



FINANCIAL
OPPORTUNITIES FORUM



Mr. Rohil Gandhi

Principal officer & Fund Manager

**Parag Parikh Financial
Advisory Services Ltd**



Today's topic:

Managing rich people's money

Upcoming FOFs:

- 19th June, 2025 | Thursday
- 24th July, 2025 | Thursday

All archives available at



ppfasfof.com

“What to do once you are rich?” & “Understanding Wealth Management”

PPFAS "What to do once you are rich" Watch later Share

Outline

- Investments
 - Allocation, vehicles, taxation, manager selection etc
- Alternatives
- Family Business
- Relationships
- Shirtsleeves to shirtsleeves in 3 generations
- Multi-country families and issues
 - PFIC etc.
- Lifestyle, philanthropy etc.
- Succession planning
 - Nomination vs will vs trusts

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Wealth Management



WEALTH

2:09 / 1:01:36 • Introduction >

Understanding Wealth Management Industry

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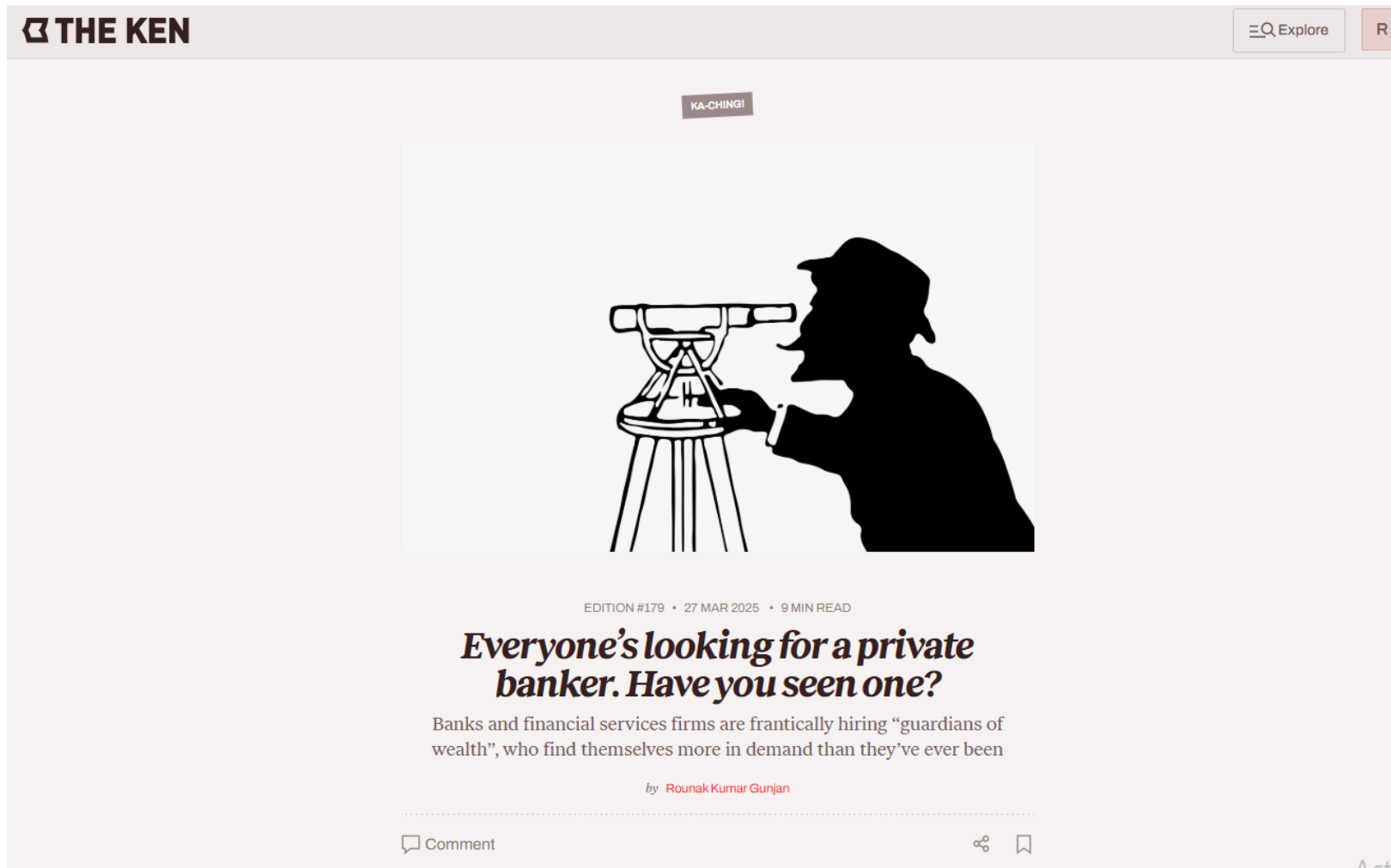
Clip

Save

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**Is there a difference between -
Wealth Managers / Financial Advisors?**

Why the excitement for the industry?



Why the excitement for the industry?



**Current Industry Revenues –
~Rs 55,000 to 60,000 Crores**

**MF + PMS + AIF + Brokerage +
Lending**

Source: www.youtube.com

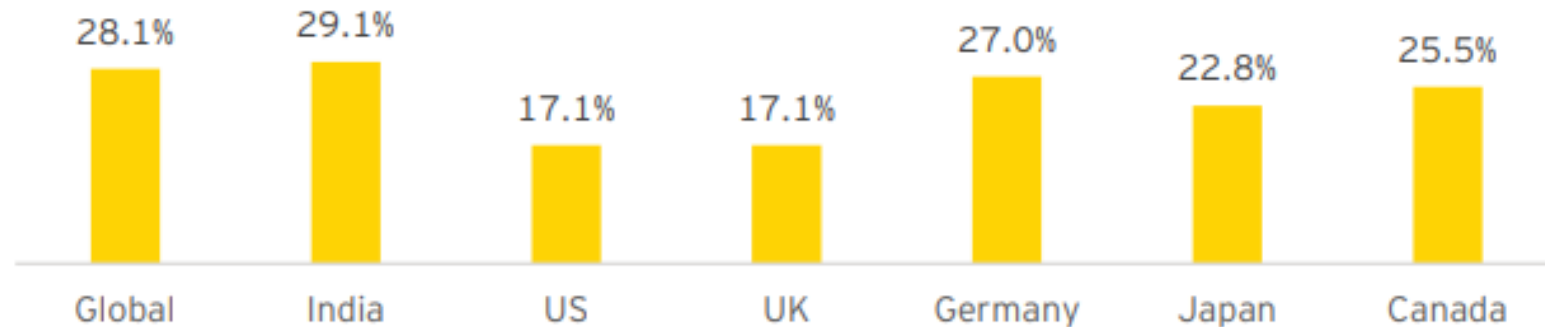
Natural Tendency in India is to SAVE!

2.1.1 Leading the world: India's exceptional savings rate

Cultural factors, economic conditions, and the lack of a comprehensive social security system, which encourages people to save for their future needs, influence the high savings rate in India.

