

IN175 Pzena IN60

[Music]

Mishan Dahia: Welcome to IN60. I'm your host, Mishan Dahia, and today I've got Principal and Portfolio Manager Akhil Subramanian from Pzena Investment Management. Welcome.

Akhil Subramanian: Thanks for having me.

Mishan Dahia: Lovely. So today at IN60, you've got 10 questions and 60 seconds to answer those questions. If you don't have an answer, feel free to pass. Okay, ready?

Akhil Subramanian: Let's do it.

Mishan Dahia: So, how do you know you're a true value investor?

Akhil Subramanian: I think if you like investing in companies where something has gone wrong and you really enjoy paying a low multiple for a business that's a good business, that's how you know you're a true value investor.

Mishan Dahia: Why does value investing work in emerging markets?

Akhil Subramanian: It works because we take advantage of behavioral biases, and we do our fundamental, bottom-up research to uncover good ideas.

Mishan Dahia: Why should value always be part of a client's portfolio?

Akhil Subramanian: It should be part of a portfolio because it works over the long term and it often diversifies clients that tend to have growth biases.

Mishan Dahia: Best emerging market value investment in the last 10 years?

Akhil Subramanian: Oh, for me, it's DB Insurance, a Korean insurance company.

Mishan Dahia: Can disruption be good for value stocks?

Akhil Subramanian: It can be good because often they trade down to such low multiples that you can really acquire a good business at a good price.

Mishan Dahia: What are the characteristics of a good value stock?

Akhil Subramanian: A good value stock is a good business with a good management team, good capital allocation, but something has gone wrong that's temporary.

Mishan Dahia: Favorite holiday destination?

Akhil Subramanian: I would have to say Australia because I lived here before and I still have family and friends here.

Mishan Dahia: The biggest learning in your investment career?

Akhil Subramanian: The learnings always come from mistakes. When you make a mistake, you often internalize a lot of the learnings for the next time you look at something.

Mishan Dahia: What stock would you like to see enter the cheapest part of the market for you to potentially invest in?

Akhil Subramanian: I'd have to say probably Nvidia.

Mishan Dahia: Given you studied in Australia, what part of Australia do you miss the most?

Akhil Subramanian: I think probably the sport. I really miss going to the AFL and going to the cricket.

Mishan Dahia: Thank you very much, Akhil Subramanian, for joining us for IN60.

Akhil Subramanian: Thank you very much.