



CFA Society
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Thought Leadership
In Action

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Foreword: The Best of Times, The Worst of Times

By Shreenivas Kunte, CFA, PhD
Director, Research, Advocacy & Standards Committee

Dickens opened "A Tale of Two Cities" with a paradox — a moment in history experienced as both the best and worst of times, depending entirely on where one stood and what lens one used. Indian markets in 2026 are not so different. For instance, some opine that the downturn in markets may be a rare opportunity to create wealth.

Gaps between appearance and the underlying reality, is the motivating idea behind this edition of India Insights.

Kshitiz Jain's opening piece on performance attribution makes the case with elegant precision — a fund returning 22% can simultaneously be destroying value, if measured against the right yardstick. His argument is beyond the technical, urging investors to look through the numbers with a set of discerning eyes.

Our debut Young Manager Series conversation with Rukun Tarachandani of PPFAS offers a different flavour of insight, a practitioner's career pathway to learn from. Rukun's journey from engineering to equity fund management, and his integration of data science with value investing, reflects exactly the kind of multidisciplinary thinking that India's asset management industry will need as AI compresses informational edges and raises the premium on judgment. Rukun's advice to young analysts — think in second-order terms, and do the ground work that no model can replicate, is as relevant as ever.

Satpal Saini's analysis of brokerage frameworks provides an understanding of how research is funded. The European experience under MiFID II is instructive and cautionary in equal measure given the recent changes in India.

We intend to deepen our engagement with members and practitioner leaders. We look forward to hearing from you. The best of what India's investment profession can offer, can only be sourced and written by you.

The Mirage of "Beating the Market": Why Indian Wealth Managers Need Better X-Rays

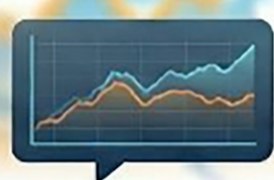
By Kshitiz Jain, CFA

The difference between luck and skill is often just a matter of which yardstick you use. For investors, Performance Attribution is the only way to separate a manager's true ability from structural tailwinds. Further, Attribution analysis is mathematically invalid without an appropriate benchmark. If the benchmark is wrong, the "Skill" is fake.

The Investor's X-Ray: Decoding Portfolio Performance

22% RETURN

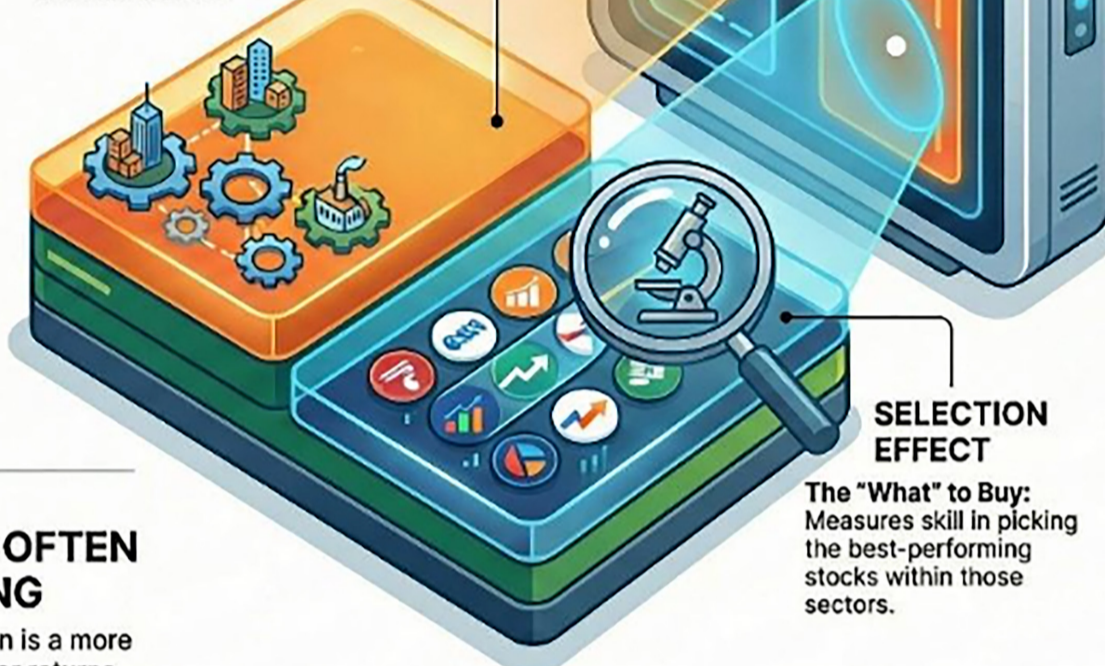
A 22% return might not be alpha.



