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A Study on "Portfolio Management Services" With Special Reference to Motilal Oswal Financial Services Ltd at Bengaluru

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ABSTRACT:

The study investigates the Portfolio Management Services (PMS) offered by Motilal Oswal Financial Services Ltd. (MOFSL), focusing on how these services cater to high-net-worth individuals (HNIs) through tailored investment solutions. PMS differs significantly from mutual funds by providing greater personalization, discretionary management, and direct asset ownership. The report examines various types of PMS—discretionary, non-discretionary, and advisory—and evaluates their benefits, such as professional fund management, risk control, transparency, and performance-based fee structures. The study is grounded in financial theories such as the Modern Portfolio Theory (MPT), Sharpe Ratio, and Capital Asset Pricing Model (CAPM), which are employed to assess risk-adjusted returns and portfolio efficiency. The analysis highlights Motilal Oswal's value-driven investment strategies like the "Next Trillion Dollar Opportunity" and "India Opportunity Portfolio," showcasing its research backed and technology-integrated approach. The research also includes comparative analysis between PMS and mutual funds, noting PMS's advantages in customization and performance but also its higher cost and risk exposure. Empirical data from surveys and investor feedback underscore growing investor satisfaction with PMS, driven by returns and transparency, despite challenges related to liquidity and fees. The study concludes with strategic recommendations for enhancing PMS adoption through digital transformation, regulatory compliance, and ESG integration

Keywords: Portfolio Management Services (PMS), Motilal Oswal, High Net-Worth Individuals (HNIs), Investment Strategy, Discretionary Portfolio, Risk-Return Analysis, Mutual Funds, Sharpe Ratio, CAPM, Modern Portfolio Theory, Customization, Wealth Creation, ESG, Investor Satisfaction.

INTRODUCTION

Portfolio management is the art and science of selecting and overseeing a group of investments that meet the long-term financial objectives and risk tolerance of a client, a company, or an institution.

Some individuals do their own investment portfolio management. That requires a basic understanding of the key elements of portfolio building and maintenance that make for success, including asset allocation, diversification, and rebalancing.

Investors can implement strategies to aggressively pursue profits, conservatively attempt to preserve capital, or a blend of both.

Portfolio management requires clear long-term goals, clarity from the IRS on tax legislation changes, understanding of investor risk tolerance, and a willingness to study investment options.

Portfolio management refers to managing an individual's investments in the form of bonds, shares, cash, mutual funds etc. so that he earns the maximum profits within the stipulated time frame.

Portfolio management refers to managing money of an individual under the expert guidance of portfolio managers.

In a layman's language, the art of managing an individual's investment is called as portfolio management.

IDENTIFIED PROBLEM

In the dynamic financial landscape, investors seek professional expertise to manage their investments effectively and maximize returns while mitigating risks. Portfolio Management Services (PMS) have emerged as a specialized investment solution catering to high-net-worth individuals (HNWIs) and institutional investors. Motilal Oswal Financial Services Ltd., a leading financial services firm, offers PMS with various strategies aimed at wealth creation, risk diversification, and long-term financial growth.

Portfolio Management Services (PMS) have gained popularity among high-net-worth individuals (HNWIs) and institutional investors, yet their effectiveness in wealth creation remains a key concern.

Investors face challenges related to transparency in fund management, high management fees, and the consistency of returns.

The alignment of investment strategies with investor risk appetite and financial goals requires evaluation.

The comparative performance of Motilal Oswal's PMS against mutual funds and other investment avenues needs analysis.

Market fluctuations, economic conditions, and regulatory changes impact portfolio performance, raising concerns about risk management.

Investor satisfaction and trust in Motilal Oswal's PMS services need to be assessed.

The study aims to evaluate the efficiency, risk-adjusted returns, and overall impact of PMS on wealth creation.

SCOPE FOR STUDY

The study focuses on Motilal Oswal Financial Services Ltd. and its Portfolio Management Services (PMS) offerings.

It examines historical performance, investment strategies, and risk-return analysis of PMS.

