

The Interview - Jerome Booth, Ashmore Investment Management: “The energy sector in India is characterised by high private equity-like returns”



Jerome Booth, head of research at Ashmore Investment Management, says the new Ashmore PTC India Energy Infrastructure Fund benefits from the UK manager's partnership with India's largest power trader, which brings to the venture strong relationships in the sector that will help the fund to access strong deal flow, preferential deal terms and in-depth local expertise.

GFM: What is the background to your company and fund?

JB: The Ashmore PTC India Energy Infrastructure Fund seeks to invest in companies benefiting from the robust growth in the energy sector in India. The fund's sponsors are the Ashmore Group, parent company of Ashmore Investment Management, a specialist emerging markets manager, and India's largest power trader, PTC India.

The energy sector in India is characterised by high capital markets-driven, private equity-like returns and the inflation-hedged, cash flow-generating nature of traditional infrastructure assets.

GFM: What is the profile of your targeted client base?

JB: Fundraising is currently underway in both India and international markets. The fund appeals to a wide range of international investors including banks and other financial institutions such as insurance companies, sovereign wealth funds, funds of funds and family offices.

GFM: What is your investment process?

JB: All decisions are taken collectively by the investment committee, consisting of senior Ashmore and PTC nominees, together with the India-based portfolio management team. The investment professionals rely upon their experience of investing in the Indian energy sector to evaluate transactions and prepare the investment thesis. The asset management company for the fund, which has been set up in India, will be responsible for executing the transactions.

GFM: How do you generate ideas for your funds?

JB: The fund benefits from the reach of its co-sponsor, PTC in the Indian energy markets. PTC controls more than 50 per cent of the traded energy market in India and has deep relationships in the sector.

The AMC team also has strong industry networks that will be utilised to access deals.

GFM: What is your approach to managing risk?

JB: Ashmore brings the best international risk management practices to the fund, while PTC, by virtue of its strong engagement in the power sector, is very well placed to identify and mitigate asset level risks.

GFM: What opportunities are you looking at right now?

JB: The fund is currently working on multiple opportunities in renewable energy, thermal energy and manufacturing companies for the energy sector.

GFM: What differentiates you from other managers in your sector?

JB: In addition to Ashmore Group's strong experience in the emerging markets and energy sectors, this fund is uniquely positioned to benefit from PTC's strong links in the sector to access strong deal flow, preferential deal terms and in-depth local expertise and knowledge.

GFM: How do you view the environment for fundraising over the coming 12 months?

JB: There is increasing appetite for such products, especially in India, which will benefit from strong growth in select emerging market sectors.

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