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ABans Wealth to float two alternative investment funds

By Bruhadeeswaran R (<https://www.vccircle.com/author/bruhadeeswaran-r>) |  09 April, 2019



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ABans Wealth and Investment Managers, part of the Mumbai-based ABans Group, is set to launch two alternative investment funds targeting high-net-worth individuals, a top executive told VCCircle.

Bhavik Thakkar, chief executive at ABans Wealth, said that the two-month-old company aims to launch these funds during the July-September quarter.

"We are working to have the necessary product, people and process infrastructure in place in the current quarter," he said.

The two AIFs will look for agricultural arbitrage and equity long-short investment opportunities. The equity long-short fund will help HNIs diversify their traditional long-only portfolio while the agri-arbitrage fund will help ABans capitalise on its expertise in the commodities market, Thakkar said.

ABans Wealth's plan to enter commodity derivatives comes after the Securities and Exchange Board of India eased rules for the segment. The capital markets regulator in March allowed (<https://www.vccircle.com/sebi-clears-norms-for-listing-startups-mfs-can-now-trade-in-commodity-derivatives/>) mutual funds and portfolio

management services to trade in commodity derivatives. In 2017, it had permitted Category III AIFs (<https://www.vccircle.com/sebi-may-allow-hedge-funds-to-enter-commodity-derivatives/>), which include hedge funds, to enter the segment.

“This opens up arbitrage opportunities in the physical and futures market,” Thakkar said.

Besides the two AIFs, ABans Wealth will offer an algorithm-guided portfolio management service that will focus on long-only mid-cap equity investments. The offering is likely to be launched in the current quarter.

The company is part of the ABans Group, founded in 2005 by Abhishek Bansal. It has businesses in agri-warehousing and logistics, broking, commodities and finance, according to its website.

Thakkar said the company manages Rs 200 crore worth of assets and has been offering investment management services globally for over a decade through its proprietary funds in asset classes such as equities, commodities and currencies.

New funds

The boom in the equity markets over the past years has put the spotlight on AIF launches targeting HNI investors.

Affluent investors in India have long been keen on exploring alternative investment options to diversify their portfolio, boosting the creation of alternative investment funds.

Last week, VCCircle reported that White Oak Capital Management, a boutique investment management and advisory firm set up by former Goldman Sachs executive Prashant Khemka, was in the process of closing its second fund (<https://www.vccircle.com/white-oak-capital-set-to-make-final-close-of-second-fund>).

Last month, Earlsfield Capital, a London-headquartered venture capital firm, said it was in the process of launching an India-dedicated fund (<https://www.vccircle.com/british-venture-capital-firm-set-to-float-india-dedicated-fund>) targeting companies in the technology sector.

In February, angel investor and serial entrepreneur Dhianu Das launched a Rs 100-crore (\$14 million) proprietary fund (<https://www.vccircle.com/angel-investor-dhianu-das-floats-proprietary-seed-fund>), Alfa Ventures, to make seed investments in startups.

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