Gross domestic savings as a percentage of the country's Gross Domestic Product (GDP) in 2022

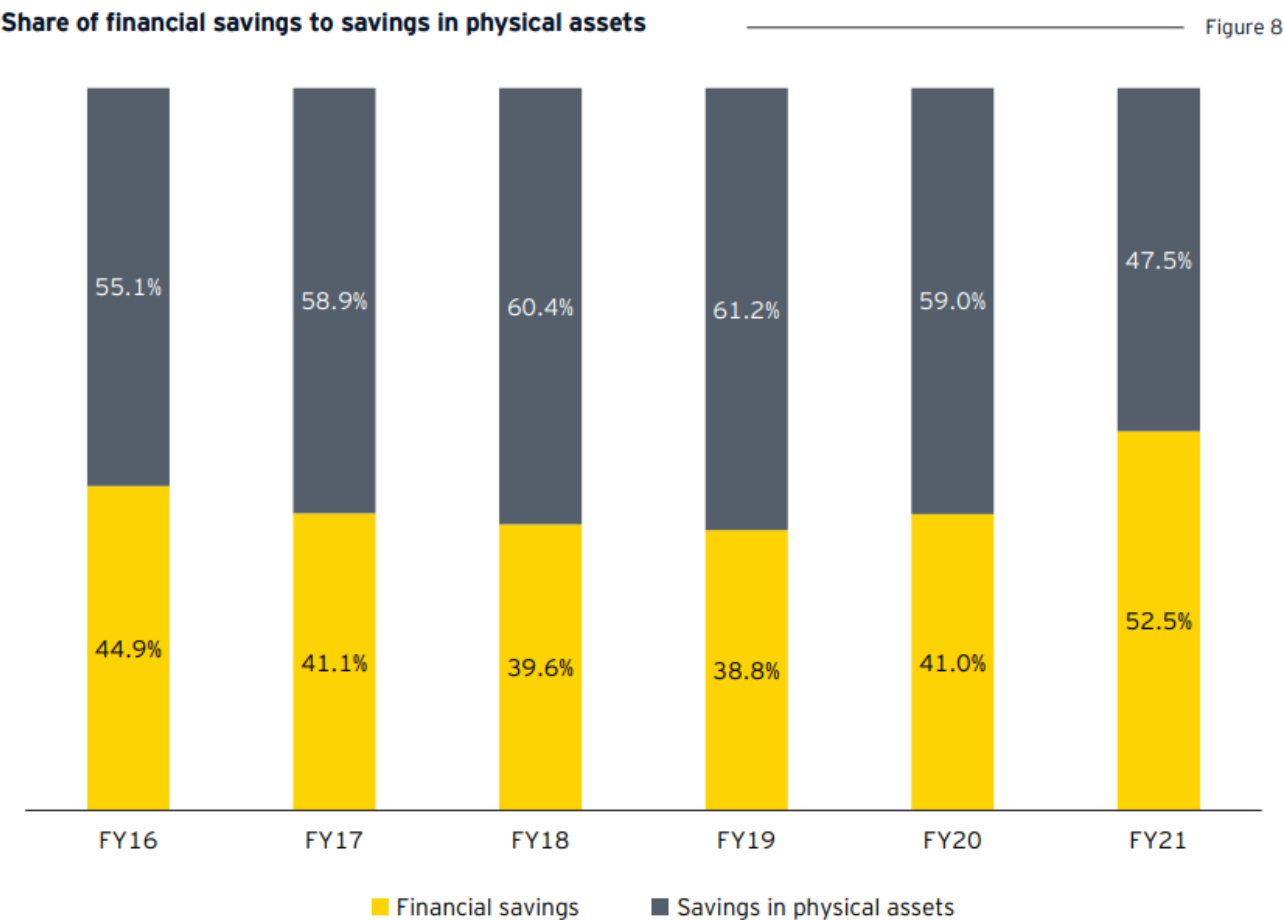
Figure 7



Source: The World Bank

Source: EY Report

Financial v/s Physical Assets

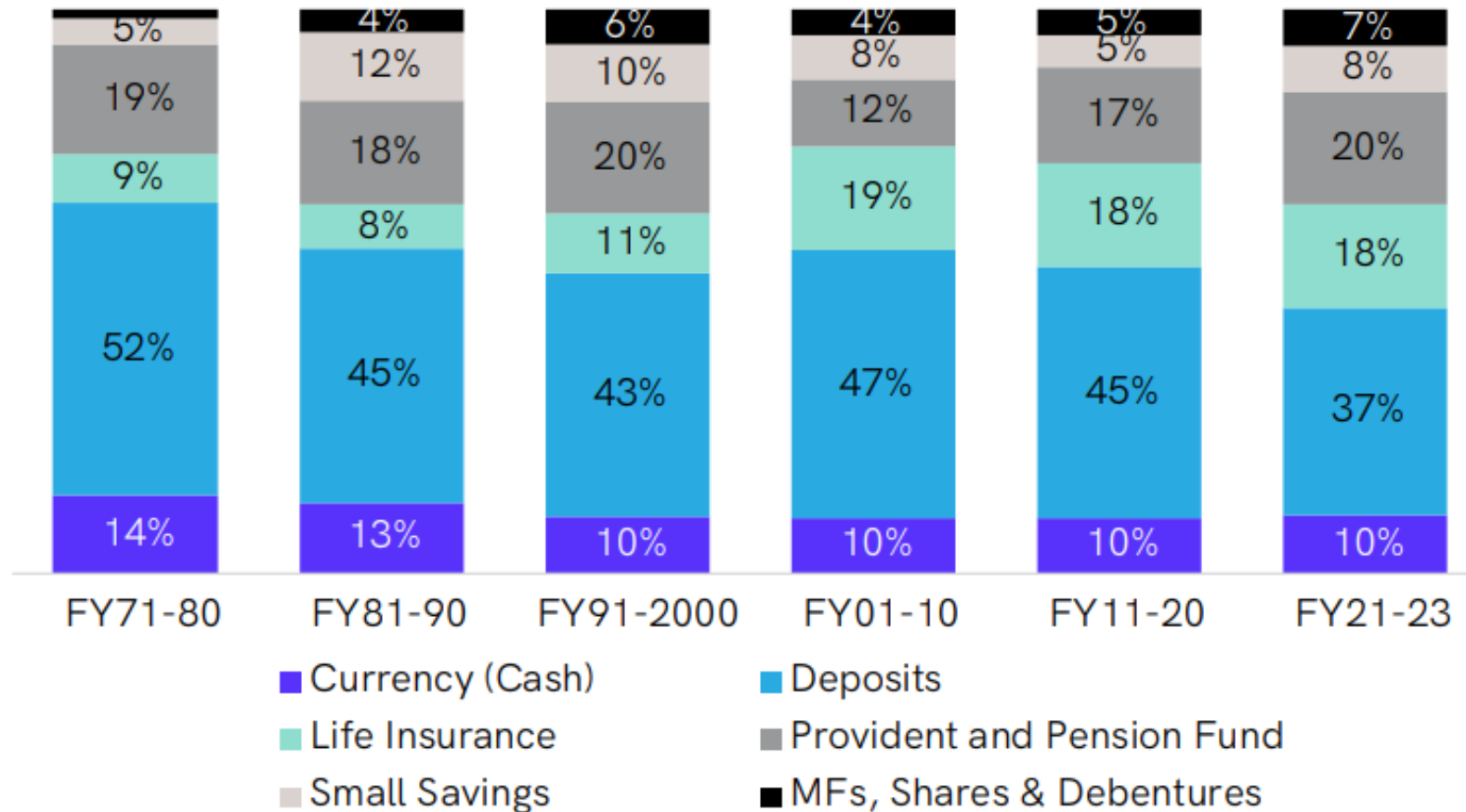


Source: RBI, CRISIL MI&A Research via "The big shift in financialisation"- CRISIL, December 2022
Note: Data is for financial year ended March

Source: EY Report

Financialization of Assets

Share in Gross Household Financial Savings - Flows (%)



Source: RBI, MOSPI, 360 ONE Asset Research

Source: Company Reports

Other Macro factors

TRADING FRENZY

Demat accounts added each year
■ NSDL ■ CDSL (in million)

