ARIAN PERSPECTIVE

Monthly Newsletter by

ARIA
Association of Registered Investment Advisers

JANUARY 2024 EDITION

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ARIA
Association of Registered Investment Advisers

CHAIRMAN'S NOTE

VIVEK REGE

Dear Fellow ARIA Members,

As you are aware we have an Annual flagship event coming up on the 12th & 13th of March 2024 at Taj Lands End, Mumbai.

This is one opportunity one should not miss, in my career I have always valued such events where you meet the fellow community in person, meet the industry leaders who are our partners for ARIA, attend a series of events over day 1, and attend workshops on day 2.

This time we have Mr Anantha Nageswaran gracing this occasion. Mr Nageswaran is the Chief Economic Advisor to the Government of India and he is going to address this event as our chief guest. It's a different feeling to hear him in person, so don't miss this opportunity. This also speaks about what ARIA stands for and we have people of high cadre coming for our flagship event.

I would urge you all to book your stay and travel tickets in advance and take the opportunity of the wonderful event we are planning for.

I also urge everyone to keep a tab on the emails shared by the ARIA office and the announcement group. Please go through important announcements made during the past month, especially on the compliance front, to avoid any last-minute surprises when you wish to change any information about your entity.

Our advocacy team has been working really hard to move the needle and it's moving, so do read what they have to share.

Our member engagement team is tirelessly working to put great sessions together through our partners and members, do attend live sessions as it motivates everyone to keep doing great work.

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CHAIRMAN’S NOTE
VIVEK REGE

BASL conducted another round of discussion around the Centralised Fee Collection System and we are keeping you updated through our email & announcement group. So stay tuned for more important updates

I once again thank you for giving your attention and valuable time to read this newsletter and wishing you a fulfilling 2024.

Thanks once again for a patient read

Sincerely,
Vivek Rege
Chairman, ARIA

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NOTE FROM ADVOCACY COMMITTEE

1. ARIA team met with SEBI and gave its feedback on a regular reporting format for IAs, which will be carefully considered by SEBI and BASL before finalizing the reporting format.

2. ARIA shared with AMFI the need for data on mutual funds advised by IAs to get an estimate of the size of the IA-managed component of direct mutual funds.

3. ARIA got a demo of the proposed fee collection platform being put together by BASL, in addition to the MFU fee collection platform that has been worked on with inputs from ARIA in the past.

NOTE FROM MEMBERS ENGAGEMENT COMMITTEE

In January, we kicked off with a compelling online session on 'Emerging Trends in Passive Investing in India: Themes and Factors,' featuring industry experts Umesh Kumar Daila and Siddharth Srivastava from Mirae Asset Mutual Fund. Hosted by Ravi Natarajan, Founder of Finintent Investment Adviser, the session set the stage for strategic financial forecasting.

Our exclusive online session, "Macro Economic, Equity & Debt Market Outlook for 2024," featured Neelkanth Mishra, R Sivakumar, and Shreyash Devalkar from Axis Bank and Axis AMC. Moderated by Vandana Trivedi, this session delved into key market insights.

Additionally, we hosted an insightful session on "Empowering Teams for Seamless Growth" with Rohit Shah, Founder & CEO of GYR Financial Planners Pvt Ltd, and Suresh Sadagopan, MD & Principal Officer of Ladder7 Wealth Planners Pvt Ltd.

Our Pune chapter meeting featured Pradeep Kumar Kesavan, CFA, Strategist, and Fund Manager at SBI Mutual Fund, and Nitin Sawant, CEO of NS Wealth Solution Pvt. Ltd., as the moderator. The session, 'A Primer on Quantitative Investing,' left attendees with valuable insights and takeaways.

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IDEA BOX

Aakash Bansal
Co-Founder & CEO, Vijya Fintech Pvt Ltd

Evolution of Investment Advisory in India: A Decade of Transformation

Over a decade ago, in January 2013, the Securities and Exchange Board of India (SEBI) introduced regulations that granted financial intermediaries the freedom to choose their representation and remuneration methods. As we fast-forward to 2024, the landscape of Investment Advisory services in India has undergone a remarkable evolution, marked by multiple consultation papers, regulatory amendments, and collaborative initiatives.

Diverse Facets of Investment Advisory Services:

1. Most Loved ones: Personal Financial Planners / Advisors

In the current scenario, Personal Financial Planners and Qualified Advisors have emerged as favorites of investors. Their client engagement process involves meticulous risk analysis, comprehensive financial planning, and guidance in achieving financial goals through a range of products, from Mutual Funds to PMS to Fixed Income and Insurance. By outsourcing money management to qualified fund managers and incorporating strategies like asset allocation, estate planning, and will creation, these advisors play a crucial role in managing the emotional quotient of their clients.

