

Money Talk

Uma Ratnam Krishnan is the *Chief Executive Officer of Optimus*, the business process outsourcing subsidiary of Polaris Software. As the head of Optimus, she brings to bear her 16-year work experience across retail financial services to manage BPO clients in the banking, financial services and insurance vertical. Read about the investing habits of this IIM-Bangalore alumnus:

When did you start investing?

Early on in my career. Of course, I first invested in a Maruti car when I started working, to get me to work and back! From a year after that, I have been investing though not very systematically. If you start early it becomes a habit and, more importantly, allows you to invest smaller amounts with longer return horizons.

Did you start with investment in real-estate before you moved on to direct investing?

From day one, my investments were a mixed bag. I made investments in real estate quite early as I had planned on it being an essential part of my portfolio. Simultaneously, however, I began direct investing as well. This worked well for me as I had a bit of everything in my portfolio and it helped me understand and assess the performance and what my own preference and expectations were.

Have you followed any asset allocation pattern for your own finances to start with and how has it changed over the years?

To start with, I had a mix of bank deposits and mutual funds apart from real-estate. Investment in direct equity was a small part of my portfolio. But after the initial few years I gradually increased my exposure to direct equity and, now, my portfolio is significantly skewed in favour of equity in some carefully evaluated stocks. And I have almost no fixed deposits.

Which was the first stock you picked. Did you make money on it? Any learnings from that experience?

The first stock I picked was ITC. Safe, blue chip but also slow and steady in its growth. I was very excited when I got my first bonus! Just got me used to the idea of equity investments and, of course, encouraged me to become a regular and more aggressive investor.

Do you have any specific return expectations on your portfolio?

Typically, I operate with a medium-term view and I am fairly aggressive in terms of my risk profile. So, I do set some minimum benchmarks for returns for different investments.

Are you entrusting funds to a financial planner/portfolio manager or handling it directly?

I handle direct medium-term equity investments myself but work with a portfolio manager for investments in mutual funds

Mutual funds performance that you are impressed with...

Some of the Franklin Templeton and HDFC funds have performed well. Recently the Fidelity India Special Situations Fund has been an interesting one.

Books that have impressed on investing...

One of the most interesting and impressive pieces I have read recently is Mr Warren Buffett's speech this year to the shareholders of Berkshire Hathway. This speech captures the fundamentals of good investing and how and why companies become successful and, therefore, provide their shareholders disproportionate value. Inspiring stuff from the guru of investing.

Krishnan Thiagarajan