KEY FINDING: The outperformance was a market tailwind, not skill. Without proper analysis, luck from market movements (beta) can be mistaken for skill (alpha).

ALLOCATION EFFECT

The "Where" to Invest:
Measures skill in overweighting the right sectors relative to the benchmark.



SELECTION EFFECT

The "What" to Buy:
Measures skill in picking the best-performing stocks within those sectors.

ALLOCATION



STOCK PICKING



IN INDIA, ALLOCATION OFTEN TRUMPS STOCK PICKING

Research suggests industry allocation is a more consistent driver of long-term superior returns.

Let me begin with a conversation I had last week with a wealth manager in Mumbai. He was ecstatic about a particular flexi-cap fund manager who had delivered a 22% return over the last year, comfortably beating the Nifty 50's 15%. On the surface, it looked like pure alpha.

But when we peeled back the layers, the picture changed. The fund had a heavy structural bias toward mid-caps. When compared to the Nifty Midcap 150—which was up 35% in the same period—the manager hadn't generated alpha; he had actually destroyed value. The "outperformance" was merely a structural tailwind (beta), not stock-picking brilliance.

The danger with headline returns is that, without diagnostics, luck gets mistaken for skill and bull markets for ability.

Performance Attribution is that diagnostic tool. It is the mathematical process designed to answer the fundamental question: "Where did the return come from?" For sophisticated investors and regulators, this transparency is the difference between blindly paying active fees and understanding the true source of value.

How to X-Ray a Portfolio: The Brinson Intuition

At its core, attribution splits returns into distinct buckets. While the mathematics (typically based on the Brinson Model) can be complex, the intuition is straightforward.

Imagine a Portfolio Manager (PM) benchmarking against the Nifty 50. We can dissect their performance into three specific decisions:

1. Allocation Effect (The "Where")

Did the PM add value by overweighting the right sectors relative to the benchmark? This measures macro-strategic skill.

- Scenario: In 2023, the Nifty 50 had roughly 14% exposure to IT and 35% to Financials. A PM senses global headwinds, cuts IT exposure to 5%, and reallocates that capital to PSU Banks.
- Result: As IT stocks stalled and PSU Banks rallied, the portfolio surged. This gain is Allocation Effect. This reflects macro-level strategic brilliance.

2. Selection Effect (The "What")

Did the PM add value by picking the right stocks within those sectors? This is a direct measure of stock-picking ability.

- Scenario: The PM holds a neutral weight in the Auto sector but, instead of buying index heavyweights like Maruti Suzuki, buys Tata Motors just before a major earnings surprise.
- Result: The sector weight was neutral, but the specific stock choice drove returns. This is Selection Effect—pure stock-picking skill.


3. Interaction Effect

This measures the synergy between the two. If a manager bets big on a sector (overweight) and picks the best stock in that sector, the interaction effect is positive. It confirms that their conviction was placed in the right area.

Impact and Insights: Where Does Alpha Truly Reside in India?

Attribution analysis is foundational for sound investment decision-making, especially when evaluating active management vehicles like Mutual Funds, PMS, and AIFs.

Attribution acts as a quantitative mirror, helping investors determine if a manager's stated philosophy aligns with their actual results. If a firm claims to be an expert in macro trends, the allocation effect should consistently contribute positively to returns. If they claim stock-picking excellence, the security selection effect should add value. For example, a PMS claiming a "bottom-up stock selection" approach should show that its excess returns are predominantly generated by the Selection Effect rather than massive, market-timing Allocation Effect.



