Final Project Report

"A Study of Wealth Management Practices followed by Various Sectors from Nagpur City"

Submitted to:

DMSR

G.S. College of Commerce and Economics, Nagpur

(An Autonomous Institution)

Affiliated To:

Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur

In partial fulfilment for the award of the degree of

Master of Business Administration

Submitted by:

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Under the Guidance of:

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NAAC Accredited "A" Grade Institution

Academic Year 2022-2023

Department of Management Sciences and Research,
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Academic Year 2022-2023

CERTIFICATE

This is to certify that **Mr. Mehul Jitendra Khiloshiya** has submitted the project report titled, **"A Study of Wealth Management Practices followed by Various Sectors from Nagpur City"**, towards the partial fulfilment of **MASTER OF BUSINESS ADMINISTRATION** degree examination. This has not been submitted for any other examination and does not form part of any other course undergone by the candidate.

It is further certified that he has ingeniously completed his project as prescribed by **DMSR, G. S. College of Commerce and Economics, Nagpur, (NAAC Reaccredited "A" Grade Autonomous Institution)** affiliated to **Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur.**

Prof. Leena Kapse — **Dr. Sonali Gadekar**
(Project Guide) — **(Co-ordinator)**

Place: Nagpur
Date:

Department of Management Sciences and Research,
G.S. College of Commerce & Economics, Nagpur
NAAC Accredited "A" Grade Institution

Academic Year 2022-2023

DECLARATION

I here-by declare that the project with title **"A Study of Wealth Management Practices followed by Various Sectors from Nagpur City"** has been completed by me in partial fulfilment of **MASTER OF BUSINESS ADMINISTRATION** degree examination as prescribed by **DMSR, G. S. College of Commerce and Economics, Nagpur, (NAAC Reaccredited "A" Grade Autonomous Institution)** affiliated to Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur and this has not been submitted for any other examination and does not form the part of any other course under taken by me.

Mr. Mehul Jitendra Khiloshiya

Place: Nagpur

Date:

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Academic Year 2022-2023

ACKNOWLEDGEMENT

With immense pride and sense of gratitude, I take this golden opportunity to express my sincere regards to **Dr. Swati Kathaley,** Principal, G. S.College of Commerce & Economics, Nagpur.

I am extremely thankful to my Project Guide **Prof. Leena Kapse** for her guidance throughout the project. I tender my sincere regards to the Coordinator, **Dr. Sonali Gadekar** for giving me guidance, suggestions and invaluable encouragement which helped me in the completion of the project.

I will fail in my duty if I do not thank the Non-Teaching staff of the college for their Co-operation.

I would like to thank all those who helped me in making this project complete and successful.

Mr. Mehul Jitendra Khiloshiya

Place: Nagpur
Date:

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CHAPTER-1

INTRODUCTION

Wealth Management

Wealth Management as a concept originated in year 1990's in the US. Essentially it is the investment advisory covering financial planning that provides individuals with private banking/ asset management/ taxation advisory & portfolio management. Warren Buffett is the most successful investor in world. He says that "The basic ideas of investing are to look at stocks as business, use the market's fluctuations to your advantage, and seek a margin of safety. That's what Ben Graham taught us. A hundred years from now they will still be the cornerstones of investing". He is even called as wealth creator.

Wealth Management means:

Wealth management is a high-level professional service that combines financial/investment advice, accounting/tax services, retirement planning and legal/estate planning for one fee. Investors work with a single wealth manager who coordinates input from financial experts and can include coordinating advice from the investors own attorney, accountants and insurance agent. Some wealth managers also provide banking services or advice.

In others words, it is basically an investment advice or assistance to manage person's financial needs. These services are offered to investors in packages to provide benefits with two main goals growth and safety of their existing investments.

Financial Planning

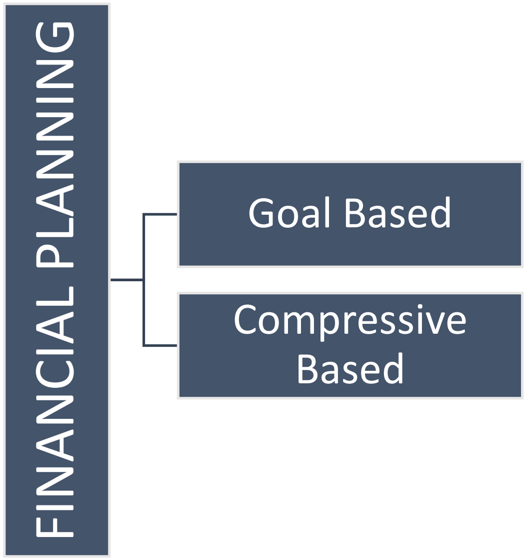
Everyone has needs and aspirations. Financial Planning is an approach to assess the adequacy of income and assets of a person to meet the financial requirements for fulfillment of these needs and aspirations.

The role of financial planning has been increasing in the market because:

- Needs and aspirations of people are ever-increasing. This increases the financial challenge that people face. Investors need to be counseled on the difference between needs (essentials) and wants (desires). Prioritization of expenses is critical for people who are struggling to make both ends meet.
- Joint families are giving way to nuclear families. The nuclear family stays in a separate house. The rentals or the acquisition cost of a house, are an important financial need to plan.
- In a nuclear family, the individual is responsible for his immediate family. The extended family, staying under a different roof, cannot be expected to support the regular financial needs of the individual.
- The period of caring for individuals is reducing, while the longevity (life span) of people is increasing. This means that incomes earned over a shorter time period need to finance the needs over a longer period of time. Hence the need for retirement planning.
- Income levels are going up. Higher investible surplus needs to be invested prudently for the future. Hence the need for professional financial planning advice.
- The financial assets and liabilities that are available in the market for various needs are getting more and more complex. It is difficult for a layman to have a comprehensive understanding of these financial products.
- Tax provisions keep changing. People need to plan their taxes and ensure that they take full benefit of the concessions available. This has opened the doors for professional tax advisers.
- Increasing complexities in family structure can create problems while transfer wealth to the next generation. Therefore, estate planning is important.

A professional financial planner helping individuals navigate these challenges is an important member of our society. The role and influence of financial planners is bound to grow in India.

Kind of Financial Planning



There are two approaches to financial plan:

1. Goal based Financial Plan

The goal-based financial plan can get more complex, when we provide for multiple goals, with a different asset allocation for each goal, and different projected returns for each asset class. Goal-based financial plans are a usual starting point for the investor- planner relationship.

2. Compressive Financial Plan

A comprehensive addresses the above limitations of a goal-based financial plan. It provides complete information on the overall financial position of the investor, and how the financial goals will be met periodically. Multiple formats of Comprehensive Financial Plan are possible, for various situations.

Role of Financial Planner/ Wealth Manager

The financial planner's fundamental role is to ensure that the investors have adequate money/ wealth for various financial needs/ goals.

While performing this role, financial planners offer some or all of the following services:

- Preparing a financial blue print for the investors future
- Advice on investment in share market
- Advice on investment in small savings schemes and other debt instruments
- Advice on investment in mutual funds and other investment products
- Suggesting a suitable asset allocation based on risk profile of the investors
- Management of loans and other liabilities
- Insurance planning and risk management
- Tax planning
- Planning for smooth inheritance of wealth to the next generation.

Life Cycle

People go through various stages in the life cycle, such as:

1	Young and unmarried
2	Young and married, with no children
3	Married and having young children
4	Married and having older children
5	Retirement

Position on the life cycle determines the kinds of challenges the investors is likely to face and therefore the approach to financial planning.

For instance, younger investors have the entire earning cycle ahead of them. Their insurance needs will be high. Those with dependents need to have adequate life insurance to protect the family against untimely demise.

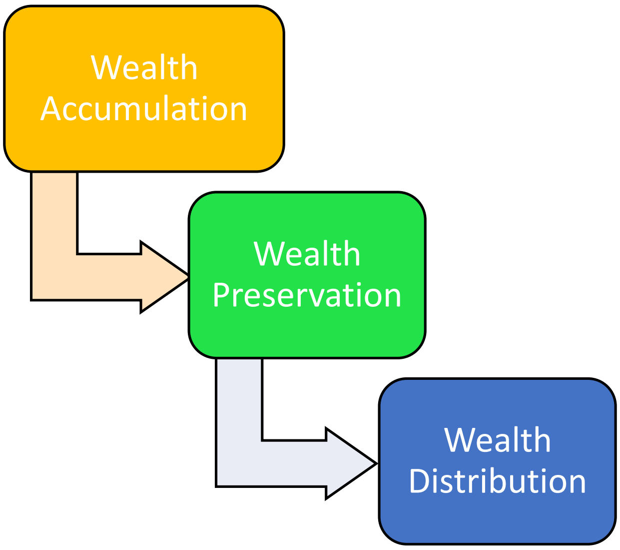
At a young age, saving and spending habits are formed. Systematic Investment Plans (SIPs) are a good way to ensure that the investor does not fritter away any money. They need to be educated on how starting saving early ensures a comfortable future.

Parents with young children need to prepare for sudden significant outflow, for education or marriage or such other requirement of children. They also need to plan for their retirement, not only in terms of financial assets, but also corporate perks that may not be available in future, such as medical re-imbursement, accommodation, car, club facilities etc.

On retirement, if salary or business earnings were to stop, then investors need to be cautious in taking risks. At a younger age, the investors can take greater risk. Asset Allocation is a key decision across the life cycle of the investors.

Wealth Cycle

As with life cycle, the position of the investor on the wealth-cycle changes over time. The key stages are:



Systematic Approach to Investing

In the long term, equity share prices track corporate performance. More profitable a company, higher is likely to be its share price. However, in shorter time frames, the market is unpredictable. Market fluctuations are a source of risk for investors. Over the period of time equity has given a better return than any other source of investments. Hence it is the major investment avenue in wealth management. Because of this reason investors are advised to take a systematic approach to investing. This can take any of the following forms:

1. **Systematic Investment Plan (SIP):-**Systematic Investment Plan is an investment strategy wherein an investor needs to invest the same amount of money in a particular mutual fund at every stipulated time period. Though an SIP, an investor commits to invest a constant amount periodically,

2. **Systematic Withdrawal Plan (SWP):-**SWP refers to Systematic Withdrawal Plan which allows an investor to withdraw a fixed or variable amount from his mutual fund scheme on a preset date every month, quarterly, semiannually or annually as per his needs.

3. **Systematic Transfer Plan (STP):-**STP refers to the Systematic Transfer Plan whereby an investor is able to invest lump sum amount in a scheme and regularly transfer a fixed or variable amount into another scheme.

Risk Profiling

The more risk oriented investor is having greater risk so the exposure that can be suggested to risky assets. In general, equity is viewed as the risky asset, while debt is considered the safer asset. Gold protects the portfolio in extremely adverse situations, where both debt and equity under-perform. Real estate is an illiquid asset that can grow over time, and also give rental income. Debt, Equity, Gold and Real Estate are asset classes.

In Risk Profiling Investor data analysis including positioning on the Life Cycle and Wealth Cycle which will suggest the investor's risk profile. Planners classify their investors into groups, such as

1. **Extremely Risk Averse:**
   The term risk-averse describes the investor who chooses the preservation of capital over the potential for a higher-than-average return. In investing, risk equals price volatility. A volatile investment can make you rich or devour your savings.

2. **Moderately Risk Averse:**
   A risk averse investor is an investor who prefers lower returns with known risks rather than higher returns with unknown risks. In other words, among various investments giving the same return with different level of risks, this investor always prefers the alternative with least interest.

3. **Risk Neutral:**
   Risk neutral is a term used to describe the attitude of an individual who may be evaluating investment alternatives. If the individual focuses solely on potential gains regardless of the risk, they are said to be risk neutral.

