



Sanctum
Wealth Management

INVESTMENT OUTLOOK 2019

Registered Office

Sanctum Wealth Management Private Limited
Unit 1501, Tower 2B, One Indiabulls Centre,
841, Jupiter Mills, Lower Parel, Mumbai – 400013
Telephone: +91 22 61064800

Branches

Sanctum Wealth Management Private Limited
812 – 816, 8th Floor, Narain Manzil, 23,
Barakhamba Road, New Delhi – 110001
Telephone: +91 11 66125802

Sanctum Wealth Management Private Limited
Unit No.1102, 11th Floor, HMG Ambassador,
137, Residency Road, Bengaluru – 560025
Telephone: +91 80 67427900

Sanctum Wealth Management Private Limited,
Regus Earth Rise Office no. 1134, 11th Floor,
Sarkhej-Gandhinagar Highway, Makarba,
Ahmedabad- 380015
Telephone +91 79 61344593

Sanctum Wealth Management Private Limited
Level 4, Suite no.503, Apeejay Business Centre,
39/12, Haddows Road, Nungambakkam,
Chennai – 600006
Telephone: +91 44 28224949

Sanctum Wealth Management Private Limited
Regus Business Centre Office no. 131, The Legacy,
1st Floor 25-A, Shakespeare Sarani Kolkata – 700017
Telephone: +91 33 44000509

www.sanctumwealth.com

 /company/sanctum-wealth-management

 @sanctum_wealth

 @sanctumwealth

20|20

VISION

Looking ahead with clarity



Contents

| | |
|--|----|
| Shiv Gupta - Note from the CEO | 3 |
| Sunil Sharma - Investment Outlook 2019 | 4 |
| Gary Dugan - The Global Economy in 2019 | 10 |
| Abhinav Bindra - Reaping the Demographic Dividend | 12 |
| Anirban Lahiri - It's all a Mind Game | 14 |
| Gurcharan Das - Where is the Iron Man? | 16 |
| Mark Mobius - The Return of Emerging Markets | 20 |
| Naveen Munjal - On Your Mark, Get Set - 2, 3 and 4 | 22 |
| Nikhil Mehra - The Emergence of Indian Couture | 24 |
| Niranjan Hiranandani - Real Estate Gets a New Lease of Life | 26 |
| Rajesh Sehgal - Disruptors and Unicorns in your Portfolio | 28 |
| Renuka Ramnath - India's Accelerated Growth in the Next Decade | 30 |
| Samir Arora - How Long is the 'Long-Term'? | 32 |
| Saurabh Varma - The Future has Found us | 34 |
| Shishir Baijal - Real Estate - Ripe Time for Sunrise Sectors | 36 |
| Zia Mody - Evolving Legal Landscape for Family Businesses | 38 |
| Papa CJ - The Forever Appreciating Asset | 40 |
| Profiles | 42 |



Note from the CEO

Shiv Gupta

CEO at Sanctum Wealth Management

[in /shiv-gupta](#)

We are delighted to present Vision 20 | 20, the latest edition of our annual investment outlook report. This year, we have augmented our traditional economic analysis with a set of opinions from eminent personalities across professional domains. In doing so, we have included views that may diverge in places or challenge existing consensus.

As you review this report, you will, no doubt, encounter familiar economic themes, as these typically play out over a multi-year time horizon. Further, in an environment of transformational change, we go beyond markets and investments and look at trends through a wider socio-economic lens. These will ultimately influence the shape, fabric, and norms of our society and economy. The diversity of subjects covered here, including media, sports, and entertainment, is aimed at providing additional breadth and nuance to the analysis. We have also taken the liberty of adding some humour to the mix. We hope you find these views helpful in shaping the way you think about your wealth and the management of it.

In terms of the overall market outlook, we believe that India's prospects remain bright despite a slowing global economy. This is predicated on structural reforms, macroeconomic stability, and domestic sentiment, notwithstanding recent financial market wobbles and risks arising from political uncertainty. Our view is further buttressed by several technical factors that support local equity markets. These, and the outlook for different asset classes, are extensively covered in this report.

As always, the most effective approach for applying these insights is to place them in the context of your investment objectives and risk appetite. In other words, create the appropriate portfolio structure and then make shifts in emphasis based on nearer-term influences. As you do so, investment discipline and fortitude will remain invaluable, particularly in this fraught and noisy environment. Where needed, our advisors will be on hand to help you through the process.

We thank you for your continued support and wish you a wonderful 2019.



Investment Outlook 2019

Sunil Sharma

CIO at Sanctum Wealth Management

[in /sunil-sharma-cfa](#)

In 2018, we were advising investors to cut back on equity allocations. In contrast, as we head into 2019, the macro picture looks favourable for equities.

Overview

Elections, fiscal stimulus, the Fed and U.S. China trade war are likely to garner short term focus, but lower crude, low inflation, accommodative central banks, structural reforms, a resurgent technology sector, rising consumption and rising domestic flows remain key underpinnings that will drive India's economic growth.

Last year witnessed the largest FII selling since 2008, the BJP lost key bastion states, the RBI governor stepped down with immediate effect, the Fed raised rates, withdrew liquidity, the RBI raised rates, the IL&FS meltdown, NBFC funding crisis, painful global trade wars, a belligerent U.S. President, a slowdown in the global economy, the end of NAFTA, Italy debt and Brexit, and a massive SEBI mandated mutual fund re-organisation. Yet, the Nifty 50 ended the year up 2.8% and the annals will show this as an up year.

Greater access to information has not improved outcomes

We live in an age of privilege, where investors have access to large amounts of information. Despite this access to superior information, however, investor behavior has not changed demonstrably.

We live in an age of privilege, where investors have access to large amounts of information.

Euphoria in late 2017 reliably turned to fear and despair in 2018. An overabundance of data has not led to better investment outcomes. Risk and reward continued to remain intrinsically linked.

High valuations remain a headwind

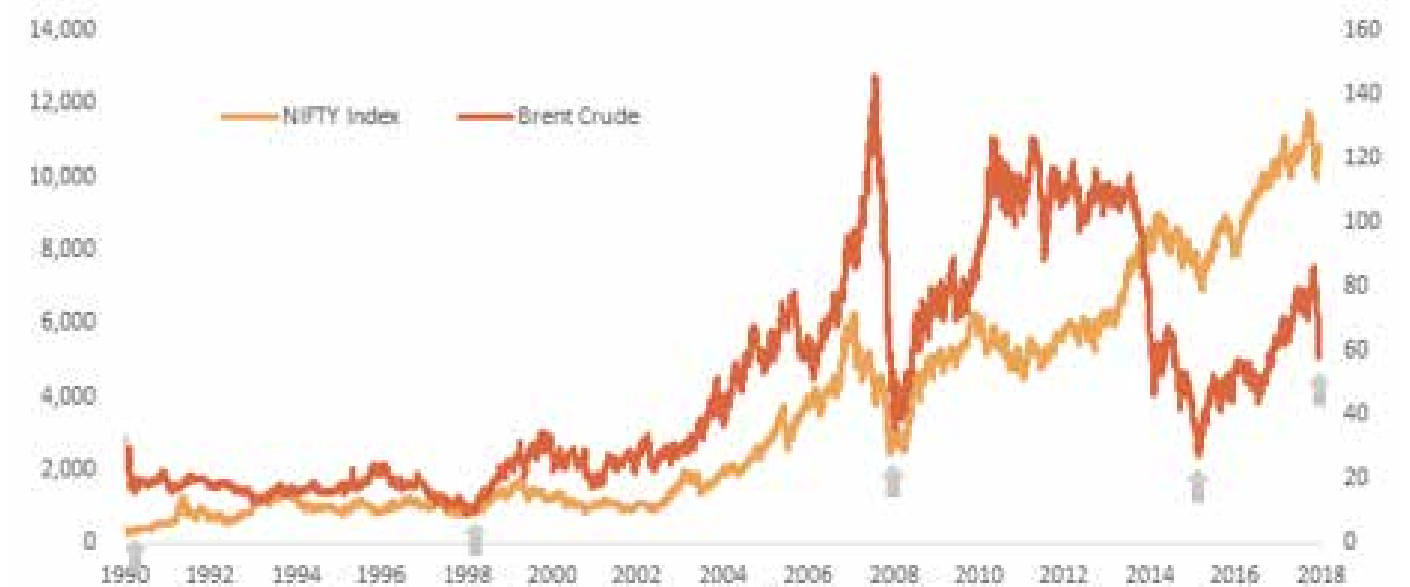
We are now in the third year of high valuations. Had investors followed single factor (e.g. P/E) investing, they'd have exited the market in early 2015 at around 8800, waiting for the P/E to drop to 16 times, and possibly been unable to re-enter the market, missing a strong 2017 rally.

While valuation remains sentiment driven to some extent, we are now entering the fifth year with limited contribution by earnings growth, and yet again, and more than ever, it will be critical for earnings growth to come through.

The other p/b ratio - price to brent

Over the past two decades, bottoms in crude oil have coincided with subsequently strong returns in Indian equities. With the news of a doubling of reserves in the Permian Basin, and expectations of meaningful supply coming on in late 2019, Brent crude prices have come down 26% from the peak. Longer term, the onset of EVs will further impede demand. Benign crude prices bode well for India's fiscal situation. The Price to Brent ratio suggests a favourable environment for equities ahead.

Bottoms in Crude Oil Have Coincided with Bottoms in Equities



Source: Bloomberg

Strong FII selling normally precedes good years

We experienced the largest FII selling in India since 2008 last year in equities. FIIs were big sellers in 2008, 2011, 2013, and 2015. In each instance, FIIs returned to the India market. What followed in each instance were good years in the markets.

Strong FII Selling Has Historically Coincided with Bottoms in Equities



Source: Bloomberg

A Declining Rate Environment Usually Has Led to Positive Forward Equity Market Returns

| Date | Nifty 50 | 10 Year Signal Date | 10 Year Trough | Decline (bps) | 3 Month | 6 Month | 1 Year | 2 Year |
|-----------|-----------|------------------------|-------------------|------------------|------------|------------|--------|--------|
| 26-Mar-99 | 1,041.25 | 12.06 | 10.04 | 202 | 13.0% | 35.6% | 50.7% | 11.5% |
| 18-Dec-00 | 1,317.60 | 11.20 | 4.95 | 625 | -11.1% | -16.7% | -19.5% | -18.3% |
| 05-Oct-08 | 3,818.30 | 8.30 | 5.24 | 306 | -18.3% | -14.7% | 31.7% | 62.0% |
| 16-Jan-12 | 4,873.90 | 8.21 | 7.11 | 110 | 8.5% | 7.0% | 23.1% | 29.6% |
| 12-Feb-14 | 6,084.00 | 8.81 | 6.22 | 259 | 17.1% | 28.1% | 44.7% | 14.7% |
| 30-Nov-18 | 10,876.75 | 7.61 | | | | | | |
| Average | | | | 300 | 1.9% | 7.9% | 26.2% | 19.9% |

Source: Bloomberg

Accommodative central bankers

A neutral Fed, a stabilising Fed Balance Sheet and an accommodative RBI add to our positive macro outlook. Accommodative RBI policy starting in late 2001, late 2008, early 2012, and early 2014 was a precursor to healthy equity markets. The track record during declining interest rate environments suggest a similarly favourable outlook. (See table)

Dominance, vulnerability and cap

Throughout the global economy, big companies keep getting bigger, more productive, more profitable, more innovative. Over time, we expect the largest four names in any sector to control 90% plus market share. We are not anywhere close to that situation in India.

