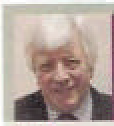

platformwatch

MALCOLM MURRAY

Head of marketing, Transact

All wrapped up and ready for the client

There is a clear choice between platforms when it comes to providing better service

The article entitled "Platform Gaming", in the November 9 issue of Investment Adviser and written by Stephen Wilmot, is clearly in response to the ever-increasing interest in platforms from a wider section of advisers.

Mr Wilmot is quite right to point out the confusion many advisers experience when addressing this subject. The contribution from spokesmen and women from platforms is useful in explaining some of the differences between fund supermarkets – which the majority of advisers have used – and wrap services.

The word 'platform' is generic and applies to any consolidating service that brings either funds or tax wrappers together in one place. You could say the old Skandia model that offered a range of funds mirroring

further comment. First, both types of platform negotiate terms (initial and annual) with fund managers. The difference between the two is that the wrap services pass back those discounts and rebates in their entirety to the ultimate client. Fund supermarkets do not – they keep a part of each to fund their existence.

The article said wraps "negotiate a discount on the AMC with the fund provider, typically 75 basis points on a 150bps fund. It takes some of this rebate itself". All wrap services pay the whole of the rebate back to the ultimate client. If it did not, then it would not be a wrap service.

Second, the fact platforms negotiate rebates does not make the arrangement RDR-compliant. All platforms – supermarkets and wraps – negotiate the initial charges and rebates. It is what they do

First infrastructure fund for region aims to meet investor demand

Kotak prepares fund for India

LAUNCH

by Dominic Welling

Kotak Mahindra (UK) has launched its first infrastructure-focused fund available to European retail investors.

Set to be launched later this month, the India Infrastructure and Realty fund will be a Ucits III-compliant Sicav, with a minimum investment level of $500 (£300).

Kotak said the fund would invest primarily in listed shares and equity-linked instruments of companies directly or indirectly linked to the Indian infrastructure and realty sectors.

The new fund will be a Sicav version of the existing Kotak Indian Infrastructure and Realty fund, which was launched in November 2007.

The India Infrastructure and Realty fund will be the second Sicav fund Kotak has launched to date.

Nitin Jain, principal fund manager for Kotak's long-only strategies, will manage the fund.

Mr Jain also manages Kotak's other Ucits III-compliant Sicav, the Indian Midcap fund, and has nearly 14 years of experience in India's equity markets.

"The government is actively encouraging private investment in the sector"

Paul Parambi, Kotak Mah

Kotak has targeted a size of $100m for the fund, domiciled in Luxembourg, by the end of this year.

Paul Parambi, head of international business at Kotak Mahindra, said: "We are launching this fund in response to significant investor demand for a product that focuses solely on the Indian infrastructure sector and that is easy to invest in.

"European investors are attracted to this asset class, which includes roads, power, highways, airports, ports and railways, because it has long-term growth potential and can provide relatively stable returns."

Mr Parambi said India currently had an "underdeveloped and undercapitalised" infrastructure set-up that required significant investment to accelerate growth.

"The government has identified this need and is actively encouraging private investment in the sector," he said.

"Private equity funds have already invested close to $9.7bn in the country's infrastructure sector in the past three years and, as more private players enter the arena, the sector will evolve further and create attractive investment and exit opportunities."

However, Kotak added that investments in India were subject to the risks associated with emerging markets, including, but not limited to, risk of losing some or all of the capital invested, high volatility, variable liquidity, geopolitical risks including political instability, exchange-rate fluctuations and restrictions on foreign investors.

Investments in India should, therefore, be considered "only as part of a well-diversified portfolio", Kotak said.

Newton promotes Pryke

Newton Investment Management has promoted Simon Pryke to the position of head of its private investment management (PIM) division.

Mr Pryke previously held the role of investment leader, global research, at Newton since 2003.

He joined Newton's global research team in 1996 as a financials analyst.

Mr Pryke will also join the Newton board of directors.

He said: "The changing investment landscape has led to greater commonality between the investment requirements of different client types.

"We are in an informed position to judge this trend as we have a diverse business, with strong presence in the institutional, charity, high net worth and retail market segments.

"I firmly believe that a vibrant and larger private client and charities franchise is within our reach, due to the quality of the people we have in place, and the tremendous firm-wide investment resource behind our offering. I look forward to leading this group to the next stage of its development," he added.

Newton's PIM division manages more than £8.2bn on behalf of private clients and charities.