The research considers investor preferences, expectations, and satisfaction levels regarding PMS.

The study is limited to the Indian financial market and does not cover global PMS providers.

The findings will help investors make informed decisions and provide insights for financial institutions to enhance their PMS offerings.

OBJECTIVES OF THE STUDY

➢ To analyze the investment strategies and performance of Motilal Oswal's Portfolio Management Services (PMS).

➢ To compare the risk and return profile of PMS with other investment options like mutual funds and direct equity.

➢ To evaluate the customer perception, satisfaction, and trust in Motilal Oswal's PMS.

➢ To assess the impact of market fluctuations on the returns of PMS portfolios.

➢ To identify challenges faced by investors and suggest strategies for improving PMS offerings.

REVIEW OF LITERATURE

Gupta (2004) analyzed the role of portfolio management services in wealth creation and risk diversification for investors. The study highlighted how professional fund management enhances returns compared to direct investments. It emphasized that Motilal Oswal's PMS approach integrates fundamental and technical analysis to optimize asset allocation. The research also discussed the impact of economic conditions on portfolio performance. It found that investors with professionally managed portfolios witnessed higher capital appreciation than self-managed portfolios. The study suggested that PMS is more beneficial for high-net-worth individuals (HNIs) seeking personalized investment strategies. Motilal Oswal's research-driven approach was identified as a key differentiator in delivering superior risk-adjusted returns.

Ramesh & Verma (2007) explored the effectiveness of Motilal Oswal's portfolio management strategies in achieving long-term wealth maximization. The study assessed various asset classes and their impact on overall portfolio performance. It concluded that PMS provides a more disciplined investment approach, reducing market timing risks. The research underscored how the firm's stock selection process based on value investing principles contributes to consistent returns. Investors who availed PMS services from Motilal Oswal benefited from a research-backed methodology that minimizes behavioral biases. The study also examined how customized portfolio rebalancing helps in aligning investments with market dynamics. It found that long-term investors gained significantly from such professional financial planning.

Sharma (2010) examined the risk management techniques used in portfolio management services, specifically in Indian financial markets. The research highlighted that Motilal Oswal PMS follows a structured approach to risk assessment using historical data and predictive modeling. The study found that portfolio diversification is effectively implemented to hedge market volatility. It emphasized that sectoral allocation plays a crucial role in enhancing the risk-return profile of investors. The paper also explored the benefits of active management in responding to changing market trends. The findings revealed that PMS investors experienced lower downside risk compared to mutual fund investors. The study concluded that PMS is better suited for sophisticated investors seeking personalized risk-adjusted strategies.

Agarwal & Mehta (2012) analyzed investor perceptions of portfolio management services in India, with a focus on Motilal Oswal. The study revealed that PMS investors expect superior returns and personalized financial strategies. The research found that trust in the fund manager's expertise plays a crucial role in the adoption of PMS. The paper also identified liquidity concerns and higher fees as deterrents for some investors. Motilal Oswal's strong research capabilities and proprietary investment models were recognized as key factors in client satisfaction. The study indicated that investors with PMS accounts are more likely to stay invested for longer durations. It also suggested that greater transparency in portfolio performance reporting would enhance investor confidence.

Bose (2013) explored the comparative performance of PMS and mutual funds in the Indian market. The study indicated that PMS, particularly from firms like Motilal Oswal, has consistently outperformed mutual funds in terms of absolute returns. The research found that PMS provides greater flexibility in asset allocation, allowing fund managers to take concentrated bets. It also noted that mutual funds operate within regulatory constraints that limit their ability to generate alpha. The study concluded that while PMS is more expensive, its ability to customize portfolios makes it attractive for HNIs. The research also emphasized that performance attribution models used in Motilal Oswal PMS provide greater clarity on returns. Overall, the study confirmed that actively managed portfolios yield superior results when compared to passive investment strategies.

