

Published on *mydigitalfc.com* (<http://www.mydigitalfc.com>)

Wealth managers riding high on market rally

Feb 02 2015

Wealth managers made a kill in 2014 that saw sustained market rallies, with equity turning out to be the best choice among all asset classes.

The returns generated by their portfolio management services (PMS) were much more than those given by the Sensex's and the Nifty's 30 to 32 per cent.

Equity-oriented PMS has given returns in the range of 40 per cent to 70 per cent, outperforming the Sensex and Nifty.

However, the return varied for different sets of PMS managers, and also within PMS setups for non-discretionary portfolios.

Rajesh Saluja, CEO and MD, ASK Wealth Advisers said, "Equity-oriented PMS in the industry has given a return in the range of 40 per cent to 70 per cent. Our PMS portfolios have given a return of 60 per cent to 70 per cent."

The second half of 2014 saw equity markets on a sustained high with Sensex and Nifty touching record 28,000 and 8500 levels.

P Phani Sekhar, fund manager-PMS, Karvy Stock Broking said, "We have outperformed but its difficult to put a number to it as ours is a non-discretionary PMS portfolio, and the returns from individual portfolios vary, though we have outperformed the Sensex and the Nifty."

Varun Saxena, head-Marketing, Karvy Private Wealth said, "Off late people are investing in mid-cap stocks more as they think that it will give higher return than large cap stocks, we have see return in of 78.4 per cent for our mid-cap PMS portfolio called Gama and 42 per cent for our large cap PMS portfolio called Alpha plus."

Vikas Gupta, executive vice-president, Arthveda Fund Management promoted by Diwan Housing Finance said, "We have seen returns of 40-plus per cent from our PMS portfolios and being long-only fund managers we see it only as an early stage of investment. Our clients remain invested because business is still available below the intrinsic value — that is at price-to-book value of 3 to 3.1. Overvaluations have still a long way to go as price to book value travels to 4.5 to 5 and then to 6, when its time to exit at around 5.8."

"We are seeing inflows in our portfolios from the big clients who are not in the habit of speculation, where one wants to double money in a few months, smaller clients are not doing much of additional investments," Gupta said.

raviranjana

@mydigitalfc.com

© 2011 Financial Chronicle, All rights reserved

Source URL: <http://www.mydigitalfc.com/news/wealth-managers-riding-high-market-rally-469>