4. **Moderately Risk Oriented:**
   A moderate risk investor is willing to accept periods of market volatility in exchange for the possibility of receiving returns that will outpace inflation by a significant margin in the long run. It means an investor wants to achieve good returns but is uncomfortable taking high market risks.

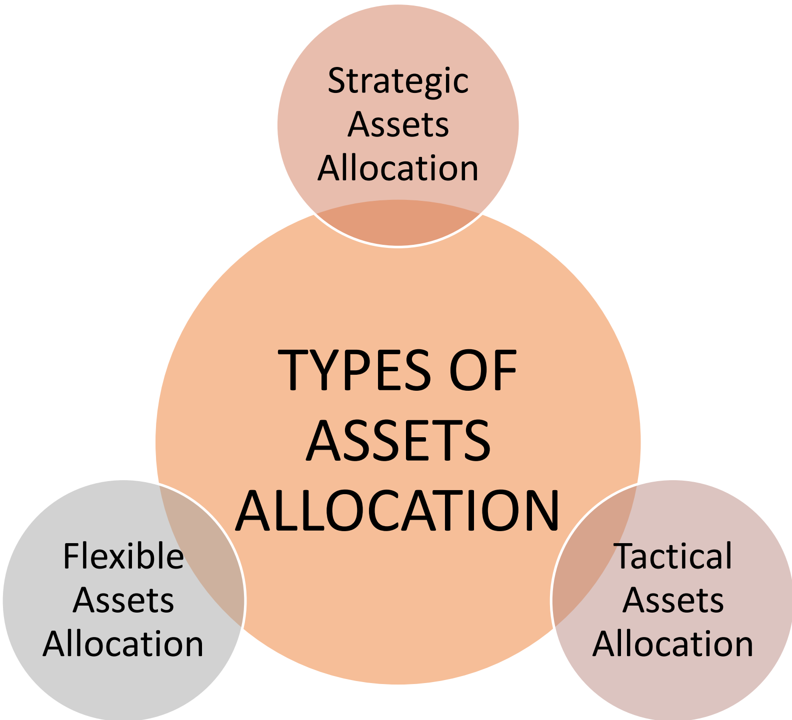
5. **Extremely Risk Oriented:**
   In simple terms it is a measure of the inherent risk a person is likely to accept. It affects their approach to decision-making, change, conflict and just about any situation faced at work. The Risk-Orientation Model is the basis of the QO2™ concept and defines five subscales that are used to calculate the QO2™

CHAPTER-2

Asset Allocation

Different asset classes perform well in varied economic and market scenarios. The analyst seeks to interpret the leading indicators and anticipate likely market trajectory. However, it is not possible to predict the market with certainty. An approach to balance the uncertainty is to invest in a mix of asset classes. This ensures that some asset classes in the portfolio perform well, when others don't. Such distribution of investment portfolio between asset classes is "asset allocation"

Types of Asset allocation



Strategic Asset Allocation:-

Strategic asset allocation is a portfolio strategy whereby the investor sets target allocations for various asset classes and rebalances the portfolio periodically. The target allocations are based on factors such as the investor's risk tolerance, time horizon, and investment objectives. In short distribution between asset classes based on risk profile of investor is called Strategic asset allocation".

Tactical Asset Allocation:-

Investors who are oriented to take risk do take asset allocation calls based on their views of the market. When they fell the market is undervalued they increase their exposure to equity. They exit their equity investment when the view is that the market is overheated. Such an approach to investment is called "Tactical Asset Allocation".

Flexible Asset Allocation:-

A flexible fund is a mutual fund or other pooled investment that has broad flexibility for making investment decisions and allocations. Flexible funds usually target some universe of securities; however, they may also have the flexibility to invest across all types of assets.

A flexible fund usually does not have fundamental investing criteria or requirements that the portfolio manager must follow. This gives the portfolio manager the opportunity to choose from a broad universe of investments. Managers can also more actively allocate investments according to market opportunities and conditions rather than specific investing requirements.

Portfolio Management Services (PMS):-

PMS is an investment facility offered by financial intermediaries to larger investors. The PMS provider keeps receiving money from investors. Unlike mutual funds, which maintain their investment portfolio at the scheme level, the PMS provider maintains a separate portfolio for each investor. The cost structure for PMS, which is left to the PMS provider, can be quite high. Besides a percentage on the assets under management, the investor may also have to share a part of the gains on the PMS portfolio; the losses are however borne entirely by the investor. PMS have an unconstrained range of investments to choose from. The limits, if any, would be as mentioned in the PMS agreement executed between the provider and the investor.

Financial Planning in India:-

Mutual Fund distributors and others involved in selling or distributing mutual funds need to pass the prescribed examination before they can start selling mutual fund schemes. However, no such requirements have been set for financial planners and wealth advisers.

Securities & Exchange Board of India (SEBI) has come out with a concept paper on the proposed regulatory structure for investment advisers. The highlights are as follows:

- There is an inherent conflict of interest between a distributor earning a commission as agent of a product manufacturer (such as a mutual fund) and performing the role of financial adviser claiming to protect the investor's interests.

The proposed model to tackle this conflict of interest is as follows:

- The person who interfaces with the customer should declare upfront whether he is a financial advisor or an agent of the companies.
- Advisers should be governed
- They should be subject to Investment Advisors Regulations.
- Advisors should acquire higher level of qualifications.
- They may act as advisor to investor for multiple financial products.

Financial Planning to Wealth Management

Financial planning seeks to ensure adequacy of assets and cash flows for meeting the financial goals of the Investor. In the case of a wealth management Investor, adequacy of assets is not an issue. The Investor will have the assets, though cash flow (liquidity) can be an issue if not suitably invested.

A wealth manager seeks to understand what the Investor wants with the wealth viz. grow the wealth with an openness to take risk; or consolidate the wealth with a conservative approach to risk; or preserve the wealth while avoiding risk to the extent possible. Different asset allocation mix would be appropriate for each of these profiles. Wealth Management deals with creation, accumulation, preservation and of wealth.

Wealth Management in India

India's wealthy are relatively young compared with their international counterparts and, hence, take a different approach to wealth management. The demographic difference presents an opportunity to create new products to address the needs of a young population and leverage new technologies, such as social- and mobile-enabling investing applications as a key differentiator. India's wealth management services sector is largely fragmented, which isn't surprising given the industry is still in its early days. Hence, it is recommended that firms take a long-term view while evaluating potential return on investment. Given the market and a demographic and regulatory environment that is significantly different from elsewhere in the world, we recommend wealth managers consider the following to succeed in the Indian market:

- Build your brand and focus on overcoming the trust barrier.
- Invest in advisor technology to improve advisor productivity and retention.
- Evaluate a partnership-based model, coupled with innovative use of technology, to increase reach.

Focus on transparency and compliance, while targeting customers with attractive, segment focused products.

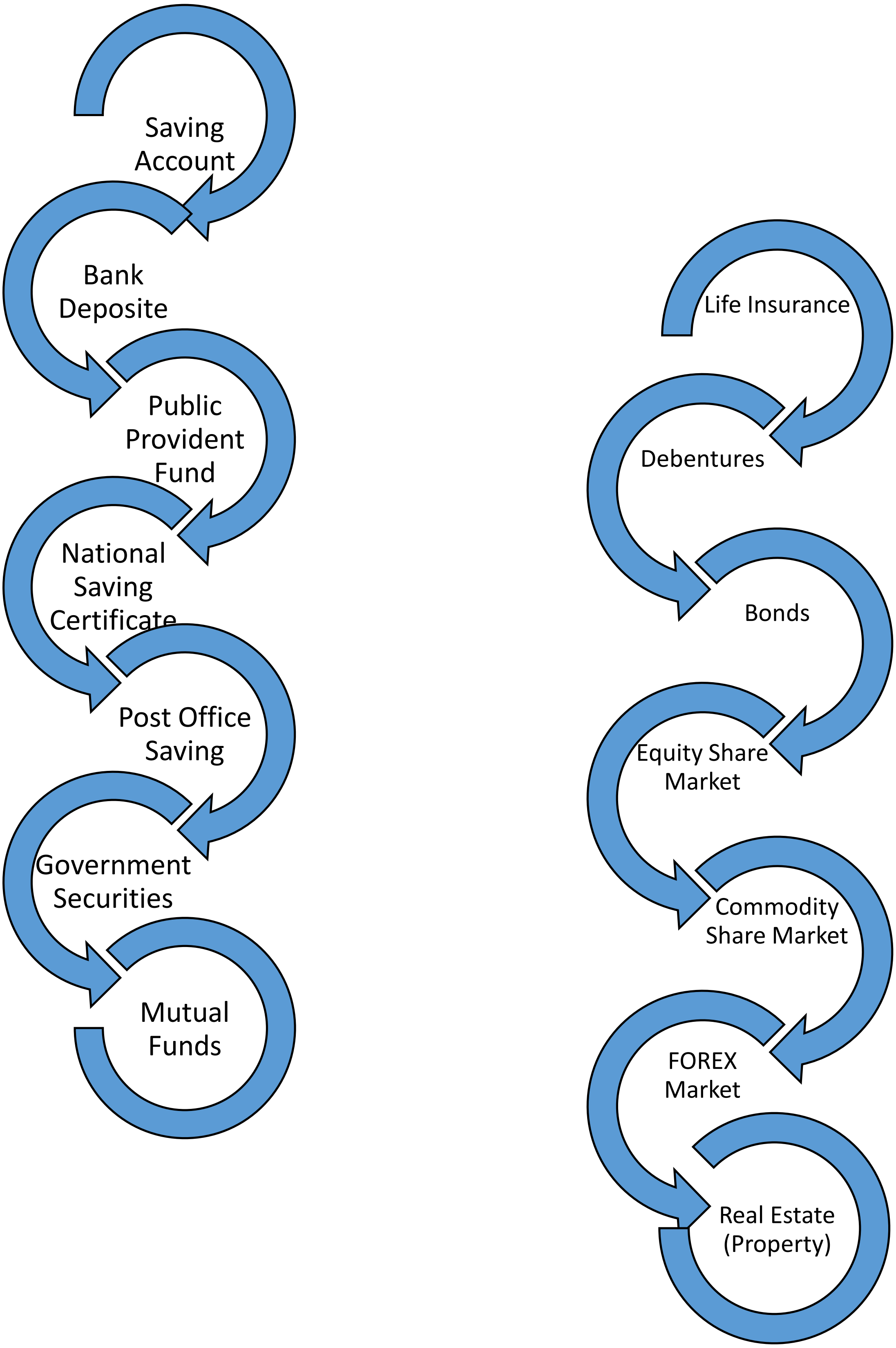
Though wealth management is a new concept for India, some companies are started working in this direction. Here is list of some companies:

1. ICICI Asset Management Company
2. HDFC Asset Management Company
3. Reliance Asset Management Company
4. UTI Asset Management Company
5. Birla Sun Life Asset Management Company
6. Kotak Mahindra Asset Management
7. Religare Asset Management Company Company
8. Tata Asset Management
9. Franklin Templeton
10. L & T Finance Limited
11. BNP Paribas Asset Management Company Limited
12. Morgan Stanley STBF
13. Sundaram Asset Management Company
14. Axis Asset Management Company
15. Bajaj Holdings or Bajaj Capital
16. Motilal Oswal Asset Management Company
17. Edelweiss Asset Management Limited
18. Muthoot Asset Management Company

Some are Indian companies whereas some are foreign companies who have started giving guidance on wealth management to customers.