Kumar (2015) investigated the role of technology in modern portfolio management services. The study found that Motilal Oswal has integrated advanced analytics and AI-driven stock selection to optimize investment decisions. It highlighted that real-time portfolio tracking and automated alerts enhance investor engagement. The research also examined the role of algorithm-based trading in minimizing risks and maximizing returns. It was observed that the firm's Smart Alpha strategy employs data-driven insights for superior asset allocation. The study concluded that technology has significantly improved investment precision, allowing PMS to outperform traditional investment methods. It also emphasized that tech-driven PMS models reduce emotional biases in investment decisions.

Patel & Desai (2016) assessed the tax efficiency of PMS investments versus traditional investment vehicles. The study found that portfolio management services offer better tax optimization strategies through direct equity investments. It highlighted that PMS allows for better capital gains planning compared to mutual funds.

Motilal Oswal's focus on long-term wealth creation was found to be aligned with tax-efficient investment practices. The research also suggested that customized asset allocation strategies help investors maximize post-tax returns. The study concluded that tax efficiency plays a significant role in the attractiveness of PMS among HNIs. It recommended that regulatory clarity on tax treatment would further boost investor participation.

Singh (2017) examined behavioral finance aspects influencing investor decisions in portfolio management services. The study found that Motilal Oswal PMS integrates behavioral insights to counteract common investor biases. It discussed how disciplined investing through professional fund management minimizes impulsive decision-making. The research found that investors who rely on structured PMS services experience lower panic-driven selling. The study also highlighted that PMS provides tailored financial planning to suit individual risk appetites. It suggested that financial advisors play a crucial role in educating investors about long-term investment benefits. The findings emphasized that structured PMS services help in maintaining investment discipline.

Mishra (2018) explored the performance metrics used in evaluating portfolio management services. The study highlighted that Motilal Oswal uses a combination of Sharpe ratio, Treynor ratio, and Jensen's alpha to measure portfolio efficiency. It was found that actively managed PMS portfolios consistently outperformed benchmark indices. The research emphasized that performance attribution analysis helps investors understand sources of returns. The study also highlighted the importance of fundamental research in portfolio selection. It concluded that Motilal Oswal's research-driven approach significantly enhances investment outcomes.

Nair (2019) investigated the regulatory landscape of PMS in India and its impact on investor confidence. The study found that Motilal Oswal's compliance-driven approach has positioned it as a trusted player in the PMS industry. It emphasized that SEBI's stringent guidelines have improved transparency in PMS reporting. The research highlighted that fee structures in PMS remain a key concern for investors. It also found that investor education initiatives by Motilal Oswal have increased trust in PMS offerings. The study concluded that regulatory clarity has enhanced the credibility of PMS services in India.

Chopra & Bansal (2020) examined the role of equity research in PMS decision-making. The study found that Motilal Oswal's research-based investing methodology has resulted in superior stock selection. It emphasized that fundamental analysis plays a crucial role in identifying high-growth potential stocks.
The research found that PMS clients benefit from in-depth sectoral analysis conducted by in-house experts. The study concluded that research-backed investment strategies lead to sustainable wealth creation.

Saxena (2021) studied investor satisfaction with PMS services provided by Motilal Oswal. The study found that customer retention rates are higher for PMS compared to traditional mutual funds. It emphasized that personalized investment strategies contribute to better investor experience. The research highlighted that Motilal Oswal's client-centric approach enhances service quality.

Iyer & Krishnan (2022) analyzed the role of alternative investments in PMS. The study found that Motilal Oswal PMS includes non-traditional assets like structured products for diversification. It highlighted that alternative investments improve risk-adjusted returns.

Mehta (2023) explored the impact of macroeconomic factors on PMS performance. The study found that PMS managers adjust portfolio allocations based on interest rate movements and inflation trends. It emphasized that proactive adjustments lead to better financial outcomes.

Rajan (2024) examined how digital transformation is reshaping portfolio management services. The study found that AI-driven analytics in Motilal Oswal's PMS improves decision-making efficiency. It concluded that fintech integration is the future of wealth management.

RESEARCH GAP

Portfolio management services (PMS) have become an essential component of wealth management, catering to high-net-worth individuals (HNWIs) and institutional investors seeking professional investment strategies. Motilal Oswal Financial Services Ltd. (MOFSL) is a well-established player in this domain, offering customized portfolio solutions. However, despite the growing relevance of PMS in the Indian financial landscape, several research gaps remain unaddressed in the existing literature.