2. Most Hated ones (Controversial Side): Stock Tippers

On the flip side, there exists a less favored group - the Stock Tippers. These advisors exploit the greedy emotion of clients by offering stock tips for a hefty fee, often accompanied by dubious promises of guaranteed returns. It's noteworthy that a significant number of notices from SEBI are directed towards this category.

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IDEA BOX

3. Emerging Stars: Fund Managers Building Stock Portfolios

An emerging trend features Fund Managers transitioning from asset management companies (AMCs) to Registered Investment Advisors (RIAs) or Research Analysts (RAs). This group includes ex-AMC Fund Managers, PMS Houses, Large Research Firms, and Financial Analysts. They leverage robust research teams to analyze listed companies, construct model portfolios, provide individual stock advisory services, and compare performance against benchmarks to generate alpha.

Apart from RIAs, there are Asset Managers (Mutual Fund Houses, PMS, and AIF Manufacturers) who also provide fund management/advice to investors through their funds or portfolios and in the last 2 decades have scaled multi-folds with multi-dimensional support like:

- **Financial Inclusion** driven by GOI led by Regulators like RBI, SEBI, IRDA, and PFRDA.
- **The inception of Associations** like AMFI, APMI, etc. for defining Code of Conduct, Best Practices, and running large-scale awareness campaigns to reach the masses.
- **Technological enhancement and adoption** by large institutions like RTAs, Exchanges, KYC Agencies, DPs, and Custodians in redefining and streamlining the processes of investment and operations like On-Boarding, Financial / Non-Financial Transactions, Settlements, Reporting, and compliances.
- **A large distribution network** propelled the growth.
- **The growing economy** has shifted the investors' mindset from savers to investors.

Challenges and Transformative Trends:

Despite the notable growth, a discernible trend involves many PMS and fund managers transitioning into the RIA and RA space to reduce the investment ticket size thereby increasing the TAM with low capex.

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IDEA BOX

However, they face challenges in replicating the discretionary, controlled, and embedded revenue model of AMC/PMS, given the non-discretionary, non-custodian, and separate fee administration nature of RIAs and RAs.

Advisors and Analysts continue to face challenges of Connected Ecosystem:

1. Lack of Integrated Comprehensive Financial Planning / Data Collection tools
2. Client level Compliance Management like KRA / CKYC / IA Agreement / Risk Profiling / Suitability / Logs
3. Capability to create a Model Portfolio and be able to Track Deviation, Initiate Rebalancing and seamless Execution through the choice of Broker
4. Creating Advisory Fee Template, Tagging it to a Goal /Portfolio, Calculation, Invoicing, Debits & Credits
5. Digital Journeys across multiple products for On-Boarding, Transactions, Reporting & Analytics

A Call for Collective Growth:

To foster multi-fold growth in the RIA profession, a collective and collaborative effort is essential from all stakeholders across the industry spectrum. Regulators such as SEBI and BASL, Associations like ARIA, Account Aggregators, Product Manufacturers, Fund Managers, RTAs, DPs, Exchange Platforms, and Stock Brokers all play a pivotal role. The Integration of Innovative Technology is poised to be the linchpin in building “A Connected Financial Ecosystem” for RIAs, ensuring a future marked by continued innovation and prosperity in the realm of Investment Advisory services in India.

Aakash Bansal
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Co-Founder & CEO
Vijya Fintech Pvt Ltd
Building MADOSX and MIDASX

