SEPTEMBER

2024

ARIAN PERSPECTIVE

Monthly Newsletter by

ARIA
Association of
Registered Investment Advisers

#ARIATRULYCARES

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CHAIRMAN'S NOTE

LOVAII NAVLAKHI

Dear Members,

It's election results season – in some states in India, and closer home, in ARIA. I am really happy to welcome Biharilal Deora as the elected representative to the ARIA Board. Over the past year, we have seen his involvement in the Advocacy sub-committee as a volunteer and we look forward to his contributions at Board level in the times to come.

We need to constantly be reminded of the fact that ARIA is a volunteer led organization. The more of you that step forward, the more we can get done. I can assure you from personal experience that the time we carve out from the businesses we run are compensated for – and much more – from the learnings we absorb from our interactions, both within and outside the community. So, here's a call for you to volunteer. Reach out to Collyn and Shraddha and express your interest.

We are on the cusp of e-Inspire, our Virtual Summit, scheduled for 9th October. I am sure that you and your team have enrolled and are looking forward to four hours of intensive and extensive information from a battery of star speakers, both from India and overseas. This is one more event set up and run by volunteers and hats off in advance to the team that has put it together.

Let's take the movement that is ARIA forward with your willing help.

Warm regards,
Lovaii

IDEA BOX

SOUMITRA SENGUPTA

Founder and CIO - Lamron Analysts

Risk Assessment

Investment advisers are required to assess the suitability of the advise that they are giving. They are required to assess this by understanding the risk profile of a client.

Understanding the risk profile of a client is easier said than done. It requires paying attention to not only his risk taking ability but also to his risk tolerance. Risk taking ability is easier of the two and requires hard core financial numbers like income, networth and liabilities. The process is quantitative and therefore can be easily converted into a template.

Having said that, risk taking ability is not the same as risk tolerance. Risk tolerance has a psychological and behavioural component that requires very subtle assessment. There are those with risk taking ability but with a low risk tolerance. There are many factors that can affect risk tolerance like goals, age etc. But the most important factor would be the investor's comfort level with risk.

Some investors are naturally more comfortable with taking risks than others and this is because of their psychology and experience. On the other hand there are investors who can be extremely stressed by market volatility.

It can therefore be argued that risk tolerance is the most important factor in assessing the risk profile of a client. There should be a range of products on offer that can meet the requirements of those with different risk tolerance, such as aggressive, moderate and conservative.

(contd.)

IDEA BOX

SOUMITRA SENGUPTA

Founder and CIO - Lamron Analysts

In order to establish a relevant risk profile for a client, one needs to:

- Look beyond hard quantitative numbers such as networth, income level and age.

- Assess the risk tolerance of the client which can be done using qualitative factors and behavioural inputs.

- Steps that can be taken to bridge the gap between risk taking ability and risk tolerance are:
  - Self assessment
  - Balanced portfolio construction
  - Regular review and adjustment
  - Education
  - Diversification

NOTE FROM ADVOCACY COMMITTEE

1. ARIA shared its feedback on the consultation paper for IAs and RAs with WTM and made suggestions on how the implementation of the guidelines on certain aspects could be a challenge. Many of these matters were considered at the SEBI Board meeting. Watch out for more details as clarity emerges.

2. ARIA gave its suggestions to NISM on how the content and examination for the refresher courses in lieu of NISM XA and XB can be designed to ensure business continuity is not hampered, and IAs can continue to be updated on important items related to the profession

3. The performance validation agency (PVA) continues to be supported by the working group to see how best track records can be demonstrated on a going forward basis. Attempts are also being made to incorporate past track records , though clarity on the same is currently not available

4. The Centralised Fee Collection Mechanism has been rolled out as an optional fee collection mode for IAs. IAs could evaluate if they want to incorporate it into their practices.

NOTE FROM MEMBERS AND PARTNERS ENGAGEMENT

We are excited to share highlights from two insightful sessions held in September, which offered valuable knowledge and strategies for our members!

1. Exclusive Session on Passives: ETFs or Index Funds?
On 12th September, we hosted an exclusive session titled Insights within Passives: Choice of Structure - ETFs or Index Funds and Options within Passive Funds. Members gained a comprehensive understanding of the key differences between ETFs and Index Funds, guided by our expert speaker.

Speaker: Ankit Singhania, Sr. Vice President, Head Passive Strategy – UTI MF
Moderator: Harsh Roongta, Principal Officer, Fee-Only Investment Advisors LLP

2. Session on Decoding Fixed Income & High-Yield Investments with Grip Invest
On 19th September, we hosted a thought-provoking webinar, Decoding Fixed Income, High-Yield Investments, where members explored innovative and regulated fixed-income instruments and the role of high-yield investments in a portfolio.

