Mutual Fund Distributor

MONTHLY NEWSLETTER - JULY 2023

NEWS HIGHLIGHTS



Indian economy grows at 6.1% in Q4, FY23 growth better-than-expected at 7.2%
Indian economy grew at 6.1% in Q4, FY23. Growth is better than expected at 7.2%, higher than RBI's expectation of 7%. India continues to maintain its position as one of the fastest growing economies among the top global players.



India's April finished steel imports from China hit a five-year high
India's overall import of finished steel jumped to 0.5 million tonnes in April. However, India, the world's second-biggest crude steel producer, was a net exporter of finished steel in April, with 0.9 million tonnes sold to top buyers such as Italy, Spain, Vietnam, Nepal, and the UAE.



RBI hits pause for the second time in a row, repo rate remains 6.5%.
Based on an assessment of the macroeconomic situation and the outlook, the MPC decided unanimously to keep the policy repo rate unchanged at 6.50 percent.



SIP Contribution reached a new lifetime high of ₹ 14,749 Crore in May'23, achieving a 20% growth YoY.
According to the AMFI Data, SIP contribution reached a new lifetime high in May'23 and also pushed the SIP AUM to ₹ 7,52,944 Crore. Also 10.51 lacs net no. of new SIP registered in May'23.



SBI presents dividend cheque of Rs 5,740 crore to Finance Minister Nirmala Sitharaman
Govt. of India received Rs 5,740 crore for FY 2022-23, which is the highest-ever dividend given by the State Bank of India to Govt of India for a financial year.

Source: Multiple News Portals

MONTHLY MARKET DATA

Particulars	Open	High	Low	Close	Change %
Sensex	62,742.63	64,768.58	62,365.75	64,718.56	3.15%
Nifty	18,579.40	19,201.70	18,464.55	19,189.05	3.28%
Nasdaq	12,944.46	13,816.67	12,903.63	13,787.92	6.52%
Gold	$1,962.80	$1,983.52	$1,893.01	$1,919.62	-2.20%
Crude	$67.75	$74.34	$66.81	$70.37	3.87%

*Source : Investing.com | Market Data Period 01/06/2023 to 30/06/2023

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FINANCIAL QUOTE OF THE MONTH

"In investing, what is comfortable is rarely profitable"

- Robert Arnott



TAX SAVING TIP OF THE MONTH

If you have dependent family members with disabilities, Save tax up to a certain limit on expenses incurred for the medical treatment, rehabilitation, and maintenance of such dependents U/s 80DD of the Income Tax Act, 1961.

Eligibility:
Only Resident Indian and HUF, those who have incurred expenses for the medical treatment, rehabilitation, or maintenance of a dependent person with a disability and not for himself. The taxpayer is not allowed this deduction if the dependant has claimed a deduction under section 80U for himself/herself.

Definition of the dependent person with a disability:
A dependent person can be a spouse, children, parents, brothers, or sisters who are fully dependent on the taxpayer. In the case of a HUF, a member of the HUF.

Deduction limit:
The deduction limit under Section 80DD depends on the severity of the disability.

For a person with a disability who is at least 40% but less than 80% disabled: **Rs. 75,000.**
For a person with severe disability (80% or more disability): **Rs. 1,25,000.**

Documentary requirements:
Individuals need to obtain a certificate from a medical authority as specified in the Act, confirming the disability of the dependent person.
Deductions under this section can be claimed by individuals and HUFs in full irrespective of the amount of expense incurred while caring for the dependent.

