

Saurabh Rungta: Steering the Avendus Wealth Management Investment Proposition to New Heights in India

In India's increasingly dynamic wealth management landscape where trust, investment expertise, technological innovation and highly client-centric strategies all intersect, Avendus Wealth Management is redefining the contours of financial advisory and investment services. Saurabh Rungta has been Managing Director & CIO of Avendus Wealth since November 2023, coming from a very prominent role as Senior Managing Partner & CIO of Nuvama Private and having assembled an impressive CV in India's financial sector since the early 2000s. Hubbis spoke with him recently to learn how he is applying his own vision to complement and accelerate Avendus' achievements and ambitions, with a keen eye on the evolving needs of the ultra-high-net-worth (UHNW) and high-net-worth (HNW) clients the firm advises in India. Rungta's insights illuminate the pathway Avendus is carving out in this highly competitive space, from addressing the increasingly sophisticated expectations around investment curation to delivering a client-centric, value - added, digitally enhanced proposition across the vast landscapes of India and beyond. He explains that the Avendus evolution is emblematic of a broader transformation within the Indian financial landscape, as the firm carefully plots its way through emerging market trends, regulatory change, and the ever-expanding horizon of client needs, setting a course towards continued growth and innovation.

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SAURABH RUNGTA
Avendus Wealth Management

Opening the conversation, Saurabh sheds light on his multifaceted role and the rapidly evolving wealth management market in India. His insights into the changing dynamics of client expectations and the evolutions of market trends reveal the complexity of catering to India’s rising ranks of HNW and UHNW clients, an understanding that is so vital for his task in spearheading the investment proposition for the firm and driving sales.

Rungta points out the remarkable rise in numbers of wealthy and ultra-wealthy individuals in India, particularly in Mumbai, which has emerged as the Asian Capital for billionaires. With 92 billionaires it ranks behind New York and London but more importantly ahead of certain regions in China. This demographic shift is also visible lower in the pyramid where, he observes, it is characterised by a transition from necessities to comforts and, subsequently, from comforts to luxuries. The global COVID-19 pandemic has caused people to shift behaviourally from merely concentrating on increasing

Key Priorities

Rungta draws the discussion towards a close by delineating the top three priorities steering Avendus Wealth Management’s evolution, underlining a strategic shift aimed at scaling the heights of the private banking sector in India.

“Transitioning from more of a niche player to becoming a leading wealth manager in India is our paramount goal,” Rungta states. “As I mentioned, we need to significantly expand the team, focusing on advisors and sales personnel, to foster deeper relationships with a growing number of families and, by extension, manage a larger AUM. This expansion is not just about numbers; it’s about enriching our client engagements and extending our reach.”

Knowledge and client-centricity form the core of the Avendus approach, with Rungta underscoring their commitment to maintaining high standards in these areas. “Being knowledge-focused and client-centric is in our DNA. We aim to ensure that our insights and advice are backed by thorough research and understanding, allowing us to address our clients’ needs with precision and care,” he states. “We are entirely dedicated to the trusted advisor model, providing value that resonates directly with clients’ needs and aspirations.”

Embracing further digital transformation represents the third pillar of Avendus’ strategy, with a focus on integrating advanced technologies to enhance the client experience. “Adopting digital and AI technologies are crucial for making our services more accessible and engaging for clients,” Rungta explains. “The digital push aims to streamline the investment process, making it easier for clients to access data, explore investment opportunities, and review their portfolios. It’s all about leveraging technology to not just meet but exceed our clients’ expectations, making every interaction with us seamless and productive.”

wealth and preserving it to also enjoying it.

Optimism reigns supreme

Looking more broadly at India’s demographics and key trends, he does, however, offer a word of caution. He highlights a noticeable dip in the retail household saving rates, now edging towards the lower teens, marking a significant shift in financial behaviour.

Nevertheless, despite these indicators, he remains optimistic about India’s economic prospects, anticipating a sustained period of excitement and growth over the next two decades.

He says that for the wealth management industry, critical issues are client-centricity, innovation and the quest for differentiation. The lack

of patenting and copyright mechanisms within the sector means that novel products and strategies can be quickly replicated by competitors, making it difficult to maintain a unique value proposition. "This rapid duplication of investment products underscores the need for continuous innovation and the ability to stand out in a highly competitive market," he explains.

Becoming a Leader

Rungta reports that Avendus itself is transitioning from a niche private banking institution to a leader in the private banking space. "This evolution involves broadening our product range, expanding our service offerings to include a wider array of solutions, and catering to the varied preferences and requirements of each client," he adds. "We approach each client differently. With some clients such as large institutions and family offices, we might present a bouquet of investment opportunities since they prefer to pick and choose their investments. Whereas, with individual clients we offer comprehensive engagements that involve a deeper understanding of their needs, hands-on guidance and a more personalised, tailored approach."

