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Page	24
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Vikas Agnihotri, CEO, Religare Macquarie Wealth Management Ltd, has two decades of experience in the Indian financial services market. He spoke to DNA Money's Sachin P Mampatta about the challenges before the wealth management industry and how it is important to provide holistic advice. Excerpts:

How do you handle the volatility in the market?

In cyclical like the market, there would be ups and downs. It is important to know if you are prepared. There are firms which grew in the good times but don't think of a downtrend and accom-

modate it in their plans. We focus on an advisory led business which would be built on repute.

What problems do you see in the wealth management business?

Three things come to mind. First, there are product pushers rather than advisors. If there is a new product, it gets passed on to customers irrespective of their specific needs. The emphasis is on selling rather than on providing effective counsel. Second, even when the investors' needs are identified, a lot of the people focus on past performance as an indicator of how effectively it might

work in future. The third of the faults is the presence of multiple entities handling the finance requirements of one client. It makes it difficult to give holistic advice to a client about his or her portfolio. It is like going to a doctor for medical advice on the whole body and then showing him only one part of the body. If you need advice on the whole, you must present the whole.

What are your expectations?

Markets will largely be range bound. In such a scenario, there might be some liquidity issues. A cash crunch might be more severe on the smaller companies

so it might make sense to have a diversified portfolio amongst the large-cap companies.

How do you see investors behaving in this kind of market?

Investor confidence will come back slowly. These situations lend themselves to opportunity and there are many options to take advantage of the same. Right now, there might be a bias towards preservation of capital. However, it would be appropriate to make one's investments through systematic investment plans and not try to time the market.

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