Interestingly, empirical research on the Indian equity mutual fund space challenges the common narrative that "stock picking" is the only game in town. The Research by Malhotra & Sinha (2021) gives us the following insights on the Indian Mutual fund space.

The researchers analyzed a robust sample of 34 open-ended Indian equity mutual funds (specifically large-cap, growth-oriented funds) over a 10-year period from 2011 to 2020. Using monthly portfolio holdings, they didn't just look at raw returns; they applied rigorous asset pricing models to strip away market noise and isolate genuine "alpha". They then mathematically decomposed this alpha into two distinct buckets: alpha generated from broad industry selection (allocation) and alpha from specific stock picking.

- **Allocation Trumps Stock Picking:** The industry allocation is often a more consistent driver of long-term superior returns in the Indian market than stock selection. Successfully positioning a portfolio toward winning industries is a major differentiator.
- **Persistence of Skill:** The ability of Indian fund managers to shift portfolios toward high-performing industries explains more than two-fifths of the alpha generated. Crucially, this skill exhibits significant long-term persistence.
- **No Diseconomies of Scale:** Unlike stock picking, which gets harder as funds get bigger, superior performance attributable to industry selection does not appear to suffer from diseconomies of scale. Skilled allocators can continue to find attractive industries even as their AUM grows.

The Role of the Benchmark: Ensuring a Fair Yardstick

Attribution analysis is mathematically invalid without an appropriate benchmark. The benchmark represents the passive alternative; it is the "opportunity cost" of active management.

In the Indian context, historical analysis highlights a troubling trend: stated benchmarks for many Indian equity mutual funds have often been grossly mis-specified. A study by Chauhan (2019) found that much of the apparent out performance generated by average funds was actually due to this underlying mis-specification rather than genuine skill. To uncover this, the researcher used a "holdings-based" attribution framework on a comprehensive, survivorship bias-free dataset of Indian equity mutual funds spanning from 2008 to 2017. By looking deeply into the actual underlying stocks held by these funds over time, the study constructed customized "style-adjusted benchmarks" that accurately reflected the funds' true risk and style exposures, and then compared them against the funds' officially stated benchmarks.



The Regulatory Evolution

SEBI has been proactive in addressing this "strawman benchmark" issue:

- 2018: SEBI mandated the use of Total Return Indices (TRI), ensuring managers beat the entire market return (including dividends), not just price changes.
- 2020: Recognizing that one size does not fit all, SEBI introduced a Two-Tiered Benchmark System.
 - Tier 1 (Mandatory): Decided by AMFI to create a standardized yardstick for the category.
 - Tier 2 (Optional): Decided by the AMC to reflect the specific investment style.
- 2023: SEBI extended standardized benchmarking frameworks to PMS and AIF providers, mandating that APMI prescribe lists of benchmarks to prevent cherry-picking.

Governance: The Road Ahead for Advocacy -

While SEBI's push for TRI and tiered benchmarks is commendable, as an industry, we must tighten the screws on reporting standards to foster true transparency.

1. Standardized Attribution Reports -

Just as Mutual Funds publish monthly factsheets, SEBI should encourage a standardized "Attribution Summary" for PMS and AIF strategies. This report should clearly separate Allocation and Selection effects on a quarterly basis. Institutional investors globally demand this; Indian retail investors deserve it.

2. Closing the Benchmark Gaps -

There are still significant gaps in benchmark selection. For instance, certain popular Flexi-cap funds hold high exposure to global equities yet benchmark against the Nifty 500 TRI and even the Tier 2 benchmark is NIFTY 50 TRI. This mismatch creates a "free lunch" in attribution if global markets outperform. We need stricter oversight to ensure Tier 1 and Tier 2 benchmarks truly match the investment universe.



3. The Move Toward GIPS -

The Global Investment Performance Standards (GIPS) by CFA Institute remain the gold standard for preventing the "cherry-picking" of top-performing accounts. While adoption in India is currently voluntary and low, the maturation of Indian asset management will likely make GIPS compliance a "must-have" for attracting global capital.

