



DESIGN THE UNDESIGNED

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CATEGORY CATALYST
VOL. 16
November 2025

WELCOME NOTE

CA Amit KC Jain – Founder & Managing Partner [in](#)

The Dual Engine of Wealth: Why Smart Investors Combine Mutual Funds & Real Estate.

A Strategic Newsletter for Long-Term Investors & High-Net-Worth Families

“True wealth isn’t built on bricks alone or markets alone – it’s built on the balance between what grows quietly and what stands permanently.”

Introduction: The New Age Wealth Blueprint

Over the last decade, India has witnessed two parallel investment transformations–

- The rise of Mutual Funds as a disciplined, compounding-driven financial asset, and
- The resurgence of Real Estate as a tangible store of value backed by urbanisation and infrastructure-led growth.



For sophisticated investors, the debate is no longer Mutual Funds vs Real Estate.

The question is: What is the optimal balance between the two?

A resilient, long-term portfolio (especially for HNIs and families thinking generationally) must integrate both asset classes strategically. Each offers unique strengths, risk characteristics, and compounding pathways.

This newsletter presents a data-backed, high-level approach to building such a balanced portfolio.

1. Mutual Funds: Your Liquid, Compounding Growth Engine

Mutual Funds have become India’s most trusted financial asset over the last 10–15 years. AMFI data shows AUM rising from ₹8.2 lakh crore in 2013 to almost ₹80 lakh crore in 2025–reflecting investor confidence and strong governance under SEBI regulation.

Long-Term Performance: A Proven Track Record

Across 10–15 years, category-level returns have been:

Category	10-Year CAGR	15-Year CAGR
Nifty 50 TRI / Large Cap Funds	~13%	~12.5%
Flexi-cap Funds	12–14%	12–13%
Midcap Funds	15–17%	14–15%
Aggressive Hybrid	9–11%	10–11%

These returns are net of fund expenses, making them one of the most efficient long-term instruments available to Indian investors.

Why They Matter in a Sophisticated Portfolio

- High Liquidity (T+3)
- Diversification across 50–200 securities
- Market-linked wealth creation with lower volatility vs direct equity
- Ideal vehicle for disciplined, long-term compounding

MFs create the financial backbone of a portfolio–steady, efficient, and liquid.

2. Real Estate: The Tangible, Inflation-Hedged Wealth Builder

Real estate continues to remain a defining asset for Indian families. With rising urban demand and strengthening regulation (RERA), the asset class has regained credibility and performance momentum.

[Click here to read more](#)

India's UHNW Renaissance: How a New Wealth Mindset Is Reshaping the Future

— By Anjeet Khandelwal – Founding Partner in

For decades, India's affluent class was defined by an outward gaze. High-net-worth individuals (HNWIs) pursued residency in developed economies for better living standards, more predictable regulatory systems, and favorable tax regimes. Wealth flight often seemed inevitable, even rational. The global hubs – London, Dubai, Singapore, New York – were the gravitational centers of private capital. Yet today, a quiet but powerful transformation is underway. India is not just producing wealth; it is retaining, attracting, and reshaping it. The country has transitioned from an exporter of wealth to a dynamic hub where UHNW families, global investors, and fast-growing businesses now see unparalleled long-term opportunity. India's ultra-high-net-worth (UHNW) economy is not only thriving—it is maturing. With that maturity comes a new philosophy of wealth: strategic, global, jurisdiction-aware, and firmly future-focused.

From Outbound Migration to Inward Confidence

The earlier wave of HNI migration was often driven by two factors: predictable regulations and favorable tax structures abroad. But India's economic landscape has shifted dramatically. With strong GDP growth, a booming entrepreneurial ecosystem, rising global relevance, and maturing financial markets, India today offers something rare: growth alongside resilience.

Let's look at the numbers:

- According to a recent assessment, India currently has 85,698 HNWIs (i.e., individuals with investable assets of at least US \$1 million) and ranks 4th globally among HNWI-populations, behind the US, China and Japan.
- At the ultra-high end — individuals with net worth above US \$30 million — India's population was estimated at 13,263 in 2023.
- Importantly, the ultra-rich population in India is projected to grow 50% by 2028, reaching nearly 20,000 individuals in the US \$30 million+ category.
- Meanwhile, in terms of wealth concentration: the top 1% of India's population holds around 59% of the nation's household wealth — an estimated US \$11.6 trillion of a total US \$19.6 trillion as per a recent report.

These metrics underscore that India is not only creating wealth but doing so at scale—and fast.

