

Ambit's Wealth Management Head on Delivering Specialisation & Differentiation to India's HNW and UHNW Clients

Ambit's literature describes the firm as one of India's premier providers of financial advice and capital, focusing on bespoke financial solutions that are customised to their clients' needs, based on their collective deep understanding of the Indian economy and market forces, as well as unmatched research, and a client-centric approach. Hubbis recently interviewed Amrita Farmahan, CEO of Ambit Global Private Client (Ambit GPC), who since joining Ambit's wealth management business some four years ago, has helped build assets under management and advisory of more than USD 6 billion, from its relationships with UHNW and HNI clients in India. Amrita will forgive us for describing her as a veteran banker in the Indian private banking and wealth management scene, having assembled more than two decades of experience, working with leading brands such as Citibank, where she enjoyed a long stint of her career to date. Armed with this experience, Amrita comes across as both immensely knowledgeable and insightful about India's wealth management market and is also very eloquent in describing her assessment of key trends and how she is honing Ambit GPC's offering to compete effectively with a high-quality, differentiated and increasingly international proposition.

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AMRITA FARMAHAN
Ambit Wealth Management

Amrita opens the discussion by explaining that Ambit* started as a boutique Investment Bank and over 25 years, has also grown in other financial services areas, including Institutional Equities and Research,

UHNW individuals. Recognising this gap, we identified a distinct opportunity for Ambit GPC. Our guiding principle at Ambit, revolves around knowledge, as evidenced by our brand line 'Acumen at work'. Consequently, it was a natural evolution for us to extend our knowledge-driven and research-oriented model to wealth management. "

She explains that the wealth business today has offices in Mumbai and Delhi, and the team totals around 115 people. They are looking at expanding footprint to other parts in India and also build international presence through establishing operations in DIFC, Dubai.

Defining the value proposition

Amrita comments on the market environment in India, highlighting

2019, we have worked assiduously to build and enhance our platform to create a differentiated as well as elevated experience for our clients. The opportunity as we see it, lies in institutionalising two fundamental values - trust and expertise; that each client should experience across all touch points, consistently."

Overcoming the challenges, winning new friends

"We have had to make a very compelling case to win over each of our clients", she reports. "Over the last 4 years, we have elevated our value proposition to make it differentiated and relevant such that it adds significant value to our clients and paves the way for a sustainable and enduring relationship."

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Asset Management and has a Non-Banking Financial Company (NBFC). And then some four years ago, she was brought in to build the Global Private Client platform.

"It was natural for Ambit to extend into wealth management," she reports. "We observed that many global leaders in private banking struggled to establish a significant presence in the Indian market, due to diverse factors. On the other hand, Indian firms predominantly focused on a product-driven approach. This highlighted a clear gap between the available market offerings and the preferences of

that despite strong economic growth and robust expansion of private wealth, there are multiple challenges for any new player. "Although the growth of the market would seem to allow for a lot more competition, the challenges, in reality, are immense." She expands on this comment by saying, "it's not easy for any new entrant to draw in clients, especially in the UHNW segment, after all clients also invest a lot of time and effort in building the relationship, and to get them to transition is not an easy task."

"Since I joined Ambit GPC (Ambit Wealth Pvt. Ltd.) in September

As proof of this claim, Amrita reports that the firm today runs a book of roughly USD 6 billion of assets under management and advisory, working with some 600 UHNW and 2,000+ HNW clients. Today, Ambit GPC is the primary advisor to some of the wealthiest families in the country.

Seeing the big picture

She explains that to achieve what they have to date, they have approached the challenge with a thought leadership mind-set, aiming to work

with clients proactively with a holistic perspective for their investment and wealth planning needs, innovative and exclusive investment opportunities delivered to them with attention to detail and uncommon care.