Investment Avenues

Investment Avenues are different ways that you can invest your money. Following investment avenues that are considered in this report are as follows:



<u>Some important Investments Avenues are explained below:</u>

1. Mutual Funds:-

A mutual fund is an investment vehicle that is made up of a pool of funds collected from many investors for the purpose of investing in securities such as stocks, bonds, money market instruments and similar assets. Mutual funds are operated by money managers, who invest the fund's capital and attempt to produce capital gains and income for the fund's investors. A mutual fund's portfolio is structured and maintained to match the investment objectives stated in its prospectus.

2. Life Insurance Life:-

Insurance is a protection against the loss of income that would result if the insured passed away. The named beneficiary receives the proceeds and is thereby safeguarded from the financial impact of the death of the insured. The goal of life insurance is to provide a measure of financial security for your family after you die. So, before purchasing a life insurance policy, you should consider your financial situation and the standard of living you want to maintain for your dependents or survivors.

3. Debentures & Bonds:-

A debenture is a type of debt instrument that is not secured by physical assets or collateral. Debentures are backed only by the general creditworthiness and reputation of the issuer. Both corporations and governments frequently issue this type of bond to secure capital. Like other types of bonds, debentures are documented in an indenture. There are 2 types of debentures: Convertible and nonconvertible. A bond is a debt investment in which an investor loans money to an entity (typically corporate or governmental) which borrows the funds for a defined period of time at a variable or fixed interest rate. Bonds are used by companies, municipalities, states and sovereign governments to raise money and finance a variety of projects and activities.

4. Equity Market:-

Equity market one of the most vital areas of a market economy because it gives companies access to capital and investors a slice of ownership in a company with the potential to realize gains based on its future performance. The securities traded in the equity market can be either public stocks, which are those listed on the stock exchange, or privately traded stocks.

5. Commodity Market:-

A physical or virtual marketplace for buying, selling and trading raw or primary products. For investors' purposes there are currently about 50 major commodity markets worldwide that facilitate investment trade in nearly 100 primary commodities.

Commodities are split into two types: hard and soft commodities. Hard commodities are typically natural resources that must be mined or extracted (gold, rubber, oil, etc.), whereas soft commodities are agricultural products or livestock (corn, wheat, coffee, sugar, soybeans, etc.)

6. FOREX Market:-

FOREX is the market in which currencies are traded. The FOREX market is the largest, most liquid market in the world, with average traded values that can be trillions of dollars per day. It includes all of the currencies in the world. There is no central marketplace for currency exchange: trade is conducted over the counter. FOREX transactions take place on either a spot or a forward basis

CHAPTER-3

LITERATURE REVIEW

Wealth management is a comprehensive approach to financial planning and investment management aimed at optimizing the wealth of individuals and families. This literature review provides an overview of the key concepts, theories, and best practices related to wealth management. The purpose is to present a comprehensive understanding of the subject and inform the project report on wealth management. There is some review on Wealth Management are taken from different books & authors are given below:-

BY BOOKS:-

Wealth Management and Financial Planning:

Wealth management involves the integration of financial planning and investment management to achieve the long-term financial goals of individuals. It encompasses various aspects such as retirement planning, tax planning, estate planning, and risk management. The literature in this area emphasizes the importance of aligning investment strategies with individual goals and risk tolerance.

Portfolio Management and Asset Allocation:

Asset allocation is a critical component of wealth management, where investments are allocated across different asset classes to achieve diversification and risk management. The literature highlights the role of modern portfolio theory in asset allocation and the use of techniques such as mean-variance optimization and risk-adjusted returns in portfolio construction.

Investment Strategies and Financial Markets:

The literature on investment strategies in wealth management covers a range of approaches, including active versus passive management, value investing, growth investing, and factor-based investing. It explores the impact of market efficiency, behavioral biases, and macroeconomic factors on investment decision-making.

Risk Management and Wealth Preservation:

Effective risk management is crucial in wealth management to protect capital and preserve wealth. The literature discusses various risk management strategies, including diversification, hedging, and the use of alternative investments. It also examines the role of insurance, estate planning, and asset protection in mitigating risks.

Behavioral Finance and Investor Psychology:

Understanding investor behavior and psychology is essential for wealth managers. The literature on behavioral finance explores cognitive biases, emotional decision-making, and herd behavior that influence investment choices. It provides insights into the application of behavioral finance principles in wealth management, such as goal-based investing and investor education.

AUTHORS:-

Caselli et al (2005) (A New Challenges for Wealth Management):- explains the segment of banking services that focus on families and family-owned businesses, within the private banking business, by examining synergies among the various financial integrated activities and by offering ideas on how to develop new business opportunities

G Pang, MJ Warshawsky - Journal of Financial Planning, 2009 - papers.ssrn.com says that wealth management strategies for individuals in retirement, focusing on trade-offs regarding wealth creation and income security. Systematic withdrawals from mutual funds generally give opportunities for greater wealth creation at the risk of large investment losses and income shortfalls. Fixed and variable life annuities forgo bequest considerations and distribute the highest incomes. A variable annuity with guaranteed minimum withdrawal benefit (VA GMWB) somewhat addresses both income need and wealth preservation. Mixes of mutual funds and fixed life annuities deliver solutions broadly similar to an even more flexible than a VA GMWB strategy.

Clustering Indian stock market data for portfolio management, Author links open overlay panel, S.R. Nanda, B. Mahanty, M.K. Tiwari (6 July 2010):- In this section, portfolio management and clustering techniques are briefly reviewed. We found that the problem of efficient frontier can be solved more efficiently by clustering the stocks and then choosing to enhance the criteria of diversification. We propose clustering of high dimensional stock data by the popular clustering methods *K*-means, SOM and Fuzzy *C*-means and then selecting stocks to build an efficient portfolio. All the clustering methods are used to cluster financial stock data from Bombay Stock Exchange that consists of returns.

William W. Jennings, Stephen M. Horan, William Reichenstein. Jean L.P. Brunel, The Journal of Wealth Management Summer 2011, 14(1)8-40, DOI:10.3905/jwm.2011.14.1.008:- Private Wealth management is the investment management specialization focused on high-net-worth individuals and families. Portfolio design and investment solutions in private wealth management are customized to reflect the complexities of the investor's unique circumstances. This literature review reflects the current best thinking on private wealth management.

The Journal of Wealth Management (DOI 08 May 2023) 10.3905/jwm.2023.1.215 Sony Thomas S. S. S. Kumar:- This study addresses an important asset allocation dilemma, namely whether investors should diversify their portfolios using commodities directly or commodity stocks, which are equity shares of companies that produce commodities or have a strong relationship to them. The results of the study indicate that commodities added to a stock-bond portfolio perform better than commodity stocks in a stock-bond portfolio. The dominance of commodities portfolios is observed during the in-sample, out-of-sample, and current epidemic time periods.

Democratizing Wealth Management, Andrew L. Berkin, The Journal of Wealth Management 25th Anniversary Special Issue 2023, 26(1) 21-28 DOI 10.3905/jwm.2023.1.200:- over the past 25 years, as access to pensions has declined and longevity has increased, people have needed to bear increasing responsibility for their financial well-being. Fortunately, wealth management has become democratized in that time, bringing to a greater number of people the techniques that once were available only to institutions and the very wealthy. Alpha, the value added relative to an appropriate risk-adjusted benchmark, has been shrinking for a variety of reasons. However, factor-based investing has grown, offering a convenient way to access the premiums once assigned to alpha. Tax-aware mutual funds have become more common, while the rise of exchange-traded funds allows investors to defer capital gains.

CHAPTER-4

RESEARCH METHODOLOGY

Research Methodology is the systematic and theoretical analysis of the methods applied to a field of study. It involves qualitative and quantities techniques. In other words, it is a process used to collect information and data for the purpose of the making business decisions.

A Research is the process of in-depth analysis of the data in order to find the actual results, solutions and societal benefits etc. There are different types of research viz., Descriptive research, exploratory research, cross sectional research etc.

The Research is primarily done with some strong Primary and Secondary Objectives. Primary Objectives are the main purpose of conducting research and the Secondary Objectives are the next level focus of this research. Data Collection and Analysis is the crucial part of a research process. The Data can be collected from 2 sources, they are: Primary Data, Secondary Data. Primary Data are those which are collected for the first time and the secondary data are those which already collected and use.

This part aims to understand the research methodology establishing a framework of evaluation and revaluation of primary and secondary research.

Title of study

“**A Study of Wealth Management Practices followed by Various Sectors from Nagpur City**”

Research Objective

1. To know the awareness among individual for Wealth Management in Nagpur city.
2. To figure out the popular source of investment avenue.
3. Percentage up to which individuals from which sector is ready to save/investment at how much risk.
4. To understand what the people of Nagpur think about wealth management.

Research Design

The survey is based on survey or questionnaire type of research for this project. In this google form is use for questionnaire. The google form were circulated in 50 people who live in Nagpur city.

1. **Data Collection:**
   By survey or questionnaires data collected, and also from another websites which related to wealth management.

2. **Type of Data:**
   Primary Data or Secondary Data use in this this project.

3. **Sample Size:-**
   The sample size use for this project is 50 Individual

4. **Sample Area:**
   The area which selected is Nagpur city. There is many people lives in Nagpur from that only 50 individual equal and above the young age, nuclear family or joint family, employed from various sector, or etc. are selected

5. **Types of Questionnaire:-**
   There is basic question which related to their life, income and professional, there knowledge about wealth management, interested in which method of saving.

CHAPTER-5

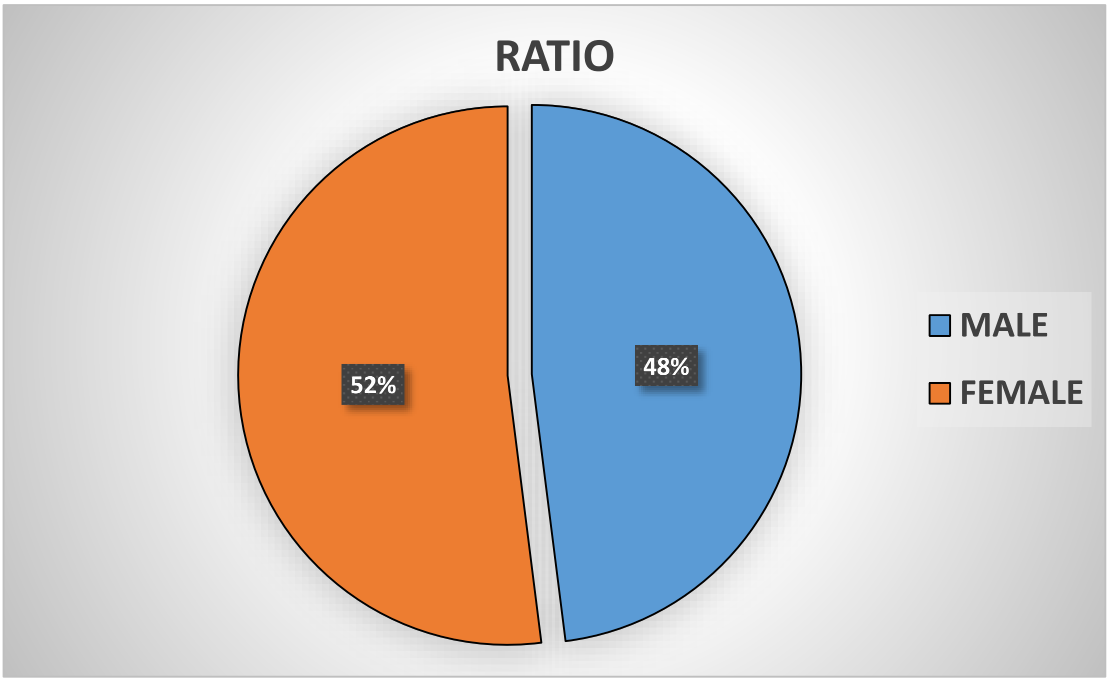
DEMOGRAPHY ANALYSIS

Demographics are characteristics of a population (individual 50). Characteristics such as race, ethnicity, gender, age, education, profession, occupation, income level and marital status, are all typical examples of demographics that are used in surveys.

