Mutual Fund Distributor

AUGUST 2024 MONTHLY NEWSLETTER

MONTHLY NEWS NUGGET



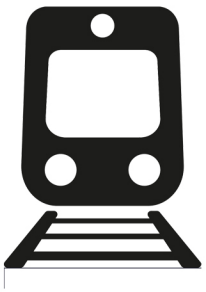
Capital Gain Tax Laws Updated in Union Budget 2024

Finance Minister Nirmala Sitharaman introduced new capital gain slabs for both Short-Term Capital Gains (STCG) and Long-Term Capital Gains (LTCG) in the Union Budget presented on 23rd July 2024. The LTCG exemption limit for equity investments has been increased, while indexation benefits have been abolished across all asset classes.



Average Annual Budget Allocation of ₹68,634 Crore for Rail Projects in 2024-25

The 2024-25 budget presented by Finance Minister Nirmala Sitharaman includes a record capital expenditure for Indian Railways, focusing on infrastructure enhancement, safety improvements, and better services. Major new project announcements were limited, but the budget underscores a significant commitment to ongoing projects.



AMFI releases new stock categorization

The Association of Mutual Funds in India (AMFI) has increased the large-cap threshold to Rs 84,300 crore from Rs 67,000 crore and the mid-cap cut-off to Rs 27,600 crore from Rs 22,000 crore.



Equity Mutual Funds Witness All-Time High Inflow in June 2024

The Association of Mutual Funds in India (AMFI) reported that equity mutual funds saw a record inflow of ₹40,608 crore in June 2024.



CPI Inflation in June Rises to 4-Month High of 5.08%

India's CPI inflation reached a four-month high of 5.08% in June 2024, up from 4.75% in May, driven by higher food prices, according to data released by the Ministry of Statistics & Programme Implementation on July 12, 2024.



Source: Multiple News Portals

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Financial Market Performance Snapshot					
Particulars	Open	High	Low	Close	Change %
Sensex	79,043.35	81,908.43	78,971.79	81,741.34	3.30%
Nifty	23,992.95	24,999.75	23,992.70	24,951.15	3.84%
Nasdaq	17,773.90	18,671.07	17,015.38	17,599.40	-0.99%
Gold	2,326.46	$2,387.77	$2,286.88	$2,445.85	4.88%
Crude	$81.98	$84.75	75.25	$79.14	-3.59%

Financial Performance Trends Over Various Time Horizons					
Particulars	6M	1yr	3yr	5yr	10yr
Sensex	29.87%	22.87%	15.84%	16.88%	12.18%
Nifty	32.00%	26.31%	16.54%	17.55%	12.44%
Nasdaq	34.81%	22.68%	6.25%	16.57%	14.95%
Gold ($)	44.29%	24.52%	10.48%	11.59%	6.67%
Crude ($)	9.09%	-3.64%	2.29%	6.58%	-2.08%

*Source: Investing.com/wsj.com Market Data Period - 01/07/2024 to 30/07/2024

TIMELESS FINANCIAL WISDOM



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INVESTOR'S SUCCESS STORY

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The Crucial Lesson of Keeping Business and Investments Separate.

Two successful business owners, Mr. Pravin and Mr. Zubin, illustrate the importance of keeping business and investment portfolios separate and the crucial role of professional guidance in achieving investment success.



It was a pleasant evening when Mr. Pravin joined Mr. Zubin's table at their favorite club. Both long-time friends and successful small-scale business owners were accustomed to celebrating each other's achievements. The occasion was particularly joyous due to Mr. Pravin's recent news: his daughter had secured admission to a prestigious university in the US. However, despite this significant achievement, Mr. Pravin appeared unusually stressed and subdued.

Sensing his friend's distress, Mr. Zubin inquired about the reason. Mr. Pravin revealed his dilemma: he needed approximately ₹3 crores for his daughter's higher education but found himself without any liquid cash. This revelation surprised Mr. Zubin, who knew Mr. Pravin as a reputed and successful businessman.

Mr. Pravin explained that throughout his career, he had reinvested his earnings back into his business and invested heavily in real estate properties. While he had built substantial assets, he lacked the liquid cash needed for immediate expenses like his daughter's education. The only options he saw were either liquidating his property or taking a loan.

Curious and somewhat desperate, Mr. Pravin leaned in, his voice tinged with urgency. "Zubin, how have you managed? Your daughter is also studying abroad, yet you seem so composed. What's your secret?" Mr. Zubin paused, reflecting on his journey before responding. "Pravin, I've always kept my investment portfolio separate from my business finances. This deliberate strategy allowed me to allocate savings toward specific goals, like my children's education which made all the difference."

Mr. Zubin attributed his financial stability to the timely advice and guidance he received from his mutual fund distributor friend. This professional kept him updated on financial market trends and helped him make informed investment decisions over the years. As a result, Mr. Zubin was able to comfortably fund his daughter's education without financial strain and was well-prepared to meet other upcoming financial goals.