Large caps enjoy increasingly dominant competitive positioning with the lower cost of capital, distribution leverage, reputation, and brand advantages. However, the dominance can be ephemeral, particularly in technology; witness Apple, Facebook, and Tesla. On the other hand, distribution, pricing power, and branding stand the test of time; hence Britannia and Hindustan Unilever sport premium valuations.

While the valuation multiples of mid caps and small caps have moved to a discount relative to large caps, the volatility of small and mid caps has appeared to have caused a lasting aversion amongst investors. Investors are increasingly preferring the steadier returns of larger caps. We note, however, that forward 3 year expected returns look attractive for small and mid caps.

The chatter around a yield curve inversion and U.S. slowdown may also be driving a preference towards large caps. We favour a portfolio tilted to large caps, with selective exposure to high-quality growth mid cap and small cap in investment portfolios.



Domestic over global growth

The shift of growth to Asia is unfolding along expected lines. Germany, France and the U.K. are making way for India and Indonesia in the top 10 economies list. EM countries will account for roughly 50% of global GDP by 2030. As emerging markets develop, the nature of growth will remain domestic and consumer driven. The growth of world population by 750 million, nearly all of it originating in emerging economies, will account for about one-quarter of the rise in GDP. Increased productivity will generate the rest. This bodes well for Asia, India and domestic-focused investments.

Equities

The macro picture looks fairly good heading into 2019 for Indian equities, buffeted by

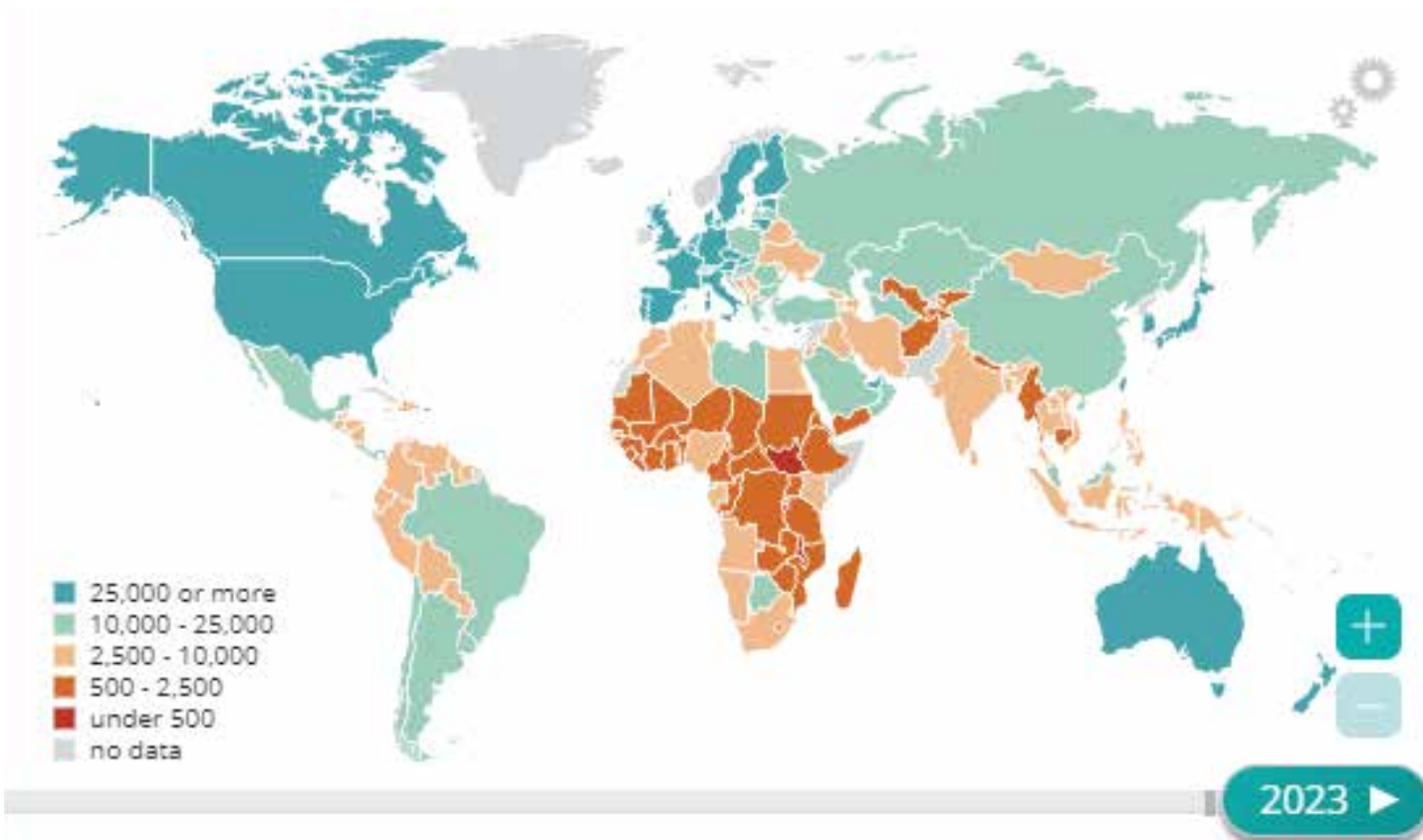
domestic flows, declining rates, low inflation, lower crude, and accommodative bank policy.

There remains an excess of capital chasing fewer attractive opportunities. The U.S. has \$37 trillion in assets under management. India's is a fraction of that, and India's market cap is less than 2% of the global market cap. Domestically, substantial capital sits on the side-lines. Global economic growth slowing remains a risk to our outlook, as do elections and credit stress.

Interestingly, the data on equity performance during various political regimes clearly demonstrates that the equity markets have little if any direct correlation to the political party in power.

At some point, a divergence between our markets and developed markets is inevitable.

Even in 2023, India's per capita Income will have a long runway ahead



Source: IMF Data Mapper

Last year, we were advising investors to trim equity allocations and be weary of over-exuberance. Today, recognising year-end forecasts are fraught with risk, we are of the view that the macro environment for equities is favourable. In the final analysis, anything meaningful that one wants to accomplish in life and investing takes time and rarely is it easy. Extending time horizons and accepting volatility as the price of admission tilts the odds in one's favour. Amazon built great wealth for investors, but along the way, there were 5 painful 25-30% corrections. There is likely to be volatility in the beginning of the year as uncertainties remain front and center.

Our advice remains simple: align with trusted, competent, service providers, out-source or automate as much as possible, because time is the only commodity that cannot be purchased. Despite their billions, none of us would trade places with Warren Buffett or Rupert Murdoch.

There is likely to be volatility in the beginning of the year as uncertainties remain front and center.

Markets Have Limited Correlation to Political Parties

| Prime Minister | Party | Return | CAGR |
|---------------------------|------------|--------|-------|
| P.V. Narasimha Rao | Congress | 180.8% | 23.4% |
| Atal Bihari Vajpayee | BJP | -2.6% | -2.6% |
| Deve Gowda & Inder Gujral | Janata Dal | 2.6% | 2.6% |
| Atal Bihari Vajpayee | BJP | 29.9% | 4.3% |
| Manmohan Singh | Congress | 398.2% | 17.4% |
| Narendra Modi | BJP | 44.3% | 8.4% |
| | | 108.9% | 8.9% |

Source: Wikipedia, Bloomberg



Fixed Income

Global macro conditions remain fairly favourable, with low crude, low inflation and accommodative central bank policy favouring a downward bias on interest rates. Our forward expectation on crude pricing is close to current levels, but with a fairly wide range of deviation. Elections have brought forth populist announcements as expected. These represent a risk to the debt outlook and could exert upward pressure on rates.

Following in the wisdom of Winston Churchill, the IL&FS crisis is certainly a good crisis and does not appear to have gone to waste. Its after-effects are resonating into the New Year. Governance, promoter integrity and those familiar enemies of business continuity - greed and leverage - have come to the fore. In the big picture, a healthy cleansing is underway and the system should emerge stronger.

In the shorter term, however, these players are facing challenges in rolling over maturities and this could potentially impact debt mutual fund returns. Traditionally, credit managers have a reputation for deep analysis and strong due diligence. It is however, becoming abundantly evident that many debt fund managers have not lived up to their fiduciary responsibilities as responsible allocators of capital that are supposed to prioritize the most fundamental notion of safety of principal. The market will exact a price from those found lacking, and separate the men from the boys.

An annual forecast on interest rates is fraught with a fair bit of risk and uncertainty, and this year is no exception. With benign longer term expectations on crude, global inflation and high domestic real rates, an argument can be made for a downward drift on interest rates longer term. However, uncertainties domestically need to play out, and worsening credit conditions remain a risk in the near term that must be acknowledged. In such a scenario, we favour the short end of the curve, higher rated, clean credit, short duration until risk is clearly priced in and clarified. We also prefer exposure via principal protected structured strategies with upside participation.

An annual forecast on interest rates is fraught with a fair bit of risk and uncertainty, and this year is no exception.

Gold

Gold has broken out of its trading range recently, and deserves an allocation in investor portfolios. Should the macro fundamental picture change, we would consider a review of our allocations.

Sectoral Outlook

Consumption remains our key focus area, poised to benefit from government largesse. We continue to like financials in the current stage of the business cycle, particularly private and corporate banks. The Technology sector appears to have successfully transitioned to digital transformation from the days of BPO, and technology remains fairly priced. We remain interested in automation and productivity improvement.

With 2008 fresh in the minds of most investors, risk-reducing behavioural changes may have made the system more stable and a severe crisis less likely. When everyone is too afraid to take big risks, it is hard to get a truly threatening bubble underway. As we move to \$2000 per capita annual income, consumption is likely to grow. Of the next billion customers, a good-sized chunk will originate out of India.





The Global Economy in 2019 - Rolling Over or Re-accelerating?

Gary Dugan

CEO Purple Asset Management Pte. Ltd.
and Advisor to Sanctum Global Allocator*

/gary-dugan

The hope of a re-acceleration in growth depends on external factors like oil prices cooling off, thereby, helping the global economy.

Overview

2019 will be a challenging year for the global economy. Many of the previous drivers of global growth are on the wane. Reversal of QE measures to slow down global liquidity, while government spending will remain under check.

Industrialists and investors will find the world outside of India less supportive over the coming twelve months. Judging by the way 2018 ended, 2019 will prove to be a challenging year for the global economy. Many of the previous drivers of global growth appear to be on the wane.

Over the past decade, the global economy and financial markets have benefitted from near-zero interest rates, quantitative easing (free money), and sharp increases in government spending. Initially, these actions saved the world from depression and eventually boosted global growth.