He believes the firm's strategic commitment to innovation and diversification of proposition highlights their focus on remaining relevant and preferred in the fast-paced and ever-changing world of India's wealth management landscape. "By embracing a client-centric model and focusing on a broad spectrum of financial solutions, our team is working hard to cement Avendus' position as a leader in the industry as we navigate the

Avendus Wealth Management: Spearheading Innovation and Excellence in India's Wealth Management Market

Avendus Wealth Management has established itself as a leading advisory firm for India's Ultra High Net Worth (UHNW) and High Net Worth (HNW) individuals. As of December 2023, the firm managed assets worth the equivalent of USD5.8 billion, a testament to its presence in the high-growth but highly competitive wealth management sector. Over the past year, Avendus has significantly expanded its client base, adding more than 180 relevant families, serviced by over 50 seasoned client relationship managers across various geographies.

The firm has forged a reputation not only in mainstream assets but also through its strategic focus on Alternates. Approximately USD300 million of the AUM is in that domain, reinforcing its objective to be the go-to house for discerning investors seeking diversified investment avenues.

A testament to its digitally enhanced and innovative approach is the Avendus Wealth App, which has seen a 100% adoption rate across the client base, and that the firm reports has been consistently recognised as the best on offer among leading wealth managers. This digital tool not only enhances the client experience but also contributes significantly to the firm's increasing recurring revenue.

Avendus' platform of excellence is built on four key pillars: Product, Technology, Customer Engagement, and Talent. These foundations enable Avendus to provide a multi-asset, full-stack wealth management platform offering best-in-class solutions tailored to the entire customer lifecycle. The firm's tech architecture focuses on innovative digital interfaces and automation to enhance the client and relationship manager (RM) experience significantly.

Avendus prioritises customer engagement through a client-first approach, aiming to deepen engagement and wallet share with key existing clients while being the first port of call for new liquidity events. Moreover, Avendus is committed to fostering an inclusive environment, continually growing a team of diverse and seasoned professionals dedicated to delivering the best outcomes. This holistic approach underscores Avendus Wealth Management's dedication to excellence and its role as a trusted advisor and partner in the wealth management sector.

Core Strategies for Future Growth

And Avendus is certainly not resting on its laurels. The firm has some key missions to keep up and even accelerate the pace of growth.





Diversifying Product & Service Offerings

The Avendus Group’s acquisition of SPARK Capital, a leading equity research house in India, marked a strategic enhancement of its product suite. This move enables Avendus Wealth Management to offer bespoke listed equity portfolios and strengthen its equity advisory desk by leveraging SPARK’s research capabilities. Looking at the rising demand for a more comprehensive offshore proposition, Avendus expanded its capabilities in collaboration with Saxo Bank. Additionally, the firm has significantly grown its lending services (doubling the book in 2023) and continues to develop its wider Investment Solutions Offerings, further establishing its position as a preferred wealth management partner.

Talent Expansion & Technological Advances

A key to Avendus’ success is its focus on attracting and nurturing top talent, as evidenced by the 50+ client -facing professionals and the expansion of its team to over 160 today.

Furthermore, the firm’s investment in cutting-edge technology, including Dynamics 365 for CRM, Power BI for analytics, and AI tools for operational efficiency, demonstrates its commitment to staying at the forefront of the wealth management industry.

Keeping up the Momentum

Avendus Wealth Management believes that its strategic initiatives and accomplishments underscore the firm’s leadership in the dynamic wealth management market in India. Through its innovative digital offerings, expanded client base, and robust investment strategies, Avendus continues to aim to redefine the standards of integrity and quality in the industry. With a clear vision for growth and an unwavering commitment to its clients, Avendus Wealth Management appears poised to maintain its trajectory of success and innovation in the years to come.

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The Advisory Proposition

Expanding on the dynamic strategies Avendus Wealth Management employs to cater to their client base, Rungta elaborates further on the company’s multifaceted approach. “A vital interaction with many of our clients revolves around advisory services,” Rungta explains, indicating a tailored approach for clients in the USD10 million net worth range. These individuals, according to

Rungta, seek the expertise and comprehensive services that firms like Avendus provide, due to the impracticality of maintaining their own full-fledged wealth management operations as very large family offices might establish.