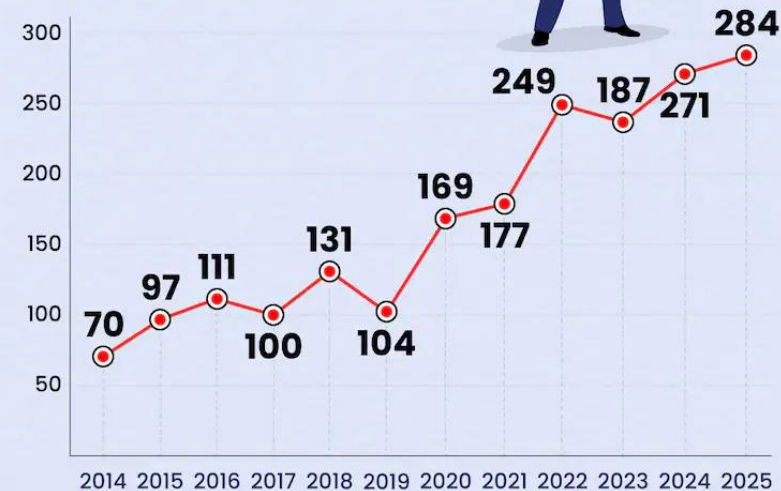


NSDL: National Securities Depository Limited
CDSL: Central Depository Services Limited
Sources: Sebi, NSDL, CDSL

INDIA'S BILLIONAIRE BOOM

India's billionaire count soars over 300% from 2014 to 2025

No. of Billionaires from India



Designed By: Arun Uniyal (INDIA TODAY DIGITAL)

Source: Hurun Research Institute, Hurun Global Rich List 2025

Growth of Different Asset Classes

Trends in Asset Class

	AUM CAGR (2014-2024)	AUM/Premium to GDP Ratio - India	AUM/Premium to GDP Ratio - Matured markets
Mutual Funds	21%	16%	116%
AIF	68%	1%	13%
Insurance	14%	3%	11%

Source: Nuvama FY24 Annual Report

Its not just the Macros...

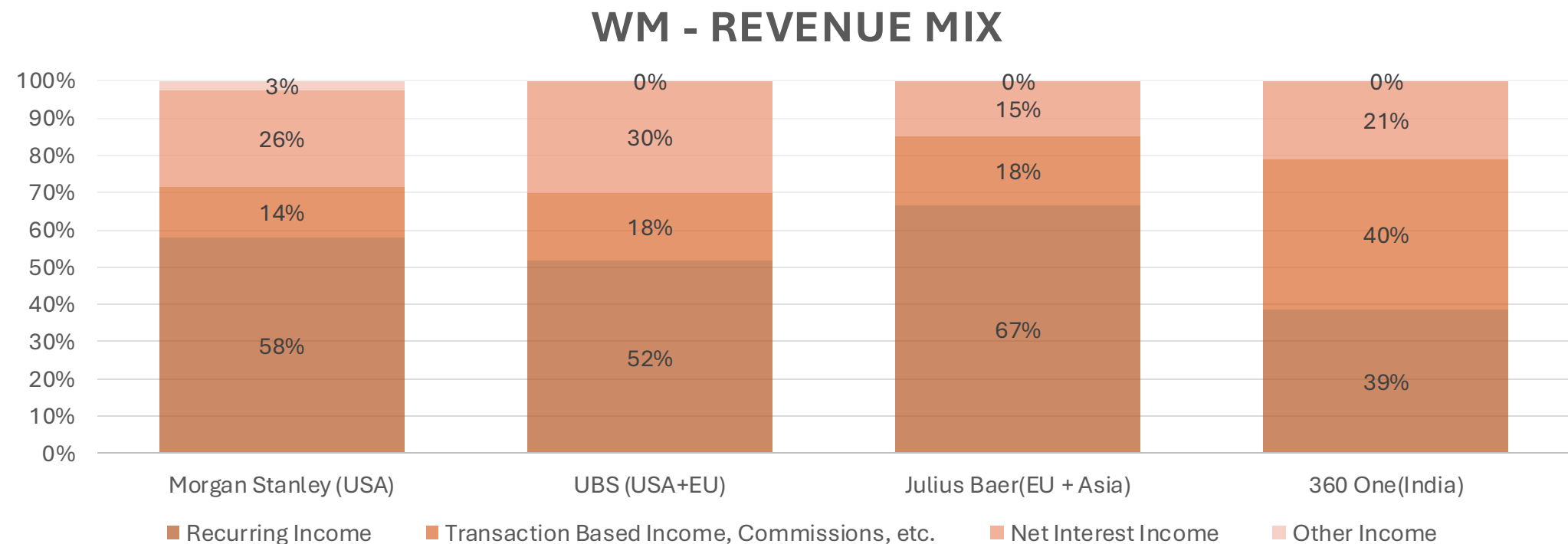
consistently dominates. Hence, diversification helps. by **Sameer Dharwadaj**.

THE ECONOMIC TIMES
wealth

Rank	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025*
1	China SSE Composite 5.8%	Brazil Bovespa 81%	India Nifty 50 28.7%	Brazil Bovespa 4.4%	Germany DAX 26%	China SSE Composite 23%	India Nifty 50 23.8%	Brazil Bovespa 26.3%	Brazil Bovespa 40.1%	Japan Nikkei 225 26.6%	Germany DAX 25%
2	Germany DAX 5.3%	USA NYSE Composite 12.8%	Hong Kong Hang Seng 25.4%	India Nifty 50 4.1%	USA NYSE Composite 24.6%	Germany DAX 15.6%	USA NYSE Composite 21.7%	Mexico MXSE IPC 7.1%	Japan Nikkei 225 37.5%	Hong Kong Hang Seng 23.3%	Brazil Bovespa 20.5%
3	Japan Nikkei 225 4.9%	Germany DAX 10.6%	Germany DAX 19.7%	USA NYSE Composite -3.4%	China SSE Composite 24.3%	India Nifty 50 14.8%	Mexico MXSE IPC 18.3%	India Nifty 50 2.7%	Mexico MXSE IPC 35.2%	USA NYSE Composite 16.3%	Mexico MXSE IPC 16.2%
4	USA NYSE Composite -2%	Hong Kong Hang Seng 5.2%	Brazil Bovespa 19.6%	Hong Kong Hang Seng -7.3%	Brazil Bovespa 22.1%	Japan Nikkei 225 10.7%	Japan Nikkei 225 15.8%	UK FTSE 100 -1.5%	Germany DAX 23.9%	Germany DAX 15.9%	Hong Kong Hang Seng 13.4%
5	Hong Kong Hang Seng -3.8%	India Nifty 50 2.8%	Japan Nikkei 225 18.7%	Mexico MXSE IPC -9.3%	UK FTSE 100 20.1%	USA NYSE Composite 6.2%	UK FTSE 100 14.2%	USA NYSE Composite -2.0%	India Nifty 50 19.4%	China SSE Composite 15.5%	UK FTSE 100 9.9%
6	UK FTSE 100 -4.1%	UK FTSE 100 0.3%	UK FTSE 100 10.6%	UK FTSE 100 -9.4%	Japan Nikkei 225 18.3%	Hong Kong Hang Seng -1.9%	Germany DAX 8.9%	Hong Kong Hang Seng -5.6%	USA NYSE Composite 11.8%	India Nifty 50 8.8%	India Nifty 50 2.5%
7	India Nifty 50 -4.1%	Japan Nikkei 225 -0.7%	USA NYSE Composite 7.4%	Germany DAX -14.3%	Hong Kong Hang Seng 15.0%	Mexico MXSE IPC -3.8%	China SSE Composite 7.7%	Germany DAX -8.4%	UK FTSE 100 9.4%	UK FTSE 100 7.4%	USA NYSE Composite 0.03%
8	Mexico MXSE IPC -7.8%	Mexico MXSE IPC -7.6%	Mexico MXSE IPC 6.7%	China SSE Composite -22.5%	India Nifty 50 11.5%	UK FTSE 100 -9.5%	Hong Kong Hang Seng -13.7%	Japan Nikkei 225 -9.5%	China SSE Composite -6.6%	Brazil Bovespa -25.8%	China SSE Composite -0.5%
9	Brazil Bovespa -36.1%	China SSE Composite -9.6%	China SSE Composite 5.5%	Japan Nikkei 225 -24.5%	Mexico MXSE IPC 8.6%	Brazil Bovespa -20.2%	Brazil Bovespa -14.6%	China SSE Composite -12.8%	Hong Kong Hang Seng -14.9%	Mexico MXSE IPC -27.5%	Japan Nikkei 225 -12.6%

Source: Reuters-Refinitiv. *2025 returns are YTD based on 2 May 2025 closing values. Other years' returns are calculated between the first and the last trading day closing values. Returns are normalised to the Indian rupee.

