

# WEALTHWISE®

**Wiseinvest®**  
AMFI-registered Mutual Fund Distributor

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## Wealthwise

“Wealthwise” is a monthly publication brought to you by Wiseinvest, an AMFI-registered Mutual Fund Distributor. Our CEO, Hemant Rustagi, is a well known personal finance expert. He brings with him an experience of more than 30 years in this field. He regularly writes articles for major national dailies and business magazines as well as appears as a personal finance expert on many investments related TV shows. Providing quality service is our top priority. In keeping with that, we constantly take steps to provide up-to-date information to our clients. In the last twenty years, thousands of our clients have made mutual funds the mainstay of their portfolios. You can benefit too from our service support for your existing as well as new investments. All you need to do is to just call up any of the offices or email your requirements at [information@wiseinvest.co.in](mailto:information@wiseinvest.co.in).

Dear Investor,

After two straight months of underperformance, the midcap and small cap indices out-performed the benchmark Sensex in the month of April. While the BSE midcap and small cap indices were up 7.12%, and 9.61% respectively, the benchmark BSE Sensex was up 1.13% in the previous month.



The FPIs were net sellers in the month of April to the tune of \$1.04 billion. In fact, the FPIs were net sellers in debt also. Since January, FPI flows into debt were positive on expectations of Indian sovereign debt being included in the global bond indices of JP Morgan and Bloomberg. Overall, the FPIs were net sellers to the tune of \$1.95 billion during the month. For calendar 2024 so far, FPIs are still overall net buyers of \$7.37 billion, but that almost entirely came through debt flows, with FPI equity inflows almost neutral in 2024.

India's GST collection hit an all time high of ₹ 2.1 lakh crore in April. GST collection rose 12.4% in the month from ₹ 1.87 lakh crore a year earlier on the back of 13% rise in domestic transactions that point to healthy domestic consumption. The previous monthly record was ₹ 1.87 lakh crore in April 2023.

India's economy is estimated to have grown 7.6% in FY 24. The IMF expects India's GDP to expand 6.8% in FY 25, retaining its status as the world's fastest growing major economy. Despite falling from 59.1 in March to 58.8 in April, the HSBC India Manufacturing Purchasing Managers Index (PMI) signalled the second-best improvement in the health of the sector for three-and-a-half years. The PMI was well above both the neutral mark of 50.0 and its long-run average (53.9).

India's retail inflation rate eased in March to a five-month low, helped by a drop in fuel prices. Annual retail inflation in March was 4.85%, lower than 5.09% in February, and below the 4.91% forecast by a Reuters poll of 50 economists. Volatile food prices have been a key challenge for the RBI, which kept interest rates unchanged for the seventh consecutive meeting last month. The FY25 CPI inflation is expected to average at 4.5% v/s 5.4% in FY24, assuming normal monsoon and moderate commodity prices.

Warm regards,

*Hemant Rustagi*

**Hemant Rustagi**  
Editor

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## The Stock Market Performance During April 2024.

Indices	28th March 2024	30th April 2024	Change in (%)
Sensex	73,651.35	74,482.78	1.13
MIDCAP	39,322.12	42,121.40	7.12
SMLCAP	43,166.34	47,315.93	9.61
BSE-100	23,294.04	23,759.67	2.00
BSE-200	10,099.58	10,368.95	2.67
BSE-500	32,043.20	33,142.57	3.43

