

# ING India bets on quant funds to break even



- \* Aims to manage 18 bln rupees under quant funds by end 2010**
- \* Hopes to add 2,500 clients, gather assets from abroad**
- \* To launch at least 2 mutual funds with quant focus in 2011**

MUMBAI, Aug 16 (Reuters) - The Indian asset management arm of ING hopes to nearly double quant fund assets run under its portfolio management services (PMS) unit by end of the year, helping the money manager turn profitable, a top executive said. Navin Suri, chief executive of ING Investment Management (India), said his quant funds were attracting money from India's wealthy investors on recommendations from wealth managers such as ICIC Bank, Deutsche Bank, Kotak Mahindra Bank and Religare Macquarie. He said the firm was now aiming to grow assets under quant funds to 18 billion rupees by end of 2010, up from 10 billion rupees now and 3.5 billion rupees at the start of the year. ING also hopes to add 2,500 clients to its 5,500 investors betting heavily on quant products to turn profitable in India, given they have proved far more successful than its equity funds.

"We are hoping to break-even sometime quarter three of next year," Suri told Reuters in an interview. Quant fund managers follow a set of mathematical techniques to evaluate risk, pricing and timing in financial markets, unlike those following fundamental and technical analysis that largely depend on subjective calls. ING introduced quant strategies investing in local shares under its PMS arm, better known as managed accounts globally, in 2009 and now offers three quant products in India. While equity mutual funds in India, including those from ING Asset Management, have seen net outflows in 2010, the firm's quant funds have added significant assets, helping ING become one of the bigger PMS players in the country. "Quantitative style of investing has established a foothold in the HNI space," the Mumbai-based executive said. ING's large-cap stocks oriented quant strategy has given about 24 percent return in year to July 31, while its mid-cap strategy has produced 41 percent return. By comparison, India's main share index has returned about 14 percent. Suri said growth will also come from overseas as the firm makes the strategies available offshore. Recently, ING India started marketing products through Mauritius and has collected about 600 million rupees from investors abroad. Suri said the firm was also aiming to launch at least two mutual fund strategies with quant focus early next year.