are magical in their impact. But one needs the stability offered by diversification to benefit from compounding.

● **IF NOT A MONEY MANAGER, YOU'D BE:** An academician ☑