# SIP

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**kotak**  
Mutual Fund

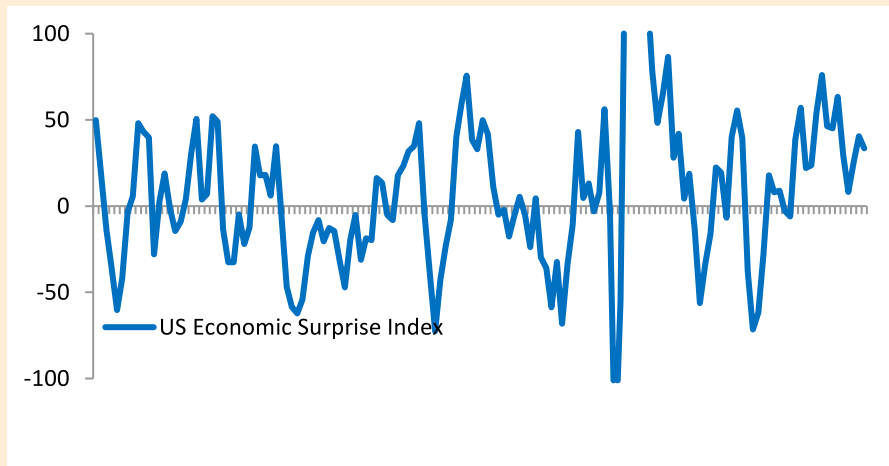


# Market Outlook - SBI Mutual Fund

April witnessed another round of repricing of policy rate expectations from the FED. A series of stronger than expected data prints led to the benchmark 10y UST yields moving up by about 50 bps over the month. Policy rate cut expectations from the US FED have been marked down to less than 2 cuts over CY24. Likely divergence in policy settings could be a feature to watch out going forward. While near term market direction could be FED expectations dependent, the path of policy rates may be more synchronized to domestic macro factors. The path towards policy adjustment in India is also likely to be shaped by domestic growth- inflation numbers rather than any synchronization with global central bank actions.

**Chart 1**

**US Economic activity surprises on the upside in recent weeks**



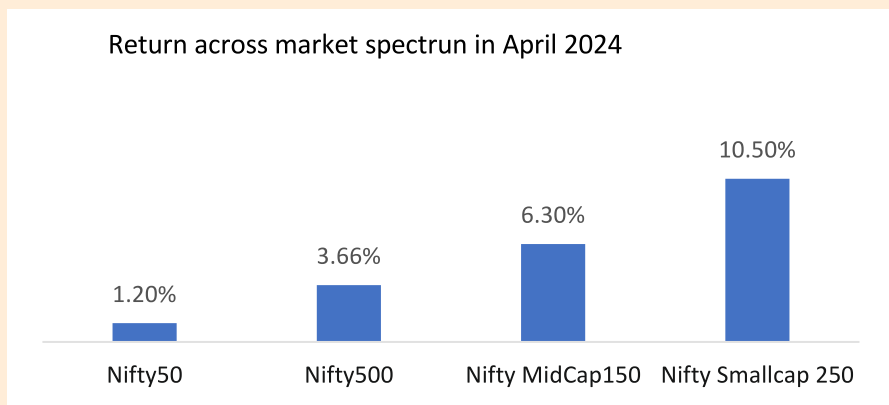
Source: Bloomberg, SBIFM Research

## EQUITY

We had highlighted the significant disconnect between the Nifty and the 'markets' in our last newsletter. Broader markets had significantly underperformed the Nifty and the Sensex over the four months from Nov'23 to Mar'24. Further, the correction in Feb-March was more brutal for smaller companies than large caps. However, the new financial year has begun with a significant change versus that trend. A broad-based rally in mid and small caps has resulted in a decent outperformance over the Nifty. In April 2024, Nifty gained 1.2% as compared to 6.3% and 10.5% gains for Nifty Midcap 150 and Nifty Smallcap 250 indexes respectively. Markets pricing in political stability on the other side of elections may have been a key contributing factor.

**Chart 2**

**Mid and small caps stage a strong come back in April**



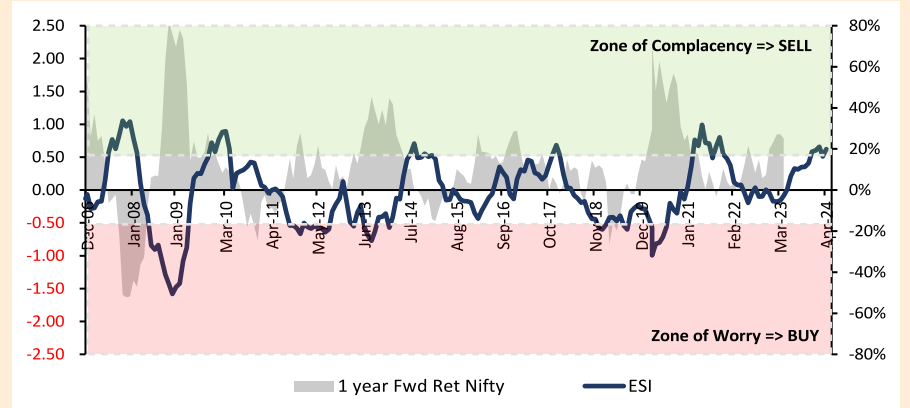
Source: Bloomberg, SBIFM Research

We believe the markets have already discounted a favorable political outcome to a large extent. This is reflected in both valuations as well as elevated readings on our equity sentiment measure. Equity valuations (as measured through our preferred gauge of earnings yields minus bond yields) turned more unattractive versus bonds over the month given a 13 bps rise in 10 year bond yields, on the back of rising yields in the US as well as rising commodity prices.

Our equity sentiment measure rose again after dipping slightly during the last month, reflecting complacency in the markets. Equity Sentiment as measured through our proprietary framework is a score considering a total of 14 sub factors covering various aspects of equity markets to arrive at a measure of market sentiment. The sentiment index works as a contrarian measure and has an inverse correlation to expected forward returns, especially at extremes.