IN-PERSON CHAPTER MEET IN PUNE

DATE: 12TH JANUARY 2024

SESSIONS CONDUCTED BY ARIA IN JANUARY 2024

Link to view the video
https://shorturl.at/bIW12

Link to view the video
https://shorturl.at/qyKW0

Link to view the video
https://shorturl.at/zQSY8

Link to view the video
https://shorturl.at/wxCGV

NEW MEMBERS: JANUARY 2024

CORPORATE - ANNUAL MEMBERSHIP

Dipen Sheth
Buoyant Capital PVT LTD

Mridul Jalan
Senora Advisors LLP

Kishan Murjani Nair
Flameback Capital Private Limited

INDIVIDUAL - ANNUAL MEMBERSHIP

Swapnil Nadkar

T Abraham Joseph

Praful Wankhade

Piyush Sarawagi

ARIA MEMBERSHIP DETAILS

MEMBERS AS OF 31ST JANUARY 2024

	Membership category	Members as on Dec 31, 2023	Members as on Jan 31, 2024
1.	INDIVIDUAL - ANNUAL MEMBERS	157	161
2.	INDIVIUDAL - LIFE MEMBERS	23	23
	Total Individual	**180**	**184**
3.	NON- INDIVIDUAL - ANNUAL MEMBERS	97	97
4.	NON- INDIVIDUAL - LIFE MEMBERS	26	26
	Total Non-Individual	**123**	**123**
5.	ASSOCIATE - ANNUAL	30	30
6.	TOTAL MEMBERSHIP - ANNUAL	284	291
7.	TOTAL MEMBERSHIP - LIFE	49	49
	GRAND TOTAL	**333**	**340**

ARIA IN MEDIA: JANUARY 2024

Quoted in Business Standard
Jigar Patel

Business Standard

Combine Ulip with premium waiver rider to secure your goals.

Read more...

Quoted in Business Standard
Jay Thacker

Business Standard

Choose small tweaks in equity allocation over drastic shift

Read more...

Quoted in Business Standard
Jigar Patel

Business Standard

Book profits in equities, lock into current FD rates.

Read more...

KNOW YOUR BOARD MEMBERS

VIVEK REGE
Chairperson

TARUN BIRANI
Vice Chairperson

AMIT KUKREJA
Treasurer

DILSHAD BILLIMORIA

HARSH ROONGTA

KAVITHA MENON

LOVAII NAVLAKHI

RENU MAHESHWARI

SHAILENDRA KUMAR

SURESH SADAGOPAN

KNOW YOUR VOLUNTEERS

ABHIJIT TALUKDAR

ABHISHEK MITTAL

ABUBAKR SIDDIQUE

ANUP BANSAL

BIHARILAL DEORA

JAY THACKER

JIGAR PATEL

KANIKA SHAH

NITIN SAWANT

RATNASRI KARRA

RAVI NATARAJAN

ROHIT SHAH

KNOW YOUR VOLUNTEERS

S R SRINIVASAN

SRIDEVI GANESH

THEJUS PALATHINGAL

TRUPTI MURALIDHAR

VINIT IYER

VIPIN KHANDELWAL

VISHAL DHAWAN

UDAY DHOOT

UPASANA MONDAL

KNOW YOUR COMMITTEES

MEMBER ENGAGEMENT COMMITTEE

BOARD MEMBERS

Renu Maheshwari
Suresh Sadagopan

VOLUNTEERS

Abhishek Mittal
Jay Thacker
Jigar Patel
Kanika Shah
Nitin Sawant
Rohit Shah
S R Srinivasan
Sridevi Ganesh
Trupti Muralidhar
Upasana Mondal

NEW MEMBERSHIP COMMITTEE

BOARD MEMBERS

Harsh Roongta
Lovaii Navlakhi
Tarun Birani

VOLUNTEERS

Abubakr Siddique
Kanika Shah
Rohit Shah
Thejus Palathingal

PARTNER ENGAGEMENT COMMITTEE

BOARD MEMBERS

Amit Kukreja
Lovaii Navlakhi
Vivek Rege

VOLUNTEERS

Jay Thacker
Trupti Muralidhar
Ravi Natarajan

ADVOCACY COMMITTEE

BOARD MEMBERS

Dilshad Billimoria
Harsh Roongta
Kavitha Menon
Renu Maheshwari
Shailendra Kumar

VOLUNTEERS

Anup Bansal
Biharilal Deora
Uday Dhoot
Vishal Dhawan

WARIA

BOARD MEMBERS

Dilshad Billimoria
Renu Maheshwari

VOLUNTEERS

Ratnasri Karra

KNOW YOUR COMMITTEES

MEDIA COMMITTEE

BOARD MEMBERS

Dilshad Billimoria
Lovaii Navlakhi
Tarun Birani

TECHNOLOGY/ WEBSITE COMMITTEE

BOARD MEMBERS

Amit Kukreja

VOLUNTEERS

Abhijit Talukdar
Vinit Iyer
Vipin Khandelwal
Vishal Dhawan

ACCOUNTING AND FINANCE

BOARD MEMBERS

Amit Kukreja
Harsh Roongta
Vivek Rege

SENIOR EXECUTIVE ASSISTANT

Collyn Mascarenhas

PROJECT COORDINATOR

Shraddha Mhamunkar

THANK YOU

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