To quote the IMF "Global growth for 2018–19 is projected to remain steady at its 2017 level, but its pace is less vigorous than what was projected in April (2018) and it has become less balanced. Downside risks to global growth have risen in the past six months and the potential for upside surprises has receded." (World Economic Outlook 2018).

The recent sharp fall in oil prices, for example, will help to bring down inflation and make consumers feel that they have more spending power. However, there are probably just too many factors working against growth in the coming year.

IMF GDP Forecasts

| | 2015 | 2016 | 2017 | 2018E | 2019E | 2023E |
|-----------------------------------|------|------|------|-------|-------|-------|
| Advanced Economies | 2.3 | 1.7 | 2.3 | 2.4 | 2.1 | 1.5 |
| US | 2.9 | 1.6 | 2.2 | 2.9 | 2.5 | 1.4 |
| Euro Area | 2.1 | 1.9 | 2.4 | 2.0 | 1.9 | 1.4 |
| Japan | 1.4 | 1.0 | 1.7 | 1.1 | 0.9 | 0.5 |
| UK | 2.3 | 1.8 | 1.7 | 1.4 | 1.5 | 1.6 |
| Emerging and developing economies | 4.3 | 4.4 | 4.7 | 4.7 | 4.7 | 4.8 |
| China | 6.9 | 6.2 | 6.9 | 6.6 | 6.2 | 5.6 |
| India | 8.2 | 7.1 | 6.7 | 7.3 | 7.4 | 7.7 |

Source: IMF

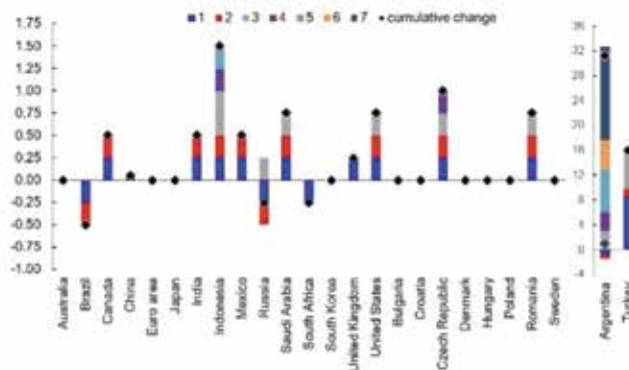
The positive factors going into reverse

Interest rates – were very low and are now rising

Around the world, we are seeing central banks raise interest rates and/or market interest rates. The key driver has been the US Fed funds rate that has risen 200bps from its low. In effect whatever the Fed did, many other central banks have had to mirror. The good news is that maybe the Fed is not going to press on with further interest rate increases in 2019. But it is also bad news because it would reflect weaker US growth.

*Sanctum Global Allocator is a strategy which invests in a basket of best in class global mutual funds & provides geographical diversification to domestic investor's portfolios

On the rise
Many central banks represented in the G-20 have raised policy interest rates this year—usually more than once.
(policy rates, changes in 2018; percentage points)



Source: Bloomberg, L.P.
Note: As of October 5, 2018.

Central banks full on Quantitative Easing goes into reverse

The flow of liquidity is however, starting to dry up. In addition to near-zero interest rates, the global economy has had the benefit of substantial flows of liquidity flowing into asset prices. But, the Federal Reserve has already started to withdraw money from the programme. Also, the ECB is in the early stages of reversing their QE. The Bank of Japan continues to increase its QE although at a slightly lower rate.

Central Bank Quantitative Easing no longer at full throttle



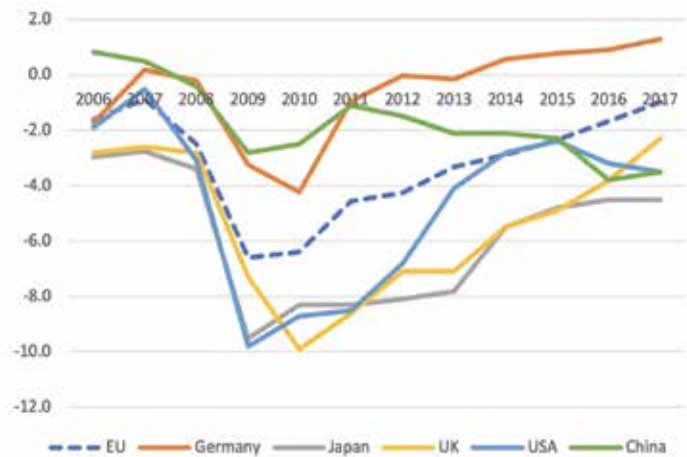
Source: Bloomberg

The Bank of Japan continues to increase its QE although at a slightly lower rate.

Governments were spending, but now they are tightening their purse strings

A further source of stimulus to the global economy has been government spending. Significant fiscal deficits have not just been a feature of the world financial crisis. In the past twelve months, President Trump pushed on with a significant package of tax cuts and increased spending. The package served to boost US growth and ignite a positive mood in much of the global economy. However, in recent months the market is seeing the package for what it's worth – a one-off, that even the US government cannot afford to repeat. Indeed, in much of the developed world, there is little appetite for significant increases in government spending.

Governments are tightening their purse strings



Source: IMF/OECD

Trade wars that have become a new source of angst for the global economy and markets are unlikely to go away. The US administration is fighting a rear-guard action to defend against the inevitable competition that comes from the ongoing rapid growth of BRIC countries.



Reaping the Demographic Dividend

Abhinav Bindra

Professional Shooter and Former World and Olympic champion

 @Abhinav_Bindra

Sporting champions of tomorrow can be created by focusing on the grassroots to tap the vast young talent pool

Overview

We definitely have demographics to our advantage, thanks to the large percentage of population below 25 years of age. Winning more gold medals at the Olympic level encompasses drawing a long-term sports vision and pursuing it relentlessly. It is about trial & error and about putting things into action, while challenges come knocking along the way.

Human potential and the existing young talent is our country's greatest strength. We definitely have demographics to our advantage – thanks to the large percentage of population below 25 years of age. A careful nurturing of the lot could help India strike gold in the Olympics.

We are already moving ahead in the international shooting arena. The momentum now needs to be accelerated.

Research-orientation

High performance is a way of life, whether in sports or any other field. Building and maintaining a high performance culture requires careful design, monitoring and evaluation as well as constant improvement of programs and personnel. Everything in a modern day athlete's career is rooted in STEAM.

In the recent past, sports science has been focused on strategic research. To be the best requires being at the edge of human potential and performance. And for that we have to get the right knowledge, infrastructure, cutting-edge science and technology in our programs to compete with the best.

More than money

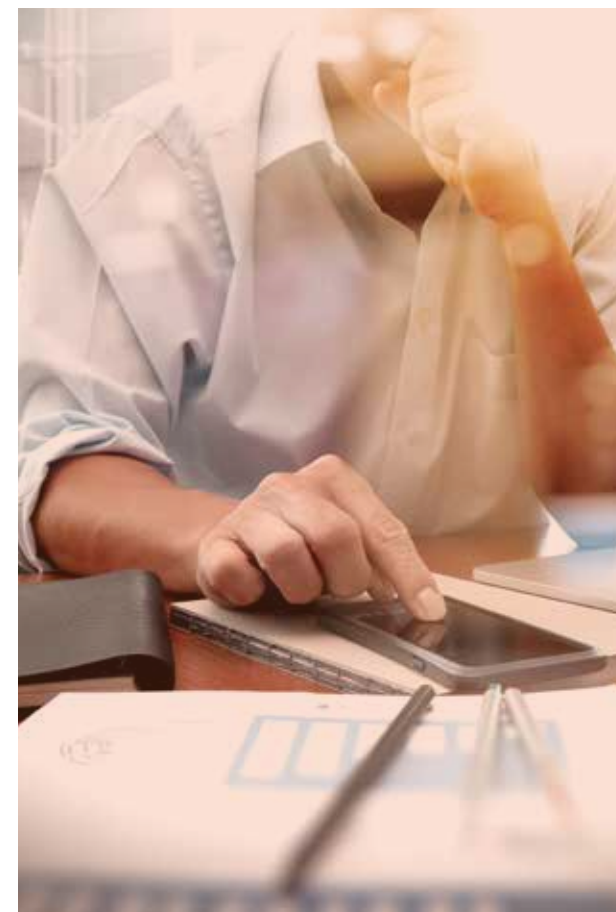
Contrary to popular opinion, winning medals is not necessarily a direct function of government funding. While the Indian Government sponsors 95-98% of funding requirements for participating in Olympics, in the US, it's different. Not a single dollar is spent by the US Government and most of the funding for its Olympic players is done through corporate sponsorships. India is likely to follow suit in this aspect.



Winning generously (more gold medals) at the Olympic level encompasses drawing a long-term (15-years or more) sports vision for the nation and pursuing it relentlessly. It is about trial & error and about putting things into action, while challenges come knocking along the way.

While you set the processes, you also don't look for instant gratification. Putting the right systems in place brings an element of sustainability to carry forward a legacy of building champions. In the end, perseverance and belief in the program makes all the difference.

Olympic gold is the epitome of sporting success, the most romanticised platform for athletes to participate in global sports. It will bring me great pleasure if we manage to put up a double-digit figure in the gold category by Paris 2024.



Get to the Grassroots

In order to make waves at the global level, our initial efforts should focus on developing a sports culture in the country by focusing on the grassroots. That will enable us to create the sports champions of tomorrow.

In the end, success is a result of following a process with hard work and determination for a long period of time.

Youngsters increasingly should be encouraged to make sports an integral part of their lives. It will teach them life lessons; the value of being fair, while operating with integrity and honesty. Power of thought and immense societal value is what sports can offer. We become a sporting nation by stepping out to play.

Moreover, sport has immense societal value. It's a unique profession that teaches an individual to take victory and loss in one's own stride. From a societal point of view, it makes people build a strong character with its rub-off effects.

In the end, success is a result of following a process with hard work and determination for a long period of time. Only that will help athletes reach that elite level in sports. So the message to Indian athletes is to keep persevering. Olympics aren't every four years, it is a culmination of everyday efforts.



It's all a Mind Game

Anirban Lahiri

Indian Professional Golfer

 @anirbangolf-Twitter

'I-can' attitude and good mentorship could make a marked difference in the Indian sports arena

Overview

The positive momentum that Indian sports have gained over the past few years is expected to reach a crescendo with the 2020 Tokyo Olympic Games. A change in our attitude from thinking "I'm not good enough" to "I'm going to get good enough" is what is needed.

Over the last couple of years various categories of sports have emerged in India. The coming of age of Badminton, Kabaddi, Soccer and Hockey can be gauged from the popularity of the recently launched leagues. Athletes in our country operate within the limited gamut of infrastructure. Yet, they managed great performances at the Asian Games, especially in athletics, which is truly heartwarming. On the Golf front, Shubhankar Sharma's brilliant rally coupled with wins by veterans like Rahil Gangjee, Gaganjeet Bhullar and Khalin Joshi have kept the international trophy count ticking. Incrementally, Aditi Ashok and I have kept the tricolor flying out in the West as well as in the LPGA and PGA tour respectively.