1. **Analysis of Gender**

   The following table show that how many males are there & how many woman's are there:-

MALE	24
FEMALE	26

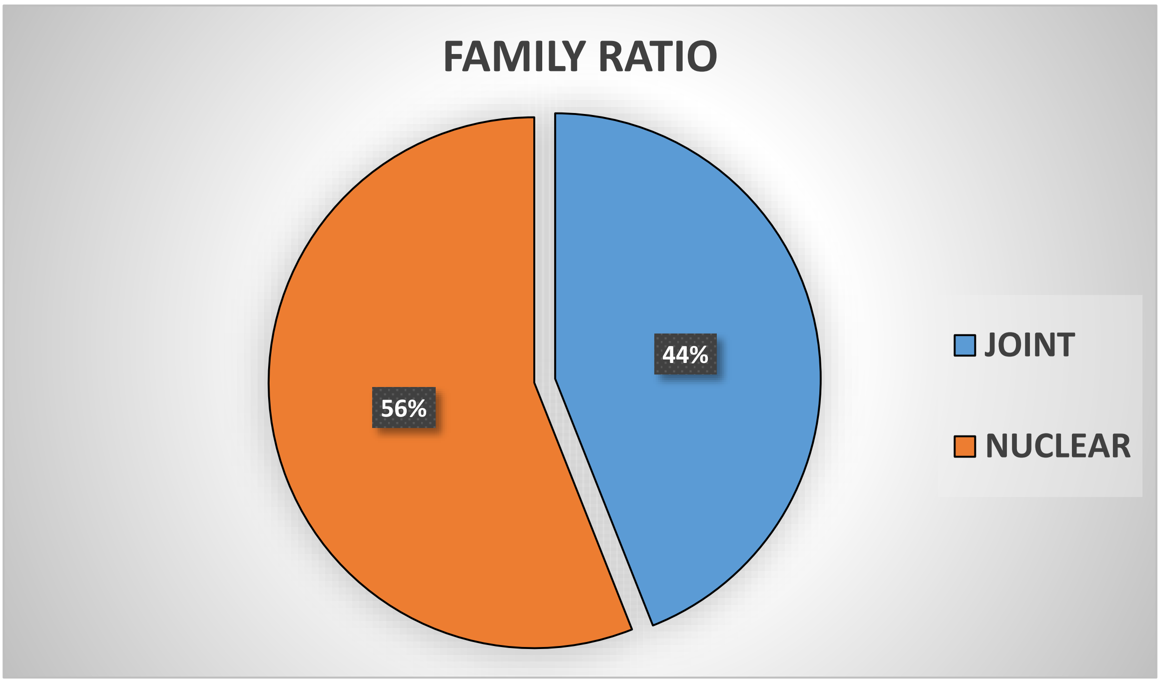


From the above figure show that 48% respondents are males and 52% respondents are female.

2. **Family Structure**

   From the following table we identify that there is Joint family or Nuclear family:-

Joint	22
Nuclear	28

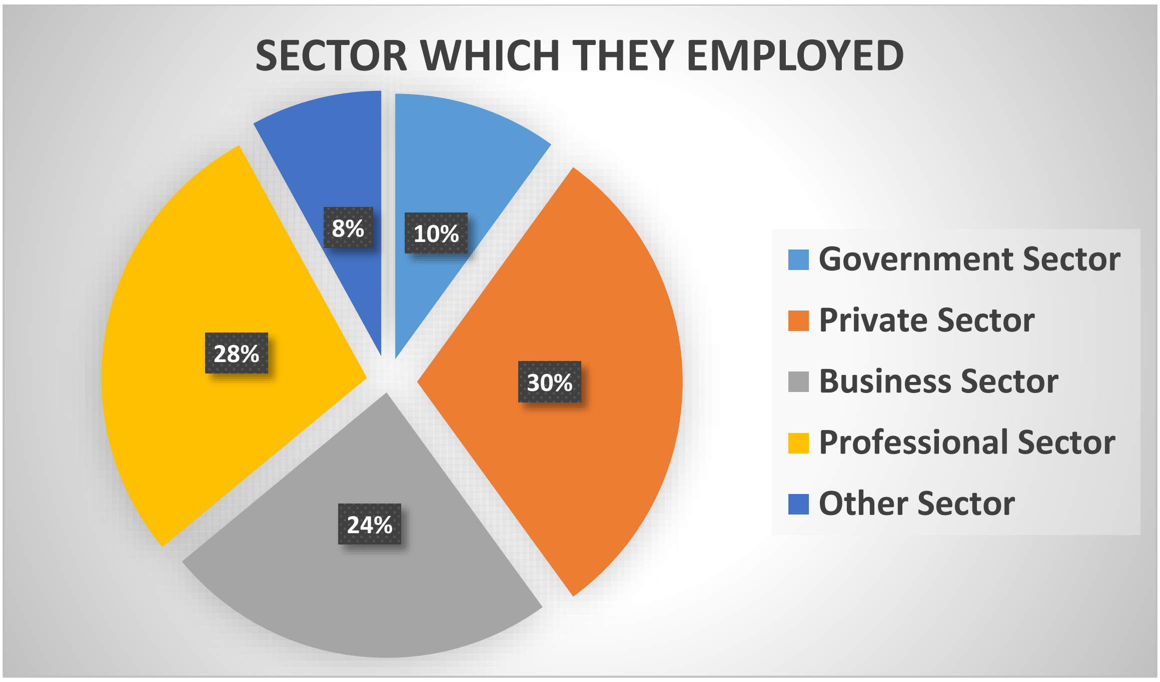


From the above figure show that 44% respondents are joint family and 56% respondents are nuclear family

3. **Sector which they employed**

From the following we understand that the individual are work from which sector:-

Government Sector	5
Private Sector	15
Business Sector	12
Professional Sector	14
Other Sector	4

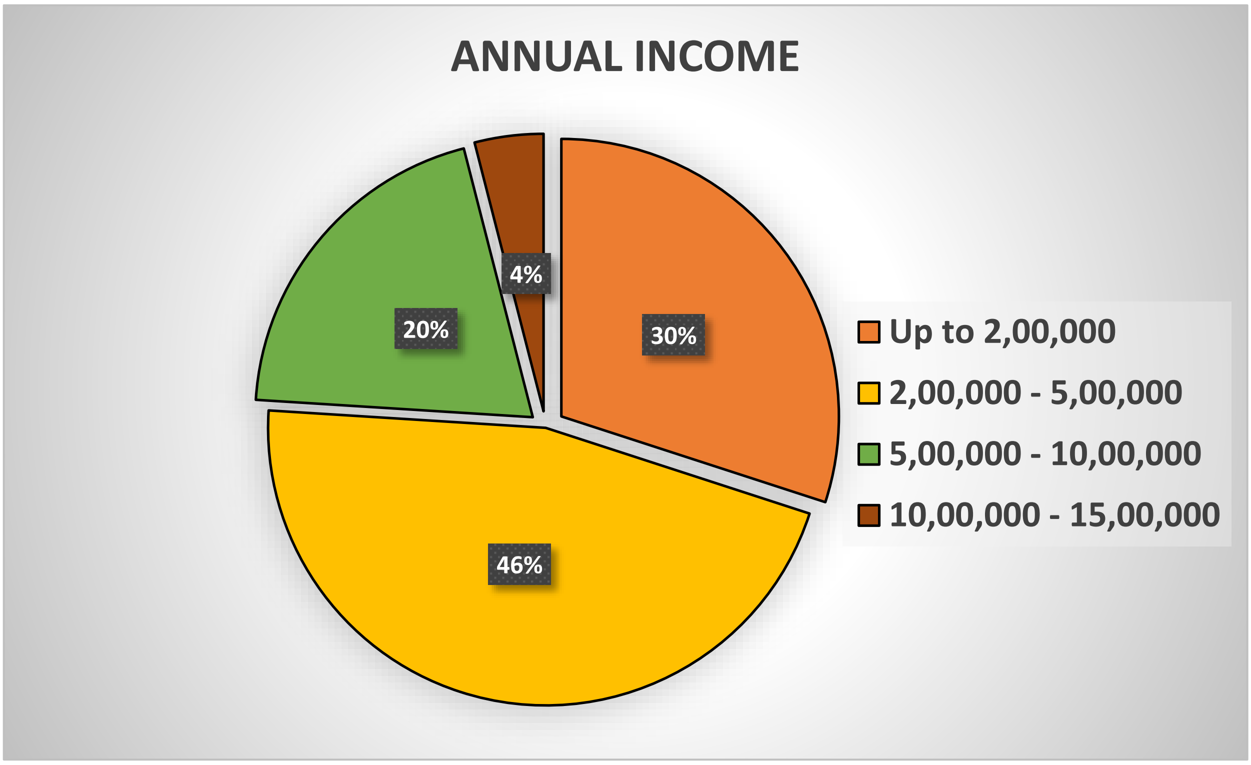


The above graph says 10% respondent are work in government sector. 30% respondent are work in private sector. 24% respondent are work in business sector. 28% respondent are work in professional sector. 8% respondent are work in other sector.

4. Annual Income (In Rs.)

In this following table we analyzed that the annual income of the people:-

Up to 2,00,000	15
2,00,000 – 5,00,000	23
5,00,000 – 10,00,000	10
10,00,000 – 15,00,000	2

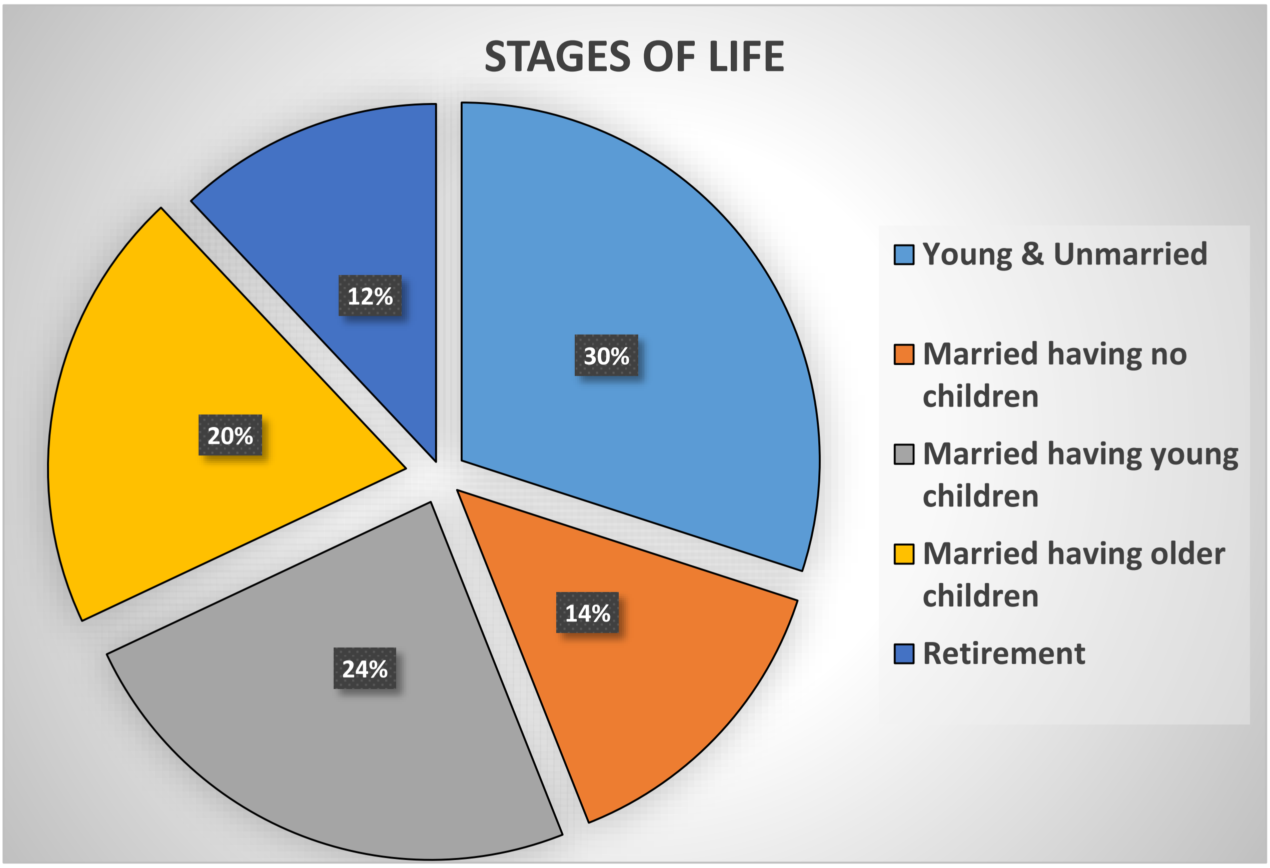


From the above graph show that **30%** respondent earns around up to 2,00,000 per year. **46%** respondent earns around 2,00,000 – 5,00,000 per year. **20%** respondent earns around 5,00,000 – 10,00,000 per year. **4%** respondent earns around 10,00,000 – 15,00,000 per year.