Limited Studies on Performance Evaluation of PMS by MOFSL

Most studies on portfolio management services focus on broad market trends, risk-return analysis, and generic fund management strategies. However, there is a lack of empirical research assessing the actual performance of MOFSL's PMS compared to benchmark indices and competing service providers. Understanding the risk-adjusted returns, Sharpe ratio, and consistency of returns over time is crucial in evaluating the efficiency of MOFSL's investment strategies.

Gap in Client Satisfaction and Perception Studies

While PMS providers, including MOFSL, claim to offer superior investment strategies, limited research exists on customer satisfaction, perception, and trust in these services. Understanding investor behavior, expectations, and satisfaction levels with respect to transparency, fee structures, and advisory quality can provide valuable insights for improving PMS offerings.

Lack of Comparative Analysis with Other PMS Providers

Existing research tends to focus on broader asset management firms and mutual fund performance, rather than a comparative study of PMS providers. There is an absence of comprehensive studies comparing MOFSL's portfolio management strategies with other leading firms such as Kotak PMS, ICICI Prudential PMS, and HDFC PMS. A detailed comparative analysis could highlight the competitive advantages and areas for improvement in MOFSL's PMS.

Impact of Market Volatility on PMS Returns

With market fluctuations significantly impacting investment performance, research on how MOFSL's PMS adapts to volatility remains insufficient. Investigating how MOFSL's portfolio managers respond to economic downturns, geopolitical risks, and policy changes could help in understanding the resilience and adaptability of their investment strategies.

Need for an Analysis of Technological Integration in MOFSL's PMS

The financial services industry is rapidly evolving with the integration of artificial intelligence (AI), machine learning (ML), and robo-advisory services in investment decision-making. However, limited research is available on how MOFSL incorporates technological advancements in its PMS. A study on digital transformation, AI-driven investment strategies, and automation in portfolio management could provide critical insights into the future of PMS services.

Regulatory and Compliance Challenges in PMS

Regulatory frameworks governing PMS in India have undergone several changes, but there is little research on how MOFSL navigates these regulatory shifts. Understanding the challenges faced by MOFSL in compliance, reporting, and investor protection would be beneficial in assessing the sustainability and reliability of their PMS offerings.

Behavioral Finance Perspective on PMS Investment Decisions

Investor psychology plays a significant role in portfolio management. While behavioral finance studies exist, they are largely focused on retail investors and mutual fund investments. Research is needed on how behavioral biases, such as loss aversion and herd mentality, impact investment decisions within MOFSL's PMS clientele.

Sustainability and ESG Integration in Portfolio Management

Environmental, Social, and Governance (ESG) factors are increasingly shaping investment strategies worldwide. However, research on how MOFSL incorporates ESG criteria into its PMS is lacking. Analyzing the extent to which sustainable investing principles are embedded in portfolio selection and risk assessment could be a valuable addition to the literature.

OCCUPATION OF INVESTOR OPTING FOR PORTFOLIO MANAGEMENT SERVICES

| SR.NO	OCCUPATION	PERCENT
1.	SALARIED EMPLOYEE	50%
2.	BUSINESS	16%
3.	SELF EMPLOYED	14%
4.	OTHER OCCUPATION	20%
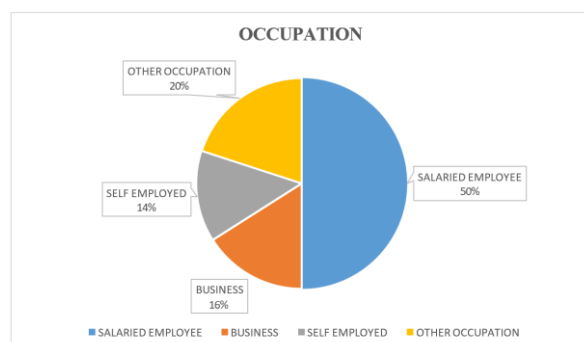
Interpretation: -