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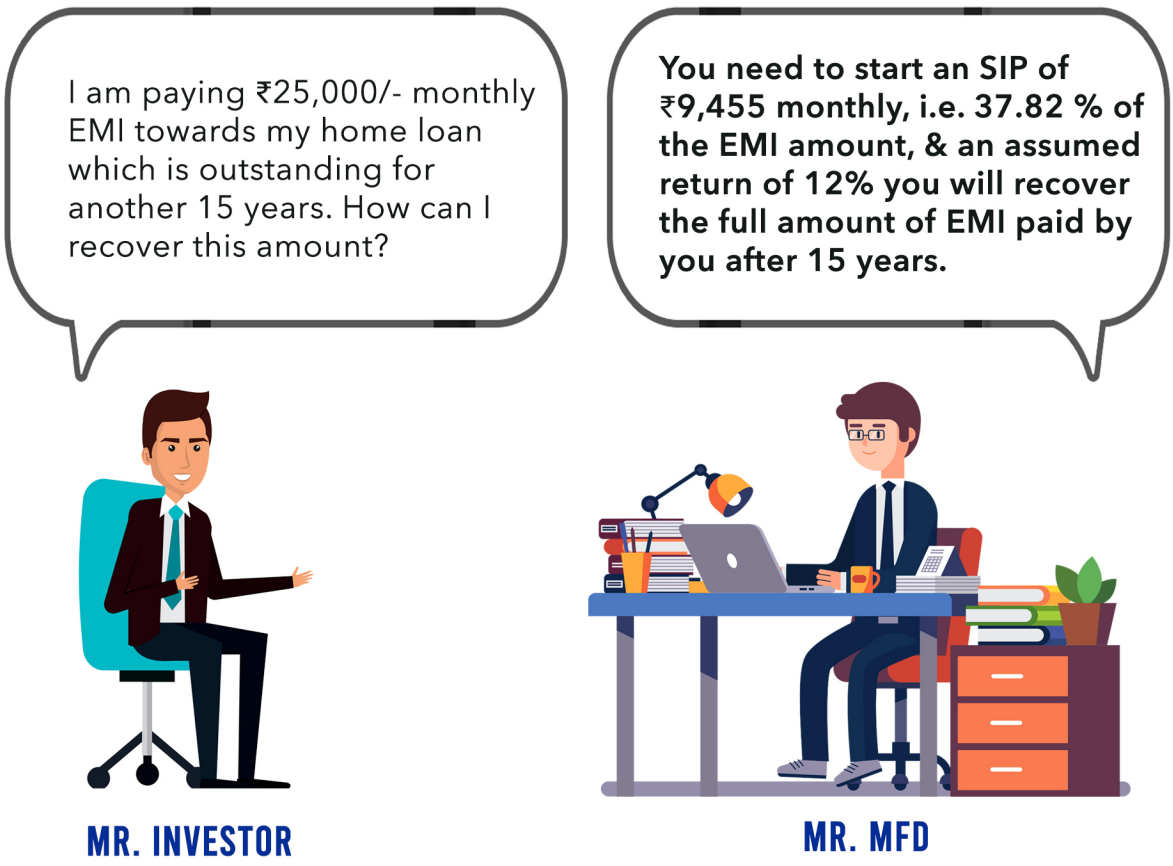
QUIZ

In which year UTI was established and what was the first scheme?
Answer will be published in the next edition.

ASK YOUR MFD



EDITORIAL

Equity Investing or Investing through Mutual Funds?

Often we hear fantastic stories of wealth creation through investments in equity shares. The Indian economy post-globalisation period has had tremendous growth and that growth has been reflected in the Indian stock market. There are ample examples of wealth creator stocks and you may have heard about stocks like HDFC Bank, Infosys, Bajaj Finance, MRF, Wipro and so on. Taking Wipro as an example, Rs 10,000/- invested in 1980 in 100 shares of Wipro has become Rs 500 Crore approximately in today's date with an approximate CAGR of 35%

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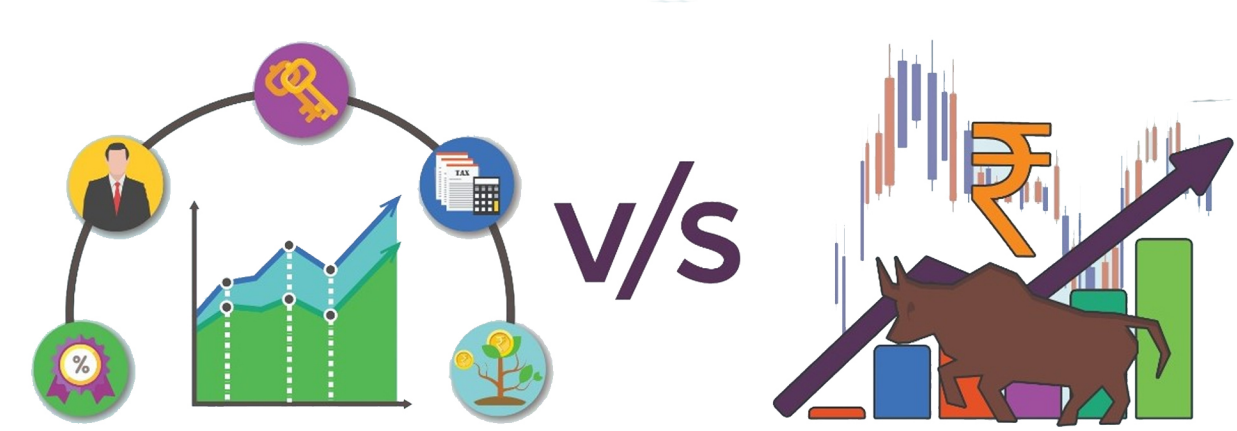
Now as an investor, we must be thinking wealth creation is easy. All we have to do is spot a 'good' company and then buy and hold its shares for a longer time period and we are on our way. Well, this could be the strategy but there is a problem here. Not all past winners have given good returns like Wipro to investors and the above examples of some winning stocks are just a survivorship bias where the investor focuses on the winners and ignores the losers. There are a lot of examples of wealth destroyers as well. A few have been stated below.

