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Money continues moving into equity and mutual funds

Abhijit Bhave, Chief Executive Officer, Karvy Private Wealth, talks about the firm's India Wealth Report and how it underpins how the firm advises its clients.

THE INDIA WEALTH REPORT HAS BEEN PUBLISHED for the last eight years by Karvy, according to Bhave. "It is a marquee output that is not a survey but a slice and dice of every rupee invested by every Indian investor in every possible asset class," Bhave notes.

"What we do is to take actual data from government sources of every investment that has happened in

physical assets starting from real estate, gold, to financial assets like equity mutual funds, stock, debts, insurance, government bonds etc.," he says. "We analyze that data in perspective against the global investment patterns and then we do a projection for the next five years where we believe the investors are going to invest."

Bhave highlights the report the firm did two years back as an example of its accuracy. "Two years back, we did a study where we found that India is moving from physical asset to financial assets, which is what [other] people are finding out now," he notes. According to Bhave, the entire objective of the report is to provide one single source of data and analysis which become a starting point for advising people about their wealth.

Karvy starts the year by creating investment strategies based on this report, he states. This year's report found that 2017 was a year of wealth creation globally where equities led the charge.

"If you look at India specifically, it was a year of financial reforms and big bang measures like demonetization of high currency notes, new tax measures and new real estate regulations," says Bhave. "A lot of money thus moved from banks to financial assets; from bank account to fixed deposit, mutual funds to equity market directly."

The report also found that whileHNIs in India have similar parameters of debt and real estate as the rest of the world, they are low on equity and high on alternative assets, i.e. they have more gold than the rest of the world.

"Top four avenues for Indian investors in this year are therefore equity, fixed deposits, insurance, and mutual funds," he says. From now to the next five years, the report predicted that individual investments would double and everything will grow up. "This is the right time to make money in equity and real estate selectively," says Bhave. ■



ABHIJIT BHAVE
Karvy Private Wealth