

Adding depth and breadth to the mutual fund industry in India

Leo Puri, Managing Director, UTI Asset Management, tells Hubbis how he plans to grow the firm's business and corner a larger slice of the Indian mutual fund market.

INCREASING AWARENESS, FURTHERING THE USE OF TECHNOLOGY, and leveraging distribution networks further would help to unlock more potential in India's mutual fund industry, says Puri.



LEO PURI
UTI Asset Management

According to Puri, doing business in the mutual fund industry is becoming easier. “The ease of doing business for us has gone up exponentially with the new KYC norms and the ability to link Aadhaar [unique identity system] for onboarding clients,” he says.

Certain other factors have played to the favour of India's mutual fund players including gold and real estate losing their lustre, and more people coming into the formal banking system post the Indian government's demonetisation measure. “You essentially have an addressable market, which is three to four times as large as it might have been maybe three or four years ago,” he reasons.

It is really up to the mutual fund industry to access those clients, and make them aware of their products, he reckons. “A lot of this will have to be done by intermediaries, and we do believe the independent financial advisor is a necessary construct in the Indian market,” he reveals.

UTI, says Puri, has close to the largest number of absolute folios in the country, 12 million, a figure he expects to grow further. “We will [now] bring on people at the bottom of the pyramid, with small ticket sizes, 500 [rupees] a piece a month,” he says, explaining the firm's financial inclusion mandate.

For 2018, UTI's biggest priority would be to maintain its track record for fund performance. “We have had an outstanding year in the way debt and fixed income funds have performed, he says. “We'd like to see more of our equity funds back at the head of the pack.”

Another key priority for UTI is to broaden and deepen distribution in the space. “It's our objective to strengthen our bank relationships and our relationships with emerging wealth platforms,” he says. ■