Well begun

The positive momentum that Indian sports have gained over the past few years is expected to reach a crescendo with the 2020 Tokyo Olympic Games. A welcome change is about taking cognisance of the

'elephant in the room' - the emerging categories of sports that till recently were given a short-shrift as opposed to mainstream sports and cricket. We are now moving in the right direction and probably at a better pace than ever before. The Khelo India campaign is now creating the right buzz that is a prerequisite to overcome our Rio (2016) disappointment.

The positive momentum that Indian sports have gained over the past few years is expected to reach a crescendo with the 2020 Tokyo Olympic Games.

Getting there

India boasts of some of the best entrepreneurs and intellectuals in the world. This is something that has come to be expected out of us, globally. However, we expect ourselves to push limits and challenge norms in every other field, barring sports. This mindset has to change.

Reaching a higher level in sports is a seamless process of growth and learning. I went through a remarkable volte face when I was told by Jeev Milkha Singh and Arjun Atwal

that I could compete and contend with the best on the PGA. Their faith and confidence in me bolstered my self-belief that I could play at the PGA level. Subsequently, I altered my training, schedule, equipment and technique to suit the conditions on the PGA tour. In a nutshell, my mindset went from one that limited my outlook for the European Tour, to one that didn't set any boundaries. Last year, Shubhankar Sharma went through a similar mindset transformation and he is now knocking at the PGA's door.

I truly believe that a change in our attitude from thinking "I'm not good enough" to "I'm going to get good enough" is what is required. It, of course, needs to be supplemented with good coaching and mentorship, exposure and playing conditions to achieve the goal.

In order to become a sporting nation, we have to begin with the belief that we are one.

Creating Superstars

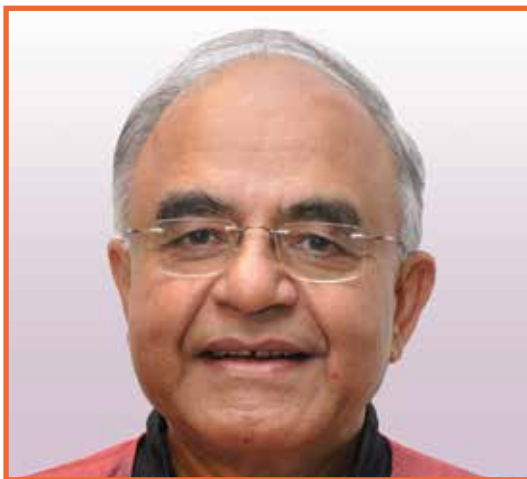
We have a billion strong pool of talent including some highly skilled athletes, waiting to be harnessed. Unfortunately, every major sporting achievement (of the non-cricketing nature) comes as a shock or surprise to the nation. In order to become a sporting nation, we have to begin with the belief that we are one. The attitude has to change from the grassroots, upwards. Infrastructure, professionalism within our sporting bodies/associations and corporate support are lacking in the current environment that will be essential in creating sports personas and eventually, superstars. Ultimately, it is the heroes of a sport that will propel the game forward. We need to nurture our existing pioneers and create new generations that surpass them.



Stepping stone

In sports, every step involves practice, preparation and competition; you get thrown into situations that make demands on you. Ability of an athlete to perform in a stressful situation - be it emotional, physical, mental or all of them combined- separate the men from the boys. He or she needs to be responsive rather than reactive by assessing situations and outcomes with empathy and dispassion.

Moreover, failing is a vital aspect for growth. We learn more from unsuccessful attempts than the triumphant ones. Failure is the best preparation for life and in turn, builds a society of individuals who have the necessary life skills to become the torchbearers for the nation's progress.



Where is the Iron Man?

Gurcharan Das

Indian Author, Commentator and Thought Leader

 @gurcharandas

India needs gritty politicians to hard-sell market reforms and bring us back to 8% growth path.

Overview

We would have been growing at 8% plus rates, if not for the double whammy of a bad start on GST and demonetisation. Favourable demographics, high savings rate and consumption-led economy are bound to take India towards a high growth trajectory. However, for that India needs gritty politicians to hard sell market reforms.

We have the window of opportunity for another 7-9 years to reap the demographic dividend. India needs to get back to the potential GDP growth rate of 8% per annum at the earliest. Unless we grow at that rate, we wouldn't be able to create sufficient jobs for our large workforce. The Modi Government is partly in trouble for not delivering on the promise of 'Vikas', the code word for jobs.

Policy double whammy

We would have been growing at 8% plus rates, if not for the double whammy of a bad start on GST and demonetisation. We were already growing at 8% plus before the 2016 note ban. While the Government initiatives to establish insolvency and bankruptcy code, improve business environment as well as introduce GST reforms were good

moves, demonetisation was an utter failure. A ruler's dharma is never to inflict pain on its people, and is quite the contrary. We do not have the statistics, but telltale data suggests that the informal sector suffered a lot, because of the note ban.

I would give a 'B' rating to the current government as far as managing the economic affairs is concerned; 'B+' if it had not put up a note ban. Moreover, lot more could have been done in controlling fiscal deficit, improving economic conditions and bringing down inflation.

Export-led model

Surprisingly, the big reforms were given a miss. Export-led growth - a proven growth model of the Far Eastern economies - was given a cold shoulder. In India, the problem is of under-employment and not of unemployment.

Moreover, lot more could have been done in controlling fiscal deficit, improving economic conditions and bringing down inflation.



Exports have the potential to create the high productivity jobs - as it did for Japan, Korea, Taiwan, Hong Kong and China in the past. Unfortunately, the jobs that are leaving China are now going to Vietnam and we are missing the bus.

Contrary to popular opinion, the world economy has sufficient demand to absorb exports. World trade in goods is a massive \$16 trillion, out of which India's share is a miniscule 1.7%. If we could have taken our market share to 2.5%, ache din in the form of jobs could have certainly come knocking at our doors. BJP was in clear majority in most states and could have easily persuaded the states to focus on job creation.

Alternatively, the current Government could have concentrated on just one sector - housing (which has high multiplier effects) and relentlessly pursued the 'Housing-for-all by 2022' mission. Even now, I feel it is not late to do the course correction.

Meritocracy

China's economic success is partly because of its relentless focus on meritocracy. Deng Xiaoping was a senior official in the Mao Zedong Government and he used to maintain a black book in which he wrote names of good civil servants he came across. And when he came to power in 1978, Deng recruited these high-performing civil servants to implement the big bang reforms.

Why should it take 15 years to get justice in the Indian court? Pay and performance seldom go hand-in-hand in Indian civil service which is demoralising. Moreover, the Central Government undermined the institutional independence of the CBI. Indian challenges are not economic; rather it is about governance and politics.



Need salesman

The big failure in India is that reformers have not sold the reform. That's why we are reforming by stealth. The iron lady Margaret Thatcher once said "I spend 10-20% of my time doing the reform and 80% of my time selling it". She brought big reforms in her second term by reforming the state. She destroyed the 'Yes Minister' syndrome and replaced it with responsible bureaucracy.

The people in India still equate market reforms with rich getting richer and poor getting poorer. They associate reforms with crony capitalism whereas it's actually the opposite. There is a difference between being pro-market and being pro-business. Pro-market encourages competition, drives down costs and prices and raises quality of products. In the process, everyone benefits.

Everybody in the market place is self-interested. And contrary to popular opinion, it's different from being greedy; the latter suggests selfishness and exploitation. Rather, what is required is a regulatory framework that encourages competition and start-ups, and discourages rent-seeking and corrupt behaviour. To some extent, Modi Government took the ranking (ease-of-doing business) seriously and encouraged competition among states while also cheering start-ups.

To some extent, the Modi Government took the ranking (ease-of-doing business) seriously and encouraged competition among states while also cheering start-ups.

No big-bang reforms

The likes of Manmohan Singh, Narasimha Rao, P Chidambaram and Montek Singh Ahluwalia should have actually sold reforms in the country. Unfortunately, none of them did. So we are still reforming by stealth.



I had expected lot more transformative reforms from the Modi Government. However, all progress so far has only been incremental.

Modi is a moderniser, but not a liberal reformer. He didn't rely much on bureaucracy. He had a strong PMO, but bureaucracy still ruled the roost. He should have had talented people like Arun Shourie and Yashwant Sinha on board. Demonetisation was done without the involvement of bureaucracy and it backfired.

Implementation is more important than strategy. Anyone can have a good idea. Traits like determination are more important than sheer intelligence.



If China fixes its politics first, then it will race ahead. And if India fixes governance first, it will be the winner.



Stuck in the middle

As a democratic nation, we have to prudently balance equity with efficiency. India has law, China has order. In my opinion, both will end up becoming middle income nations. China is ahead of us and its per capita income will go up to be \$20,000 over the medium-term, while it will be \$8000-10,000 for India. We will inevitably reach that income level.

If China fixes its politics first, then it will race ahead. And if India fixes its governance first, it will be the winner. But, the fact is that neither of the countries will become developed (per capita income of \$40,000 or more) as they are bound to be stuck in the middle-income trap.



The Return of Emerging Markets

Mark Mobius

Founder of Mobius Capital Partners LLP

@markmobiusreal

Developing economies are well positioned to generate significant and sustainable returns in 2019.

Overview

The sharp drop in currencies and the downturn in emerging markets give investors double the opportunity for a potential upside. Countries like Argentina and Turkey, can offer the greatest opportunities, while an attractive entry point has emerged for long-term investors in India.

Emerging markets have suffered a downturn in 2018. The threat and then reality of a trade war, accompanied by the strengthening dollar, have contributed to a bear market. Currencies have weakened in the vast majority of developing nations, while Turkey and Argentina have suffered a financial crisis. The MSCI Index has fallen around 16% so far this year.

While this all sounds like bad news, there are also some positive signs. We should not forget that these markets remain the fastest growing economies in the world. The IMF estimates that emerging markets will grow 4.7% in 2019, more than double the predicted growth for developed countries.

Every market crisis, be it centred around currency, equity, commodity or fixed income, always creates winners and losers. As investors, it is our duty to ensure that we invest in winners.

The current environment is similar to that of 1987 when I launched the first listed emerging markets fund. The sharp drop in currencies and the fall in the market gives investors double the opportunity for a potential upside.

Countries like Argentina and Turkey, that have suffered the most from the recent crisis, can offer the greatest opportunities. In terms of its economic size and potential for exporting, Turkey could be particularly interesting. However, this is contingent to whether the volatile political situation calms down. At this stage, it is all about winning back the confidence of investors. With the Lira down, any exporter will be in a good position to trade with developed countries. At the same time, the currency crisis makes investments in Turkey relatively cheap.

The IMF estimates that emerging markets will grow 4.7% in 2019, more than double the predicted growth for developed countries.

Similarly, the currency depreciation around the world is a big opportunity for India to grab a bigger share of the exports market, but it will need to ease export norms. India did not stay untouched by the current EM turmoil: the Indian equity markets struggled through the third quarter of 2018 due to the unhappy combination of higher US rates, a stronger US dollar, resurgent crude oil prices, and a domestic liquidity scare that threatened to snowball into a solvency issue.

