

# Mutual Fund Insight

November 2024 ₹150

Invest Wisely, Grow Securely



# Unlocking the Secrets to Wealth

**HOUSE VOICE**

AMC bosses on  
key industry issues

## SPECIAL SUPPLEMENTS

- ▶ Big 50 Funds
- ▶ Most Rewarding SIP Funds
- ▶ The Smart Investor's Guide to Index Funds

# ‘Don’t expect deep correction, Corporate Inc. is sitting strong’

## How is your team viewing the current market valuations and preparing for possible corrections?

There are always opportunities available in the markets for the long run, irrespective of where the markets are. Valuations are high in most segments; domestic liquidity is driving the markets, and in the absence of any negative news flow, the markets are where they are.

Corporate Inc. is sitting with its best financials/balance sheets. This should help them leverage higher growth. We don’t expect a very deep correction, given the above. However, some sell-off is always healthy from a deployment standpoint. In the recent past, global market cycles have converged, and (only) a global event will lead to deep cuts to markets.

## Are index and factor-based passive funds a fad or a lasting investment strategy?

India has the ability to throw new resilient businesses every few years that shape new categories. In an economy like India, identifying good businesses a little ahead of the cycle can be rewarding, thus making a case for active management. Mature businesses make their way into the indexes; hence, for benchmark plus minus goals, passives/index funds may be an alternative.

## Will AI impact your business? How and why?

Still nascent, but AI has the potential for cross-domain impact. In the front office, AI

can help transform customer service. In the back office, it can unlock productivity through automation. Thus, efficient usage of it can help in many spectrums, which lets investment managers like us focus more on core-active funds management.

## Rapid-fire questions

- **If your fund house had a superpower for investors, what would it be?** Like ‘Violet’ (from the movie *The Incredibles*), the ability to produce a force field to protect the investors from an onslaught of greed and fear. The biggest value destroyer is the inability to stay put after investing and being driven by market events.
- **The biggest mutual fund myth you’d debunk:** Two, actually. One is that mutual funds are largely for retail participation, and an alternative is needed for larger allocations.

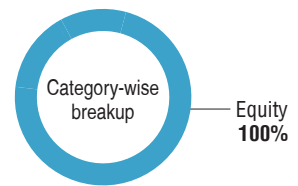
**RUCHI PANDEY**  
CEO



How we rate the AMC's assets  
Funds

5★	4★	3★	2★	1★	NR
0%	0%	0%	0%	0%	100%

NR = Not rated; Excluding liquid, overnight and unrated categories



Equity assets beating benchmark over five years (Excluding passive funds) **NA**

It’s the style of investing that’s imperative and not the category or vehicle.

Second, the overemphasis on capitalisation—large, mid, small. It should be all about investing in good companies over longer periods. One should differentiate between a good company and a good stock.

● **An unconventional asset class you’d add to your portfolio:** On a lighter note, some allocation to personal well-being. This can give you manifold returns in the long term.

● **A Bollywood movie that best represents the mutual fund industry today:** A film that should represent the mutual fund industry’s motto is *Bees Saal Baad*. ☑