Conclusion: The Diagnostic Tool of Modern Investing

Performance attribution is not merely a quantitative exercise; it is a governance mechanism. It empowers investors to verify if a manager's philosophy aligns with their results.

- Does a "macro-focused" fund actually generate Allocation Alpha?
- Does a "bottom-up" stock picker actually generate Selection Alpha?

By shifting the focus from the annual result to the granular inputs driving that result, attribution helps managers hone their processes and helps investors distinguish skill from luck.

Further, to make the attribution more robust, an appropriate benchmark is paramount.

In our next newsletter, I will move beyond traditional asset-grouping models to explore Factor-Based Attribution. We will discuss how multifactor models (Smart Beta) dissect returns based on risks like Value, Momentum, and Quality, offering the next generation of clarity in portfolio positioning.

"Young Manager Series" - S01 E01

Interview with Rukun Tarachandani, Executive Vice President & Fund Manager - Equity, PPFAS Mutual Fund



This is the debut discussion of the "Young Manager Series" launched by CFA Society India. This initiative aims to learn more about the young fund managers, who would be future leaders in the Asset Management industry.

We aim to look beyond the normal market outlook and dive deep into the "how" and "why" of the journey of fund managers.


For our debut edition, we are interacting with Rukun Tarachandani, an Equity Fund Manager at PPFAS Mutual Fund. Rukun brings a unique multidisciplinary perspective, having transitioned from a B.Tech in IT to a career in finance. He holds an MBA from MDI, a Master's in Data Science from Northwestern University, and is a CQF holder. Before joining PPFAS, Rukun honed his skills at Goldman Sachs and Kotak Mutual Fund.

Kshitiz Jain, CFA interacted with Rukun Tarachandani, on behalf of the CFA Society India. Kshitiz Jain is a volunteer and Co-Chair with Research Advocacy Committee of CFA Society India. He leads the India Insights initiative.

The Transition from Engineering to Investing

Kshitiz: You started your educational journey as an engineer. Was there a specific moment, book, or experience that sparked your interest in analyzing businesses and pursuing a career as an equity fund manager?

Rukun: Looking back, while I was good at Tech and coding during my undergrad in IT engineering, I realized it was putting me in a silo. I wanted to understand the broader picture of how businesses operate, which led me to pursue an MBA. At that point, I didn't have clarity on entering investments; I just wanted to learn about business.



Two things happened during my MBA that changed my path. First, I joined UNNATI, the Investment Management club at MDI, almost by serendipity. My roommate was taking their entrance test and encouraged me to join him. I did very well, which made me realize this was something I could do. However, what truly clicked was Professor Sanjay Bakshi's course on behavioral finance and business valuation. He introduced us to the teachings of Warren Buffett, Charlie Munger, and Benjamin Graham. Their philosophy felt intuitive to me. I began reading the classics, like *Security Analysis* and *Margin of Safety*, and that is when I knew this was what I wanted to do.

Also, I used to read very widely across both fiction and non-fiction. I also stayed well-aware of general markets through business newspapers. I realized later that this broad reading gave me a wider perspective that helped me immensely, even when I wasn't specifically preparing for a career in finance.

Merging Data Science with Value Investing


Kshitiz: You have a strong background in data science and quantitative investing. In our industry, people often see "quant" and "value" as polar opposites. How do you combine these two, and how has data science supported your value investing process?

Rukun: I started with pure value investing, but as I progressed, I noticed the market is constantly evolving. For example, "Quality at Any Price" became a very popular concept for a while. I wanted a "lab" where I could test these ideas against historical context to see what actually worked over time. Data science provided that. It allowed me to see how value investing performed during the dot-com bubble and what happened subsequently.

I also found that many value principles are actually similar to "factor investing." Benjamin Graham's approach of buying a large group of cheap stocks is essentially value factor investing. Finally, data science provides an objective view. If a stock is down 30% and the fundamentals have deteriorated, an analyst might have a bias to stick to their original "buy" recommendation. A quantitative model acts as an objective input, helping us decide if a stock truly belongs in the portfolio based on the data.