“One of the key themes that our team recognised early on, was the growth of the Indian start-up ecosystem and its potential to attract substantial capital from the wealthy in India. The private market ecosystem supported by the policies of the government and access to capital from top Global PE and VC funds were enabling a new breed of entrepreneurs to build unique and disruptive companies many of which had the potential to be market leaders in their respective sectors. This insight prompted us to emphasize, right from the inception of our business, the opportunity for Indian private capital to invest in private markets. This strategic move helped our clients co-invest alongside the increasing influx of foreign funds. This proactive approach aligned with the evolving Indian entrepreneurial landscape, positioning UHNW individuals to capitalise on the dynamic opportunities within this thriving ecosystem.”

Taking portfolios private

“A key insight was that a UHNW on an average had 5 – 10 % of their portfolios invested in alternates

as an asset class. However, the opportunities emerging in this space as well as the desire of UHNI families to participate in this growth engine, enabled us to help our clients enhance their allocation anywhere between 25 – 40 %, depending on their specific goals, objectives and Investment thesis.”

Another key insight they focused on was their assessment that private clients were somewhat wary of the fund format of investing in blind pools and in the process paying high management and performance fees.

Amrita explains that this insight led the firm to create what they call a Direct Deal Vertical - a first of its kind in India, through which they have invested in 16 transactions valued at USD 1 billion (MOIC of 2.1x and IRR of ~50%+) since 2019. The success of this vertical lies in the underlying philosophy of curating transactions in top tier companies with a sound business model, an exceptional founding team, marquee institutional investors, with good unit economics, which are profitable or have visibility to profitability. We believe that we delivered to our clients on account of our robust process for deal selection, the success rate is as much about the transactions we selected, as well as the 140 transactions we passed.

Building relationships on real foundations

“That has really helped us forge our way deeper into the UHNW

and Family Office circles, where our clients have participated in some of the marquee investment ideas alongside institutions,” she notes. “And on the back of those deals, we have worked to leverage our capabilities to deepen relationships holistically. This type of approach has proven to be significant differentiators for us in India.”

Another differentiator is the firm’s bi-focal asset allocation methodology. Amrita explains that the wealth industry has traditionally looked at fixed income as low risk, equities as medium to high risk, and alternates as very high risk. “But we adopted a different view – a bi-focal lens. We have developed a proprietary allocation approach, which allows us to focus on risks, both within and across asset classes. We take into consideration various factors both from the point of view of risk categories and asset classes. Clients have more visibility into sources of risk through multi-level segmentation, giving them clear visibility on sources of risk and prevents any misallocation. This has allowed us to protect and navigate our client’s wealth in a very volatile market in the recent years, while also ensuring they access the growth opportunities in a significant manner.”

Investing for the long-term

India’s infrastructure sector is witnessing a significant upswing Amrita says, “We saw this as a clear opportunity for our clients,

« “We need to offer a **geographical reach** that enables both resident Indians to invest offshore and, because of the way India is **growing** as an economy, to allow for foreigners, both institutions and family offices, to invest in India.” »

presenting them with a compelling avenue to engage in multi-decade investment opportunities. The surge in India's infrastructure business showcases substantial growth potential, driven by ongoing urbanisation, modernisation, and government initiatives. For UHNW investors seeking avenues for long-term capital deployment, InvITs enable participation in large-scale projects that often yield stable and predictable returns over extended periods. As infrastructure projects typically require patient capital, UHNW individuals can perfectly align their long term investment horizons with the inherent nature of these ventures. In essence, we were not only able to broaden investment options for our UHNW clients but also created an avenue for them to contribute to the country's growth story while reaping the benefits of long-term, sustainable returns."

Transparency and the advisory-led offering

Amrita notices a shifting trend away from the traditional product-oriented wealth management economic model, which relied on generating commissions from manufacturers, towards a more advisory-centred approach. This shift emphasizes the necessity to thoroughly validate the services offered and the value contributed to clients. "This unfolding trend shows the increasing importance of transparency and accountability," she elaborates. "Wealth managers will increasingly need to openly and earnestly substantiate the advisory or management fees they charge. For wealth management firms, this change holds the potential for

Getting Personal with Amrita Farmahan

Amrita Farmahan is the CEO of Ambit Global Private Client, where she drives the growth of the wealth management business. With a career of over two decades in banking and wealth management, Amrita has held leadership positions at some of the industry's most prominent financial organisations.