Rungta states: “Our advisory services appeal not just to HNWs / UHNWs seeking to manage substantial wealth but also to top Family Offices and quasi-institutional families of India. This clientele likes to work with Avendus, but often prefers not to put all their eggs in one basket,

opting instead to diversify their wealth management across multiple advisors. But they very evidently appreciate the breadth and quality of our advice, whether it is about financial management like asset allocation, specific investment products, quality fund managers, etc. or about achieving specific business and family objectives like organic/inorganic growth in business, drafting a family charter etc.”

Family Offices

Beyond advisory services, Rungta highlights the comprehensive nature of Avendus Wealth Management’s family office services, which provide a 360-degree wealth management experience. “We’re not just about investments. We’re about holistic wealth management,” he articulates, outlining services that extend from financial investments to business strategies, generational planning, and even addressing legal, tax, and compliance issues. “This all-encompassing approach aims to cover all aspects of our clients’ lives and financial well-being, also helping ensure a seamless transition of wealth across generations and addressing their evolving needs,” he comments.

In a forward-looking move, Rungta reports that Avendus is also venturing into product manufacturing, identifying and filling gaps in the market with innovative financial products. “Where we see gaps and opportunities in the market, we are increasingly stepping in to manufacture our own products,” Rungta asserts, “with the intention to offer more choice and to showcase the Avendus commitment to relevance, innovation and our ability to adapt to market exigencies. This initiative is part of a broader strategy to not only provide advisory and family office services but also to offer more unique products that are meticulously designed to meet the specific needs of our clients.”

Making Tailored Products

Rungta emphasises the unique value proposition offered through their self-manufactured products, targeting niche markets within India that lack extensive investment options. “From long-short strategies to private investment opportunities to structured credit solutions, we’re creating in-house products that address gaps in the market, appealing to both domestic and international investors,” he explains.

He closes this portion of the conversation by reiterating Avendus Wealth Management’s holistic and client-centric approach, leveraging advisory services, family office solutions, and innovative product manufacturing to cater to a diverse clientele. “We strive to combine global best practices with deep local expertise, thereby providing unparalleled wealth management services that address the unique challenges and opportunities presented by the Indian market. Through this multifaceted strategy, we believe we are instrumental in setting new standards in the wealth management industry.”

Global Portfolio Diversification

Rungta then takes his wide-angle lens to the evolving intricacies and nuances of Indian wealth management, focusing first on the growing trend among wealthy Indians to diversify their investments globally. “Through the Liberalised Remittance Scheme, or LRS, in the nine months ended December 2023, Indians have sent nearly USD25 billion outside the country, marking an approximate 20% year-on-year increase. While the entire remittance under LRS is not only for investments, but still this trend is solid and growing, show-

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casing the deepening interest in global diversification.”

He also highlights the emergence of GIFT City as a pivotal development in facilitating outward investments. GIFT City is aiming to establish itself as a preferred jurisdiction for managing family offices and conducting international investments from India, he notes. “GIFT City is an innovative idea taking shape right before our eyes, offering a well-regulated environment for companies and individuals alike to invest internationally without the cumbersome approval processes otherwise required,” he explains, noting the special provisions that allow for greater flexibility in remitting funds for investment purposes.

Catching up Fast

Rungta concedes that Avendus might have been somewhat behind the curve in the international investment space but maintains that he and the team are addressing this head-on, with strategic and proactive steps to capture more of this growing market. “We were previously not active enough in this arena, but we have since established a presence in Singapore, assembling a

dedicated team to cater to the needs of investors looking to diversify internationally,” Rungta reports. “This strategic move is part of our broader initiative to offer portfolio services tailored to the global investment aspirations of our clientele.”

Moreover, Rungta says the money flowing out is not entirely destined for the major markets led by the US. He is optimistic about the potential of emerging markets, predicting a shift where they might outperform developed markets in the coming years, reminiscent of the 2000-2007 period.

EM Set to Shine

“We are actually taking a bold stance, believing that emerging markets are poised for a resurgence. This belief is guiding our strategy to recommend allocating investments in emerging markets to our clients,” he elaborates.

In addition to equities, Avendus is also focusing on fixed-income opportunities, given the current peak interest rates. “Today presents a prime opportunity to lock in returns close to double digits in dollar terms on fixed income portfolios,” he adds, pointing to their efforts to promote and launch new products designed

to help clients capture these conditions. “All in all, combined with our very comprehensive domestic investment proposition, we are positioning ourselves as a key player in guiding Indian investors through the complexities of both local and global investment opportunities.”

Gateway to India

Rungta also highlights Avendus Wealth Management’s strategic positioning in bridging offshore investments into India, showcasing the firm’s comprehensive capabilities to attract and facilitate foreign investment. “With our roots deeply embedded in investment banking and institutional equities, Avendus has established a strong foothold in connecting international investors with lucrative opportunities within the Indian market,” he reports. “Our Institutional Equities practice, under the Avendus Spark Institutional Equities brand, alongside our IB practice, combine to play a crucial role in making us a key player for foreign institutions looking to invest in India.”

