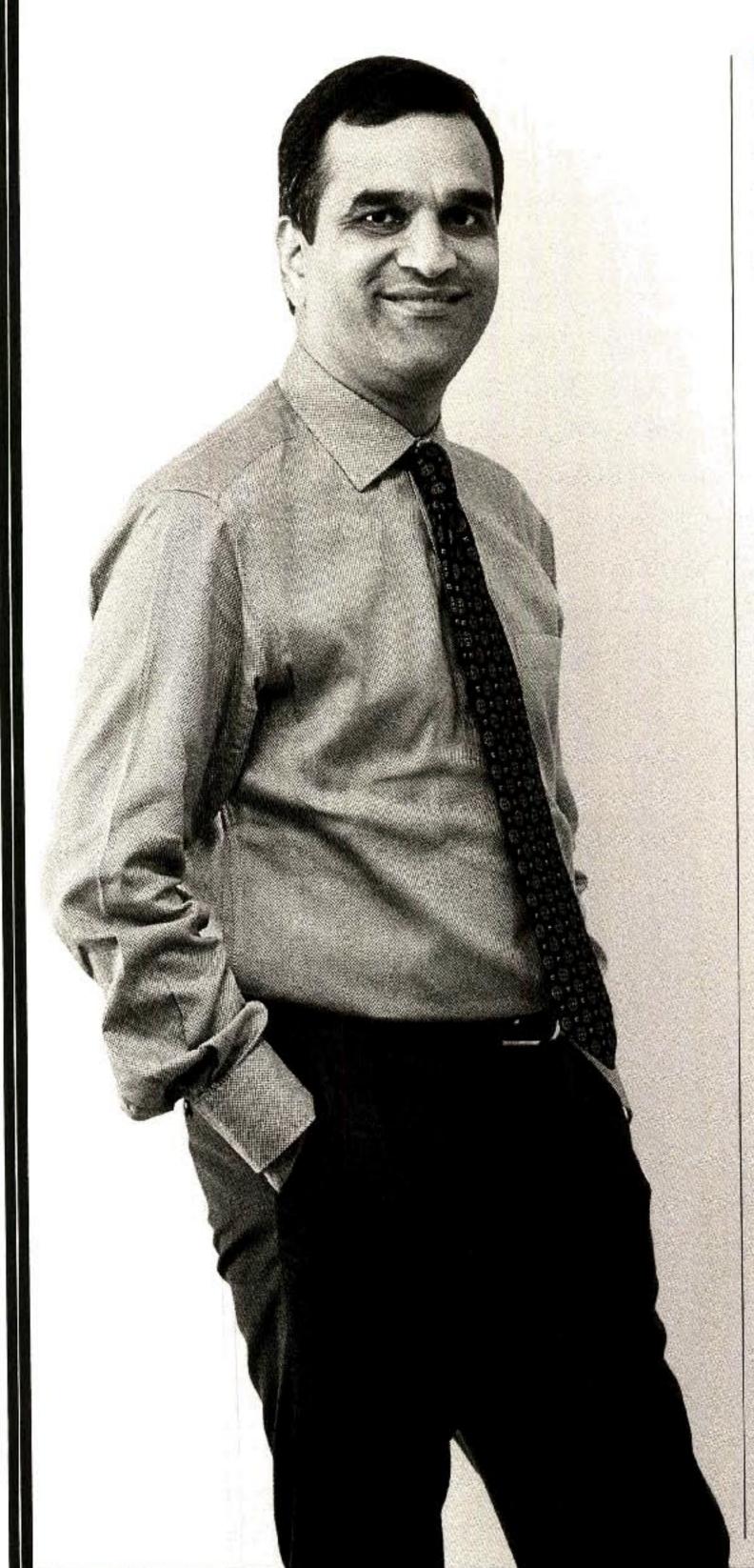


ADVICE FROM THE MASTERS



MADHUSUDAN KELA

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CHIEF INVESTMENT STRATEGIST,
Reliance Capital

MADHUSUDAN KELA MADE A

name for himself in the midcap space in 2005 when he was a fund manager with Reliance Mutual Fund. At the time, he invested in small- and mid-cap companies that were primed for high growth. He invested in the likes of BEML, Kirloskar Brothers and Jaiprakash Associates. They were all multibaggers with attractive valuations and a potential for huge returns.

Kela feels that investors need to first identify companies that have excellent managements in favourable sectors. In 2005, the macroeconomic conditions were favourable as inflation and interest rates were low, he says. Then in 2009, he began focusing on the pharmaceutical sector, and took disproportionately large bets. He believed that there could be a meaningful medium-term opportunity at hand. He was right.

It isn't easy pinning down
Kela's investment philosophy.
"You need to be in control of
your emotions when you are
doing long-term investments.
The rest of it can be learnt from
many different places," he says.

Kela credits investor Rakesh
Jhunjhunwala for shaping his
investment acumen, and is inspired
by investment guru George Soros.
"I was also influenced by Peter
Bregman's book, 18 Minutes. It
provides actionable insights to
improve efficiency in different
aspects of your life," he says.

He advises investors to have a proper asset allocation plan for the long term. "Volatility can be your friend. It provides an opportunity to build positions in otherwise great companies. Lastly, identify good asset managers and invest through them as this is their full-time job."

-SALIL PANCHAL