5. Stages of Life

In this we identify the stages of life of the people

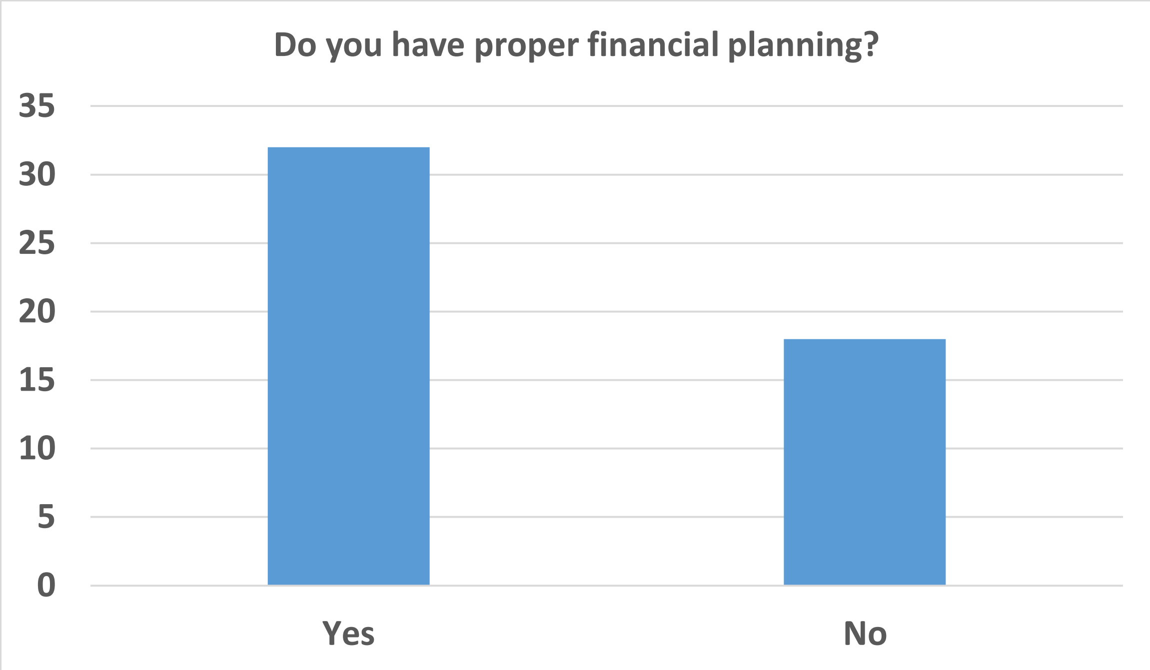
Young and Unmarried	15
Married with no children	7
Married and having young children	12
Married and having older children	10
Retirement	6



From the above graph show that **30%** respondent are from young and unmarried. **14%** respondent are from married having no children. **24%** respondent are from married having young children. **20%** respondent are from married having older children. **12%** respondent are from retirement stage of life.

ANALYSIS & INTERPRETATION

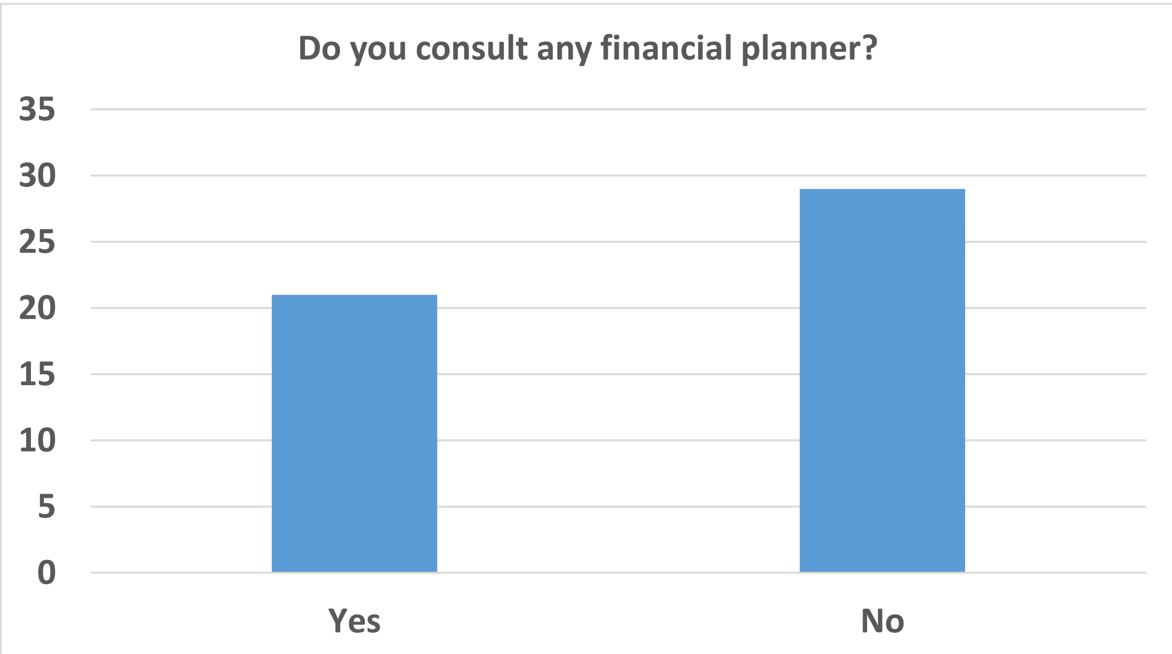
1. Do you have proper financial planning?



Interpretation:-

The above data show that 64% (that is 32 out of 50) of surveyed respondent have proper financial planning of their income, the remaining 36% (that is 18 out of 50) respondent don't have any proper planning which is an issue in this fast growing economy.

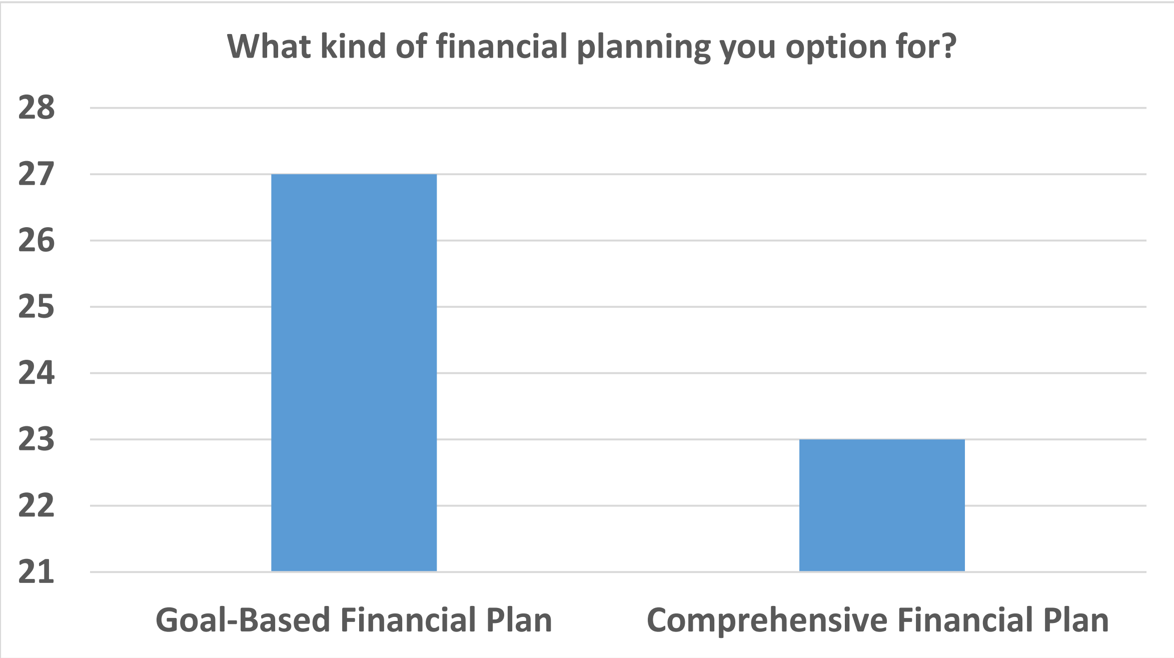
2. Do you consult any financial planner?



Interpretation:-

By the above data show that around 58% (that is 29 out of 50) of respondent consult financial planner, whereas 42% (that is 21 out of 50) proportion respondent do not consult any financial planner which might lead to inefficient wealth management.

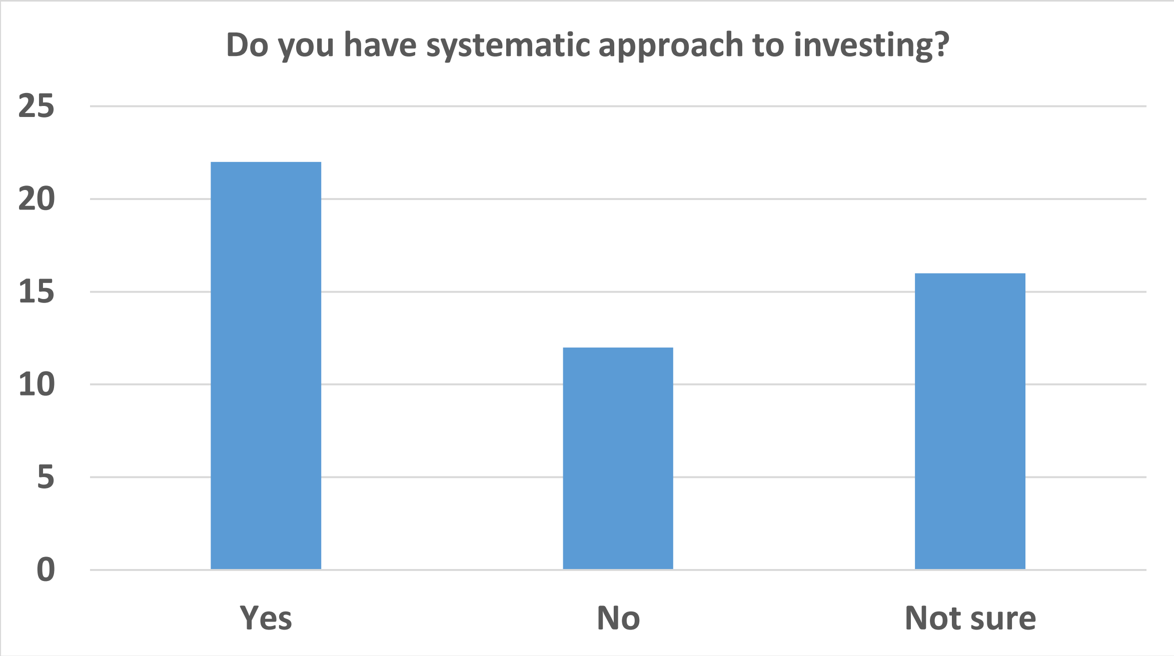
3. **What kind of financial planning you option for?**



Interpretation:-

By the above data show that around 54% (that is 27 out of 50) of respondent preferred goal based financial planning, whereas 46% (that is 23 out of 50) respondent preferred for comprehensive financial planning.