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Inspired by Mr. Zubin's success and prudent financial planning, Mr. Pravin asked for the details of the mutual fund distributor. He realized the importance of diversifying his investments and sought to secure his family's future through a more structured financial plan.

This story of Mr. Pravin and Mr. Zubin highlights the importance of keeping business and investment portfolios separate. By diversifying investments and setting aside funds for specific goals, business owners can achieve financial stability and fulfill important life aspirations without undue stress. Seeking professional guidance from a mutual fund distributor, who is an expert in their field, can be instrumental in making sound financial decisions and securing a prosperous future.

EDITORIAL:

Steps to Become a Successful Investor

Investing successfully is not about quick wins or following the latest trends. It's a strategic process that involves careful planning, disciplined execution, and continuous learning. Here are essential steps to guide you on your journey to becoming a successful investor:

- **Set Realistic Financial Objectives:** Start by defining what you want to achieve with your investments. Whether it's planning for retirement, purchasing a home, or funding education, having specific, realistic goals will provide direction and motivation for your investment strategy.
- **Analyze Your Risk Tolerance Level:** Understanding your risk tolerance is crucial in making informed investment choices. Assess your financial situation, goals, and comfort with potential losses to determine the level of risk you can handle without undue stress.
- **Be Aware of Different Financial Products:** Educate yourself on the variety of investment options available, including stocks, bonds, mutual funds, real estate, and more. Each type of investment has its own risk and return profile, and understanding these will help you make better decisions.
- **Diversify, Do Not Put All Eggs in One Basket:** Diversification is a fundamental principle of risk management. Spread your investments across various asset classes and sectors to minimize the impact of poor performance in any single area, reducing your overall portfolio risk.
- **Maintain Provisions for Any Emergency:** Ensure you have an emergency fund to cover three to six months of living expenses. This safety net allows you to handle unexpected financial challenges without having to liquidate your investments prematurely.
- **Invest Regularly:** Consistent investing, such as monthly contributions to your investment accounts, is more effective than attempting to time the market. Regular investments benefit from compounding and help smooth out market volatility over time.

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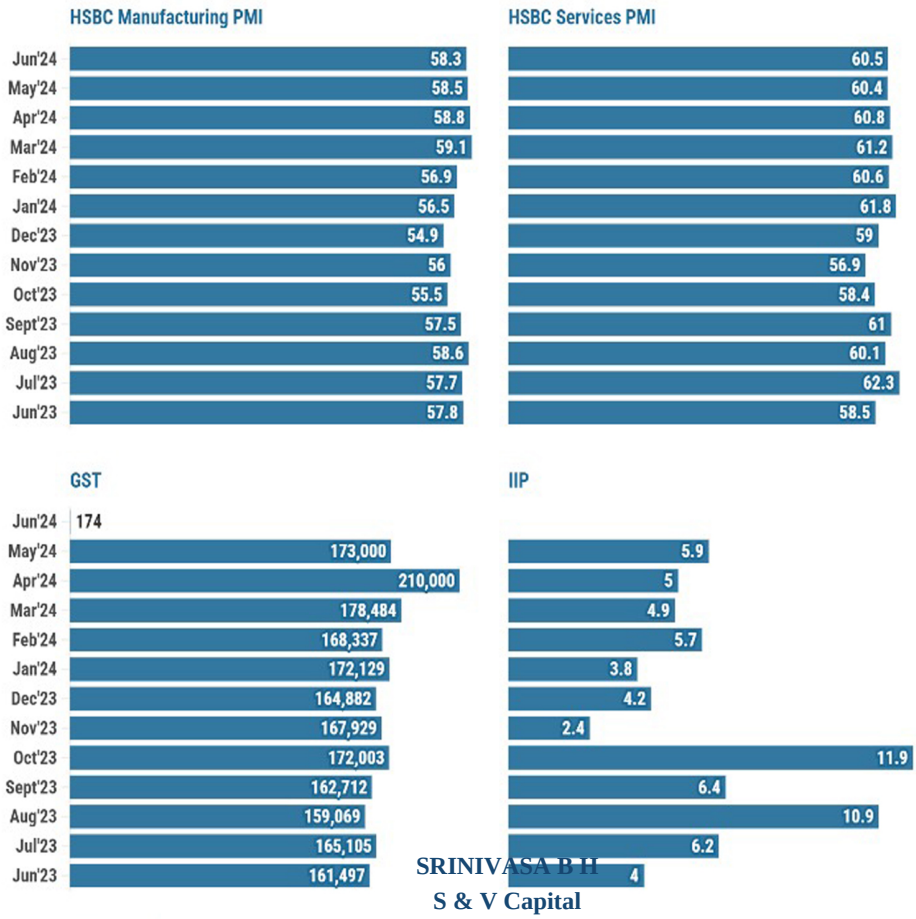
- **Monitor and Review Periodically:** Regularly review your investment portfolio to ensure it remains aligned with your goals and risk tolerance. Market conditions and personal circumstances can change, necessitating adjustments to your investment strategy.

