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**P**rosperity Wealth Management is a SEBI-registered portfolio management service provider specialising in equity investing. Based in Chennai, the company invests through its Prosperity Discovery Fund, which is a multi-cap fund underpinned by a value investing framework and growth at a reasonable price philosophy.

The objective of the fund is wealth creation for its investors by delivering superior risk-adjusted returns. The fund invests in high-quality publicly listed Indian companies that operate on robust business models and are run by outstanding management teams.

**THE BEGINNING**

Vasudev Gupta founded Prosperity Wealth Management Pvt Ltd in 2017. Vasudev began his entrepreneurial journey in 2014 when he returned to India after completing his master's degree from Imperial College London. Soon, he joined his family business in the manufacturing of industrial yarns and technical textiles. It was there that he discovered his passion for wealth management when tasked with managing funds for his family office. His first-hand experience of working in a manufacturing firm gave him deep insights and the knowledge required to evaluate other manufacturing entities listed on the Indian stock exchanges. He assembled a team of industry veterans across different sectors to supplement his understanding of various businesses and investment opportunities. Over the last five years, he has made many successful investments in the public listed space and is confident of replicating this success for investors in his Prosperity Discovery fund (PDF).

**THE JOURNEY SO FAR**

In the first year of its operations, the PDF delivered an impressive 56.17 per cent returns to its investors as against Nifty50's 24.04 per cent and Nifty500's 30.28 per cent in the same period.

Commenting on the returns, Vasudev says, "Returns are a result of careful research and sound investment philosophy. We focus on the process rather than the returns. When the research methodology and process are fundamentally strong, the outcome is bound to be good in the long run despite market volatility".

Historically Nifty50 has delivered 11-12 per cent CAGR returns over the last decade. Prosperity is confident of outperforming the bellwether index over the long run with a good margin. As investment managers, Prosperity's goal is to generate returns that exceed a chosen benchmark index over the long run while ensuring that a good margin of safety is maintained to the capital deployed.

**INVESTMENT PHILOSOPHY**

Prosperity discovery fund follows a non-speculative, deep research-based value investing philosophy which is underpinned by fundamental analysis of companies. Prosperity undertakes a due-diligence process that involves taking into account various criteria such as (i) financial strength of a company, (ii) vision and quality of the management, (iii) macroeconomic environment, (iv) future outlook and growth potential, (v) economic moat through which a busi-



**They say capital markets are a sunrise sector in India. With India being home to the fastest-growing HNI (high networth individuals) populations in the world, the founder of Prosperity Wealth Management, Vasudev Gupta sees unprecedented opportunities. He also tells the story of how his portfolio management company took shape**

ness sustains its margins, and (vi) field research.

The portfolio typically consists of 15-20 stocks diversified across various sectors and market capitalisations to minimise portfolio volatility. Any single stock or sector does not account for more than 15 per cent of the portfolio. Prosperity invests in companies that are run by ethical and trustworthy management teams who have a long-term vision and a sustainable growth plan for their companies.

Companies that are highly leveraged, or vulnerable to technological disruption are avoided. Prosperity's research also involves talking to the company's management, customers, suppliers, and industry experts in the company's domain.

**WHEN'S THE RIGHT TIME?**

Prosperity believes in holding investments over a long period to reap the maximum benefits of equity investing, as the fundamental growth story of the underlying assets unfolds over time. The popular adage of 'time in the markets' being a better predictor of an investor's success than 'timing the markets' holds even today.

One should exit a stock or an investment if the fundamental thesis behind the investment changes. The management demonstrates poor ethics or misallocates capital, growth stagnates, and the management lacks a concrete plan to revive it, or simply if the company becomes too overvalued in the marketplace with respect to its peers.

While it is impossible to correctly time the markets over the long run, it is also true that the greatest returns have been made by investors right after periods of great turmoil. Corrections reduce the overall valuation of the market and good investors can find and invest in great stocks available at good discounts. Successful investors are those who remain invested in the markets over long periods and periodically add investments to their corpus during market corrections.