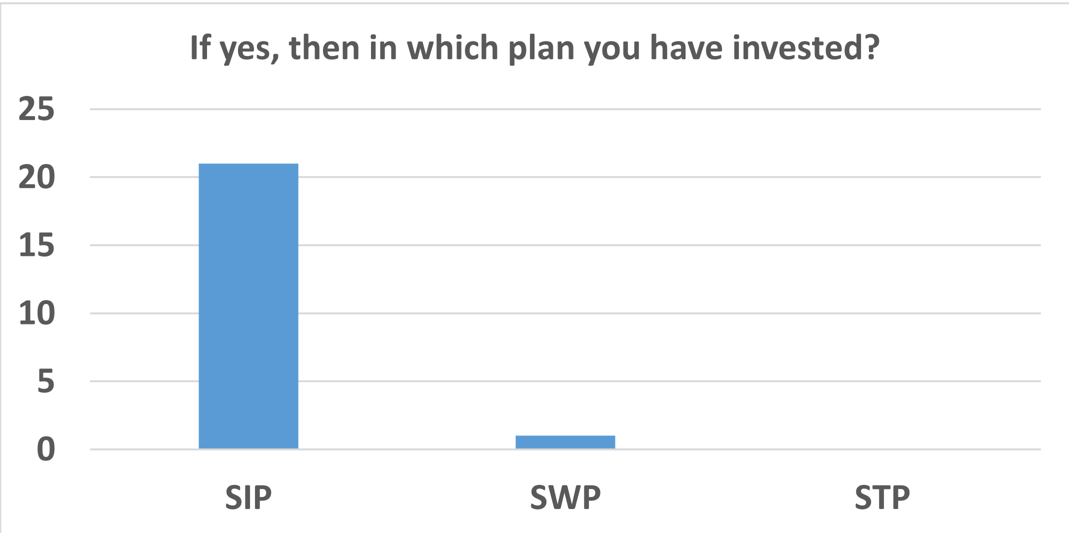
4. **Do you have systematic approach to investing?**



Interpretation:-

This graph show that how much respondent know about systematic approach of investment. Around 44% (that is 22 out of 50) of respondent know about systematic approach, 24% (that is 12 out of 50) respondent preferred for comprehensive financial planning. 32% (that is 16 out of 50) respondent are not sure about systematic approach.

5. **If yes, then in which plan you have invested?**



Interpretation:-

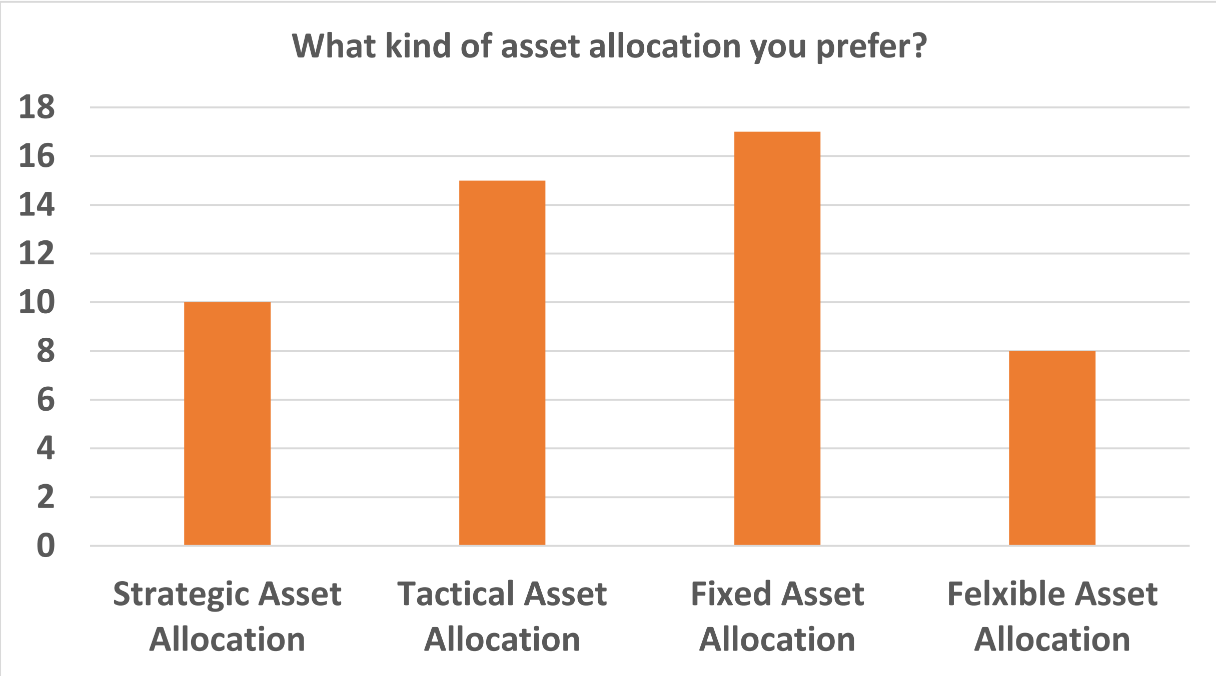
This graph only those people respond that said yes in previous question and know about systematic approach. Around 95% (that is 21 out of 22) of respondent have SIP as their systematic approach, remaining 5% (that is 1 out of 22) respondent are invested in SWP, there is no respondent in STP.

6. What is your risk profiling?

Interpretation:-

From the above graph show that there are 6% (that is 3 out of 50) respondent go for extremely risk averse, 20% (that is 10 out of 50) respondent go for moderately risk averse, 44% (that is 22 out of 50) respondent go for neutral risk, 24% (that is 12 out of 50) respondent go for moderately risk oriented, 6% (that is 3 out of 50) respondent go for extremely risk oriented.

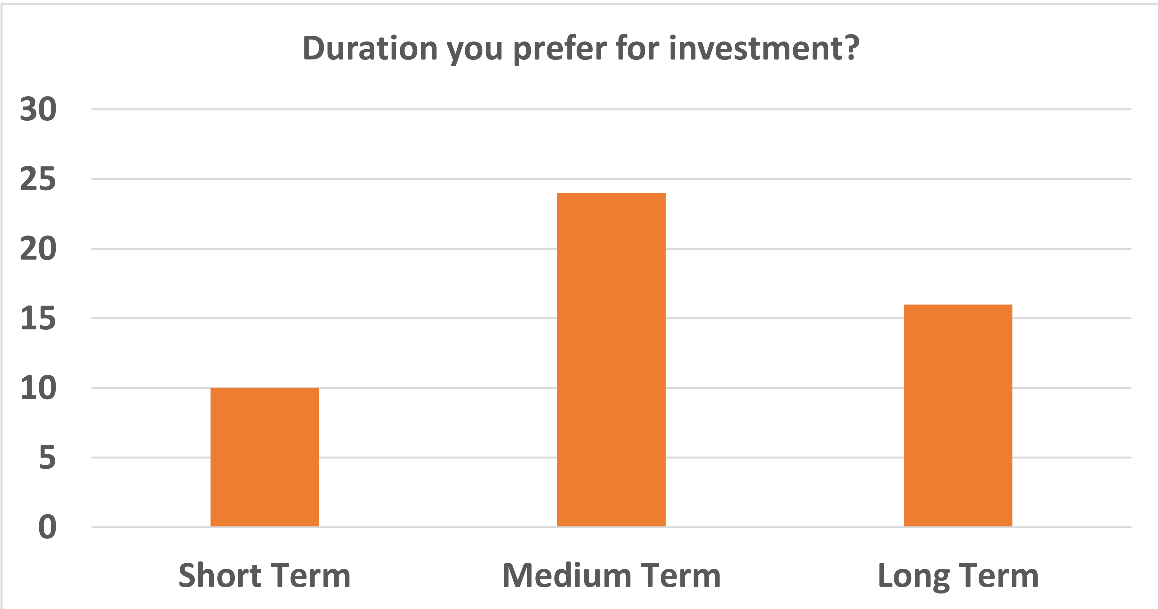
7. What kind of asset allocation you prefer?



Interpretation:-

The above graph explain that 20% (that is 10 out of 50) respondent prefer strategic asset allocation, 30% (that is 15 out of 50) respondent prefer tactical asset allocation, 34% (that is 17 out of 50) respondent prefer fixed asset allocation, 16% (that is 8 out of 50) respondent flexible asset allocation.

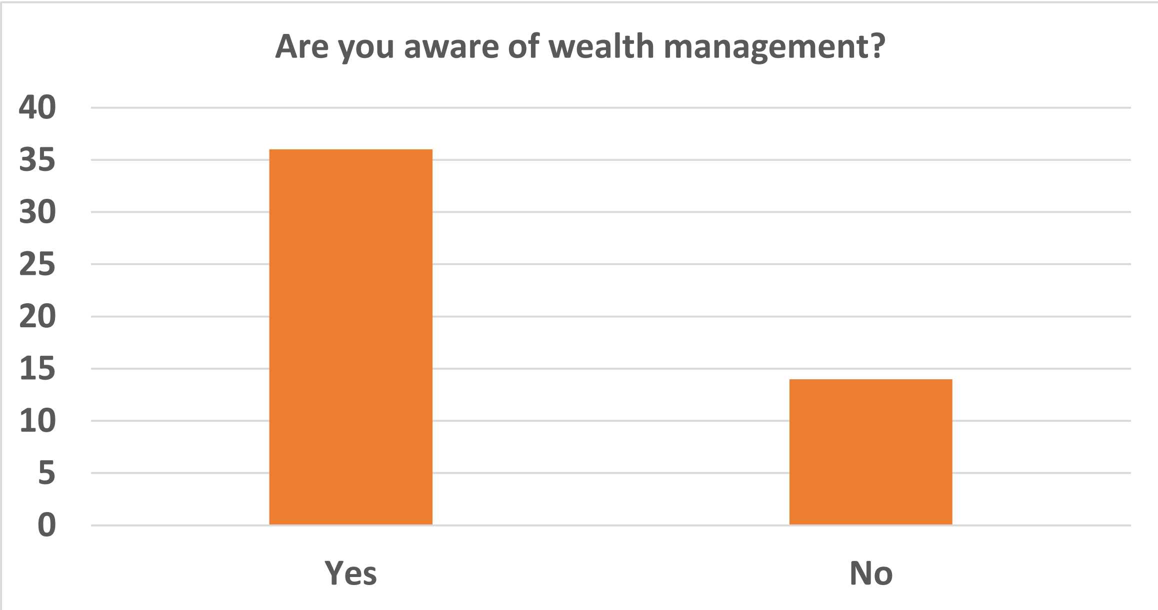
8. Duration you prefer for investment?