Global Context – Yields of Wealth Managers



Licenses in the Industry



Insurance Regulatory and Development Authority of India

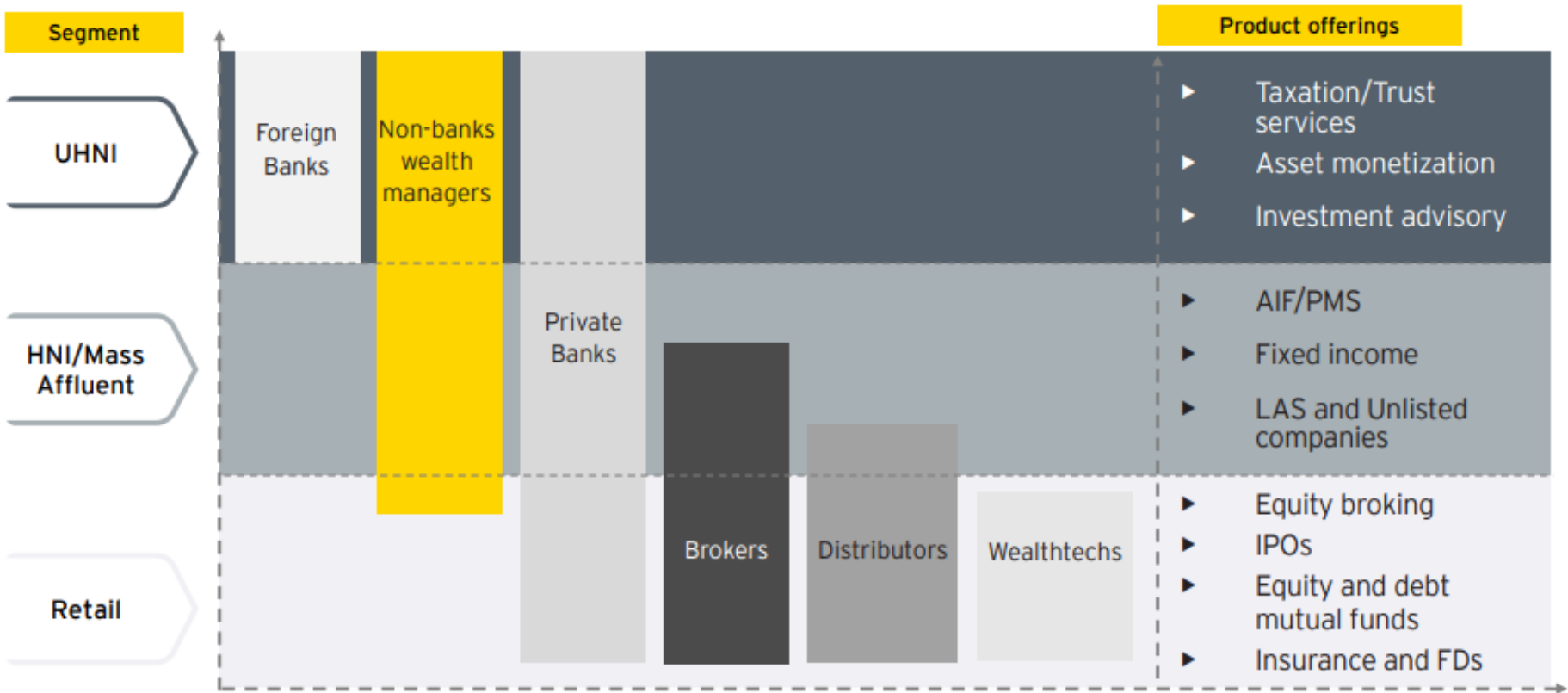


Scope of Services

INVESTMENTS	ESTATE PLANNING	INSURANCE	TAXATION	PHILANTHROPY	REAL ESTATE	BORROWINGS	CONCIERGE / LIFESTYLE MANAGEMENT
<ul style="list-style-type: none">• Direct Equities• Mutual Funds• Specialized Investment Funds (SIFs)• PMS• AIFs• Global Investments (Gift City)• Fixed Deposits• Bonds• Commodities• REITs / InvITs• Esoterics	<ul style="list-style-type: none">• Wills• Trusts<ul style="list-style-type: none">• Private• Charitable	<ul style="list-style-type: none">• Term or Life Insurance• Health Insurance• Property Insurance	<ul style="list-style-type: none">• Individual / HUF• Corporate• Cross Border			<ul style="list-style-type: none">• ESOP Financing• Working Capital• Loan Refinancing / Loan Optimization	

Customer Segmentation

Competitive landscape of wealth management in India Figure 18



Source: EY internal research

Source: EY Reports

Customer Segmentation – Is that the only way?

➤ Requirements

- Volatility
- Self Insurance
- Wants only Mutual Funds
- Diversification
- Illiquid to Liquid Assets

➤ Investor Behaviour

- Extremely Conservative
- Fear of Missing Out
- Wants to invest in Exotics

Different Business Models

Business Models and Strategies

The Business Models are a combination of the following:

1. Limited Stack or
2. Full Stack

AND

- A. Distribution (Earn from Manufacturer) or
- B. Advisory (Earn from Client directly)

Business Models – 1A & 1B

	Distribution (ARN)	RIA (Direct)
Products Advised	Mutual Funds, PMS, AIF	
Maximum Fees	As per SEBI guidelines & AMC strategies	Rs 1.5 Lakh Fixed* or 2.5% of AUA
Scope for Negotiation	None	High
Incentive Structure	Higher Commission paying schemes	As per client suitability
Taxability of Fees	Tax Deductible for CG Calculation	Not tax deductible
Fee Collection from	Manufacturer	Client