According to the above graph, salaried employee is opting more for PMS that is 50% in comparison with other occupations that is business self-employed, and other occupation that is 16%, 14%, 20%.

| Year	%Change		NSE Total Trades (# of Cash Trades +F&O Contracts) (Bn)	% Change In NSE Total Trades	Incremental Demat Accounts (Mn)
	NIFTY 50	NIFTY MIDCAP 150			
FY07	12%	-2%	1.0	31%	1.2
FY08	24%	20%	1.6	60%	3.9
FY09	-36%	-49%	2.0	27%	1.0
FY10	74%	132%	2.4	17%	2.0
FY11	11%	3%	2.6	9%	1.9
FY12	-9%	-6%	2.6	2%	0.9
FY13	7%	3%	2.5	-6%	1.0
FY14	18%	16%	2.7	9%	0.8
FY15	27%	58%	3.7	35%	1.5
FY16	-9%	-3%	4.0	8%	2.0
FY17	19%	36%	3.4	-15%	2.5
FY18	10%	16%	4.4	30%	4.1
FY19	15%	-1%	6.0	37%	4.0
FY20	-26%	-31%	8.3	38%	5.0
FY21	71%	100%	13.2	59%	14.3
FY22	19%	24%	24.2	84%	34.6
FY23	-1%	2%	46.5	92%	24.8
FY24	29%	56%	99.9	115%	36.9

Source : NSE

Double Engine Model – Operating Business + Active Investments Book
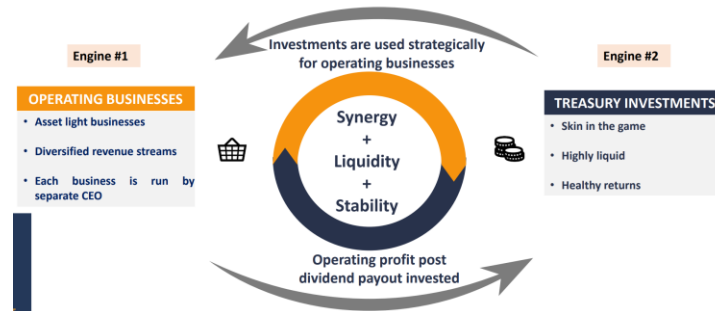
Gross Domestic Product ($ lakh crore)
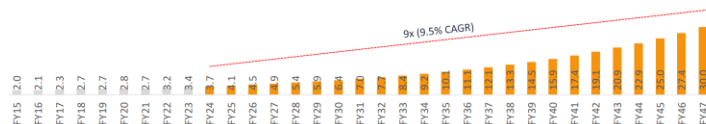
Gross Domestic Savings ($ lakh crore)
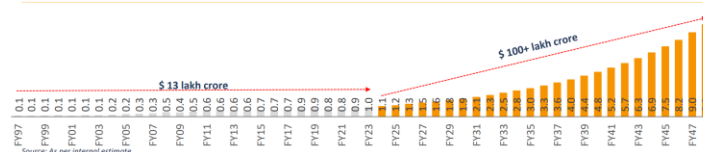
Source: As per internal estimate

TYPE OF PROJECT

The project "A Study on Portfolio Management Services with Special Reference to Motilal Oswal Financial Services Ltd at Bengaluru" is typically classified as an:

Applied Research Project (or Descriptive Research Project)

Here's how it breaks down:

Type:

1. Descriptive Research – Because it aims to describe the features, performance, and client satisfaction related to Portfolio Management Services (PMS) at MOFSL.

2. Applied Research – Because it addresses a real-world business problem and provides actionable recommendations for the company.

3. Field-based/Industry-oriented Project – As it involves data collection (possibly surveys or interviews) directly from the company's operations and clients.