Despite all this, an attractive entry point has emerged for the long-term investor. Credit growth has accelerated to a five-year high whilst inflation continues to remain benign below 4%. Price to book multiples are now below their long-term averages of 2.5x and foreign ownership has shrunk sharply to healthier levels. Despite this, earnings growth estimates are amongst the fastest across the emerging world with more than 20% and 18% expected for 2018 / 2019 respectively.



An attractive entry point for long term investors has emerged in India.

Furthermore, India could benefit from an ongoing trade war between the U.S. and China (should it continue). The latter may not be able to export a number of things and perhaps India could replace China in that regard. India could leverage some of the manufacturing capacity moving out of China.

As investors, these changes to the status quo and the knock-on effects are where we see the greatest opportunities. Mobius Capital Partners has leveraged its expertise to invest in a number of exciting companies across emerging and frontier markets, including China, Brazil, Indonesia, Poland, Russia and Turkey.

We are currently looking at several interesting Indian companies. These firms have strong business models and have been facing uncertainty due to the recent economic crisis. We believe they not only offer value but also have great potential for environmental, social and governance, and operational improvements.

As a result, I believe next year we might be seeing more money flowing back into emerging markets stocks.



On Your Mark, Get Set - 2, 3 and 4

Naveen Munjal

Managing Director at Hero Eco

 /nmunjal

The fastest adoption and conversion of conventional vehicles to that of electric is initially expected to be in the two-wheeler and three-wheeler segments.

Overview

By 2022-23, the balance of price-performance equation is expected to shift in favour of lithium-ion batteries, thereby, making mass adoption of EVs a reality around the world. However, it calls for a single coherent long-term policy that would lay out a roadmap for building a robust EV ecosystem revolving around charging stations, manufacturers and consumer incentives.

India is quickly adopting Electric Vehicles (EV) and in the next couple of decades, it will become more popular than Internal Combustion Engine Vehicles (ICEV). The Indian EV market is projected to grow at a rapid rate of more than 37% annually over the next five years (FY'18-FY'23). Sniffing an opportunity, automotive manufacturers have already started increasing the allocation of their resources towards research and development of EVs.

Our Government plans to convert the entire fleet of ICE vehicles to that of electric by 2030 through its eco-automotive policy - FAME-II (Faster Adoption and Manufacture of Hybrid and Electric Vehicles).

However, going fully electric is not going to be a cakewalk without the full support of the government, auto consortiums and other concerned authorities. It requires not just the private sector participation but also a massive public awareness program. Some consumers are sitting on the fence due to lack of knowledge about EV as well as myths surrounding its usage. Educating the general public should therefore be the main agenda of our Government as well as that of the manufacturers which could benefit the entire ecosystem.

It's all win-win

Cost saving, efficiency and comfort have been the major drivers for choosing an EV. The efficiency of BLDC (Brushless Direct Current) motors that are used in EVs is about 70% as compared to a lower 25% for that of ICE motor. Add to that the zero emissions and elimination of technical issues like knocking and ignition lag; EVs are a complete package to vouch for. Moreover, poor traffic conditions in our country make EVs the ideal candidate. The owners feel a sense of pride in their eco-friendly choice of travel.

Moreover, going fully electric has the potential to save \$370-445* billion by 2030 for the exchequer in the form of lower import of crude oil.

**Calculated from the given data*

Economics v/s efficiency

However, there are some challenges. An average cost of a new car in the US and Europe is around \$35,000. In India, it is much lower at about \$8,000, thereby making the conversion to electric much more difficult. Mass conversion to EVs in India is expected when the battery prices drop substantially, thereby, making them more pocket-friendly rather than just being cost efficient.

The cost of lithium-ion batteries have gone down from \$1000/kWh in 2010 to \$225/kWh in 2018 – thanks to proliferation of EVs. It continues to drop substantially year on year.

Big trigger

By 2022-23, the balance of price-performance equation is expected to shift in favour of lithium-ion batteries, thereby making mass adoption of EVs a reality around the world.

The decrease in battery prices as well as the emergence of tech start-ups in the field of manufacturing and rentals have given a big boost to the automobile industry. Tech players like Ola and Uber are already planning to venture into the EV rental space. Startups in the field of car rental services are aggressively exploring fleet ownership, especially in the crowded cities.



The first movers

India is the world's third largest market for automobiles; it sold about 25 million ICE vehicles in 2017. Of these, more than 80 per cent (about 20 million) were two-wheelers. The two-wheeler segment is expected to lead the EV market in India followed by that of public transport; the latter is getting a major push from the Government. The fastest adoption and conversion from ICE to electric is initially expected to be in the two-wheeler and three-wheeler segments.

The primary focus of EV manufacturers over the next 5 years is to widen the range of products on offer while giving a good value-for-money proposition to consumers. They are already in the process of developing a high-speed electric scooter as well as an electric motorcycle prototype at pocket-friendly prices.

Moreover, going fully electric has the potential to save \$ 370-445* billion by 2030 for the exchequer in the form of lower import of crude oil.

Stable policy

Moreover, the emergence of 8-10 KVA lithium-ion batteries which shall be light weight, efficient as well as powerful is going to revolutionise the EV space in the future. Adoption of solar-powered charging stations will become rampant as private players jump on to the EV bandwagon. However, it calls for a single coherent long-term policy that would lay out a roadmap for building a robust EV ecosystem revolving around charging stations, manufacturers and consumer incentives. Are the policy makers listening?



The Emergence of Indian Couture

Nikhil Mehra

Co-founder and Design Director at Shantanu and Nikhil Design

 /nikhil1975

Indian couture has been a space of trend and anti-trend which has observed consistent change, thanks to the influx of millennials.

Overview

The current generation wants an opportunity to create and have fun without getting bogged down by tradition. These newer trends in couture will unleash more opportunities for ready-to-wear clothes.

The story of Indian couture dates back to pre-independence. On one side were the Royals – and the couture that catered to their taste and the regalia. While the world focused on them, some iconoclasts on the other side started an anti-trend with their deep sense of intellect and personal style.

While Maharani Gayatri Devi of Jaipur redefined the Indian couture with her individualistic style and elegance, the Indian Prime Minister Jawaharlal Nehru sparked a shift in the sartorial style immediately after independence. The Nehru Bandhgala jacket was eventually identified as an iconic Indian silhouette, and many politicians followed the trend, which led to a whole new couture in India.

Millennials - the major drivers

Indian couture has been a space of trend and anti-trend which has observed consistent change, thanks to the influx of millennials.

Individuals below 35 years are now calling the shots and driving design trends.

Millennials are increasingly moving away from sensory overload. Even as they adopt contemporary values, they experiment with the traditional as opposed to being burdened by it. There is also a shift in the perception of embroidery; the overuse has created stagnation. Gold embroideries are giving way to tone-on-tone embroideries on red lehngas– which is now becoming the new anti-trend.

Men now prefer wearing fitted clothes, inspired by shape rather than embroidery. They prefer light and fancy garments to highlight their characteristics rather than the occasion. Moreover, the current generation wants an opportunity to create and have fun without getting bogged down by tradition. It's a welcome change as it hints that the couture in the country is getting more robust.



Anti-trends

Our (Shantanu & Nikhil) collection captures the zeitgeist of different defining moments of glory. For instance, our Spring Summer'18 collection, 'Tribe – The India Story' is an echo of the emerging voice of millennials who believe in the India-on-the-move ideology that in turn breeds on the grounds of egalitarianism. Young individuals are continuously crossing and defying borders; physical, social and psychological; and becoming global citizens.

Amidst all the chaos, India has a strong sense of structure which is reflected in our colour choices. India, being a country of drapes – our dhotis or sarees get a contemporary touch in terms of design and style.



Advent of technology

By 2020, people are increasingly going to use technology for their benefit. Currently, technology is primitive with scant regard for educating buyers about brands or the lineage of designers. However, once Indians get a hold on technology, global brands will view India as a hotspot and designers will be appreciated for their distinct style of work in due time.

Indian couture has always been about personal invitations. The traditional approach of one-to-one conversations will again gain currency. Designers will need to spend more time with clients and understand their needs. While brick-and-mortar stores and large formats will continue to exist, there will be fewer of them.

Couture, in its pure sense, has lost its value in the fashion world today. For 'true' couture, a garment should be strictly made only once, with its materials never getting reused. Thus, it remains a pure invention which is no longer a trend globally. However, couture still reigns high in terms of its aspirational value as it gets crafted from a buyer's perspective.

In India, the transformation has already occurred in the past two years, when designers started realising that Indian couture is all about 'me' and not the tradition.

Ready to fly

In India, the transformation has already occurred in the past two years, when designers started realising that Indian couture is all about 'me' and not the tradition. This has given birth to a whole new segment of anti-trend. But like any good idea that has a gestation period for people to absorb and assimilate, few will value it now before it becomes a statement.

Indian fashion is at the cusp of a tectonic change. Newer trends in couture will unleash more opportunities with its creative spillover triggering a market for ready-to-wear clothes. People will eventually graduate from going to saree shops towards ready-to-wear stores. And that's a billion dollar opportunity. Are the investors listening?



Real Estate Gets a New Lease of Life

Niranjan Hiranandani

Managing Director at Hiranandani Group Of Companies and NAREDCO President

 @N_Hiranandani

We are expecting great advancements in terms of investment opportunities and infrastructural development with a blend of technological aspects in metro cities and their peripheries, resulting in the creation of new satellite cities.

Overview

2020 will be the year of potential checkpoints in the race to become the trillion dollar economy. The players who are organised in terms of funding, land banks, feasibility and are able to abide by the norms will rule the roost.

The Indian real estate sector has gone through some gigantic transformations in the past ten years. The sector is projected to contribute 13% percent of GDP growth by 2025, and is striving towards becoming a trillion dollar economy by 2030.

Rapid urbanisation is taking place and laying an encouraging emphasis on escalating income levels. Due to this, the demand and desire of buying a home is incessantly growing. In sequence to be at par with the varying requirements of the growing demand for residential and infrastructural developments, we are looking forward to a massive wave of organisational approach across all asset classes and emergence of new ones in the real estate sector. Exploring it further, appended are some of the most promising residential real-estate trends to look out for in 2020.

The Emergence of new satellite cities & townships

Envisaging the potential of 2020, we are expecting great advancements in terms of investment opportunities, infrastructural development with a blend of technological aspects in metro cities and their peripheries, resulting in the creation of new satellite cities. These cities are developed with a futuristic approach and have the zeal of modernised urbanisation along with serving the motive of affordable living to the migratory population seeking a decent lifestyle. Panvel, Dombivali and Palghar (near Mumbai) are some marvels of satellite cities and townships that have already taken shape.