Cost of Different Investment Instruments – Mutual Funds

AMFI Top Distributors - % Commission	FY20	FY21	FY22	FY23	FY24
Median	0.53%	0.55%	0.66%	0.67%	0.65%
State Bank of India	0.46%	0.51%	0.59%	0.63%	0.60%
NJ Indiainvest	1.09%	1.14%	1.19%	1.24%	1.17%
HDFC Bank	0.41%	0.52%	0.69%	0.69%	0.66%
Axis Bank	0.83%	0.91%	1.01%	0.78%	0.80%
Prudent Corporate Advisory Services	1.01%	1.06%	0.97%	1.10%	1.06%
ICICI Securities	0.83%	0.75%	0.84%	0.88%	0.83%
ICICI Bank	0.46%	0.59%	0.75%	0.79%	0.72%
Kotak Mahindra Bank	0.45%	0.54%	0.66%	0.73%	0.70%
360 One Distribution Services	0.53%	0.38%			0.49%
Anand Rath Wealth	0.89%	0.89%	1.00%	1.03%	1.03%
Nuvama Wealth & Investment				0.58%	0.55%
Aditya Birla Finance	0.36%	0.34%	0.36%	0.37%	0.39%
ASK Wealth Advisors	0.41%	0.45%	0.51%	0.48%	0.45%
Centrum Wealth	0.37%	0.44%	0.51%	0.62%	0.65%
Motilal Oswal Wealth	0.54%	0.81%	0.55%	0.53%	0.53%
Bajaj Capital	0.73%	0.73%	0.81%	0.86%	0.84%
Deutsche Bank AG	0.41%	0.43%	0.52%	0.52%	0.55%
Geojit Financial Services	0.96%	1.03%	0.98%	1.02%	0.93%
HDFC Securities	0.60%	0.71%	0.82%	0.89%	0.87%
Hongkong & Shanghai Banking Corporation Ltd.	0.53%	0.51%	0.56%	0.60%	0.64%
JM Financial Services	0.46%	0.55%	0.61%	0.61%	0.62%
Julius Baer Wealth Advisors (India)	0.53%	0.47%	0.50%	0.53%	0.56%
Standard Chartered Bank	0.48%	0.53%	0.61%	0.64%	0.63%

Source: AMFI

Cost of Different Investment Instruments – PMS & AIFs & MLDs

- **Mr. Karan Bhagat - Founder, Managing Director & CEO, 360 ONE WAM Limited:**
- So, Bhavin, for our Mutual Fund space, as of now we've been conservative in our distribution payout to our distribution partners. We've kept the yields closer to the 50 basis points even for our Mutual Fund business. On the PMS side and alternate side, obviously, it is closer to the 80-90 basis points. And I'm just talking about listed right now.

Ashish Kehair:

MLDs. So typically, the yield on gross sales here would be in the range of 2.5% to 3.5%. Only insurance is more, but insurance is a component for us. Even in this business, if I look at an estimate of full year basis, will not be more than 8%, 9% of the revenues. But that also bumps up the yield a bit. But yes, 2.5% to 3% is what you typically are able to make if you do fixed income or MLDs or unlisted security.

Source: 360 One Conference Call Transcripts

Business Models – 2 (The Full Stack Model)

360 ONE WAM - India's one of the leading wealth and alternates-focused asset firm

360 ONE WAM Ltd.

Wealth Management

Discretionary / Non-Discretionary / Advisory (360 ONE Plus)

- Asset Allocation
- Investment Policy Statement
- Review Mechanism and Portfolio Analytics

Financial Product Distribution

Transaction & Broking services

Corporate Treasury services

Lending Solutions

Estate Planning



Asset Management

Listed Equities

Private Equity

Private Credit

Real Assets

Multi - Asset

AIF

PMS

Mutual
Funds

360 ONE is an embodiment of two words that are extremely important to us - '360' represents the holistic view we take of the 'ONE' person whose interests are always first: **Our Client**.

Our brand purpose, that has remained constant since 2008, is articulated as Performance Plus. Performance is objectively measured by numbers. It is the long-term performance and personalized care that we provide to our clients.

Activate Windows
Go to Settings to activate Windows.

Source:

Business Models – 2 (The Full Stack Model)

- **Mr. Karan Bhagat - MD & CEO, 360 ONE WAM:**
- So, in these funds, it's on our pre-IPO funds and Special Opportunities Funds, we don't charge on the commitment. We charge on the drawdown. So, while we've got commitments of nearly Rs 6,000 Crs, what shows up in the AUM is only Rs 1,500 or 2,000 Crs because that's the amount which is drawn down. And we are also charging fees only on the Rs 1,500 - 2,000 Crs. The remaining Rs 3,000 – 4,000 Crs comes in automatically as net flows over the next potentially 12 - 18 months. In that sense, only 30 - 35% of the flows and 30 - 35% of the fees is really captured potentially over the last two quarters.
- In our pre-IPO funds, our realizations are quite decent. Given the track record and the market leadership we have in those funds, we are able to between our role as a manufacturer as well as a wealth manager and distributor, we are able to capture around about 130 - 140 basis points of retention. 80 - 90 basis points as a manufacturer, potentially 50 - 60 basis points as a distributor because we are distributing 60 - 70% of the funds inhouse.

Business Models – 2 (All roads lead here....?)

Ionic Wealth has built \$250 million asset base: CEO Srikanth Subramanian

By Pratik Bhakta, ETtech • Last Updated: Feb 17, 2025, 02:57:00 PM IST

FOLLOW US SHARE FONT SIZE SAVE PRINT COMMENT

Waterfield Advisors launch Discretionary Investment Services for India's HNIs

By Sutanuka Ghosal, ET Bureau • Last Updated: Jun 22, 2023, 05:25:00 PM IST

FOLLOW US SHARE FONT SIZE SAVE PRINT COMMENT

Synopsis

Waterfield Financial and Investment Advisors has introduced Discretionary Investment Services for HNIs and UHNIs. This service is a fee-based, multi-asset portfolio management system governed by a transparent, personalised investment policy statement that aims to align with an investor's interests. Waterfield will offer an execution platform for client investment, while its advisory approach will remain for the selection of portfolio construction and investment. The Discretionary Investment Services is customised for different segments offering the service uniquely tailored solutions to meet their needs.



Waterfield Financial and Investment Advisors, a SEBI-registered portfolio manager, on Thursday, announced the launch of [Discretionary Investment Services](#) for India's [UHNI](#) and [HNI](#) investors.

Three new players—Marcellus Investment Managers, Nuvama Wealth Management, and Wealth First Portfolio Managers—have recently applied to SEBI for a mutual fund license.

Marcellus Investment Managers submitted its application on January 30, while Nuvama Wealth and Wealth First applied on February 10 and January 20, respectively.

Business Models – Family Office Format



Helping Asian Wealth Management Communities Interact

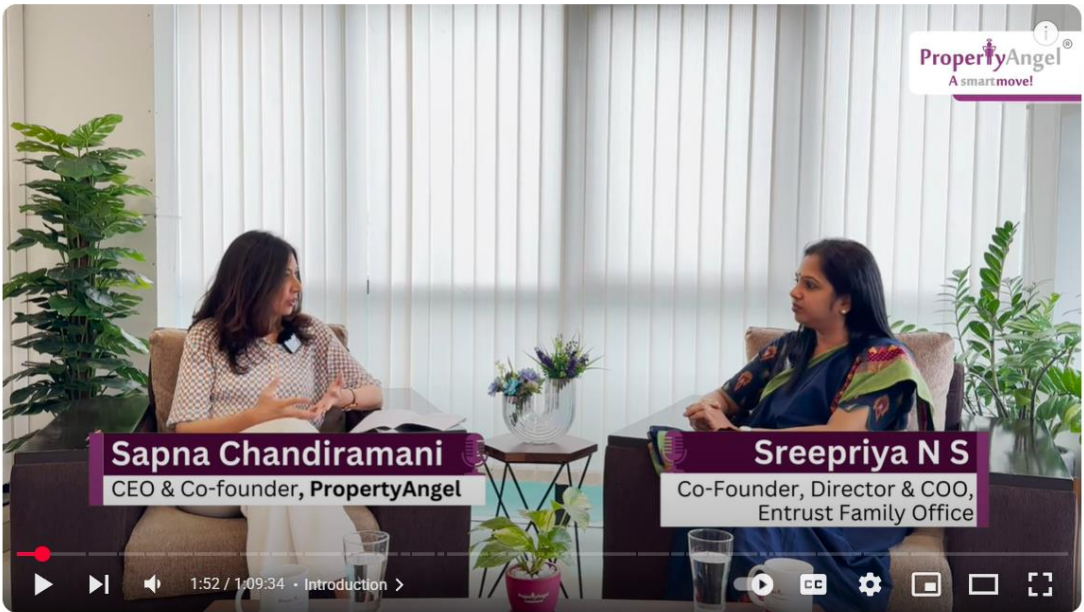
Learning Physical Events 2025 Virtual Ev

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families, thereby achieving economies of scale and access to broader resources.