ASSUMPTIONS, CONSTRAINTS, AND LIMITATIONS OFTHESTUDY

Assumptions:
• Employees will provide honest and accurate responses to the survey questions.
• The chosen measurement instruments (scales) will be valid and reliable indicators of employee engagement and satisfaction within this specific context.
• The sampled employees will be representative of the overall employee population.
• Organizational factors identified in the literature review as potential drivers of engagement and satisfaction are relevant to the [Venkat Paper Mill Industry/Organization Name].
Constraints:
• Time Constraints: The project will be subject to a defined timeline for data collection, analysis, and report generation.
• Resource Constraints: Budgetary limitations may influence the sample size, data collection methods, and the complexity of statistical analysis.
• Access Constraints: Gaining access to all employees and securing their participation may present logistical challenges
. • Organizational Sensitivity: The topic of employee engagement and satisfactioncanbe sensitive, potentially influencing employee willingness to participate or provide candid feedback.
Limitations:
• Reliance on Self-Reported Data: As with most survey-based research, the study will rely on employees' subjective perceptions, which may be influenced by individual biases, mood, or social desirability.
• Cross-Sectional Nature (Primarily): If the main phase is cross-sectional, it will be difficult to establish causal relationships between variables. Observed correlations may not indicate the direction of influence.
• Potential for Response Bias: Employees who choose

RESEARCH DESIGN

Research design is the blueprint or framework that outlines how a research study will be conducted. It defines the structure, methodology, and strategies used to collect, analyze, and interpret data to achieve the research objectives.
Quantitative Research Design
Quantitative research design is a systematic approach used to collect and analyze numerical data to understand patterns, relationships, and trends. It focuses on measuring variables, testing hypotheses, and making objective conclusions using statistical methods.

Types of Quantitative Research Design:
1. **Descriptive Research Design** – Describes trends, behaviors, and characteristics of a population (e.g., analyzing investment preferences of PMS clients).
2. **Correlational Research Design** – Examines relationships between two or more variables (e.g., risk tolerance and portfolio performance).
3. **Experimental Research Design** – Manipulates variables to study cause-and-effect relationships (e.g., impact of financial advisory services on investor returns).
4. **Quasi-Experimental Research Design** – Similar to experimental design but lacks random assignment of participants (e.g., studying two groups of investors without random selection).

This study follows a **descriptive research design**, focusing on understanding investor preferences, satisfaction, and the effectiveness of PMS at Motilal Oswal Financial Services. It aims to provide insights into investment patterns and factors influencing PMS adoption.
Descriptive research design is a type of research used to systematically describe characteristics, behaviors, or trends in a population without influencing or manipulating variables. It focuses on answering **"what," "where," "when," and "how"** rather than explaining cause-and-effect relationships.

TOOLS FOR ANALYSIS

Tools for Analysis in Research
To analyze the data collected in your study on **Portfolio Management Services (PMS) of Motial Oswal Financial Services**, the following statistical tools can be used:
1. Descriptive Statistics (Summarizing & Organizing Data)
Descriptive statistics provide a summary of data, helping understand trends and distributions.

A. Percentage Analysis
• **Definition:** Measures the proportion of responses in different categories.
• **Example:** If 60% of investors prefer moderate risk, 30% prefer high risk, and 10% prefer low risk, a percentage analysis helps interpret these preferences.

- **Formula:** $\text{Percentage} = \left(\frac{\text{Category Count}}{\text{Total Sample Size}} \right) \times 100$
- **Use Case in PMS:** To find what percentage of investors allocate funds in equities, bonds, or gold.

B. Mean (Average)
- **Definition:** The sum of all values divided by the number of observations.
- **Formula:** $\text{Mean} = \frac{\sum X}{N}$ Where X is each value and N is the number of values.
- **Example:** If the average PMS return is 12%, this tells investors about the expected return.
- **Use Case in PMS:** Average return on different types of PMS investments.

C. Median
- **Definition:** The middle value in an ordered dataset. If there is an even number of values, the median is the average of the two middle values.
- **Example:** If investor returns are **8%, 10%, 12%, 15%, and 20%**, the median is **12%**.
- **Use Case in PMS:** Finding the middle range of investor satisfaction scores.