Tax Structuring and Succession: The New Cornerstones of Wealth Strategy

As fortunes grow and regulatory landscapes evolve, UHNW families are rethinking how they structure and protect wealth. Tax planning, once a seasonal exercise, has become a consistent, strategic priority for those seeking longevity. Families are now placing strong emphasis on:

- Offshore trusts and global holding structures to enable smoother succession, privacy, and protection, while allowing participation in global markets.
- Restructuring of Indian trusts, as domestic regulations evolve so that families seek transparency, compliance, and future-proofing within India.
- Diversified investment across jurisdictions — from U.S. equities to crypto assets to European funds — and not simply as add-ons but as core strategic levers.

This shift signals a deeper recognition: wealth is no longer static. It is mobile, multijurisdictional, and vulnerable. To preserve it, families must think beyond borders.



Cross-Border Strategy Is No Longer a Luxury – It's a Necessity

Regulations across the world are tightening, reporting requirements are expanding, and cross-border taxation is becoming increasingly complex. UHNW families with global footprints now need multi-layered advisory—legal, tax, investment, governance—to navigate the new era of regulatory convergence.

Strategic planning across jurisdictions has become the only way to:

- hedge geopolitical and regulatory risks
- maximize cross-border returns
- maintain privacy and governance
- protect family wealth for decades ahead

What was once optional is now foundational.

The New Face of the Indian Portfolio

India's wealthy are increasingly shaping their portfolios around new-age asset classes that promise growth, alpha, and diversification. Three trends dominate this new wealth architecture:

1. Pre-IPO Investments

India's private markets are booming. Families are participating earlier, taking meaningful allocations in pre-IPO opportunities, particularly in tech, manufacturing, and consumer

sectors. The allure is clear: high growth potential, exclusive access, and alignment with India's start-up momentum.

2. Private Credit

With traditional lending constrained, private credit has emerged as a high-yield, well-secured, and increasingly institutionalised asset class. UHNW families—always hungry for superior risk-adjusted returns—are embracing it as a key part of portfolio strategy.

3. Alternative Assets

Venture capital, private equity, hedge funds, structured products, and digital assets are no longer fringe. They are becoming essential tools for long-term wealth creation and preservation.

These trends reflect a fundamental shift: India's UHNW investors are behaving like global investors—bold, diversified, and strategically opportunistic.

Real Estate: The Constant in a Changing World

Even as financial assets rise in sophistication, real estate remains an anchor for Indian families.

Demand is particularly vibrant in:

- Grade-A commercial properties in metro hubs
- Ultra-luxury residential spaces
- Second homes in lifestyle destinations
- Properties in favorable tax or residency jurisdictions

Real estate offers something no algorithm can replicate—emotional assurance and tangible permanence. For Indian UHNW families, it remains a statement of success, security, and legacy.

Incidentally, it's worth noting the statistical weight behind this: the top 1% of wealth-holders in India hold vast real-estate and gold positions (~60% of their wealth) per a recent report of www.ndtv.com

The Rise of the Single-Family Office (SFO)

Perhaps the most transformative trend in India's wealth landscape is the widespread movement toward Single-Family Offices (SFOs). No longer reserved for global dynasties, SFOs have become increasingly mainstream among Indian families with significant wealth.

They provide:

- centralized financial and governance control
- structured monitoring of diverse global assets
- professional management and risk oversight

- greater transparency and accountability
- long-term continuity

SFOs are enabling families to move from fragmented decision-making to a unified, institutional approach to wealth. This marks a turning point: wealth in India is becoming more organized, more strategic, and more globally aligned.

The Bigger Story: India's Wealth Is Becoming More Sophisticated—And More Global

The Indian UHNW economy is no longer merely about growth. It is about intelligent growth, protected growth, and intergenerational growth.

The wealth strategies of today's Indian families reflect:

- deeper financial literacy
- stronger global exposure
- heightened regulatory awareness
- multi-jurisdictional thinking
- long-term governance vision

This sophistication mirrors what has historically been seen in mature wealth centres like Switzerland, Singapore, and the UAE. India is rapidly closing the gap—but doing so with its own unique blend of ambition and pragmatism.

The Road Ahead: A Defining Decade

If the last decade was about India's rise as a global investment story, the next will be about its transformation into a global wealth hub. The fundamentals are already in place:

- A booming private-market ecosystem
- A maturing regulatory landscape
- Rising domestic consumption
- Globalised wealth aspirations
- A new generation of digitally native wealth creators
- Rapidly evolving tax and advisory capabilities
- Strong statistics to back the momentum

India is stepping into a wealth renaissance defined not by outbound migration, but by inbound opportunity and home-grown confidence.