India’s Family Office Boom: From 30 to 3,000

The last decade has witnessed a dramatic increase in the number of formalized family offices in India. “A decade ago, we spoke about 30 large family offices. Today, there are over 300, and in the coming years, we could easily see that number grow to 3,000,” Shah notes.

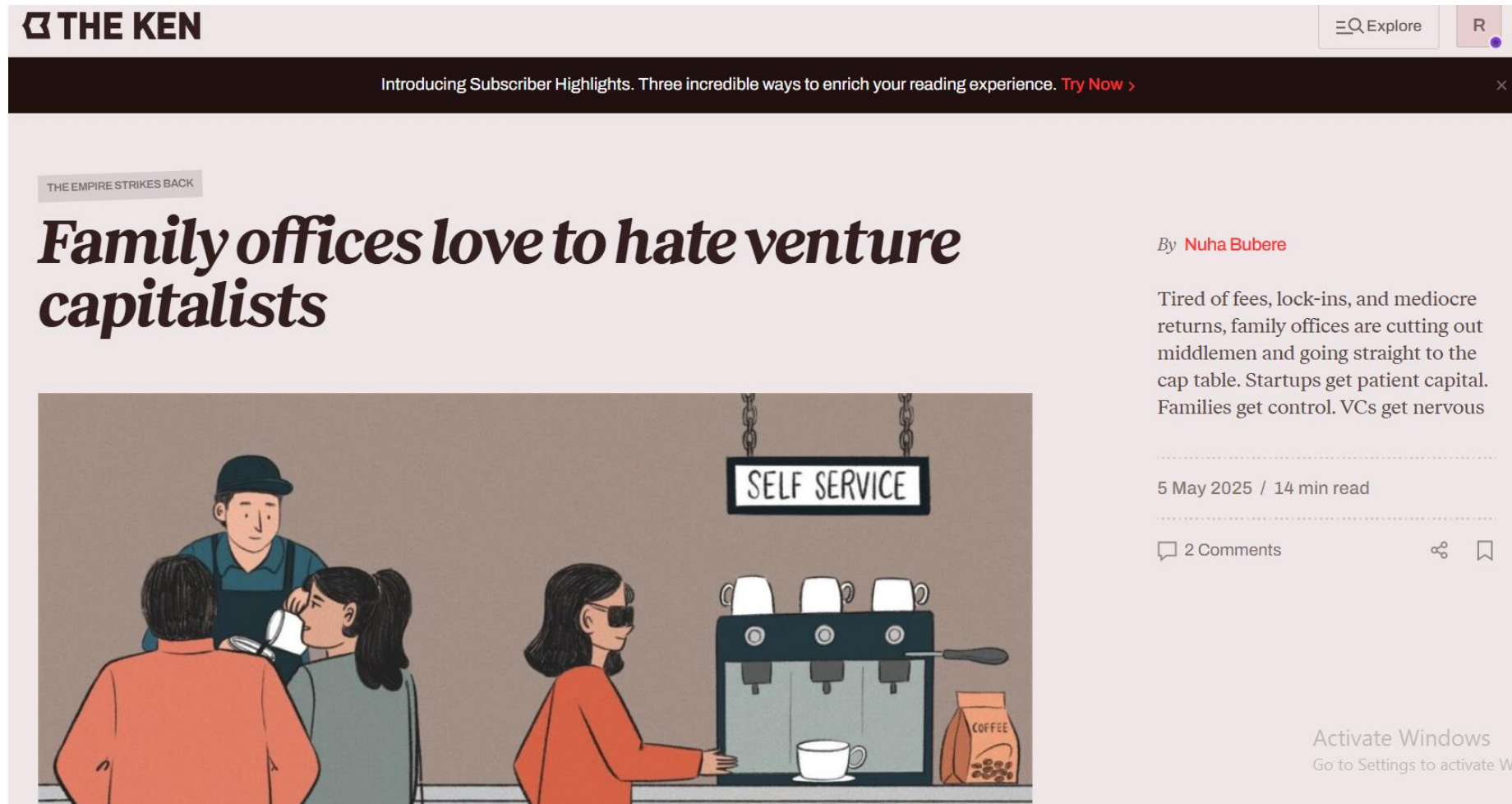


Family Offices Explained: Multi-Generational Wealth Management | PropertyAngel Podcast Ep15

Source: Hubbis | Youtube



Business Models – Family Office vs Venture Capitalists

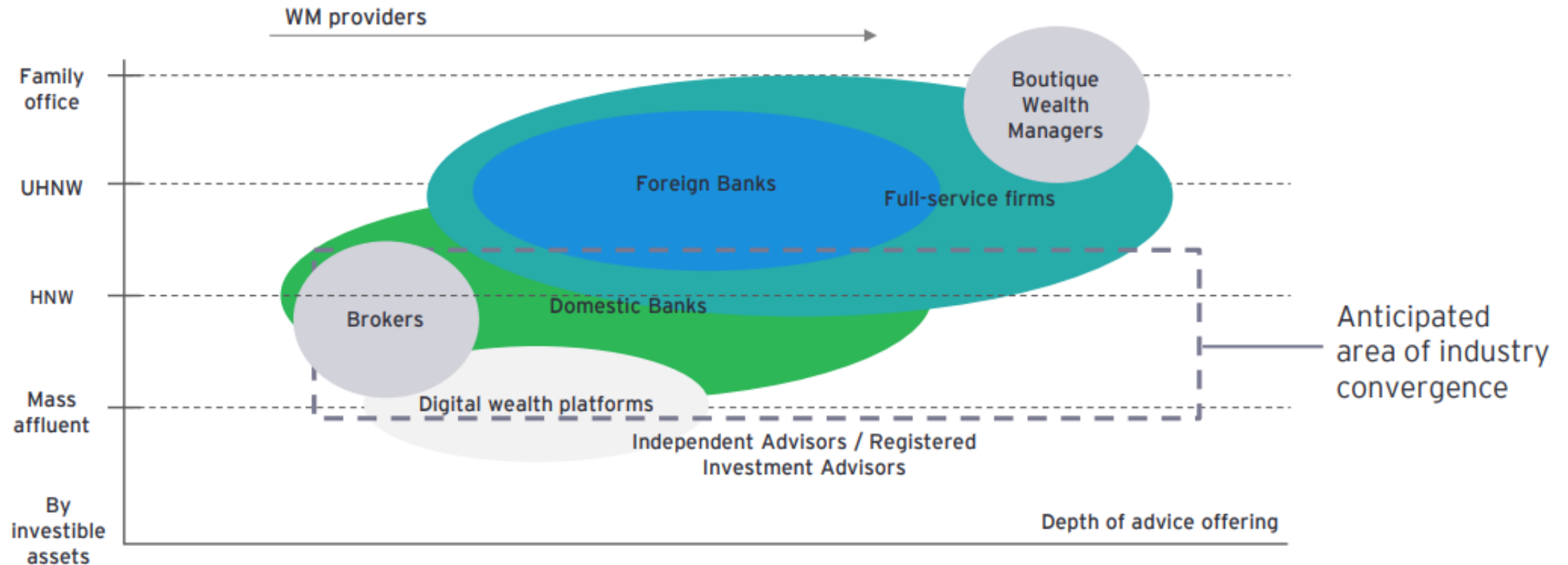


Source: The Ken

Business Models – 2 (All roads lead here....?)