She was the Citigold Private Client Head and the Network Head of Branch Banking for Citibank India. She also set up and led the wealth management business at Reliance Private Client, and also held key roles at Avendus Wealth Management.

Amrita holds a B.Com (Honors) degree from Jesus & Mary College, Delhi University and a Master's in Finance from MFCA, Delhi University.

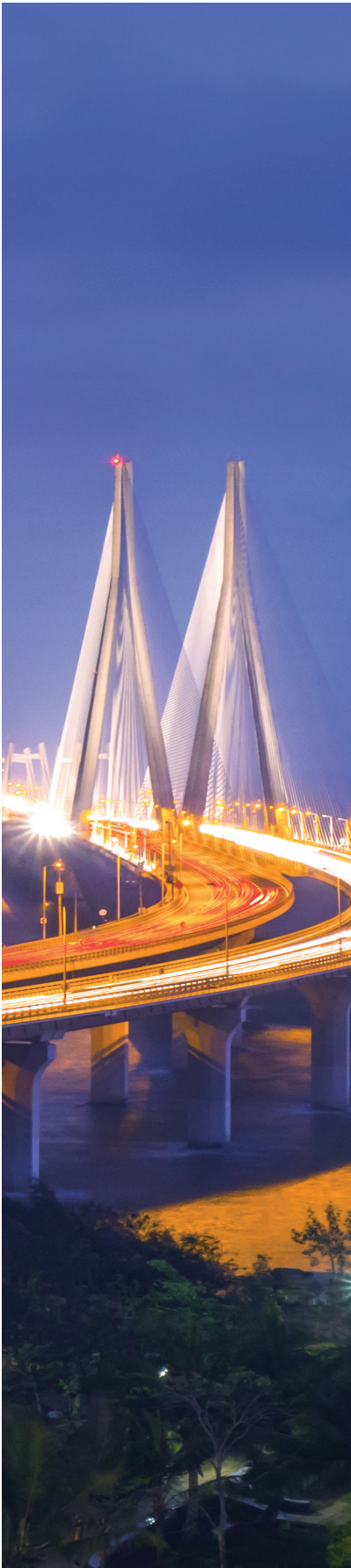
In her role as CEO of Ambit GPC, Amrita "exudes a rare blend of astute leadership, unparalleled industry insight and a steadfast commitment to nurturing a culture of innovation." Her ability to synthesise intricate financial landscapes into actionable strategies sets her apart, while her capacity to foster a diverse yet cohesive and empowered team amplifies her impact.

She lives in Mumbai but grew up in Delhi and spent all her formative and further education years there. She says in her career to date, her 12 years at Citi were transformative for her as a professional, inspiring not only her knowledge and expertise, but her ambitions as well.

"Citi helped me discover my potential and a strong platform through which I could expand my capabilities and grow with them," she recalls. "It was then a natural step to become more entrepreneurial, with the confidence then to build a high quality and market leading wealth business at Ambit GPC. That desire is what pushes me on, and it is core to my drive and motivation."

Amrita enjoys her leisure time travelling and as she says "vegetating" on the beach to recharge her batteries, her favourite destinations being the Maldives and Goa.

She loves music and discovering new artists by frequenting music festivals. She is learning to play the piano, is a voracious reader and of course, she finds time to spend with friends, family and loved ones, especially her young nieces, a joy that she describes as the "best stressbuster in the world."



more consistent and predictable revenue streams. However, it also implies a fundamental transformation in the economic model for wealth managers and the compensation structures for private bankers.”

Talent - in short supply

Amrita also remarks that this all comes at a time when talent is scarce, due to the growth amongst existing competitors as well as the arrival of new entrants who want to build their capabilities as rapidly as possible.

“Securing capable talent has been a persistent challenge, and the current scenario has only intensified this issue,” she remarks. “One approach involves internal cultivation, nurturing promising individuals from the outset of their careers. We engage and recruit from prestigious universities, and we’ve begun to bring in a younger workforce. Consequently, our senior colleagues have assumed a greater role in fostering our talent pool. We are committed to groom, upskill and foster the development of emerging talent.”