As the world looks toward emerging markets for the next wave of growth, India's UHNW economy is poised to play a starring role—dynamic, ambitious, global, and increasingly self-assured.

The old playbook—focused on migration and tax arbitrage—is fading.

The new playbook—rooted in strategy, diversification, governance, and global opportunity—has just begun.

[Click here to read more](#)



Is the AI Boom Already a Bubble?

A Hard Look at Valuations, GPUs, and the Trillion-Dollar Warning Signs

By Paul Joseph – Wealth Manager in

In mid-2023, Inflection AI – the startup founded by DeepMind co-founder Mustafa Suleyman – raised **\$1.3 billion** at a valuation near **\$5 billion**, despite generating less than **\$10 million** in revenue. At the same time, it committed to buying **22,000 Nvidia H100 GPUs** valued at nearly **\$1 billion** – more than its entire lifetime revenue.

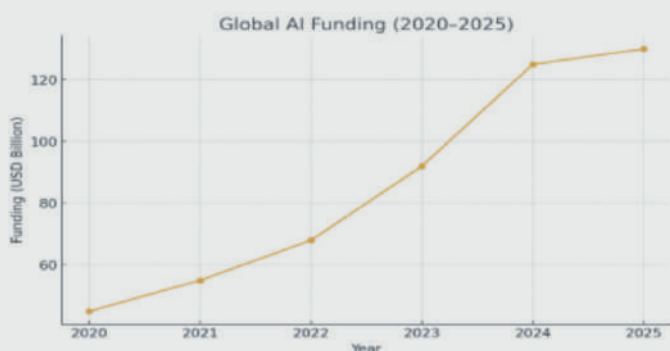
Within a year, the economics proved unsustainable. Microsoft absorbed Suleyman and a large portion of the team, effectively ending Inflection's standalone existence. This moment crystallized the uncomfortable truth emerging across the AI ecosystem.

AI technology is extraordinary – but AI company valuations are not.

A wave of speculative capital, aggressive GPU over-commitment, and extreme market volatility suggests the AI market is showing increasingly clear signs of a bubble.

1. A Funding Explosion Untethered from Fundamentals

Over the last five years, global AI investment has risen at a speed the financial markets typically associate with late-stage speculation.



AI funding has nearly tripled since 2020, rising from \$45B to over \$125B. This liquidity wave has inflated valuations faster than revenue growth, pushing the sector into speculative territory.

Despite this unprecedented capital:

- Most AI companies still operate with burn multiples of 3x–5x
- Gross margins remain 30–45% due to high compute costs
- Enterprise adoption remains low (only ~18% have scaled beyond pilots)
- Valuations imply decade-long flawless execution

Money is flowing far faster than fundamentals are improving.

2. The GPU Arms Race: AI's Most Dangerous Financial Imbalance

Across the sector, AI companies – many with minimal revenue – are committing to hundreds of millions of dollars in GPU and cloud-compute obligations.

Examples include:

Inflection AI

- Revenue: < \$10M
- GPU purchase: ~\$1B
- Outcome: unsustainable → absorbed into Microsoft



xAI (Elon Musk)

- Revenue minimal
- Public plan: 100,000+ H100 GPUs
- Estimated cost: \$4–\$6B

Anthropic

- Revenue ~\$200–300M
- Multi-billion-dollar commitments to Google & AWS
- Margins extremely compute-heavy

These firms are not buying compute because revenue requires it – they're buying compute because FOMO requires it.

This imbalance is starkest when comparing revenue growth to GPU-commitment growth:



GPU commitments have risen 350%, while revenue has risen only 55% since 2021. This widening gap represents the most dangerous structural fault line in the AI economy.

[Click here to read more](#)

Loan Against Mutual Funds (LAMF): Borrow Smartly Without Breaking Your Wealth Creation

— By Divyam Khandelwal – Analyst (Investment and Research) in

Mutual funds are built for long-term wealth creation compounding, goal-based investing, and financial security. Yet when a sudden financial need arises, most investors follow the same instinctive approach:

"I'll redeem my mutual funds to arrange cash quickly."

But redemption comes at a hidden cost. It breaks compounding, shrinks your corpus, triggers potential taxes, and slows your long-term wealth journey.

A far smarter, lesser-known option is Loan Against Mutual Funds (LAMF)—a way to access liquidity without disrupting your investments. And when used correctly, LAMF can help investors meet immediate needs while preserving future gains.

estimated to be a **₹45,000–55,000 crore** market, though it still forms less than 1% of total MF assets.

Why so low?

Because most investors don't know this option exists—and those who do often assume it is complicated. In reality, modern RTAs (CAMS, KFin) have made lien marking instant, digital, and seamless.