Convergence of business models

Figure 19



Source: 2022 Wealth and Private Banking: Future of Advice, EY internal research

Competition



Julius Bär



Product Model vs Solution Based

	Product	Solution
Analogy	Pharmacist	Doctor
Scalability	Very High	Relatively lower
Customization	Standardized	Tailored Approach
Risk Profiling	Does not necessarily exist	Starting point
Frequency of Engagement	Typically high	Relatively lower
Challenges	Race to be first to identify the next winner	Working around investor behaviour and biases

Advisory Model is still a very small piece...



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[MF News](#) > Even after 10 years India has just 1300 investment advisors

Even after 10 years India has just 1300 investment advisors

Of the total 1299 RIAs, 828 RIAs have individual license i.e. they are fee only advisors.

Nishant Patnaik and Zahra Gour Apr 7, 2023



Source: CafeMutual

Challenges of an Advisory Model



Business Models – 2 (The Full Stack Model - Financials)

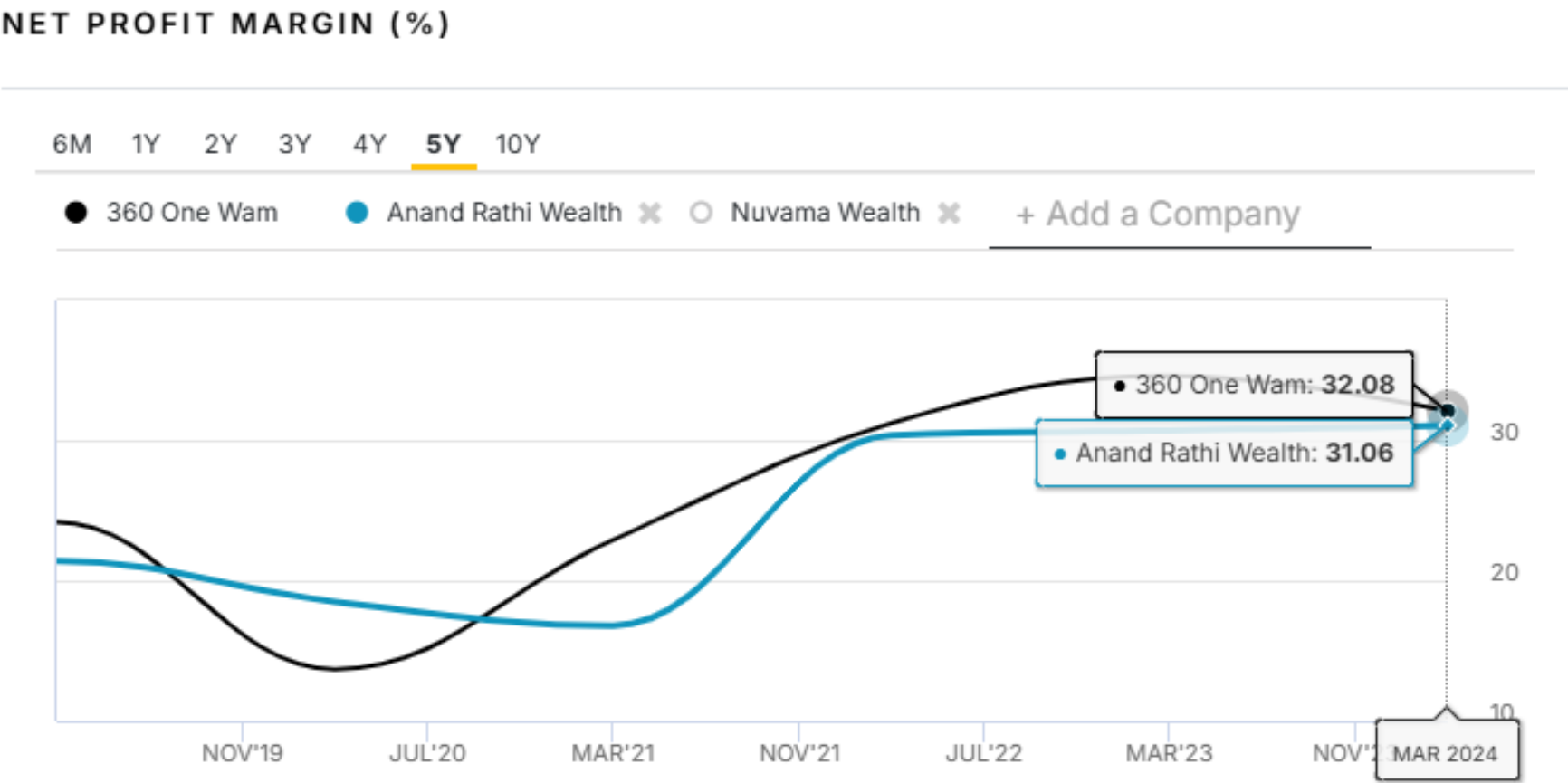
360 One RETENTION YIELDS	FY21	FY22	FY23	FY24	FY25
360 ONE Plus	0.37%	0.41%	0.38%	0.34%	0.32%
Discretionary (PMS)	0.43%	0.49%	0.44%	0.42%	0.46%
Non-discretionary (RIA / PMS)	0.32%	0.34%	0.34%	0.30%	0.28%
Distribution Assets	0.48%	0.56%	0.64%	0.61%	0.61%
Mutual Funds	0.40%	0.40%	0.39%	0.41%	0.45%
Managed Accounts	0.83%	0.95%	0.93%	0.80%	0.75%
Lending Book	5.79%	5.28%	5.86%	5.66%	5.35%

ANAND RATHI WEALTH	FY20	FY21	FY22	FY23	FY24	FY25
Retention on MF AUM	0.77%	0.81%	0.91%	0.92%	0.94%	1.01%
Retention on Financial Products AUM	3.12%	1.41%	1.92%	2.24%	1.90%	1.63%

NUVAMA	FY21	FY22	FY23	FY24	FY25
ARR retention rate - Nuvama Private	0.34%	0.79%	1.05%	1.02%	0.84%
Effective Yield - Nuvama Wealth	1.12%	0.94%	1.09%	1.00%	0.87%