Costs are rising, margins are falling

The wealth management sector is grappling with shrinking margins due to several factors. Regulatory changes and compliance demands have raised operating costs, compressing margins. Additionally, technological advancements, while enhancing client experiences, have necessitated investments in digital platforms. Lastly, the evolving expectations of clients for bespoke services can increase the cost of

servicing and impact margins. “It is a reality that costs will keep rising in this sphere, and margins will increasingly come under pressure. To navigate these challenges, we are increasingly focusing on efficiency, technology adoption, and developing niche services to maintain healthy margins while providing value to their clients”, she states.

The need for a more global capacity

And the fourth major challenge, which is actually also a significant opportunity, is to become more global in outlook and capabilities, as the HNW and UHNW Indian private client community themselves become more global in their lives, their business, families and investment outlook.

“Wealth managers in India really have to understand the complexities of what international investing entails from a tax, regulation, and opportunity perspective,” she comments. She says it is one reason they are soon opening in the DIFC, and why they plan to next be present in Singapore and other key global markets.

Onshore and offshore aligned

“We need to offer a geographical reach that enables both resident Indians to invest offshore and because of the way India is growing as an economy to allow for foreigners, both institutions and family offices, to invest in India,” Amrita reports. “We see this as a great opportunity, but of course, it is a challenge to overcome, as clients expect these capabilities sooner rather than later.”

She expands on this globalisation, noting that more Indian family offices are establishing bridgeheads in the UAE or Singapore to capture opportunities and to ensure they are in the flow. "The diversification of Indian wealth offshore is a trend that will continue for the foreseeable future," she observes. "Their wealth is expanding and so is their appetite for more international exposure and greater connectivity. And this is even more the case for the next generation coming through."

And that, she explains, is why Ambit GPC is building its offshore presence, in order to participate in these trends and to add value to their clients offshore as well as onshore.

"Currently there are onshore clients who want to expand globally and offshore clients who want to expand to India, given its economic boom. We aim to build expertise in both onshore and offshore markets, which is well integrated, so that we can manage our clients' wealth and aspirations in a complete and holistic manner across geographies."

Family offices become more sophisticated

She then takes the opportunity to offer more insights into the world of family offices in India, confirming the view that whatever their size, there is a general thrust

towards professionalism and greater sophistication in all areas of their endeavours. "The most significant of these family offices are becoming more institutional and behaving in a more comprehensive, forward-thinking manner across investments, estate and legacy planning, taxation and so forth," Amrita observes. "At the same time, as I explained, they are more global in their outlook."

And these developments reinforce her earlier comment that the wealth management industry must cater to their needs with a more institutional and more holistic approach and offering. "Our services for family offices is far more strategic, offering incisive institutional-grade research to help refine their asset allocation plan on a continuous basis," she explains.

Accessing bespoke opportunities

Additionally, Ambit GPC works hard to deliver gateways for these family offices to opportunities that they otherwise might not be able to access. "Larger family offices now look to wealth managers only if there is an opportunity that is otherwise not available to them, and here I mean access to transactions, access to private market deals, access to M&A opportunities, whilst they increasingly manage their own core portfolio allocations to public market and fixed income assets."

And she adds that the conversations with these family offices are easier if, as is the case with Ambit, they can bring their investment banking and other expertise to the table. "These families predominantly still have significant family business operations, and with those comes the need for debt and equity funding, and a wide range of IB and corporate finance services," she explains.

Leading the way forward

Amrita concludes the discussion by restating the overarching objective of maintaining a competitive edge through proactive adaptation to pivotal emerging trends and asserting thought leadership. "To consistently lead the market, it's imperative for us to continually refine and evolve our offering," she affirms. "Our recognition by esteemed entities in the private banking sector as the foremost choice for UHNW clientele is a noteworthy accomplishment. But that doesn't mean that we can rest. The market's swift expansion, driven by robust economic growth and growing private wealth, only intensifies the need for us to be proactive. Our plan involves sustaining our market leadership by continuously enhancing our bespoke offerings and delivering unparalleled care to our clients." ■

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