Wealth Advisory Platforms

Many wealth managers now integrate LAMF journeys directly into their client dashboards.

Despite high availability, actual adoption is still very low—presenting a meaningful opportunity for informed investors.



3. Regulatory Framework

LAMF operates within a robust regulatory environment:

- SEBI regulates mutual funds and ensures correct valuation.
- RBI oversees lending rules for banks and NBFCs.

Loan-to-Value (LTV) Ratios

- Equity funds: 40–50%
- Hybrid funds: 50–60%
- Debt funds: 70–80%
- Liquid/overnight funds: 80–90%

Disclosure: The LTV ratios are provided by the lender. The above mentioned ratios are generic in nature.

4. The Real Advantage: Protecting Your Compounding (Opportunity Cost)

1. What Is LAMF?

Loan Against Mutual Funds (LAMF) allows you to borrow money by pledging your mutual fund units instead of selling them. Your units remain invested and continue to grow while the lender places a lien on them.

Key features:

- Fully digital and paperless
- Quick disbursement
- Attractive interest rates vs. personal loans
- Pay interest only on the amount you actually use
- No capital gains tax since you're not redeeming

In short, LAMF gives you short-term liquidity without interrupting the long-term compounding engine of your portfolio.

2. The Current LAMF Market in India

With Indian mutual fund AUM crossing ₹68 lakh crore, the demand for structured, efficient lending solutions linked to investments is rising. LAMF is growing steadily and is

Here is the most important point:

Redeeming your mutual funds can cost you far more than the amount you withdraw.

- When you redeem:
- Your invested base reduces
- Your future returns shrink
- You lose compounding
- You may face capital gains taxes

This invisible loss is what we call opportunity cost—the money you could have earned if you stayed invested.

LAMF solves this beautifully.

By borrowing against your MFs, you keep your entire portfolio intact while paying a manageable interest rate. If your expected fund return is greater than the interest cost, you end up ahead.

And this is not theoretical.

It happened in a real case we handled.

[Click here to read more](#)

The Hidden Money Trap Financially Independent Investors Still Fall Into — Without Noticing

By CA Harshul Chopra – Assistant Manager in

For decades, two pieces of financial advice have formed the backbone of Indian households: Buy a term insurance plan. Start a SIP.

This formula has guided millions toward responsible financial habits and remains the right starting point for anyone building financial security. But what most investors never revisit is whether these choices remain equally relevant at every life stage. And this is where a critical gap appears. Even after achieving Financial Independence — a situation where your family no longer depends on your salary for day-to-day living or long-term goals — many investors continue paying term insurance premiums out of inertia. Not out of need. Not out of logic. But simply because "this is what I've always done."

This newsletter breaks down this question with data, industry standards, and financial first principles — not opinions or emotion. It uses IRDAI, AMFI, and global research institutions to examine whether carrying term insurance after Financial Independence is actually rational... or a hidden drag on long-term wealth creation. What Financial Independence Really Means — **Beyond the Buzzword.**

Financial Independence is not a motivational concept. It is a measurable financial condition. You are considered financially independent when your assets, investments, and portfolio returns can sustainably support your lifestyle, future goals, and emergencies — without relying on active income. This typically means:



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- Your family's lifestyle is fully funded through your portfolio
- You no longer worry about income volatility
- Your financial goals (children, retirement, obligations) are secured
- You can walk away from your job without compromising your standard of living

At this stage, income is no longer the financial risk. Therefore, any product designed specifically to replace income needs to be re-evaluated.

What Term Insurance Is Actually Designed For

A pure term plan has one — and only one — objective: To replace the income of the breadwinner if they die early. It is not an investment. It does not generate returns. It does not build wealth. It does not compound. It does not create liquidity. It only pays out if the insured person dies, and only while the policy is in force.

This purpose is extremely important during the wealth-building years. But after Financial Independence, the core risk disappears: your family no longer relies on your salary. **Meaning:** the original purpose of term insurance no longer applies. **This is not an opinion** — this is globally accepted wealth management logic.

What IRDAI Data Tells Us About Term Insurance After Wealth Accumulation

The Insurance Regulatory and Development Authority of India (IRDAI) publishes persistency data — which tracks how many policyholders continue paying premiums over time. According to the IRDAI Persistency Report (2023):

- The 5-year persistency ratio for pure protection (term) policies is below 45%.
- This means more than half of term policyholders discontinue their plans before year 5.

[Click here to read more](#)



612, Kailash Building, 26, Kasturba Gandhi Marg, Connaught Place, New Delhi -110001
Phone: +91 11 47047455, Email: info@akcjventures.com, www.akcjventures.com