**THE FUTURE OF CAPITAL MARKETS IN INDIA**

The capital markets are a sunrise sector in India. With the Indian GDP projected to reach US\$ 5 Trillion over the next five to seven years, the Indian economy has ample room for growth. The increase in GDP will also boost the per capita income of Indian citizens, who will look for new ways to invest and spend their money. Currently, only 3.7 per cent of the country's population invests in the stock market as compared to over 50 per cent in more developed economies. The number of high net worth individuals with an investable surplus of more than five crores is also projected to cross five lakhs by 2025 making India home to one of the fastest-growing HNI populations across the world.

This gives us an unprecedented opportunity to cater to the rising number of HNIs in India, thereby being a part of the Indian growth story. Several factors such as production-linked incentive schemes, China-plus-one strategy, better infrastructure and atmanirbhar Bharat will also boost the economy which will, in turn, drive the capital markets.

India is at the cusp of witnessing unprecedented growth in the coming decade. We are observing significant investments by both public and private sector enterprises. Robust internal demand for goods and services fuelled by a large demographic coupled with a steady rise in exports will propel the Indian economy forward. Equity investors are well-positioned to capitalise on this growth," Vasudev says.

**WHAT SHOULD INVESTORS CONSIDER WHILE CHOOSING TO INVEST IN A FUND?**

It is very important to match the investor's investment goal and risk appetite to the correct asset class. Equity may not be the right asset class for conservative or risk-averse investors who are looking to invest for the short term. To understand the asset class the fund's investment holdings must be studied in detail. Broadly, funds can be classified into equity-oriented, debt-oriented, or a combination of both, also known as hybrid funds. Once the asset class is chosen, the investment holdings can further be studied to analyse if a fund invests predominantly in large or small companies. Large-cap funds are less prone to market volatility but have historically delivered lower returns when compared to small-cap funds over the long run. Other factors such as a fund's expense ratio, churn rate, the concentration of top holdings, Sharpe ratio, return track record and fund manager's history can also be studied while choosing a fund.

While comparing two funds it is important to ensure that both are of the same asset class and invest in companies of a similar size.

Vasudev believes that sustainably growing an investment portfolio requires a significant time commitment and the inclination to study and track multiple investments for long periods. This is where having a professional fund manager can ease an investor's burden and make all the difference.



**Invest In Tomorrow's India.**

With Prosperity Wealth Management.

PROSPERITY DISCOVERY FUND	56.17%
Vs. Nifty 50 TRI	25.59%
Vs. Nifty 500 TRI	31.60%

[TWR Returns, net of fees, for the period of 1st Jan-21 (Inception of PDF) to 31st Dec-2021; Benchmark Source: NSE]

Prosperity Wealth Management is a SEBI Registered Portfolio Manager. Our investment approach is backed by careful research and is underpinned by a value investing philosophy. We are committed to finding new investment opportunities to create wealth for our investors. Past performance is not indicative of future returns; Equity Investments are subject to market risks.

**Pharmaceuticals**

The domestic pharma market is expected to grow 3x in the next decade from US\$ 42 billion in 2021 to ~US\$ 120 billion by 2030.

**Automotive**

26.36 million vehicles were manufactured in India in FY20. EVs are projected to grow at a rate of 36% CAGR over the next 5 years.

**Chemicals**

The Indian chemicals industry stood at US\$ 178 billion in 2019 and is expected to reach US\$ 304 billion by 2025 registering a CAGR of 9.3%

**E-commerce**

India's consumer digital economy is expected to become a US\$ 800 billion market by 2030. The Indian online grocery market is estimated to reach US\$ 18.2 billion in 2024, expanding at a CAGR of 57%.

**Banking**

India retains the top spot in the world with roughly 25.5 billion digital real time payment transactions. Digital payments' in India is estimated to grow to 71.7% of all payment transactions by 2025.

**IT & Software**

India is projected to have 900 million active Internet users by 2025. The number of AI patents filed in India grew at a CAGR of 33% between 2015-2020 to reach 1,400 annually. (Source: Indian Brand Equity Foundation)



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**PROSPERITY**  
Wealth Management

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Min. investment is Rs. 50 Lakhs

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