Opening More Avenues

Reminding us of the expanding product manufacturing thrust at Avendus, Rungta reveals plans for

an upcoming fundraising initiative aimed at bolstering their asset management capabilities, particularly focusing on unlisted and structured credit investment opportunities.

“This year, we anticipate attracting substantial international investment into our asset management arm, leveraging our expertise in both unlisted investments and structured credit,” he states, underlining the global confidence in Avendus’ investment strategies. “In the last quarter alone, we facilitated the sale of nearly USD250 million equivalent from international investors to our domestic clients across multiple securities. This type of activity not only demonstrates our capability to mobilise significant investments but also highlights the potential for reciprocal investment flows.”

Rungta then turns to the ambitious growth plans for Avendus Wealth Management, setting sights on a significant expansion in team size and AUM. “With around USD6 billion now in AUM, our strength lies in our 160+ dedicated relationship managers, advisors and product specialists,” he reports. “But we’re not stopping there. We have a bold vision for the future – our goal is to double, if not more than double our team within the next two to three years.”

Major Ambitions

This strategic expansion aims to propel the firm’s AUM to an impressive target of approximately USD30 billion-plus by the end of the decade. “This growth is not just a number; it’s a testament to our commitment to excellence and client service,” Rungta adds, highlighting the scale of ambition at the firm.

Getting Personal with Saurabh Rungta

Saurabh Rungta’s journey from the historic lanes of Kolkata to the bustling financial hub of Mumbai encapsulates a tale of ambition, commitment, and a relentless pursuit of excellence in the world of HNW and UHNW wealth management. Born in Kolkata, a city steeped in colonial history and cultural heritage, Rungta’s early relocation to Mumbai set the stage for a life and career deeply entrenched in the finance and wealth management sectors that he is so passionate about.

A Chartered Accountant by education, Rungta’s foray into the world of finance started with auditing roles for multinational banks, during which times he began a symbiotic relationship with the world of finance and investments that has thus far spanned roughly a quarter of a century.

His early years at Citibank in India and his subsequent role at ICICI Bank laid a robust foundation in forex treasury and international financial transactions, further solidifying his expertise and reputation in the industry. Rungta humorously remarks on his tenure at these institutions: “If you’re a finance guy in India with over 25 years of experience under your belt, then you have to be an ex-Citibanker, ex-ICICI Banker, or ex-HDFC Banker,” underscoring the pivotal roles these institutions have played in shaping finance professionals in the country.

His decision to shift focus more determinedly towards wealth management in 2010 marked a pivotal moment in Rungta’s career. This move, fuelled by a desire to participate in the rapid evolution of HNW, UHNW and family office wealth in India, led him to significant roles at IIFL (now 360 ONE Wealth), Kotak, and Edelweiss Wealth Management (now Nuvama Wealth). Each position, marked by rises through the ranks, enabled Rungta to leave a mark on these institutions, contributing to their growth and success in the wealth management landscape.

Outside the office, Rungta’s life is filled with the simple joys of family, a passion for cricket (a sport in which his son is beginning to excel), and personal interests that span travelling, reading fiction, and enjoying music. His travels, especially a memorable trip to the snow-clad landscapes of Jammu and Kashmir and an exclusive tiger sighting in Pench, offer a glimpse into his quest for experiences that contrast with the rigour and reality of the financial world and the massive cityscapes of India.

In Rungta’s story, we see a portrait of a man who has navigated the complexities of the finance industry with acumen and foresight, all while maintaining a rich personal life that complements his professional achievements.

The firm's global footprint is also set to widen, with Rungta mentioning operational dynamics in the UAE and Singapore. "As I explained, Avendus Group currently has offices in Singapore and USA, and for the UAE, we're leveraging India or Singapore. We are actively planning to expand our clientele in these locations and may also look to establish presence in a few more international jurisdictions in times to come. This strategic move is indicative of Avendus'

commitment to broadening its international reach, enhancing our ability to serve local clients as well as an increasing global clientele."

Embracing a Dynamic Future

Avendus Wealth Management clearly stands at the cusp of a new and exciting era, marked by ambitious growth plans, strategic expansion, and a deepened commitment to technology and

knowledge. The roadmap laid out by Saurabh Rungta is both imaginative and grounded. "We envisage an incredibly dynamic landscape ahead for wealth management in India, with rising sophistication and expanding flows within India, from India and into our markets," he reports. "These are exciting times, and we are ready to seize the many opportunities and address key challenges along the way." ■

