

Leading by example for a mature Indian funds industry

The hope is that Indian investors will increasingly take a measured approach to their portfolios and ensure a better balance of asset classes, says Raghav Iyengar of ICICI Prudential Asset Management.

ICICI Prudential Asset Management, India's largest money manager with the equivalent of approximately USD39 billion in AUM, sees a new maturity gradually taking hold among investors in the country.

Rather than being in a rush to make most of the latest bull-run, which has seen the S&P BSE SENSEX Index cross the 30,000

The jury is out on whether money managers will demonstrate client centrality in the same way.

To do so, they need to remember that clients are with them for a lifetime – not just for three to five years. “I think every three or five years something new comes along, and then we tend to forget that a customer is not here

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RAGHAV IYENGAR
ICICI Prudential Asset Management

mark, there are signs that individuals are starting to favour a mix of equity and debt in their investment decisions.

only for a transaction but for the entire journey of achieving their financial goals,” says Raghav Iyengar, executive

vice president and head of institutional and retail business at ICICI Prudential Asset Management.

Given the rapid rise in market levels, the fund house is now focusing on getting money into funds, which are little more defensive in its investment approach. "A balanced fund is possibly the most defensive approach for equities currently as it allows investors to go up to 35% in debt," says Iyengar.

This approach is well-suited to ICICI Prudential Asset Management, which

create a long-term track record to win the trust of both investors and distributors. In fact, the firm calls it 'trust record' rather than track record.

BUILDING CONNECTIVITY

Being a part of ICICI Bank, the fund house has the ability to reach more location at a rapid pace. Currently, ICICI Prudential Asset Management has 2.5 million customers across offices in over

work, optimise content experience and streamline sales activities, among many other features carved out for the distributor community.

IFAs, as an example, account for roughly one-third of the distribution volume to the fund manager's target audience. Plus, it is a very fragmented channel. This explains the concentrated efforts by the firm on trying to make the whole office experience as mobile and versatile as possible.

"We have been at the forefront of trying to take care for all our partners, not just the big distributors."

TRAINING AND EDUCATION

The firm is increasingly spending its time and energy on both distributor training and investor education in India. For example, it conducted 2,000 programmes for distributors in FY2016-17, training between 40,000-45,000 people in the 25 to 30-year age group, estimates Iyengar. The subjects have ranged from the basics of mutual funds to yield curves, and more.

invests in Indian public equity and fixed income markets, and considers it to have a clear understanding of the needs of retail investors. "We were among the first few to launch a defensive/volatility suite of products," he adds.

One of the firm's flagship schemes from this suite – ICICI Prudential Balanced Advantage Fund – has seen significant investor interest over the past few years and is currently the largest equity scheme in its category, with a AUM of INR18,221.41 crore (as of March 31 2017).

The company has thus far managed to create consumer-centric products, further improved by communication based on relevant consumer insight. This has led to what the firm describes as a 'pleasant investment experience for investors'.

ICICI Prudential Asset Management aptly believes that it is important to

162 locations. Going forward, the investment manager aims to have at least 250 offices by 2018.

Meanwhile, the firm clearly understands that going digital is the way ahead. Digital in fact represents the largest investment that it has made in its business over the past three years. "We have been at the forefront of trying to take care for all our partners, not just the big distributors from the banking sector. We are stepping up to better our excellence, such that we are now in sync with the ever-evolving technology," explains Iyengar, whose professional experience includes 19 years in banking and financial services.

"IFAs can transact on behalf of a customer, with a mobile from anywhere in the world; it's as simple as that," he adds.

With launching applications such as IPRUTOUCH, the aim is to ease integration of key processes, minimise paper

Similarly, in FY2015-16, he says the firm covered between 150,000 and 160,000 retail investors across the country via education camps and various other modes of communication.

Even though a part of the expenditure was regulatory-mandated, Iyengar highlights that the firm went far beyond just spending money on brand advertising.

Thus far their efforts have been well-received by local distributors and investors alike. This was reflected in the Wealth Forum Advisor Confidence Survey 2016, wherein the firm emerged as the leader in five of the six parameters, namely: ability to deliver long-term returns; innovate products; impactful and relevant investor education initiatives; an investor-friendly approach; distributor engagement; and support. ■