D. Standard Deviation (SD)
- **Definition:** Measures how much data varies from the mean. A higher SD means more variability.
- **Formula:** $\sigma = \sqrt{\frac{\sum (X - \bar{X})^2}{N}}$
- **Example:** If PMS returns have a **low SD**, it means they are stable. A **high SD** means returns fluctuate significantly.
- **Use Case in PMS:** Analyzing risk in different PMS investment categories.

2. Graphical Representation (Visualizing Data)

A. Bar Charts
- **Definition:** Uses bars to compare different categories.
- **Example:** Comparing the number of investors in different risk categories (low, moderate, high).
- **Use Case in PMS:** Showing investor satisfaction levels in different PMS services.

B. Pie Charts
- **Definition:** Represents data as proportions of a whole.
- **Example:** If equities make up **50%**, mutual funds **25%**, bonds **15%**, and gold **10%** of investments, a pie chart visualizes this clearly.
- **Use Case in PMS:** Showing asset allocation in different investor portfolios.

C. Histograms
- **Definition:** Shows the frequency distribution of continuous data.
- **Example:** If investor returns range between **5% and 20%**, a histogram shows how many investors fall into each return range.
- **Use Case in PMS:** Showing the distribution of returns across different risk levels.

3. Hypothesis Testing (Drawing Inferences)

A. Chi-Square Test (Relationship Between Categorical Variables)
- **Definition:** Used to determine if there is a significant relationship between two categorical variables.
- **Formula:** $\chi^2 = \sum \frac{(O - E)^2}{E}$ Where:
  - O = Observed frequency
  - E = Expected frequency
- **Example:** Testing whether **occupation (salaried, business, self-employed)** affects PMS adoption.
- **Use Case in PMS:** Checking if investment preferences depend on the investor's age or income.

B. T-Test (Comparing Two Groups)
- **Definition:** Used to compare the means of two groups to check if the difference is significant.
- **Formula:** $t = \frac{\bar{X}_1 - \bar{X}_2}{\sqrt{\frac{s_1^2}{n_1} + \frac{s_2^2}{n_2}}}$ Where:
  - $\bar{X}_1, \bar{X}_2$ = Mean of each group
  - s_1, s_2 = Standard deviation of each group
  - n_1, n_2 = Sample size
- **Example:** Comparing **PMS satisfaction levels** between new and experienced investors.
- **Use Case in PMS:** Checking if there is a significant difference in PMS returns for investors with different risk profiles.

C. ANOVA (Comparing More Than Two Groups)
- **Definition:** Used to compare means across three or more groups.
- **Formula:** $F = \frac{\text{Between-group variance}}{\text{Within-group variance}}$

- **Example:** Comparing PMS performance perception among investors in different age groups (**under 30, 30-50, above 50**).
- **Use Case in PMS:** Analyzing if **income levels impact investor satisfaction** with PMS.

SUMMARY OF FINDINGS

¬ Investors prefer maintaining a diversified portfolio across multiple sectors rather than focusing on a single sector. Diversification helps in reducing risk and maximizing returns by spreading investments across different industries like banking, IT, pharmaceuticals, and FMCG, ensuring stability even during sector-specific downturns.

Majority of investors choose a PMS provider based on **word of mouth, self-research, financial advisors, and brokers**. Word of mouth plays a crucial role as investors trust recommendations from experienced individuals. Additionally, financial advisors and brokers provide insights on risk management, historical performance, and fee structures, influencing investment decisions.

Apart from PMS, Motilal Oswal offers **mutual fund investments, equity portfolio management, money market investments, and advisory/consultancy services**. These services cater to a broad range of investors, from retail to high-net-worth individuals (HNIs), providing options for both active and passive wealth management strategies.

Among all the services provided, **advisory and consultancy services are the most well-known** among investors. This suggests that investors seek professional guidance for investment planning and stock selection, reinforcing the importance of expert-driven financial decision-making. However, awareness of other PMS-related services could be improved through targeted marketing efforts.

Many investors **are not aware of the vision and mission statements** of the companies they invest in. This highlights a gap in investor education and engagement. Financial firms should actively communicate their long-term goals, investment philosophy, and ethical standards to build investor confidence and trust.

