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Choose Those Who 'Walk the Talk'

In an era where one is surrounded by syrupy corporate 'Mission Statements' and Public Relations agency-driven spin about integrity and ethics, we crave for ways to differentiate the 'real' from the 'fake'. **Customers value advisors who go beyond mere words and demonstrate alignment through their actions.**

A few ways this can be done are:

1. **Being transparent** about one's fee structure
2. **Being a good listener** and recommending products or solutions suitable to a client's requirements.
3. **Allaying clients' fears or insecurities** and guiding them to the right product even if it takes more effort.
4. **Taking the road less travelled...** by refusing to accede to a client's demand in case it is not in her interest.

While the spotlight is often trained on the Advisor community, product manufacturers ought to also step up and be counted. They can do their bit to instill trust in the mind of the Advisor and help them advise more assuredly. Here are two ways in which this can be done:

1. **Simplify...not complicate**

Let's face it. The life of Mutual Fund Advisors is not easy. On the one hand, they are expected to keep abreast of every development taking place in this vast industry. On the other, they have to contend with falling commissions and disruptive fin-tech companies nipping at their heels.

Here, mutual funds can make life easier for them by launching products which are both, simple to understand and help provide a universal solution to help meet client goals. In a world overflowing with choices, Mutual Fund Advisors would welcome any product innovation which helps cut through the clutter, and it is incumbent on the mutual fund industry to do everything they can, to assist them. One way to do this, is by designing an all-

encompassing Scheme which offers the flexibility of investing across companies of various sizes, sectors and geographies. Such a Scheme – if backed by competent Fund management – provides Advisors with a tidy solution. This reduces the time involved in assembling together several Schemes while constructing a client's portfolio.

A Fund which launches an 'all-in-one' Scheme today, will find it difficult to justify launching more Schemes in the future, as the investment mandate may overlap with the flagship Scheme. And in a world where Funds are often judged by the amount of Assets and number of Schemes they manage, not launching 'flavour-of-the-season' Schemes may hurt both, profitability and market-share. Many entities in the financial sector are torn between the onerous demands of being a professional and the temptation of being a business entity. To ensure that the former triumphs, calls for taking tough decisions...and leading by example.

2. **Eat your own cooking.**

Clients value Advisors who set an example, be it in terms of prudent spending, intelligent asset allocation or psychological maturity. Similarly, any mutual fund - which exhorts others to invest in their Schemes - may be viewed more favourably, if it transparently reveals its own employees' investments in the Fund. After all, if the Schemes are good for outside investors, they surely ought to be worthy enough for 'insiders'. What better way to 'lead by example' than put one's money where one's mouth is.

To sum up, Mutual Funds and Mutual Fund Advisors are two sides of the same coin. Both are fiduciaries who must serve their clients honestly. Also, in both cases, reputation and trust build and endure, only when one's talk is matched by one's actions.