Consolidation is the key to the future of Indian Real Estate

Consolidation is the biggest theme right now being played across the sector. The developer was earlier evaluated basis the project level, whereas now the credit is evaluated at the capacity of the developer. The players who are organised in terms of funding, land banks, feasibility and are able to abide by the norms will take on the other players who are not able to meet any of the requirements, thus enabling the land-owners and small-time developers to grow in the industry, with the overall motive to harvest development.



Co-living spaces to take over unorganised paying-guest accommodations

Co-living spaces as a sector is at its nascent stage, but is proven to grow at a tremendous pace over the last year.

As per reports by experts, this sector has seen a growth of over 100% since 2017. This will take some time to settle in and make space of its own. However, given the massive number of students and job aspirants migrating to cities like Mumbai, Delhi and Bengaluru, the growth for this sector is gradual but steady and by 2020, we can visualise this as we look at co-working spaces presently.

Co-living spaces as a sector is at its nascent stage, but is proven to grow at a tremendous pace over the last year.

Affordable Housing – shaping a million dreams into reality

Numerous measures have been taken by the government to draw the attention of the developers' fraternity towards this sector. With the aim of reducing construction cost through the use of technology, wider funding avenues and entry of credible developers, the goal of the honourable Prime Minister is in full swing and the funding, land banks and development plans & processes are in place that will be served, if not within the timeline, at least a year later.



Apart from this, we look forward to welcoming REITs, enhanced connectivity and modes of transport including the metro line proposed from CSMT to SEEPZ, the first of its kind Mumbai-Pune Hyperloop project and inland water-ways that will add mileage to the growth of satellite townships and areas, thus encouraging new habitations. Overall, 2020 is the year we are projecting as one of the potential checkpoints in the race to become the trillion dollar economy.



Disruptors and Unicorns in your Portfolio

Rajesh Sehgal

Founder and Managing Partner at Equanimity Investments

[in /investorrajeshsehgal](#)

India has the possibility of being home to a host of Unicorns.

Overview

Thanks to SEBI for introducing Alternative Investments Funds, of which Category 1 allows Indian investors an access to future 'Disruptors'. Disruptors like Paytm, Flipkart, Ola, Oyo Rooms, Zomato, Swiggy, BigBasket could now be part of investor portfolios.

Whether we like it or not, the world we live in is a divided one. The most significant divide is the Social Divide between the haves and have-nots. The 2018 Global Wealth Report by Credit Suisse states that the wealthiest 10% of Indians own 77.4% of the country's wealth of which the richest 1% own 51.5%. The Gini coefficient used to describe this wealth inequality puts India among other nations at a very high level of 85.4%.

In a world with ever-changing dynamics, there is a new divide that has emerged, one that has the potential to impact each one of us in our everyday lives, in our businesses, our relationships, and in our efforts to ensure we remain on the right side of the Social Divide. Dear reader: please meet the Technology Divide. This is a divide between those individuals, corporates and organisations that 'get' technology, embrace it and integrate it into their way of life and those that are unable or unwilling to do so or are simply

unaware of technology's influence and significance. This is the core distinction between the Disruptors and the Disrupted. Through this article, we would like to highlight how the use of technology can be beneficial for our investments and our portfolios.

As an investor, it is extremely critical to align our portfolio so that it benefits from the swift but certain prevalence of technology and its impact on our holdings. It is essential to be cognizant of this distinction as it will have a significant impact on the portfolio returns.

This is where Indian investors get a raw deal. If we were a US investor, we could add the Disruptors to our portfolio as most of them are listed - Amazon, Google, Facebook, Netflix, Apple to name a few leading names. Similarly, if we were born in China and invested in equities, we could buy Disruptors like Alibaba, Tencent, Baidu, Ant Financial, Xiaomi, DD Chuxing, and JD.com to name some.

Through this article, we would like to highlight how the use of technology can be beneficial for our investments and our portfolios.

As an Indian investor, we are at a disadvantage as the Disruptors are not listed. The likes of Paytm, Flipkart (now Walmart owned), Ola, Oyo Rooms, Zomato, Swiggy, BigBasket, Policy Bazaar, and Byju's are household names that we may be a customer of but have no way to get a slice of ownership. Even as these Disruptors prepare to get listed on the stock exchange, chances are they will list offshore, given the many considerations nudging them in that direction.

The only way to own these companies in our portfolio is if we catch them young before they become household names. SEBI issued certain regulations in 2012 that gave birth to a new species of funds, Alternative Investment Funds (AIF), of which Category 1 AIFs can invest in these kinds of opportunities pretty early and provide investors access to future Disruptors. It is no surprise that AIF Category 1 assets have mushroomed in the last few years as this becomes a core part of investor portfolios.



At Equanimity, we continue to remain optimistic about the investment and return potential of the early stage ecosystem. India has the possibility of being home to a host of Unicorns given the plethora of opportunities that can be capitalised on, in a cost-efficient and sustainable manner, addressing the needs and aspirations of consumers and businesses.

Does your portfolio have an allocation for these Disruptors and Unicorns?



India's Accelerated Growth in the Next Decade

Renuka Ramnath

Founder, MD and CEO at
Multiples Alternate Asset Management

[in /renukaramnath](https://www.linkedin.com/in/redukaramnath)

Private Equity has also been a more stable and preferred source of capital with far lesser volatility in year-on-year investments compared to the corporate sector or FII investments.

Overview

India will triple its economic output in the next 10 years driven by three powerful factors; Data & Technology, Entrepreneurial talent and Private risk capital (PE/VC). It will disrupt and re-shape various sectors of our economy, fuelling sustained growth and in the process provide an enormous opportunity for HNIs to grow their personal wealth. It is time for HNIs to wake up to this opportunity, have confidence in domestic fund managers and partake in this wealth creation journey.

India will triple its economic output in the next 10 years to become a \$6 trillion economy, the third largest in the world. This signifies an enormous opportunity for HNIs who invest in the right assets to grow their personal wealth.

Foreign investors, have invested over \$500bn into India over the last 20 years, through the route of portfolio investments and FDI, clearly indicating the huge wealth creation opportunity in India. Domestic wealth, on the other hand, has witnessed a mixed trend. While its participation in public equities has increased significantly (thanks to "mutual fund sahi hai"), its presence in private equity is disappointing and close to negligible.

Let us look at why foreign investors are so bullish on India. India's accelerated growth in the next decade will have three powerful factors driving its story:

- Data and Technology
- Entrepreneurial talent
- Private risk capital (PE/VC)

These will disrupt and re-shape various sectors of our economy, fuelling sustained growth and in the process, create and redistribute vast amounts of wealth.

Technology & Entrepreneurship

India is undergoing a technology revolution. Majority of India's population has come out of internet-dark only recently. Over the next few years, we will see an unprecedented transition of this populace from mere free content consumers to active online users, who will execute simple and complex day-to-day activities with the help of the internet.

The entrepreneurial landscape in India is changing dramatically - young talented individuals with the hunger to succeed, the courage to challenge tradition and the nimbleness to adapt rapidly are making forays into new ventures in significant numbers.

Let me give you a few examples:

- Delhivery, which was founded by five entrepreneurs in their mid-20s 8 years ago, has become an indispensable asset for the e-commerce industry in India. Its valuation has topped the market cap of India's largest express logistics player, which started three decades before its launch.

- Zerodha, which was founded by a 30 year old entrepreneur in 2010, was getting into direct competition with multi-billion dollar banking giants when it started. Yet it created a proposition that upstaged these giants to become the #1 stock broker in the country.

And the list goes on.

In my view, India's 'unicorn' production has only just started, and it will not surprise me if we produce 100 unicorns by the turn of the next decade from about 26 today!

Private Equity is rising

Let us look at the global scenario first. According to research published by Bernstein & Goldman Sachs earlier this year, USA is seeing the biggest shift of wealth creation - away from the public markets to the private markets. Private equity deal activity has grown continuously over the last-decade, whereas public markets are shrinking with the pace at which listed companies are buying back stock, reaching an all-time high in 2018.

Companies in USA are now raising about twice as much money in private capital markets, and waiting about twice as long before they go public. As a result, Private Capital is appropriating more of the early growth and wealth creation from these disruptive businesses. Uber (\$70bn), AirBnB (\$30bn), SpaceX (\$25bn) are all private and don't seem to have any imminent plans of accessing public markets.

A similar story follows in Europe (Auto-Group - \$4bn, Deliveroo - \$8bn), and Asia (GrabTaxi - \$11bn, Go-Jek - \$2bn). India will be no different.

According to data from McKinsey, Private Equity's contribution to capital raising in India has gone up from 20% in 2001-05 to 31% in 2006-10 to 46% in 2011-14.

The nature of Private Equity's engagement with businesses has matured. From being mere providers of capital to early stage companies two decades ago, the Indian PE industry, today, is a full-fledged business. It invests across stages, industries and styles, be it incubating platforms, or taking control of businesses or being a reliable and trusted partner to young entrepreneurs looking to build futuristic businesses.

So, what does this mean for domestic wealth? And what should Indian HNIs do?

With less than half a percent of Indian HNI wealth invested in Private Equity, participation of domestic wealth in India's Private Equity industry is negligible. Compared to this, globally HNIs allocate about ~20% of their wealth to alternative assets. If it remains this way, I am afraid, Indian wealth will miss the biggest source of wealth creation in the next 10 years.

The good news is that there are signs of this changing. Today, there are intermediaries and wealth advisors who are selling private equity actively, and the acceptance of private equity as an asset class is increasing among India's wealthy because of the returns that fund managers have generated so far.

If India's HNI's do not move fast enough, then in the next 10 years of growth, when India goes from \$2 trillion to \$6 trillion economy, we would have handed over a lot of the value that our country will create to foreign capital providers. It is time for our HNIs to wake up to this opportunity, have confidence in domestic fund managers and partake in this wealth creation journey.



How Long is the 'Long-Term'?

Samir Arora

Founder and Fund Manager at Helios Capital Management Pte. Ltd and Advisor to SHINE Strategy*

@lamsamirarora

Equity returns on an average are generally good, although they do not come evenly.

Overview

In 2019, both FIIs and domestic investors would be buying, with the background of low oil prices, improved earnings and lower interest rates. Foreign inflows will be better with rupee weakness unlikely to pose a problem again in 2019.

It is easy to talk about the future of equity markets and expected returns, if one can use the words "in the long term" somewhere in the prediction. Elroy Dimson, Paul Marsh and Mike Stanton did a seminal study of 101 years of global investment returns a few years ago, analysing the returns in 16 countries, and concluded that the equity risk premium is on an average approximately 5% p.a. across time and countries.

Simplistically, this means that on an average, investors earned 5% p.a. higher returns from their investments in equities relative to their investments in government bills/bonds of the same country "in the long term".

In 2018, foreign investors were selling stocks and domestic investors were buying it.