- **Stay Disciplined and Keep a Long-Term Approach:** Avoid making impulsive decisions based on short-term market movements. Successful investing requires patience and discipline. Stick to your long-term plan and remember that investments need time to grow and yield returns.

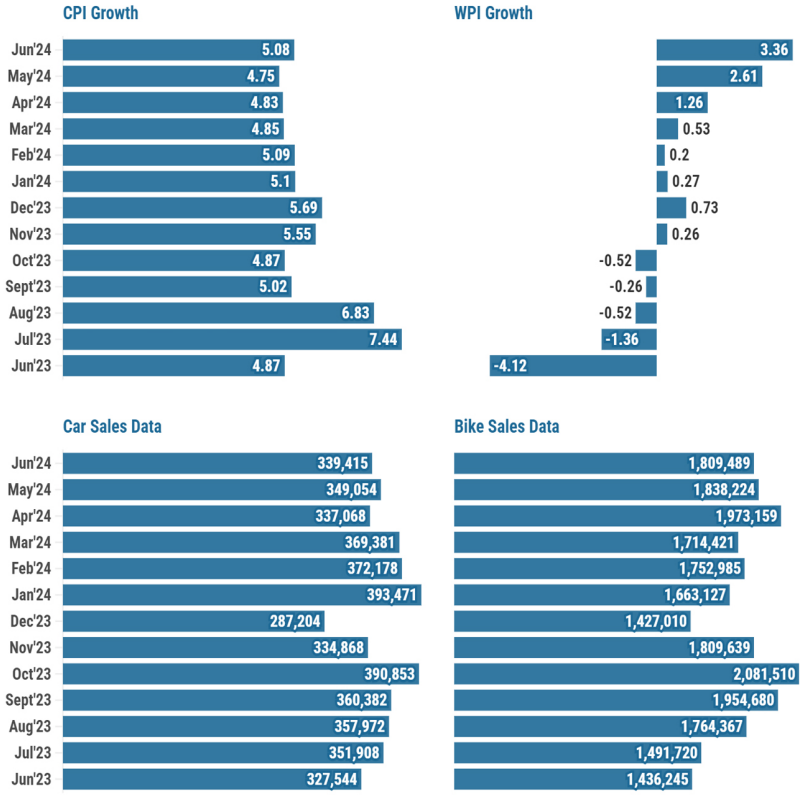
- **Seek Professional Advice:** Investing can be daunting due to the abundance of financial products and the need for regular monitoring. If you find this overwhelming, consider consulting a financial advisor. A professional can offer personalized advice, help you develop a robust investment plan, and guide you through market uncertainties.

By following these steps, you can build a solid foundation for successful investing, helping you achieve your financial goals and secure your financial future.

LEADING ECONOMIC INDICATORS:



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FINANCIAL QUIZ

i. Which of the following types of mutual funds is most likely to have a high turnover rate?

a) Index Fund
b) Growth Fund
c) Money Market Fund
d) Balanced Fund

Answer to be published in the next edition

Answer to the previous edition's quiz. -

ii. Which of the following metrics is used to assess the performance of a mutual fund relative to a benchmark index?

a) Expense Ratio
b) Alpha
c) NAV (Net Asset Value)
d) AUM (Assets Under Management)

Correct Answer: b) Alpha

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MF CATEGORY-WISE PERFORMANCE AT A GLANCE

Category	1 Year	3 Year	5 Year	10 Year
Equity - Contra	49.44	25.84	27.00	17.97
Equity - Dividend Yield Fund	49.13	24.78	25.76	16.08
Equity - ELSS	39.79	20.16	21.83	15.68
Equity - Flexi Cap Fund	40.15	19.63	21.46	15.65
Equity - Focused Fund	38.16	19.27	20.73	15.25
Equity - Large & Mid Cap Fund	44.21	21.84	23.66	16.85
Equity - Large Cap Fund	35.13	18.13	18.90	13.90
Equity - Mid Cap Fund	52.98	24.93	28.87	19.30
Equity - Multi Cap Fund	45.86	22.84	25.39	17.45
Equity - Small cap Fund	48.63	24.99	33.01	20.60
Equity - Value Fund	47.42	23.66	24.26	16.90

* All Sectoral, Thematic, Index & ETF Funds excluded in the above list. Returns are not guaranteed.

* Disclaimer: This report has been prepared based on data available to us and we have taken all precautions so that there are no errors and lapses. However, we do not assume any liability for actions taken, based on this report. Past performance may or may not be sustained in the future. Mutual fund investments are subject to market risks, read all scheme related documents carefully. Contact us for scheme-specific risk. The 'Investor Sucess Story' narrative involves creative liberties taken for storytelling purposes. It does not reflect real events or individuals.

* Report as of 01/08/2024

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