

Know Your Fund Manager | Satish Ramanathan, CIO-Equity, JM Financial Asset Management

By Nikhil Agarwal, ET Online • Last Updated: Jul 30, 2024, 10:23:00 AM IST

Synopsis

Satish Ramanathan, CIO-Equity at JM Financial Asset Management, transitioned from engineering to a successful career in equities. He manages four significant schemes and follows a meticulous investment philosophy. His approach balances caution with boldness, focusing on long-term growth and quality. His passion lies in responsibly managing public funds and receiving client appreciation.



Let's start with your personal story

Well, I finished my engineering in 1989 and after completion of the degree I felt hard core engineering wasn't for me and I got captivated by reading a few annual reports that motivated me to do my MBA and successfully completed that from Texas A&M University. Post my degree completion I felt being in India is home more than anywhere else in the world and hence I came back to India. From there I've worked across credit rating and consultancy across several companies and I found that my calling was finally 'Equities' and that has been motivating me and driving me for the better part of my 30 years. In my journey so far, my family has been my cornerstone not forgetting my grandfather and father who have briefly been in the markets. There has been a lot of inspiration and influence by reading finance books. During the early stages it was Peter Lynch – One Up On Wall Street which helped me to get into the depths of the market. Later, I understood the philosophy of Warren Buffet which was again something that quality is paramount when selecting a business.

How did you land up in this job?

I previously worked with ICRA, ICICI Securities, Franklin Templeton as a **Fund Manager**, Sundaram Asset Management Ltd as Director Equity and my Entrepreneurship journey was through Tattva Capital. And now spearheading the entire equity and research team at **JM Financial Asset Management** Ltd.

Which funds are you currently managing?

Currently I am the primary fund manager of 4 schemes; the first one is **JM Flexicap Fund** with ₹ 3,216.61 crore AUM, JM Midcap Fund with 1,379.24 crore AUM, JM Large Cap Fund with ₹ 233.76 crore AUM and JM Value Fund with ₹ 839.20 crore AUM. (Data as on June 30, 2024)

What is your **investment philosophy** and how will you describe your **investment strategy**?

We follow a combination of top down approaches to identify long term growth opportunities such as out of home food consumption/entertainment or smart fashion or medical care. On a bottom up basis we identify companies who can execute their strategy in the best possible capital efficient manner. The intersection of the two analyses should then pass our GeeQ philosophy which is Growth in Earnings with Earnings Quality. The questions that we ask ourselves are, How long can this growth last? Is this a structural trend or just a mean reversion? Can the company generate cash flows that fund its growth? Is the company capital efficient (ROCE/ ROE)? And can the company outshine its peers on some parameters? We generally prefer the top three companies in the business, unless we find a compelling reason to do otherwise.

What gives you the kick while managing other people's money?

Managing **public money** is a great responsibility and a challenge. One needs to be cautious yet bold enough to differ from the consensus. In all the actions that we take, we abide by the principle - treat public money with respect and look at the downside risks as well. There are moments of satisfaction as well when your clients appreciate your work. That is the greatest kick in the job.