If you buy into the argument that equities outperform alternative asset classes in the long term (and in fact, have done so in the past, including for countries that lost the World Wars and for investors who had invested before the wars had even started), 80% of the job is done. Believing in equities leads to the following actionable steps:

- Not to sell out of the equity asset class after a correction or in a panic that stocks may not recover, since history clearly suggests markets do recover
- If point to point returns in equity are high, simple arithmetic shows that returns will be higher when one averages at low points in the market

It may be interesting to note that over the past 20 years, Nifty returns have been higher than the returns from investing with Warren Buffett (via Berkshire Hathaway) (and yes in US\$ terms). The Nifty is up 12.73% p.a. in USD terms and 15.55% in INR versus Berkshire (BRK/A) up 8.15% during the period Nov 30, 1998 to Nov 30, 2018. (Source: Bloomberg).

For overseas investors, sustained INR depreciation is an additional irritant. However, we'd note that in the past 13 years, there have been three episodes where the INR steeply bounded southwards within a calendar year.

*SHINE is a mandate run on the Sanctum PMS platform focusing on the theme of financialisation and formalisation in the Indian economy.

During 2008, 2011 and 2013, INR fell 18.9%, 15.9% and 11.5% respectively, against the US\$ (and 9.2% to date in 2018). In the balance nine years since 2005, INR cumulatively lost a mere 5.9% against the US\$. Incidentally, immediately following 2008, 2011 and 2013, the Indian markets rose 77.9%, 29.9% and 33.5% in the following calendar years.

In 2018, foreign investors were selling stocks and domestic investors were buying it. History again comes to our rescue, noting that FI investors invariably return to our markets, and periods of heavy FII selling are precursors to good years in equities. This is likely to remain the case given the background of low oil prices, improved earnings and lower interest rates.

With earning shocks due to demonetisation and GST out of the way, a new credit and earnings cycle will start soon. With low food prices (due to weak rural demand, low global food prices and excess supply), low oil prices, and technological deflation, headline inflation should remain comfortably low for some time.



With earning shocks due to demonetisation and GST out of the way, a new credit and earnings cycle will start soon.

The crisis in the NBFC industry seems to have been largely averted and these companies should limp back to normal by the end of this quarter. The larger issues around governance and regulatory oversight remain and the trajectory of growth is likely to be lower in the near term due to higher cost of capital, and markets rewarding cautious/disciplined behaviour rather than vanilla high growth.

With the NPA issue having peaked a few quarters ago, the overall stress on the financial sector has reduced significantly and an important market segment (i.e. corporate banks) should also yield better results going forward.

Political uncertainty related to national election outcomes in May has become less important now that BJP losing in May can no longer be off the table, as far as markets are concerned. Recent state election results have ensured that negative news regarding BJP (if any) will not be a complete surprise in May and may even get discounted before the elections. In that case, BJP forming the government may lead to a rally immediately post elections with perhaps a similar fall if the verdict is unsatisfactory or unclear. This kind of move for the markets is not a show-stopper as the investors will not hold back their normal investments for +/- 5-10% fluctuations.

The upshot: always remember that equity markets do go up "in the long term" and tough years in the markets are usually just another "buying opportunity".



The Future Has Found us

Saurabh Varma

CEO at Publicis Communications, India

[in/saurabh-varma](#)

India will also have to deal with the rapid transformation that AI will bring in, in terms of jobs which will be affected at an aggregate level.

Overview

In 2019 and beyond, three key global trends will shape human behaviour. The first being AI, that in turn will take over jobs and put pressure to reduce taxes and working days. Secondly, Health Tech will largely focus on genetics and genome with massive investments in that space. Thirdly, the Internet and Social Responsibility with focus on election integrity, fake news and data privacy.

AI will have three large implications for human beings. The first one is that there will be a lot of pressure on "Universal Basic Income" and jobs will vanish. They may not vanish at an aggregate level, but we will lose jobs specifically with regards to certain segments. The second big focus will be around "Negative Taxes". As AI takes over, there will be pressure to reduce taxes, so people will have more income as they move forward. The third one will be around "4-day working" weeks.

If you take Health Tech, there is going to be a huge focus on genetics and genome, and massive investments will happen in that space. The concept of longevity and living longer will be a big theme not just in 2019, but also in the next few years.

In the third trend, i.e. Internet and Social Responsibility, one of the biggest areas of focus will be around 'Election Integrity.'

Second will be around 'Fake News' and the third big trend in 2019 will be around 'Data Privacy' - there will be big brands that will collect data, but the pertinent question will be how responsible they are with the data that they collect.

From a communications perspective, the fact that we have access to so much data and such incredible technology, actually means that from a narrative perspective, it will change completely. Imagine, people will have the ability to shape communications, and we see this already happening in the gaming world, but it will also happen in an everyday scenario with regards to the communication we receive and how we interact with this communication. You will find everyday pieces of communication where you will be able to shape the narrative, e.g.: If you think about a film, you will be able to change the narrative in terms of the different kinds of endings which it can actually have.



Given that the old mediums of communication will become obsolete, the new mediums will give you the opportunity to interact with the narrative itself. The second thing is the understanding of the technology landscape and how it will make many industries redundant. One of the biggest issues that the CEOs are confronted with is around the concept of transformation. I think this narrative will become bigger in 2019. There will be more emphasis on digital business transformation and that is a big bet that we are going to be focusing on in 2019.

Technology helps you not just create the content but also distribute it across platforms in a media agnostic way.

From an India perspective, Digital Business Transformation (DBT) is going to be the big focus. Apart from DBT, another trend, which is here and now, is around content. One of the things that brands would want to do is to create rapid pieces of content. The biggest challenge we face in India is that creating content – theme based or geography based is no longer good enough. We have to move on to create content every single day and at scale. That means using technology that helps you create this rapid content for distribution. This is going to be a part of the mainstream narrative in 2019 and all networks will bring in technology which will help deliver on this trend. The BIG battle will be about owning a larger share of today.

In the old world, we created a piece of content and we lived with it. But times are changing and we have access to an incredible amount of data that lets you create personalised content. You take a piece of content and personalise it for the individual and



make it relevant for his/her personal consumption. This means that the way you create your content changes. "Dynamic content" will play a major role as we move forward, along with distribution. Technology helps you not just create the content but also distribute it across platforms in a media agnostic way. So that is the big trend for India – Data, Dynamic Content and Technology. All these three large themes will change the communication landscape and the larger game will be played.

As certain sectors are impacted, we will start to witness our economy moving towards universal themes such as reduction in taxes, 4-day working weeks, work-life balance, etc.

From a brand's perspective, the need to be relevant on a daily basis is really the largest narrative which is at play. Context will drive the content. It is no longer about looking at the market place on an annual basis to create an annual plan. It is about creating a system or process where on the back of societal changes, you are able to create content. So, the speed at which you create content will be key to a brand's success. The fact that you have a larger share of today is what will become the new currency and the new metric for brands to stay relevant.



Real Estate - Ripe Time for Sunrise Sectors

Shishir Baijal

Chairman & Managing Director at Knight Frank India

[@shishir_baijal](#)

Going forward, sunrise sectors of co-working and co-living would attract increased investor interest.

Overview

In 2019, institutional participation (global and domestic) is bound to increase, while newer investment products like Real Estate Investment Trusts (REIT) are going to enhance the real estate investment offerings. We are at a cusp of a co-living and co-working revolution with several large players spread across the country.

While the potential and opportunity provided by real estate has always been known, recent structural changes that have improved the risk-return scale should make wealthy investors, who are still on the fence, take note of the industry. A spate of recent structural initiations – Real Estate (Regulation and Development) Act, 2016 (RERA), Goods and Services Tax, and the Benami Transactions Amendment Act have improved transparency and governance standards in the sector. This has led to investor empowerment with better control and awareness about the risks associated with real estate investment.

In 2019, institutional participation (global and domestic) is bound to increase, while newer investment products like Real Estate Investment Trust (REIT) et al are going to enhance the bouquet of real estate investment offerings.

There is strong evidence of the commercial office sector growing even further owing to factors such as low vacancy level in prime markets, constrained supply of quality office space, a steady demand scenario and strong rental growth. Given the strong policy focus on the construction of crucial national highways and industrial corridors, we estimate continued strength in logistics and warehousing sectors. These would attract growing interest from occupiers and the overseas investor community.

Going forward, sunrise sectors of co-working and co-living would attract increased investor interest, besides student housing and senior living segments. There are several factors that would play a vital role in pushing these sectors to the forefront.

Globally, as the number of people working in these facilities swelled exponentially, the number of co-working spaces worldwide also increased.

The office space segment has evolved significantly in the past few decades, growing at a healthy pace. Companies increasingly acknowledge the role of the work environment in enhancing employee productivity and this, in turn, has provided the perfect platform for the mushrooming of dynamic co-working business centres. Globally, as the number of people working in these facilities swelled exponentially, the number of co-working spaces worldwide also increased.

We are at the cusp of a co-working revolution with several large players spread across the country. The proliferation of start-ups and SMEs along with sustained and focused efforts in terms of policy push by the government has provided strong support to the segment. Further, private equity players have also been looking up to invest in co-working start-ups.

Alternatively the co-living segment has emerged as an equally popular concept among the urban population. Several home rental aggregators and hospitality companies have already ventured into co-living franchisee arrangements or partnerships with local players. Furthermore, unorganised players in the paying guest accommodation segment are also creating co-living spaces in partnership with established operators.



India's economic growth and the massive push towards infrastructure and allied industries would ensure that warehousing and logistics continue to show strength. Our economy's secondary and tertiary sectors have attained a certain level of momentum, from where they will continue to push forward. Eventually, this should bode well for the residential sector too.



Overall, we feel that the high-end residential market will take some time to rebound and the mid-income housing segment will be positively affected by a host of government initiatives and the inherent demand. Industrial, office, and retail sectors are likely to continue to do well.

The highlight, nevertheless, would be the hope, created in 2018, by upcoming niche sectors of co-working and co-living.



Evolving Legal Landscape for Family Businesses

Zia Mody

Founder and Managing Partner at AZB & Partners

[in/ziamody](#)

Two legal themes are likely to lead to better governance practices and financial management by Indian family businesses over the next few years.

Overview

Business families will talk more about business succession planning than before, particularly if an estate tax is introduced. Secondly, the implementation of the Insolvency and Bankruptcy Code, 2016 will make business families increasingly cognizant of the importance of personal wealth planning as well as the impact of promoter debt obligations on personal finances.

According to reports by Credit Suisse and Bain earlier this year, Indian family-run businesses were ranked as some of the world's best companies for shareholder value.

These companies outperformed their peers in other regions, as well as non-family owned companies over the last decade and a half. At the same time, 2018 has been the year of the NPA crisis, with periodic reports of large-scale loan defaults by prominent promoters and family businesses, with RBI numbers indicating that the loan default margin doubled over the period of a year.

Considering this background, two legal themes are likely to feature strongly over the next few years.

The first is the Indian estate tax. Broadly, this is a tax levied on the inheritance of wealth by the next generation. As it is targeted at the redistribution of wealth, the rates levied

tend to be higher than income tax. Although India does not currently have an estate tax in place, it is expected to come in at some stage. The significance is that globally, estate tax regimes are not restricted to liquid assets. Illiquid assets such as family business shareholdings are also included in the estate. If a similar model is adopted in India which is likely, then considering that a majority of businesses in India are family owned, the introduction of such a tax could create cash flow difficulties for the family, and hurt the business, if a plan is not put in place in advance.