Company Name	Lifetime High	Date	Current Price as of 06/21/2023
R Com	820.8	01/10/2008	1.1
HDIL	1113.75	01/01/2008	2.9
Unitech	546.8	01/02/2008	1.5
Reliance Capital	2457	01/15/2008	9.1
JP Associates	339.85	01/04/2008	8

All of the above stated companies used to be part of the Nifty 50 index (the biggest companies in the country) but over time they were unable to hold their position and have become irrelevant in the current situation.



So buying the big companies which are supposedly 'good' stocks is no guarantee of wealth creation in the long term. Today's blue chip company can become tomorrow's penny stock if it cannot survive in competition or evolve continuously. So as an investor, you need to first screen out the future potentials and then continuously monitor their performance to stick with the winners and let go of the losers before the investment gets eroded. Both of these require constant effort, time, and pretty big initial capital for investment and can be tedious jobs for persons without any professional investing knowledge or skill.

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So what is the alternative for such investors?



Investors can choose to invest in Mutual Funds. Mutual Fund pools money from common investors and then invests as per the objective of the scheme. Well-experienced and professional fund managers choose stocks for investment and continuously monitor the portfolio. Your investment gets the benefit of diversification and the unsystematic risk of the portfolio gets mitigated. There are a lot of investment options available from Equity, Hybrid & Debt, suiting high-risk to low-risk options, to match the requirements of all types of investors. One can start investing with as low as Lumpsum 5000/- or Rs 500 monthly and there is no upper limit of investment in most of the funds.

Let us go through the return(%) of some of the oldest schemes since inception

Fund	Inception Date	Return Since Inception(CAGR %)	Category
Franklin India Prima Fund	1/12/1993	18.95	Equity - Mid Cap Fund
Franklin India Bluechip Fund	1/12/1993	19.1	Equity - Large Cap Fund
Nippon India Growth Fund	8/10/1995	21.94	Equity - Mid Cap Fund
HDFC Top 100 Fund	3/9/1996	18.69	Equity - Large Cap Fund
Tata Large Cap Fund	7/5/1998	19.02	Equity - Large Cap Fund
Franklin India Taxshield	10/4/1999	20.74	Equity - ELSS
ICICI Pru LT Equity Fund	19-08-1999	19.06	Equity - ELSS
Aditya Birla SL Flexi Cap Fund	27-08-1998	21.29	Equity - Flexi Cap Fund
Franklin India Flexi Cap Fund	29-09-1994	17.63	Equity - Flexi Cap Fund
HDFC TaxSaver	31-03-1996	23.1	Equity - ELSS

So when you choose to invest in equity, you can consider Mutual Funds. As a long-term investor, mutual funds can give you peace of mind & simultaneously create wealth without much hassle.

Source: Masterstrokeonline.com

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MF CATEGORY WISE PERFORMANCE (%) AT A GLANCE

Category	1 year	3 Years	5 Years	10 Years
Equity - Contra	28.40	30.56	15.36	16.89
Equity - Dividend Yield Fund	24.84	26.93	13.44	14.38
Equity - ELSS	23.62	24.49	12.44	15.55
Equity - Flexi Cap Fund	23.70	24.19	13.10	15.73
Equity - Focused Fund	22.95	23.64	12.52	15.53
Equity - Large & Mid Cap Fund	25.44	26.66	13.74	16.44
Equity - Large Cap Fund	22.62	22.28	12.01	13.73
Equity - Mid Cap Fund	28.39	31.08	15.47	19.57
Equity - Multi Cap Fund	27.59	29.29	15.59	17.42
Equity - Small Cap Fund	31.32	40.32	17.92	21.36
Equity - Value Fund	27.91	28.45	12.53	16.71

* All Sectoral, Thematic, Index & ETF Funds excluded in the above list.
* Disclaimer: This report has been prepared on the basis of 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. Returns are not guaranteed.
* Report as on 01/07/2023

Question and Answer for the Quiz Last Edition:

Q) What is NABARD and when was it established?

A) NABARD is a Development Bank that regulates and provides credit and other facilities for the promotion and development of agriculture, small-scale industries, cottage and village industries, handicrafts, rural crafts, and other allied economic activities in rural areas.

National Bank for Agriculture and Rural Development (NABARD) was established on 12 July 1982 by an Act of parliament.

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