India's ultra-rich tilt 68% portfolios to growth assets as tier-2 wealth creators lead charge: Report

The report, based on in-depth interviews with UHNIs whose collective net worth exceeds Rs 2 lakh crore, paints a picture of a sophisticated investor class steering India's next growth phase.

KHUSHI KESWANI | DECEMBER 24, 2025 / 11:10 IST

India's ultra-rich tilt 68% portfolios to growth assets as Tier-2 wealth creators lead charge: Report

The country's Ultra High Net Worth Individuals (UHNIs) are channeling over 70% of their portfolios into high-growth assets like equities, alternative investments, and private markets, according to a new report from Nuvama Private. The report titled, The Exceptionals 2025, highlights a decisive shift from wealth preservation to optimization, driven by bold risk appetites and diversification strategies.

The report, based on in-depth interviews with UHNIs whose collective net worth exceeds Rs 2,00,000 crore, paints a picture of a sophisticated investor class steering India's next growth phase. About 68% of respondents allocate more than 70% to growth-oriented assets, with 44% targeting annual returns of 13-15.

Alok Saigal, President and Head of Nuvama Private, emphasised on Tier-2 cities emerging as hotspots for this stance. "UHNIs there are more return-oriented, viewing wealth as a tool for social mobility and empowerment, though they trail metros in formal estate planning."

While metro-based UHNIs lead in succession vehicles like trusts (25%) and wills (21%), their tier-2 counterparts prioritize liquidity and performance, often engaging business coaches (12%) to navigate family dynamics and leadership gaps.

Generational differences add nuance. First-generation wealth creators emphasize freedom and legacy, while second-generation heirs adopt a more multidimensional approach, focusing on impact, global exposure, and tech-savvy strategies.

RELATED STORIES

Tier-2 India's ultra-rich chase double-digit returns, metros lag on succession planning: Nuvama'...

Sensex gains 300 pts from day's low, Nifty above 26,200: Positive global cues among key factors behi...

The coming of age of the Indian crypto investor

Debt and Gold Exposure Signals Shift to Financial Assets

The report indicates low traditional safe-haven holdings, with debt and gold exposures at the lower end, reflecting the broader financialisation trend where savings migrate from physical assets to markets. This reduction aligns with the aggressive growth tilt, potentially freeing capital for equities and alternatives.

Tier-2 Boldness vs. Metro Prudence in Portfolios

54% allocate over 80% to growth, while it's 23% in metros. Herein, 67% hold over 10% direct equities and international assets at 49% (34% of them skew 10 to 30% to US, and China with just 3%). Wealth means "freedom" for 64% of the respondents, but Tier-2 sees it as empowerment with 25% citing it as "influence". Second-gen amplifies, as 95% tilt 50 to 90% growth while its 54% for the first-gen, prioritizing liquidity and benchmarks for "time freedom." 67% of UHNIs hold more than 10% in direct equities, while AIFs are cited as the preferred vehicle for alternative investments.

Tech Savants and Governance Tools Mark Maturity

Dubbing UHNIs "new tech savants", the study highlights AI/ML adoption for portfolio rebalancing and risk flagging, tempered by human judgment. Complementing this, 25% employ non-binding Family Charters as "constitutions" for values, disputes, hiring, and family meetings—crucial for multi-gen businesses. In tier-2 hubs, 12% turn to periodic business coaching, bridging ambition with structure amid 37% family office adoption (29% planning more).

On lifestyle, UHNIs favor intentional spending

Luxury cars and jewelry top categories, but with an eye on heritage craftsmanship over flash. Travel is a major indulgence, with 92% taking at least two overseas trips annually, favoring experiential European itineraries like Monaco's Grand Prix or Tuscany wine trails.

Philanthropy and passion investments are also key pillars. Giving has evolved from charitable acts to strategic institution-building, with 67% supporting healthcare and 49% education via NGOs, trusts, and direct involvement. Meanwhile, 58% invest in passions like sports teams or boutique resorts, and 65% collect art and luxury items for aesthetic and legacy value.

Early Milestones and Resilience

The report delves into UHNIs' origins, noting 47% achieved their first major business milestone in under two years, while 22% took over six years. Post-milestone, 55% felt "good but aware of more to do," embodying a "just begun" mindset. Top hurdles included market penetration and regulatory barriers (both 36%), yet inspiration came from parents/grandparents and books like Bhagavad Gita, Atomic Habits, and Good to Great. This "fire in the belly" fuels their bold 68% growth allocations today.

Art and Collectibles where Legacy Lies Beyond Returns

Beyond core assets, 65% curate collectibles (77% art, favoring Raza/Husain), driven by aesthetics (62%), returns (38%), rarity (19%), and nostalgia (12%). Passion projects like sports teams (58%) blend uniqueness with compounding, signaling UHNI portfolios as holistic legacy vehicles in India's financializing savings era (~30% GDP).

Disclaimer: The views and investment tips expressed by experts on Moneycontrol.com are their own and not those of the website or its management. Moneycontrol.com advises users to check with certified experts before taking any investment decisions.

KHUSHI KESWANI

FIRST PUBLISHED: DEC 23, 2025 04:39 PM