Global Investing and Circle of Competence

Kshitiz: PPFAS invests both in India and globally. Most value investors advocate for staying within one's "circle of competence." How do you maintain that circle when looking at global markets?



Rukun: We believe investing is increasingly a global endeavor. For example, you cannot fully understand the Indian auto sector without analyzing Tesla's impact on electric vehicles or trends in the Chinese EV space. Similarly, an Indian IT analyst must know what Accenture or Capgemini are doing.

We maintain our circle of competence by having sector-specific analysts who develop in-depth expertise. However, that understanding is incomplete without the global picture. Our auto analyst covers Indian, US, European, and Japanese auto stocks. This ensures we understand the entire global landscape of the sectors we invest in.

The Discipline of Holding Cash

Kshitiz: PPFAS is known for being contrarian and often holds higher cash balances. How do you handle the pressure from clients or the market when you are holding cash during a booming market?


Rukun: It starts with being upfront. We are extremely clear with our investors: they should only invest if they have a five-year time horizon. We only deploy capital when we find bottom-up opportunities that justify the risk-return trade-off. If we can't find them, we stay in cash. Our CIO often says we are fine losing half our clients, but we are not fine losing half of our clients' money.

Holding cash is like playing defense. When markets are expensive, that 20–30% cash balance allows you to be aggressive when a correction occurs. If you are fully deployed during a crash, you have to decide what to sell at depressed valuations to buy something else. Having cash, as we did during COVID, allows you to buy bargain valuations aggressively.

Personally, it is easier to manage because the entire organization is aligned. If sales or leadership were applying short-term performance pressure, it would be difficult. But since we are all aligned for the long term, the pressure is much lower.

Learning from Mistakes

Kshitiz: Can you share an example of a mistake or a "value trap" that fundamentally changed how you look at companies?



Rukun: Early in my career, my biggest mistakes came from focusing too much on the narrative of a business or sector rather than the balance sheet and cash flows. I've since developed a checklist. No matter how rosy the future looks, if the P&L doesn't translate into cash profits or if the balance sheet is weak, I am happy to let the opportunity go.

I've also become much more cognizant of corporate governance and management incentives. As a young analyst, you feel like you can't miss any opportunity. Over time, you realize that many opportunities will come by. It is okay to miss a few good ones as long as you avoid the really big errors.

The Role of AI in Research

Kshitiz: As someone with a quantitative background, how do you see AI impacting research and fund management? Does it risk eroding alpha?

Rukun: AI is collapsing the "informational edge." Analyzing news or parsing 20 transcripts used to take an analyst a week; now it takes two days. This increases productivity, but it also means that being the fastest to parse data is no longer a sustainable edge.

However, the "judgment edge" remains. AI is excellent at interpreting history, but it struggles with longer-term interpretation, predicting how things will evolve over the next five years. For a short-term trader, AI might take away the alpha quickly. But for long-term investing, human judgment and the ability to ask the right questions are still essential. I haven't seen an LLM yet that can tell me whether to invest in a firm on a five-year basis.

Advice for Young Analysts

Kshitiz: If you were building a research team from scratch, what characteristics would you look for?

Rukun: Curiosity, a willingness to learn, basic financial knowledge (accounting and valuation), and diligence. I don't believe an analyst necessarily needs to know how to code today because AI tools are becoming so intuitive. If an analyst is curious, they will find the right tools to be productive.



Kshitiz: What three things should an analyst do outside of reading annual reports and building Excel models to grow in this profession?

Rukun:

- Read widely: In your early years, read different style i.e. Buffett, Munger, but also George Soros. You need to figure out what style fits your own mental wiring.
- Develop second-order thinking: Investing is competitive. "This sector is growing, so this stock is a buy" is first-order thinking. You must ask what the market is missing and what could go wrong.
- Understand absolute valuation: Many analysts rely on relative valuation (e.g., this stock is at 40x while the sector is at 50x). If the sector derates, you'll lose conviction. You need an absolute valuation framework to stick through market volatility.
- Do ground work: As Excel modeling becomes commoditized, your edge will come from talking to competitors and channel partners to understand a firm's true competitive advantage. That on-the-ground research is something AI cannot yet replicate.