As we wait for the law to come in, several business families have already started planning for a trust and other structures in anticipation of the tax. This is likely to continue shaping the way family businesses are held and managed in India in the years to come.

A second key theme is the impact of implementation of the Insolvency and Bankruptcy Code, 2016 ("IBC"). Historically, it has been a common practice for promoter families to co-mingle business and personal assets, and plough back all proceeds back into the business. While this sort of single-minded, long-term focus on the business may have created value, it also meant that good governance practices were not given sufficient importance due to the conflation of business with family finances. The IBC brought about a shift in approach, by introducing a creditor favourable regime and making it

difficult for companies to practice ever-greening of their business loans. A recent Supreme Court ruling also held, for example, that personal guarantors cannot benefit from the imposition of moratorium during the insolvency process and therefore continue to be subject to independent and co-extensive liability under the IBC.. As a consequence, business families are increasingly cognizant of the importance of personal wealth planning, and the impact of promoter debt obligations on personal finances. It is likely that in the years going forward, these developments will lead to better governance practices and financial management by Indian family businesses.

The significance is that globally, estate tax regimes are not restricted to liquid assets.

On a related note, business families are talking more about business succession planning than they have ever before, and this will be a continuing theme going forward as well, particularly if an estate tax is introduced. Changing family circumstances such as increasing global families, children studying abroad, daughters playing stronger professional roles and some public high-value disputes are compelling families to think about the relationship of the family with the business in a more structured fashion. Greater thought is going into how family businesses can be managed in a seamless fashion even after the demise of the patriarch, how capability may be built in the next generation or how professionals may add value. Overall, the statutory push to get women directors on board is salutary. And this will surely be good for the economic landscape.

The investment outlook cannot fail to evaluate whether development is inclusive and leading to positive socio-economic growth at the grassroots. Philanthropy has received a fillip due to companies being required to make corporate social responsibility contributions under law. Social business investments



have also seen an increase over the last decade, and this will hopefully fulfill a dual mission of socio-economic development that is sustainable and not grant dependent. Indian families, in making these investments, extend their family legacies beyond the board room. It is an investment approach that is made across asset classes including venture capital, private equity, social impact bonds, and social venture funds. Such impact investment globally is set to cross over USD 465 billion by 2020. A recent study with KPMG showed that the market is estimated to grow by 16% through to 2020.

I believe the path to this journey by Indian family businesses will soon reach maturity. And that will lead to a more mature separation of roles between family members of management and ownership with less friction and the obvious resultant accretive positive value creation.



The Forever Appreciating Asset

Papa CJ

Award-winning International Comedian,
Executive Coach & Motivational Speaker



Don't let the world change your smile. Let your smile change the world.

Overview

The asset I'm talking about is a good sense of humour. It holds you in good stead in a bear and a bull run. If you've ever been curious about how to acquire that wonderful asset, I'm about to share some professional trade secrets!

George Soros famously said, "If you're having fun, you're probably not making any money". I'd argue that if you're not having fun, what's the point of making money at all!

Yes I know, romantically while they say they're looking for a person with a good sense of humour, it always seems like they go home with a sleazeball. However while you may end up taking permanent residence in the proverbial friendzone, a friend is a wonderful thing to be. And whether it is work or play, everyone likes to be around someone they can have a laugh with. So here are my pro tips on how you can be that person.

A day without
laughter is a day
wasted –
Charlie Chaplin.

Know your audience

If they don't like risqué jokes, don't throw one in just coz a 'really nice one' popped into your head. Unless of course awkward silence is the response you're aiming for.

Don't force fit your joke

If what you have to say fits into the natural flow of the group's conversation, sure, tell that story. Don't just butt in coz you want your moment in the spotlight. Attention seekers are viewed as idiots.

Comedy is tragedy plus time

If you're going to joke about a tragic incident for someone personally or the world at large, remember that there is such a thing as too soon. Make sure your audience is in the same headspace before you do that hilarious plane crash joke.



Local and topical is funnier

A joke about recent events or something local and specific to the audience tends to be funnier. However topical jokes have a shorter life span and local content doesn't always travel well. So maybe avoid doing that Punjabi joke about the Gurgaon taxi driver when you're speaking to Tamil colleagues in Chennai.

Be authentic

Your content and delivery should be in sync with your personality. If you're trying to be someone you're not just to impress an audience, they'll see through it immediately and you'll come across as someone desperately seeking approval. Don't do that.

Relatability is key

Your audience does not need to agree with your point of view but unless they get the context of the joke there is no chance they will get the punchline. Make sure you bridge that gap if there is one.



Keep it snappy

In an age of limited attention spans, it's good to have a few one-liners or short jokes in the bag. The rule is the longer your story, the funnier the ending needs to be.

A magician always carries cards

Be armed with a couple of jokes or stories that you know are fantastic and that you tell really well. So that if the opportunity comes up, you're locked and loaded and ready to fire.



Always leave them wanting

Little and amazing is better than a lot and not that amazing. If you nail two jokes that score 10s, resist the urge to throw in those maybe jokes that will bring down your average. Let them invite you to the next party to hear those.

Money can be very funny

If you have deep pockets and want someone else to do all the hard work while you reap the benefits, there is a brilliant and extremely modest comedian who's available for hire. I believe his name is Papa CJ and he can be found in the friendzone.

Profiles



PRATEEK PANT

Head of Products & Solutions

Prateek Pant, is part of the Founding Management Team and oversees the India product platform to deliver client solutions in Investments, Investment Banking, Wealth Planning and Real Estate. He has over 22 years of experience in the Banking & Financial Services sector in India and the Middle East.



SUNIL SHARMA

Chief Investment Officer

Sunil Sharma, oversees the firm's discretionary portfolio strategies and is responsible for the firm's house-views, investment outlook, tactical and sectoral strategies. Sunil has over twenty-five years of experience on Wall Street and Dalal Street, Portfolio Manager and CIO at Morgan Stanley Asset Management, Alliance Capital, Lehman Brothers, and Wodehouse Capital. Sunil is a CFA and holds degrees from Columbia University and NYU Stern.



ROOPALI PRABHU

Head of Investment Products

Roopali Prabhu, is responsible for bringing well-researched, high conviction products to clients. She has over fifteen years of experience in diverse roles and functions. She was a key member of the Products & Communications team at Morgan Stanley Wealth and ICICI Prudential AMC. She was also a part of the frontline team managing client relationships at Franklin Templeton and HDFC Bank.



SHRIRAJ BHUKHANWALA

Co-Head Real Estate

Shriraj Bhukhanwala, Co-Heads the Real Estate portfolio with special focus on sunrise sectors which includes co-working, co-living and student housing. Having worked for over 13 years in the real estate and wealth management industries across diverse roles, he has developed expertise in the fields of real estate fund raising and investments. Prior to joining Sanctum Wealth Management, he was associated with Sobha Developers, Cerestra, Aditya Birla and ABN AMRO in India and the Middle East.



HEMANG ARUNKUMAR KAPASI

Portfolio Manager

Hemang Kapasi, oversees the Discretionary Portfolio function and is a member of the company's Investment team. He has over thirteen years of experience in the industry, ten of which were in the Indian Equities market as an Equity Research Analyst and Fund Manager. His last assignment was with Canara Robeco Asset Management Company as a Fund Manager. Prior to Equity markets, he worked with ICICI Bank in Treasury.



SUMIT PACHISIA

Head of Strategic Solutions

Sumit Pachisia, assists clients in their investment banking requirements and presents them with private deal opportunities. He has more than twelve years of experience in Investment Banking and Corporate Finance across ICICI Securities and Marico, advising clients on M&A, Private Equity fund-raising and capital market transactions, like IPOs and QIPs.



TEJAS PATIL

Co-Head Real Estate

Spread over fifteen years, Tejas' experience spans Real Estate Advisory, Investment Banking, Private Equity, and Wealth Management. Tejas has worked as the Head of Fund Raising and Investor Relations at Nisus Finance Services Ltd., a Real Estate Fund. He has headed an independent RE Investment Advisory firm and was in-charge of Alternate Investment Solutions at ASK Group, advising ultra HNIs on Structured Products, PE, Real Estate and Estate Planning. Tejas is a chemical engineer from UDCT and has an MMS degree from JBIMS.



ASHISH CHATURMOHTA

Head of Derivatives and Technical Analysis

Ashish Chaturmohta, delivers technical calls on equities and currency for different time frames and provides a variety of derivative products and strategies. He has featured on The Economic Times' list of India's best derivatives experts in 2014. He was also nominated for the Zee group's Best Market Analyst in 2011.



Sanctum Wealth Management Private Limited is registered with SEBI as a Stock Broker (Reg. INZ000011338), a Research Analyst (Reg. INH000003051) and with AMFI as a Corporate Distributor of Mutual Funds (ARN-105768). Depository Participant with NSDL (IN-DP-248-2016).

Sanctum Wealth Advisors Private Limited is registered with the Real Estate Regulatory Authority as a Real Estate Broker (Reg. A51900011805).

Disclaimer

This document is produced by Sanctum Wealth Management Private Limited and Sanctum Wealth Advisors Private Limited (hereinafter jointly referred to as "Sanctum") for information purposes only and for the sole use of the recipient. No part of this document may be reproduced without the prior written consent of Sanctum.

Persons into whose possession this document or any copy thereof may come ("recipients"), must inform themselves about, and observe any legal restrictions in their jurisdictions on the distribution of this document and the use of the information or services described herein. Sanctum cannot be held responsible for any use of the said information by recipients in dissonance with the restrictions.

The information in this document is not intended as an offer or solicitation to buy or sell securities or any other investment product and neither does it constitute a personal recommendation. Nothing in this material constitutes investment, legal, financial or tax advice, or a representation that any investment or strategy is suitable or appropriate to the recipient's individual circumstances. This document does not constitute financial research.

Opinion or views mentioned in this document are as at the date of issue and subject to change without notice. To the extent permitted by law and without being inconsistent with applicable regulations, Sanctum, its Promoters, Directors, Employees or any representatives shall not accept any responsibility for any direct, indirect or consequential loss suffered by any person as a result of their acting, or deciding not to act, in reliance upon such information. Any information in this document extracted from third party sources is believed to be correct, however Sanctum does not guarantee the accuracy of the same.

Historical performance of investments, market indices and industrial sectors have been provided for comparison purposes and their future performance may vary substantially from the past. Furthermore, projections or other information illustrated in this presentation regarding the likelihood of various investment outcomes are based on certain hypotheses and should not be considered a guarantee of future results. The value of investments and the income produced in securities market can go down as well as up and recipients may not recover the amount of their original investment.

By accepting this document, you agree to be bound by the foregoing limitations.

In case recipients have any complaints or grievance regarding Sanctum's products or services they may refer to the investor grievance handling procedures on our website www.sanctumwealth.com.

Sanctum Wealth Management Private Limited
(CIN: U74140MH2015PTC264932)

Sanctum Wealth Advisors Private Limited
(CIN: U74999MH2017PTC302008)