Interpretation:-

By this graph we analysis that 20% (that is 10 out of 50) respondent prefer short term investment, 48% (that is 24 out of 50) respondent prefer medium term investment, 32% (that is 16 out of 50) respondent prefer long term investment.

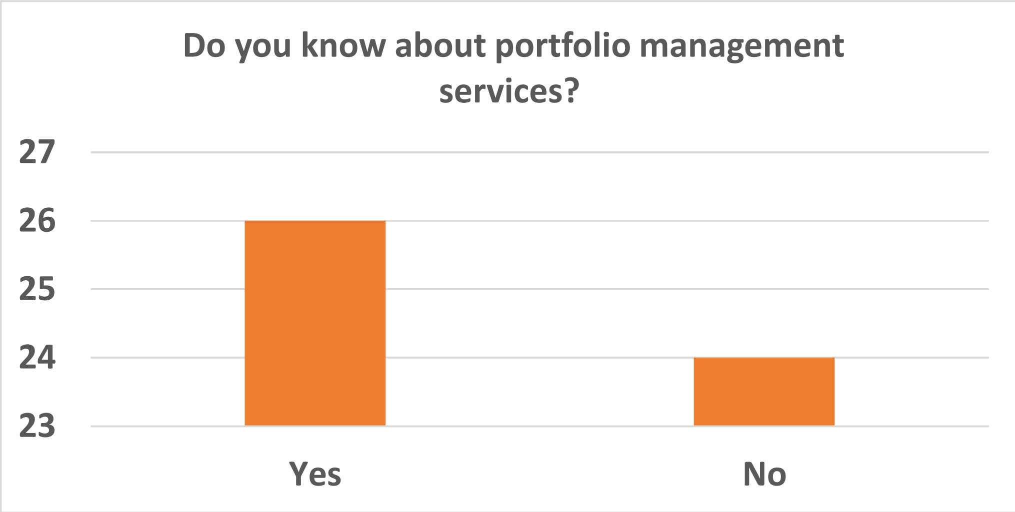
9. Are you aware of wealth management?



Interpretation:-

By this graph we understand that 72% (that is 36 out of 50) respondent are aware about wealth management, 28% (that is 14 out of 50) respondent are not aware about wealth management.

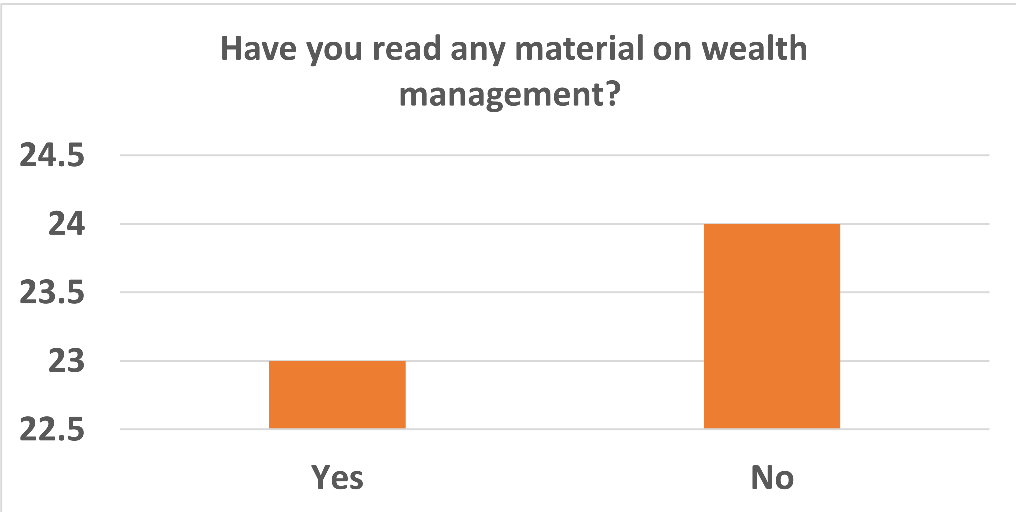
10. Do you know about portfolio management services?



Interpretation:-

By this graph we identify that 52% (that is 26 out of 50) respondent know about portfolio management services, 48% (that is 24 out of 50) respondent are not have any idea about portfolio management services.

11. Have you read any material on wealth management?



Interpretation:-

By this graph we identify that 46% (that is 23 out of 50) respondent have read something about wealth management, 54% (that is 27 out of 50) respondent have not read anything about wealth management.

CHAPTER-6

FINDINGS

There are some Major findings which below:-

- Some of them young and unmarried people don't have proper financial planning.

- On other hand married and having young & older children prefer for financial planning and do consult with financial planner to manage their asset mix.

- We can categorize people into 4 segments i.e. young and married, married with no children; married and having young children; married and having older children and retirement.

- Mostly people prefers goal-based financial planning as they invest in various asset mixes.

- Most of the people are interested to invest in mutual fund, and some investors prefer systematic approach based investment. But on other hand we can say that most of the respondent doesn't know the benefits of systematic approach.

- By the data we identify that most of the people prefer medium term duration for the investment.

There are some General/Minor findings which below:-

- Respondent who are young either unmarried & married are not aware how to balance uncertainty with various asset mix.

- Tactical asset allocation is preferred by that respondent who invests in risky market where as fixed asset allocation is preferred by most of the respondent as their risk is neutral.

- By the data we notice that long term horizon is mostly prefers by fixed asset allocation respondent and even they have proper financial planning.

- According to data we understand that 72% people are aware about wealth management, but rest of them are not aware about the wealth management. By this most of the people are not read anything about wealth management and not have any idea about wealth management

- Some respondent believe that wealth management is systematic management of all the income or investment.

CHAPTER-7

LIMITATION

The limitations of the study are those characteristics of design or methodology that impacted or influenced the interpretation of the findings from your research.

1. Sample size may not complete representative the universe.
2. Completely relying on the data provided by individual through questionnaire
3. A failure to use a random sampling technique significantly limits the ability to make broader generalizations from results.
4. Less geographical reach.
5. Man Power constraint.
6. Lack of face to face communication as large number of survey is done through google forms.
7. Lack of time to study the border concept
8. Demographic Analysis

When preparing a project report on wealth management, there are a few limitations that you should be aware of:

1. **Data availability:**
   Wealth management involves analyzing financial data, market trends, and investment strategies. One limitation is the availability and accessibility of accurate and up-to-date data. Depending on the scope and timeframe of your project, obtaining comprehensive and reliable data may be a challenge.

2. **Confidentiality and privacy concerns:**
   Wealth management is a sensitive field that deals with personal financial information. It is important to respect client confidentiality and privacy when conducting research or gathering information. Access to detailed case studies or real-

life examples may be restricted, limiting the depth of analysis in your project report.

3. **Subjectivity and individual preferences:**
   Wealth management is highly personalized, and individual clients may have unique investment goals, risk tolerances, and preferences. It can be challenging to generalize findings or recommendations across different clients or segments of the market. Your project report should acknowledge the subjectivity inherent in wealth management and focus on providing a framework rather than definitive solutions.

4. **Regulatory and legal considerations:**
   The wealth management industry is subject to various regulations and legal frameworks that vary across jurisdictions. When discussing specific investment strategies, financial instruments, or compliance practices, it is essential to consider the legal and regulatory environment. Failure to do so may result in inaccurate or outdated information in your project report.

5. **Dynamic and evolving nature of the industry:**
   The financial markets and wealth management industry are constantly evolving. New technologies, regulatory changes, economic conditions, and market trends can have a significant impact on wealth management practices. Your project report may have limitations in capturing the most recent developments or addressing emerging challenges faced by the industry.

6. **Limited scope of analysis:**
   Depending on the scope and resources available for your project, you may need to limit the depth and breadth of your analysis. Wealth management is a vast field encompassing various aspects such as financial planning, investment management, tax planning, estate planning, and more. It may

not be feasible to cover all these aspects comprehensively within a single project report.

7. **Practical implementation challenges:**
   While a project report can provide theoretical insights and recommendations, implementing wealth management strategies in practice can be complex. Factors such as client behavior, market volatility, and unforeseen events can influence the effectiveness of proposed strategies. Acknowledging these implementation challenges in your project report can provide a more realistic perspective.

It is important to consider these limitations and provide appropriate caveats in your project report to ensure the readers have a clear understanding of the scope and context of your analysis.

CHAPTER-8

CONCLUSION

The wealth management industry in India is poised for significant expansion, given the favorable market landscape and expected regulatory boosts for the sector. This provides exciting growth opportunities which will drive rapid market expansion, coupled with an increase in the number of industry participants. To successfully tap into these potential, financial services organizations must undertake a customized approach, taking into account the specific variables of the Indian market. This will need to be supported by cost-effective business model focused on improved transparency and compliance, partnerships and efficient technology solutions.

- By survey we can say that many individual don't know the real meaning of wealth management as they interpret it as financial planning. Out of 50 respondents 36 respondents say that they are aware about wealth management.
- Respondent prefer risk free asset to be in their portfolio like PPF, FD's, Life insurance, Gold etc. thus we can say that these are some popular sources other than saving account.
- On an average saving percentage give an outlook of risk that person can beer. Low saving ratio lead to lower risk & high saving ratio lead to high risk.
- Higher the return, higher the risk will be. Mutual funds though given the higher return in long run than any other asset mix but yet not been preferred by many of respondents, now a day SIP is more popularizing in mutual fund.

In recent years, the proliferation of wealth management products and innovative financial services have contributed to the steady growth of wealth management as an attractive and lucrative service sector within the financial industry around the world. The constant forward march of technology is opening new markets in wealth management. At the same time, rapid product development and changing needs of the investors and globalization of businesses are posing new challenges for the professionals in wealth management.

CHAPTER-9

BIBLIOGRAPHY

Books:-

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- Portfolio Management and Asset Allocation
- Investment Strategies and Financial Markets
- Risk Management and Wealth Preservation
- Behavioral Finance and Investor Psychology

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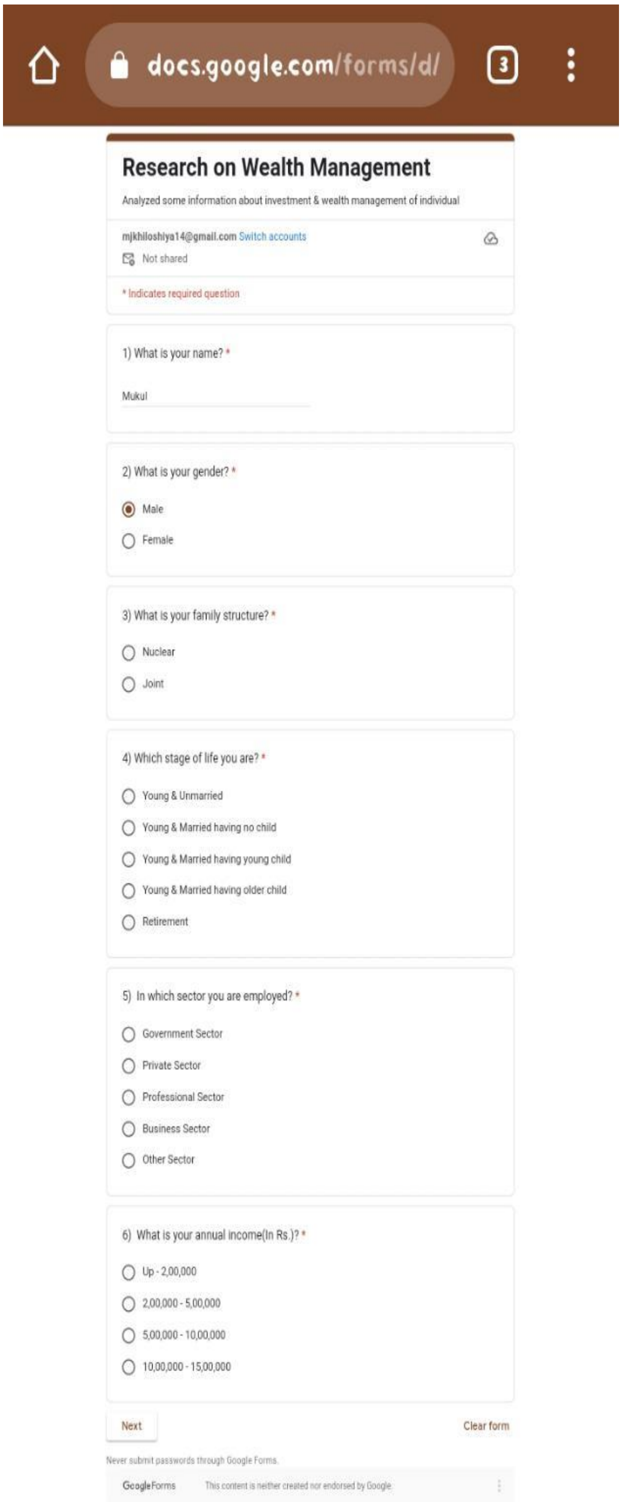
CHAPTER-10

