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- ▶ **Reliance Mutual buys Goldman assets**  
Reliance will acquire Goldman Sachs MF's all equity,  
debt assets in India for Rs 243 crore P3

# Reliance MF acquires Goldman Sachs India MF biz for ₹243 cr

GSAM India manages 12 MFs; has a total AUM of Rs 7,132 crore as of Sept 30

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Mumbai

RELIANCE Capital Asset Management (RCAM), the country's third largest mutual fund house by asset size, has acquired global financial major Goldman Sachs' mutual fund business in India for Rs 243 crore in an all-cash deal.

As per the pact, RCAM, a part of Anil Ambani-led Reliance Capital, will acquire all 12 onshore equity and debt mutual fund schemes of Goldman Sachs Asset Management India with total asset under management of Rs 7,132 crore.

With this development, Goldman Sachs joined the ranks of a set of foreign players, including Deutsche Bank, Morgan Stanley, Fidelity and ING Group, to exit the Rs13 lakh-crore Indian mutual fund industry.

"Reliance Capital Asset Management signed definitive agreements to acquire Goldman Sachs Asset Management's (GSAM) onshore business in India. RCAM will pay a total sum of Rs 243 crore (US\$ 37.5 million) in cash to acquire all onshore mutual fund schemes, including exchange traded funds of GSAM India," a joint release issued by RCAM and GSAM read.

GSAM India now man-

ages 12 mutual fund schemes, including 10 ETF schemes, and is the largest ETF provider in India. It has a total AUM of Rs 7,132 crore (\$1.1 billion) as of September 30, which includes Rs 2,172 crore (\$334 million) of AUM in the CPSE ETF for which GSAM India is the exclusive fund manager. With this acquisition, Reliance MF becomes the manager for the government's central public sector enterprises (CPSE) exchange-traded fund, which has a Rs 2,172 crore (\$ 334 million) of AUM.

Goldman Sachs entered the Indian mutual fund industry in 2011 with the acquisition of Benchmark Mutual Fund for Rs 120 crore. GSAM India is a part of Goldman Sachs Asset Management, the asset management arm of the investment management division of the Goldman Sachs Group.

HDFC MF is the largest player with a AUM of Rs. 1.71 lakh crore, followed by ICICI Prudential MF (Rs 1.65 lakh crore) and Reliance MF (Rs 1.53 lakh crore) at the second and third place, respectively. There are 44 mutual fund houses registered with Sebi with a combined industry AUM of Rs 13 lakh crore. "As part of the transaction, RCAM will extend offers of



## Fund games

■ RCAM, a part of Anil Ambani-led Reliance Capital, will acquire all 12 onshore equity and debt mutual fund schemes of Goldman Sachs Asset Management India. It becomes the manager of government's CPSE ETFs

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employment to substantially all of GSAM India's employees dedicated to supporting the ETF business," RCAM said.

RCAM CEO Sundeeep Sikka said, "The transaction will add over half a per cent in our market share. We will ensure that we maintain seamless continuity for all GSAM India fund investors across all schemes. Going forward,

we would be willing to consider more such acquisitions, which add to our strength besides complementing our portfolio. The acquisition fits into our overall long-term strategy."

"This acquisition by RCAM is an important first step in our overall strategy to strengthen our businesses through selective inorganic growth. GSAM India has a strong bouquet of

schemes and a talented team. We are confident that they will complement and enhance RCAM's overall offerings to investors" said Sam Ghosh, executive director, RCAM.

Boards of both the companies have already approved the transaction, RCAM said. The transaction is expected to be completed by the end of the ongoing financial year, subject to necessary regulatory approvals.

Talking about ETF as a strategic fit for Reliance Mutual Fund, Gautam Mehra, partner, PricewaterhouseCoopers, said, "Globally ETFs are on rise and it's a matter of time before they become successful in India as well." Consolidation in the mutual fund industry will boil down to players who can ramp up the size and be ready to invest to pursue the business, Mehra added.

Earlier in August, Pramerica Mutual Fund acquired all the equity and debt assets of Deutsche Mutual Fund (India) for an undisclosed sum. Prior to that, Morgan Stanley Mutual Fund was acquired by HDFC Mutual Fund, ING Mutual Fund by Birla Sun Life Mutual Fund and Pinebridge Investments by Kotak Mutual Fund.

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