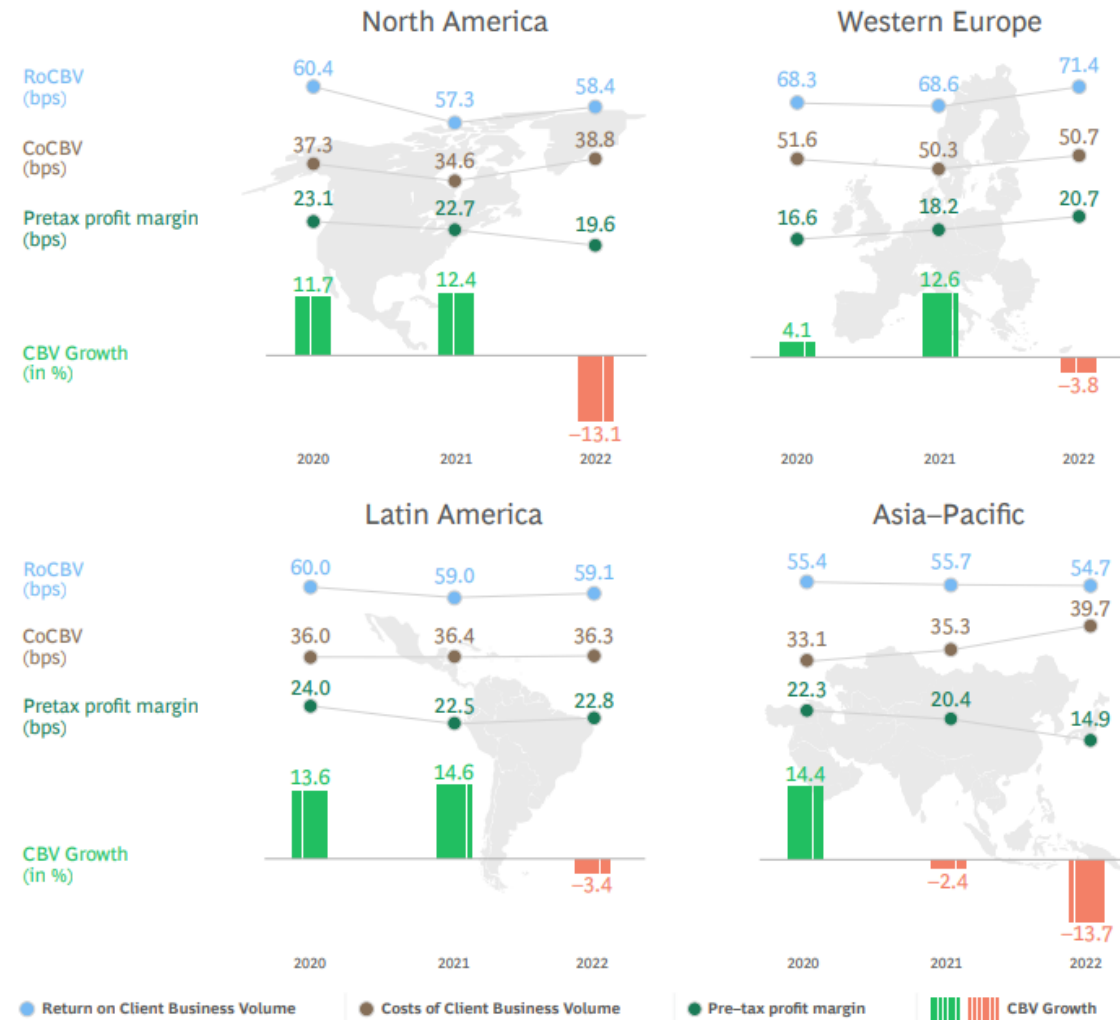
Source: Company Financials

Business Models – 2 (The Full Stack Model - Financials)



Source:

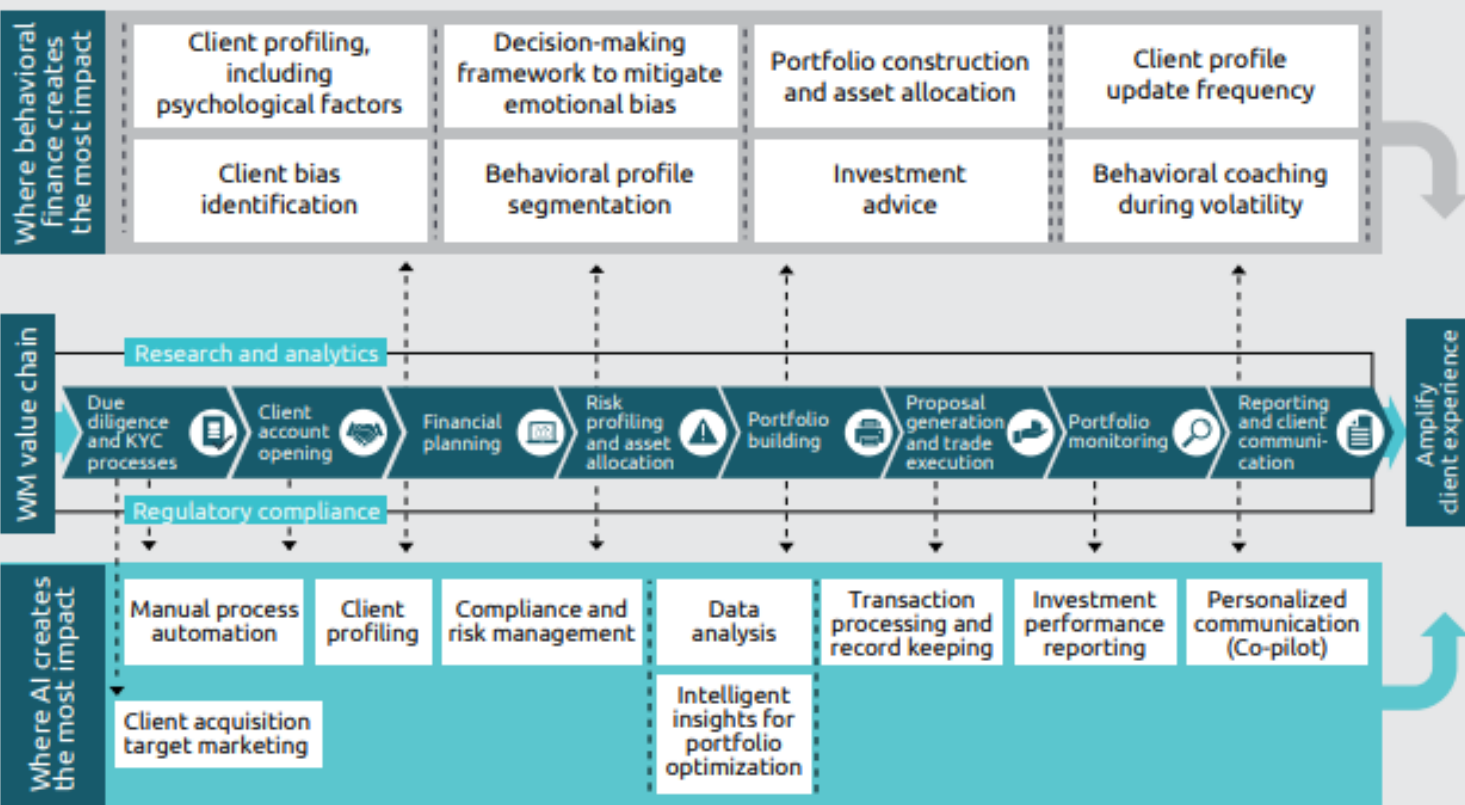
The Full Stack Model – Financials (Global Context)



Note: Client Business Volume is defined as assets and liabilities under management.

Technology Use Cases

Figure 8. AI can fuel wealth management performance



Source: Capgemini Research Institute for Financial Services Analysis, 2024.

Regulatory Changes



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[MF News](#) > [SEBI to ban upfront commission in AIFs](#)

SEBI to ban upfront commission in AIFs

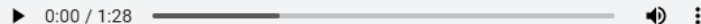
The market regulator has proposed to introduce direct plans in AIFs.



Nishant Patnaik Feb 13, 2023



Listen to this article



SEBI has issued a consultation paper in which it has asked AIFs to ban upfront commission in AIFs and move to all trail model.

This has come after the market regulator found that AIFs pay upfront commission of 4-5% to distributors.

SEBI has proposed that AIFs will have to follow all trail model in Category III AIFs which are long only and long and short funds. Cat I and cat II can offer upfront commission of up to 1/3rd of the present value of the total distribution fee.

SEBI tells AIFs to offer direct plans, opens route for investment without distribution fee

The market regulator has also told Alternative Investment Funds to disclose the distribution fee or placement fee, if any, to the investors at the time of onboarding

— KAUSHAL SHROFF | APRIL 11, 2023 / 15:56 IST



Sebi ban on upfronting commissions will stop unnecessary churning of MF portfolios

By Avneet Kaur, ET Online • Last Updated: Sep 21, 2018, 11:42:00 AM IST



MFDs are now entitled to get trail commission if investors transfer assets

So far, AMCs do not pay trail commission if an investor transfers his assets to the new distributor.



Nishant Patnaik Mar 5, 2024



2 mins read



**Trust, Operational Efficiency, Investor Behaviour & Awareness,
Employee Retention**

Thank You!