ANNEXURE-I

The Source Where from Information Are Collect Goggle form link:-

[“https://docs.google.com/forms/d/e/1FAIpQLSfLYodAaTPzBFDz6qQIs74S0Nrm_0nifQswsUclpCboTrOcrg/viewform?embedded=true”](https://docs.google.com/forms/d/e/1FAIpQLSfLYodAaTPzBFDz6qQIs74S0Nrm_0nifQswsUclpCboTrOcrg/viewform?embedded=true)



docs.google.com/forms/d/

Research on Wealth Management

Analyzed some information about investment & wealth management of individual

mjkhiloshiya14@gmail.com Switch accounts

Not shared

* Indicates required question

1) What is your name? *

Mukul

2) What is your gender? *

- Male
- Female

3) What is your family structure? *

- Nuclear
- Joint

4) Which stage of life you are? *

- Young & Unmarried
- Young & Married having no child
- Young & Married having young child
- Young & Married having older child
- Retirement

5) In which sector you are employed? *

- Government Sector
- Private Sector
- Professional Sector
- Business Sector
- Other Sector

6) What is your annual income(In Rs.)? *

- Up - 2,00,000
- 2,00,000 - 5,00,000
- 5,00,000 - 10,00,000
- 10,00,000 - 15,00,000

Next Clear form

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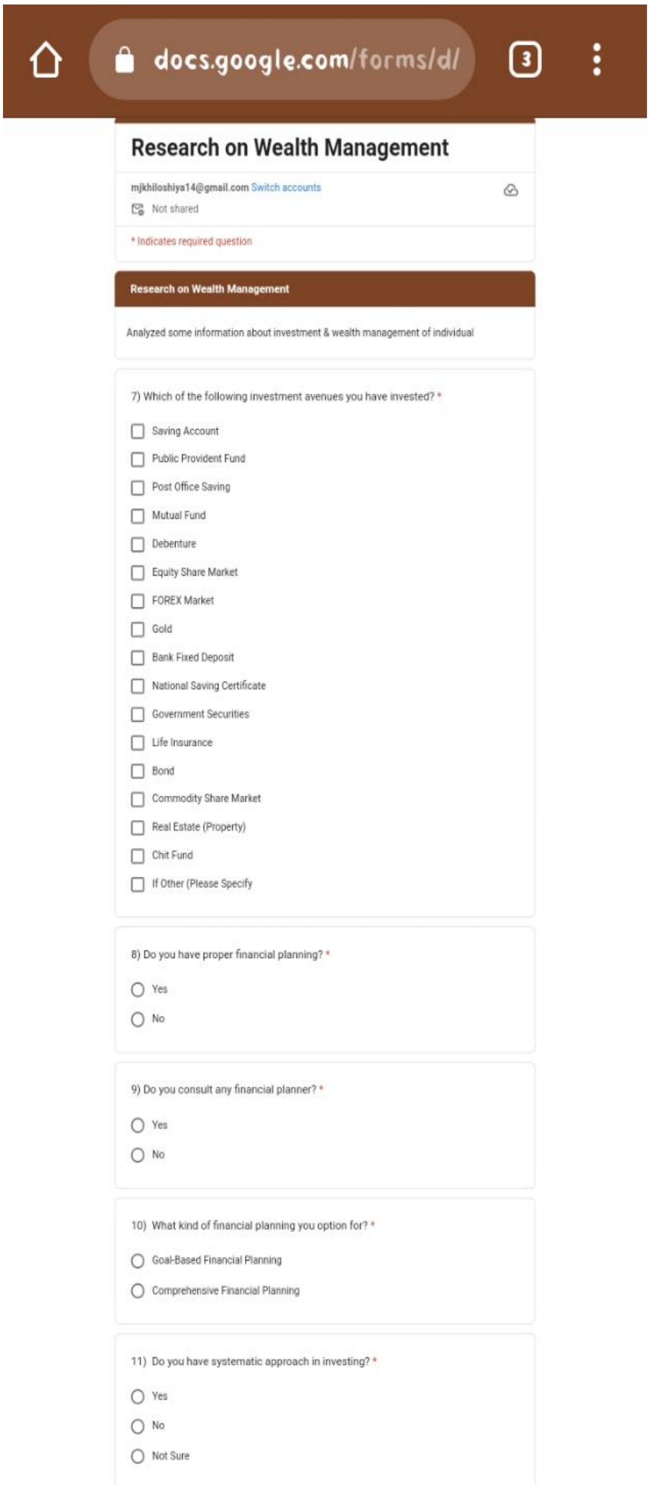


docs.google.com/forms/d/

Research on Wealth Management

mjkhiloshiya14@gmail.com Switch accounts

Not shared

* Indicates required question

Research on Wealth Management

Analyzed some information about investment & wealth management of individual

7) Which of the following investment avenues you have invested? *

- Saving Account
- Public Provident Fund
- Post Office Saving
- Mutual Fund
- Debenture
- Equity Share Market
- FOREX Market
- Gold
- Bank Fixed Deposit
- National Saving Certificate
- Government Securities
- Life Insurance
- Bond
- Commodity Share Market
- Real Estate (Property)
- Chit Fund
- If Other (Please Specify

8) Do you have proper financial planning? *

- Yes
- No

9) Do you consult any financial planner? *

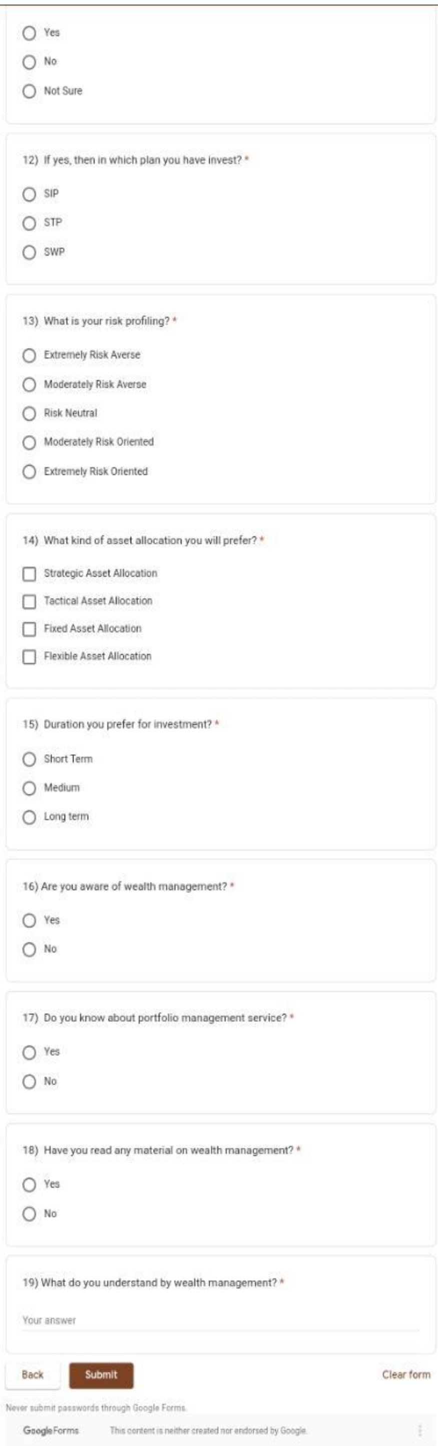
- Yes
- No

10) What kind of financial planning you option for? *

- Goal-Based Financial Planning
- Comprehensive Financial Planning

11) Do you have systematic approach in investing? *

- Yes
- No
- Not Sure



Yes

No

Not Sure

12) If yes, then in which plan you have invest? *

SIP

STP

SWP

13) What is your risk profiling? *

Extremely Risk Averse

Moderately Risk Averse

Risk Neutral

Moderately Risk Oriented

Extremely Risk Oriented

14) What kind of asset allocation you will prefer? *

Strategic Asset Allocation

Tactical Asset Allocation

Fixed Asset Allocation

Flexible Asset Allocation

15) Duration you prefer for investment? *

Short Term

Medium

Long term

16) Are you aware of wealth management? *

Yes

No

17) Do you know about portfolio management service? *

Yes

No

18) Have you read any material on wealth management? *

Yes

No

19) What do you understand by wealth management? *

Your answer

Back Submit Clear form

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From this we collect information from the people of various sector which live in Nagpur

QUESTIONNAIRE & ANNEXURE

1. What is your name?

   ____

2. What is your gender?
   - Male
   - Female

3. What is your family structure?
   - Nuclear
   - Joint

4. Which stage of life you are?
   - Young & Unmarried
   - Married having no child
   - Young & Married having young child
   - Young & Married having older child
   - Retirement

5. In which sector you are employed?
   - Government Sector
   - Private Sector
   - Professional Sector
   - Business Sector
   - Other Sector
6. What is your annual income (In Rs.)?
   - Up - 2,00,000
   - 2,00,000 - 5,00,000
   - 5,00,000 - 10,00,000
   - 10,00,000 - 15,00,000

7. Which of the following investment avenues you have invested?
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    - National Saving Certificate
    - Government Securities
    - Life Insurance
    - Bond
    - Commodity Share Market
    - Real Estate (Property)
    - Chit Fund
    - If Other (Please Specify)

8. Do you have proper financial planning?
    - Yes
    - No

9. Do you consult any financial planner?
    - Yes
    - No

10. What kind of financial planning you option for?
    - Goal-Based Financial Planning
    - Comprehensive Financial Planning

11. Do you have systematic approach in investing?
    - Yes
    - No
    - Not Sure

12. If yes, then in which plan you have invest?
    - SIP
    - STP
    - SWP

13. What is your risk profiling?
    - Extremely Risk Averse
    - Moderately Risk Averse
    - Risk Neutral
    - Moderately Risk Oriented
    - Extremely Risk Oriented

14. What kind of asset allocation you will prefer?
    - Strategic Asset Allocation
    - Tactical Asset Allocation
    - Fixed Asset Allocation
    - Flexible Asset Allocation

15. Duration you prefer for investment?
    - Short Term
    - Medium
    - Long term

16. Are you aware of wealth management?
    - Yes
    - No

17. Do you know about portfolio management service?
    - Yes
    - No

18. Have you read any material on wealth management?
    - Yes
    - No

19. What do you understand by wealth management?

____

____

____