Daily Habits and Final Thoughts

Kshitiz : PPFAS often says investing should be "boring." How can a young analyst tone down the urge to act on every opportunity?

Rukun: Use a checklist. It moves you from "System 1" (instinctive) thinking to "System 2" (deliberate) thinking. Also, try not to make decisions during trading hours. If a stock is down 10%, you don't have to buy it today. Wait for the calm of the evening to think through why it is down and if a purchase is justified.

Finally, learn from history. I was heavily influenced by reading about the dot-com bubble and the 2007 crisis, even though I wasn't investing then. A book I recommend is *The Bull*, which describes the dot-com era vividly. Reading about historical market events—whether in India or the US—teaches you that human behavior doesn't change and that new opportunities will always come again.

Why Brokerage matters so much for AMCs

By Satpal Saini, CFA

Brokerage expenses are a critical component of AMC cost structures, as they often fund not only execution but also the broader research ecosystem supporting investment decision-making.

The Securities and Exchange Board of India (SEBI) has recently issued a circular overhauling the Mutual Fund Regulations, 1996, with a key focus on revising the brokerage charges paid by Asset Management Companies (AMCs). The regulator initially proposed a sharp reduction in brokerage caps—from 12 basis points to 2 basis points for cash market transactions and from 5 basis points to 1 basis point for derivative market transactions—on the grounds that higher brokerage charges embed payments for non-execution services, including research.

This proposal was anchored in the objective of unbundling execution costs from ancillary services to enhance transparency and mitigate potential conflicts of interest. During the consultation process, CFA Society India recommended against mandatory unbundling, drawing on international regulatory experience—particularly the implement a provision of MiFID II in European Union—a position that was subsequently acknowledged by SEBI in its press communications.

In the final framework, SEBI adopted a more calibrated approach, capping brokerage charges at 6 basis points for cash market transactions and 2 basis points for derivative market transactions. This regulatory development provides the backdrop for examining global practices, international precedents, and their broader implications for the Indian mutual fund industry.

While the intent of the regulation is to enhance transparency, this discussion will examine the rationale for recommending against unbundling, global incidents and their impact on the asset management industry and fund performance, and the Indian context and its significance for the asset management ecosystem.

Global Precedents and Their Impact: European Union: Regulatory Framework under MiFID II

In January 2018, the European Union implemented the Markets in Financial Instruments Directive II (MiFID II), introducing a comprehensive regulatory framework applicable across European markets. One of the most significant provisions of MiFID II was the requirement for EU asset managers to unbundle research costs from trading and execution expenses.

While the practice of commission bundling, commonly referred to as “soft dollars,” has been debated among regulators, market participants, and academics for more than three decades, the restrictions introduced under MiFID II represent one of the most far-reaching regulatory changes in recent history. Under the new framework, asset managers seeking to use investor assets to pay for research were required either to explicitly disclose such costs through a Research Payment Account (RPA) or to absorb the expenses internally.

In practice, the vast majority of asset managers and mutual funds opted to internalize research costs rather than pass them on to investors through RPAs.

Impact:

The regulator expected the restrictions imposed under MiFID II to enhance transparency in fee structures and improve accountability among asset managers. However, empirical evidence suggests that global asset managers engaged in regulatory arbitrage by using commissions generated from non-EU clients to subsidize the cost of research for EU funds. The impact of the regulation can be assessed across two key dimensions, the first being fund performance.

1. Impact on Fund performance

Fund Category	Research Payment Regime	Observed performance alpha impact (Annual impact)	Interpretation
EU Funds with US Twins	Unbundled (EU) + Bundled (via US)	~ 1% Positive (~1%, Outperformance vs EU peer funds annually)	Benefited from cross-border research subsidization
EU Funds without US Twins	Fully Unbundled	~ 0% Neutral (serves as the study baseline)	Neutral to weak performance due to reduced research spend

Source: MiFID II Research Unbundling: Cross-border Impact on Asset Managers, Richard B. Evans, Juan-Pedro GÃLomez, Rafael Zambrana, December 19, 2024.