As per **SEBI (Securities and Exchange Board of India) guidelines**, the minimum investment required to avail of a PMS is □**50 lakhs**. This high entry barrier makes PMS a premium service primarily catering to high-net-worth individuals (HNIs) and ultra-HNIs. Financial institutions could consider launching structured investment products or alternative solutions for retail investors with lower capital.

SUGGESTION AND RECOMMENDATIONS

The Portfolio Manager or experts must consider both risk and return before investing in any company for investor's sake.

The Company in advance must inform the clients about their terms and conditions, fees structure and Company's profile

The Portfolio manager should suggest clients about different combinations of securities to invest in and also about the advantages of diversifications of securities to avoid risk that would occur due to investment in only one security i.e., portfolio must include equity shares and other major categories of investments like debentures, mutual funds, gold and silver.

Conduct investor awareness programs through seminars, webinars, and online resources to educate potential clients about PMS benefits and risks.
Offer personalized portfolio management by tailoring investment strategies based on individual risk profiles and financial objectives.
Leverage AI and data analytics to enhance decision-making, optimize asset allocation, and improve portfolio performance.
Strengthen customer support by providing dedicated advisors, better digital tracking platforms, and proactive portfolio reviews.
Expand PMS accessibility by introducing lower capital entry options for retail investors to encourage broader participation.
Diversify investment options by including alternative assets like REITs, international equities, and thematic funds.
Enhance risk management strategies with better hedging techniques to minimize losses during market volatility.

CONCLUSION

With the help of given project, I got an in-depth knowledge about the working of portfolio management also I got an insight as to how to select the portfolio management service provider, which scheme provides better return as compared to other and who are the portfolio management players in the INDIAN market.

Through this study on Portfolio Management Services (PMS) of Motilal Oswal Financial Services, I have gained valuable insights into how portfolio management works, the factors influencing the selection of a service provider, and the key players in the Indian market. Portfolio management involves selecting and managing a diversified investment portfolio to achieve financial goals while minimizing risks. Diversification across asset classes like equities, bonds, and mutual funds helps in reducing risks and optimizing returns.

Selecting a PMS provider requires careful evaluation of factors such as historical performance, reputation, investment strategies, fee structures, and

customer service. Investors rely on word of mouth, financial advisors, and self-research to make informed decisions. Different PMS schemes offer varying returns; equity-based PMS typically provides higher returns with more volatility, while debt-based PMS offers stability. The choice of a scheme depends on an investor's risk appetite and financial objectives.

The Indian PMS industry is led by firms like Motilal Oswal, Kotak PMS, ICICI Prudential PMS, and Edelweiss, each with its unique strategies. Understanding their investment philosophy and past performance is crucial for investors. This study has enhanced my ability to evaluate PMS options and make informed investment decisions in the future.

DIRECTIONS FOR FUTURE RESEARCH

Enhancing Investor Awareness – PMS providers, including Motilal Oswal, should focus on educating potential investors about the benefits, risks, and performance of portfolio management services through targeted marketing campaigns, seminars, and digital platforms.
Improving Customization of PMS Offerings – Investors have different risk appetites and financial goals. PMS firms should develop **personalized investment strategies** to cater to conservative, moderate, and aggressive investors, ensuring better client retention.
Strengthening Relationship Management – Since many investors rely on **word of mouth, financial advisors, and brokers** to select a PMS provider, firms should invest in strong **customer relationship management (CRM)** tools and financial advisory networks to enhance trust and credibility.
Increasing Transparency in PMS Charges – Many investors hesitate to opt for PMS due to unclear fee structures. Clearly outlining **management fees, performance-linked fees, and transaction costs** will improve investor confidence.
Diversifying Investment Strategies – PMS providers should introduce a wider range of investment options, including **alternative investments, international equities, and sectoral portfolios**, to attract more clients and improve returns.
Expanding Accessibility for Retail Investors – Since the minimum investment requirement for PMS is ☐**50 lakh**, firms could explore structured investment products that allow retail investors to participate with lower capital.

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