

## Unveiling opportunities and risks in the evolving landscape of alternative investments

*CFA Society India's inaugural Alternative and Quantitative Investing Conference brought together industry's renowned thought leaders to deliberate and debate the opportunities and risks in alternative investing.*

**Chennai, 04<sup>th</sup> November 2023:** The first Alternative Investment Funds (AIFs) in India were set up a decade ago, and the current global macroeconomics makes alternatives a compelling avenue for investors. CFA Society India found that it is an opportune time to examine the opportunities and risks in alternative investing.

CFA Society India brought together a diverse group of experts for its Alternative & Quantitative Investing Summit, creating an event that resembled a vibrant Gujrati thali, a mixture of flavours for every palate. Conference Chairs **Sathanbabu Mathankumar, CFA** (Principal – Tamil Nadu Shelter Fund) and **Sreemant Dudhoria, CFA** outlined the aim of the summit: To explore the evolving landscape of alternative investments and the burgeoning interest in quantitative strategies in India.

**Shamit Chokshi, CFA** (ICICI Prudential AMC Ltd., Chairperson, Professional Learning Committee, CFA Society India) in his opening remarks underscored the importance of governance, regulations and knowledge of funding cycle as he set the learning outcomes for the 100+ attendees.

Deepak Gowda, Ascent Capital, a seasoned Private Equity investor started with a much-needed session, "The State of Early-Stage Financing Cycle". Deepak emphasized the vast potential that India offers for investors, asserting that "India's time has come", highlighting the long-term structural growth story. He underlined that, investors need to be agile and adapt to the evolving landscape along with busting the myth of the *funding winter* - "It wasn't a funding winter, it became too sunny and now a new normal is being set."

**Rishi Kohli**, InCred Alternatives in his session, "Deep Dive on Quantitative Strategies - An Indian Perspective," showcased the role of quantitative investing in addressing cyclicity in markets by constructing market-neutral portfolios. He also debunked the conventional wisdom that timing doesn't matter, showing how avoiding the worst market days has a more significant impact on returns than missing the best days.

The third session, "Powering Digital India - Investing in Warehousing and Data Centers," featured **Rahul Shah** of Kotak Alternate Asset Managers and **Ankur Parwani**, ESR Advisers. This session centered on the rapid growth of data centers in India, propelled by data revolution and the demand from organized retail, manufacturing, and e-commerce. The panel touched on India's cost advantage of constructing and operating data centres, the diversified locations, the rise of in-city warehousing, and factors that could reset return expectations, while acknowledging risks, such as power outages and the complications in land transactions.

The fourth and final session, "Unlocking the Power of Quantitative Investing," was led by **Pim Van Vliet**, Robeco. Pim explored the intriguing puzzle of low-volatility stocks outperforming high-volatility stocks and how conservative strategies can moderate short-term volatility while outperforming in the long term. He highlighted the importance of addressing behavioral biases through quantitative investing and emphasized that investors should focus on longer time horizons to fully leverage the low-risk, high-return anomaly and benefit from compounding.

The sessions were moderated by **Manu Iyer**, Blue Hill Capital, Vijayanand Venkataraman CFA, Wealth Yantra., **Ms Devi Shankar**, Anarock Capital and **Ravi Saraogi CFA**, Samasthiti Advisors.

**D Muruganandam**, CFA, Sundaram Asset Management Company in his closing remarks pointed out the importance of staying ahead in the ever-changing world of investing, shedding light on the opportunities and risks that come with the rise of alternative and quantitative investing in India.

The conference ended with hands-on workshops by **Vivek Sriram**, Khaitan & Co, **VP Rajan** CFA, Veda Corporate Advisors on Transaction Structuring and **Kshitiz Jain**, CFA, FRM, CAGRfunds on Building Quantitative Models.

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