Note: The ~1% figure reflects how much better EU twin funds performed relative to similar EU funds without US twins after MiFID II, it is not an absolute return over a market benchmark. Findings are drawn from a study of over 34,000 fund-year observations and are statistically significant at the 1% level.

The outperformance of EU twin funds was not driven by superior manager skill. It reflects the fact that their US counterparts running identical strategies with the same team, continued paying for shared research through bundled commissions after 2018, effectively subsidising the EU funds research budget at no direct cost to EU investors. EU funds without a US twin had no equivalent arrangement. Once research costs were internalised, managers reduced spending rather than maintaining it and performance suffered accordingly. The gap between the two groups broadly reflects the value of the research that was lost.

To assess the impact of MiFID II on fund performance, the study highlights a clear asymmetry between EU funds with US twins and those without. EU funds with US twins enjoyed an undue advantage by accessing cross-border research subsidisation, enabling them to generate positive alpha relative to their counterparts that lacked such arrangements.

These findings indicate that while MiFID II-style unbundling improved transparency, it did not enhance aggregate fund performance. Instead, it resulted in cross-border performance asymmetries driven by regulatory arbitrage.

From an investor perspective, this implies that unbundling altered who paid for research, rather than reducing the overall cost borne by investors globally.

2. Impact on Research Coverage

Market Segment	Change in Analyst Coverage	Structural Effect
Largecap	Low	Coverage largely retained
Midcap	Medium	Meaningful decline
Smallcap	High	Severe loss of coverage

Source: Author's synthesis based on Guo & Mota (2021) and related empirical studies on research unbundling under MiFID II.

Note: The table presents a qualitative assessment of the relative impact of research unbundling across market segments. It reflects the direction and proportional severity of coverage changes documented in Guo & Mota (2021) and the broader MiFID II research literature, rather than exact numerical estimates

These findings indicate a non-linear contraction in equity research coverage following the implementation of research unbundling. Small- and mid-cap stocks were disproportionately affected, while analyst coverage increasingly consolidated around high-liquidity, large-cap stocks and a limited number of "star" analysts.

This non-linear decline in coverage has meaningful market structure implications, particularly in the form of weaker price discovery and heightened information asymmetry in mid- and small-cap segments.

Reduced research coverage raises the cost of capital for smaller companies and may discourage new listings, particularly in innovation – driven segments.



Regulatory Response and Partial Rollback

In 2021, European regulators acknowledged the trade-offs arising from research unbundling under MiFID II and implemented a partial rollback of the framework. As part of this revision, bundled payment for research was permitted for companies with a market capitalisation of less than EUR 1 billion, with the objective of supporting research coverage and improving price discovery in small- and mid-cap stocks.

India Lessons from EU and Implication for the Indian Context

Any move towards mandatory unbundling in India should not be justified solely on the expectation of improved investor performance. International experience suggests that isolated unbundling regimes tend to incentivise regulatory arbitrage rather than enforce genuine cost discipline among mutual funds and Asset Management Companies (AMCs). Such a framework could create an uneven playing field between large AMCs and smaller, independent fund houses. Large AMC groups would be better positioned to absorb or reallocate research costs across other business.

Verticals-such as Portfolio Management Services (PMS), Alternative Investment Funds (AIFs), offshore funds, or proprietary trading books-thereby placing smaller players at a structural disadvantage.

The European experience also highlights a sharp decline in research coverage within the small- and mid-cap segments following the implementation of unbundling. This erosion in coverage weakens price discovery and increases information asymmetry. In India, where mid- and small-cap stocks already suffer from relatively thin analyst coverage, mandatory unbundling could materially impair market efficiency and potentially reduce institutional participation in these segments.

Finally, research unbundling is likely to accelerate the consolidation of research around large-cap, highly liquid stocks, reducing the commercial viability of independent and sell-side research on smaller companies. Over time, this could strengthen the dominance of large fund houses, diminish the diversity of investment opinions, and increase systemic herding risk in Indian equity markets.



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