Host: Saurabh Mittal, Founding Director, Circle Wealth Advisors Private Limited, CFA
Speaker: Vaibhav Laddha, CEO, Grip Invest

The session covered the Introduction to OBPP, the Role of High-Yield Investments in a Portfolio, and explored Opportunities for RIAs, followed by an engaging Interactive Q&A Session.

We thank all participants for their active engagement and look forward to hosting more such sessions in the future!

SESSIONS CONDUCTED IN THE MONTH OF SEPTEMBER 2024

NEW MEMBERS: SEPTEMBER 2024

CORPORATE - ANNUAL MEMBERSHIP

Naveen Changoiwala
FW Fintech Private Limited

Ashwini Shami
Omniscience Capital Advisors Private Limited

ARIA MEMBERSHIP DETAILS

MEMBERS AS OF 30TH SEPTEMBER 2024

	Membership Category	Members as on Aug 31, 2024	Members as on Sep 30, 2024
1.	INDIVIDUAL - ANNUAL MEMBERS	137	137
2.	INDIVIDUAL - LIFE MEMBERS	21	21
	Total Individual	**158**	**158**
3.	NON- INDIVIDUAL - ANNUAL MEMBERS	99	99
4.	NON- INDIVIDUAL - LIFE MEMBERS	28	28
	Total Non-Individual	**127**	**127**
5.	ASSOCIATE - ANNUAL	25	26
6.	TOTAL MEMBERSHIP - ANNUAL	261	262
7.	TOTAL MEMBERSHIP - LIFE	49	49
	GRAND TOTAL	**310**	**311**

KNOW YOUR BOARD MEMBERS

LOVAII NAVLAKHI
Chairperson

RENU MAHESHWARI
Vice Chairperson

AMIT KUKREJA
Treasurer

KAVITHA MENON
Treasurer

DILSHAD BILLIMORIA

HARSH ROONGTA

SHAILENDRA KUMAR

BIHARILAL DEORA

TARUN BIRANI

VIVEK REGE

KNOW YOUR VOLUNTEERS

ABHIJIT TALUKDAR

ABHISHEK MITTAL

ABUBAKR SIDDIQUE A G

ANANYA ROY

HEMENDRA GANDHI

JAY THACKER

JIGAR PATEL

KALPESH ASHAR

KANIKA SHAH

MONICA MALKANI

NITIN SAWANT

PRAKASH PRAHARAJ

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RAVI NATARAJAN

ROSHNI NAYAK

S R SRINIVASAN

SRIDEVI GANESH

SURESH SADAGOPAN

SUMIT DUSEJA

THEJUS PALATHINGAL

TRUPTI MURALIDHAR

VINIT IYER

VIPIN KHANDELWAL

VIRAJ PADHYE

KNOW YOUR VOLUNTEERS

VISHAL DHAWAN

UDAY DHOOT

UPASANA MONDAL

KNOW YOUR COMMITTEES

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BOARD MEMBERS

Kavitha Menon
Renu Maheshwari

VOLUNTEERS

Abhishek Mittal
Jay Thacker
Jigar Patel
Monica Malkani
Suresh Sadagopan
Nitin Sawant
Ravi Natarajan
Sridevi Ganesh
Trupti Muralidhar
Upasana Mondal
Vinit Iyer

NEW MEMBERSHIP COMMITTEE

BOARD MEMBERS

Harsh Roongta
Lovaii Navlakhi
Tarun Birani

VOLUNTEERS

Abubakr Siddique
Kanika Shah
Thejus Palathingal

PARTNER ENGAGEMENT COMMITTEE

BOARD MEMBERS

Amit Kukreja
Lovaii Navlakhi
Vivek Rege

VOLUNTEERS

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Trupti Muralidhar
Ravi Natarajan
Hemendra Gandhi

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BOARD MEMBERS

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Dilshad Billimoria
Harsh Roongta
Kavitha Menon
Renu Maheshwari
Shailendra Kumar
Vivek Rege

VOLUNTEERS

Uday Dhoot
Viraj Padhye
Vishal Dhawan

WARIA

BOARD MEMBERS

Dilshad Billimoria
Renu Maheshwari

VOLUNTEERS

Ratnasri Karra

KNOW YOUR COMMITTEES

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Prakash Praharaj
Roshni Nayak
Sumit Duseja

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Vinit Iyer
Vipin Khandelwal

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BOARD MEMBERS

Amit Kukreja
Harsh Roongta
Kavitha Menon
Vivek Rege

SENIOR EXECUTIVE ASSISTANT

Collyn Mascarenhas

PROJECT COORDINATOR

Shraddha Mhamunkar

THANK YOU

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