**Chart 3**

**Equity sentiment readings continue to reflect high complacency**

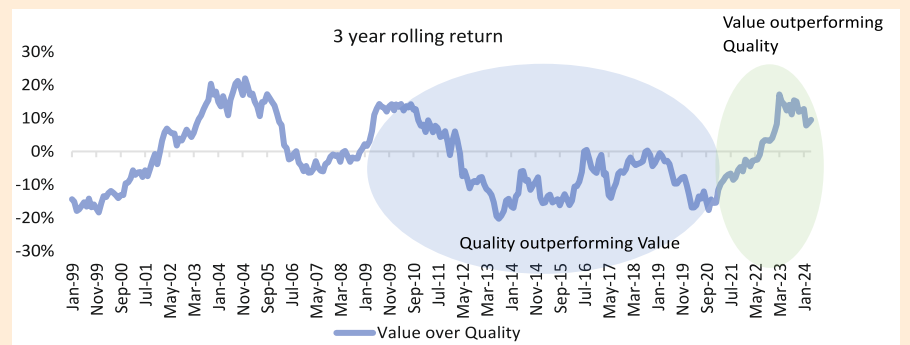


Source: Bloomberg, FactSet, SBIFM Research; Note: ESI stands for Equity Sentiment Index

In this context, we continue to stay bottom-up on stock selection with a leaning towards quality. While the broader macro environment supporting higher growth and inflation should stay supportive for value stocks over the next few years, in the immediate term the complacent market sentiment warrants a skew in favour of quality.

**Chart 4**

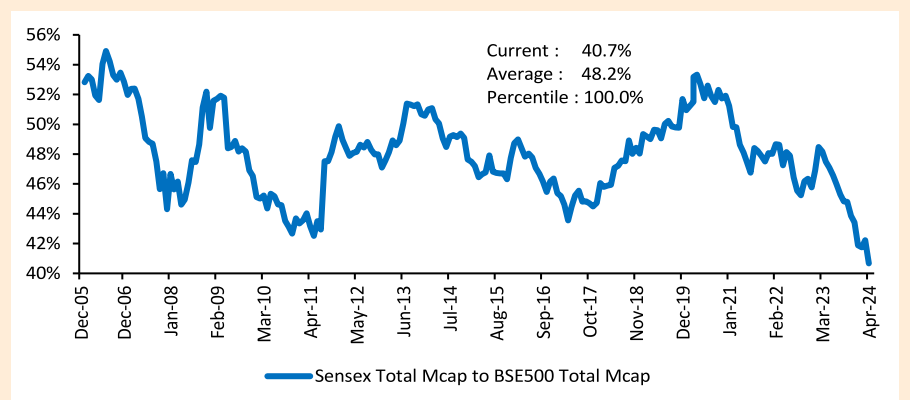
**Value outperformance to take a break against quality?**



Source: FactSet, SBIFM Research

**Chart 5**

**Sensex BSE500 Market Cap ratio: Headline valuations favour large caps**



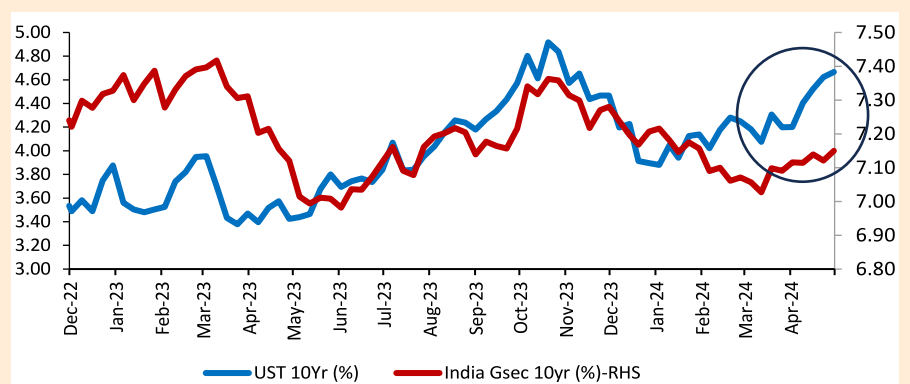
Source: Bloomberg, SBIFM Research

## Fixed Income

Market direction and sentiments broadly mirrored trends in US treasuries even as rising commodity prices, mainly on account of Middle east frictions presented a more direct source of risk. A reversal in FPI net debt flows also led to yields drifting up.

**Chart 6**

**Chart 6: Sovereign yields remain directionally linked to UST**



Source: Bloomberg, SBIFM Research

## Market Outlook - SBI Mutual Fund...

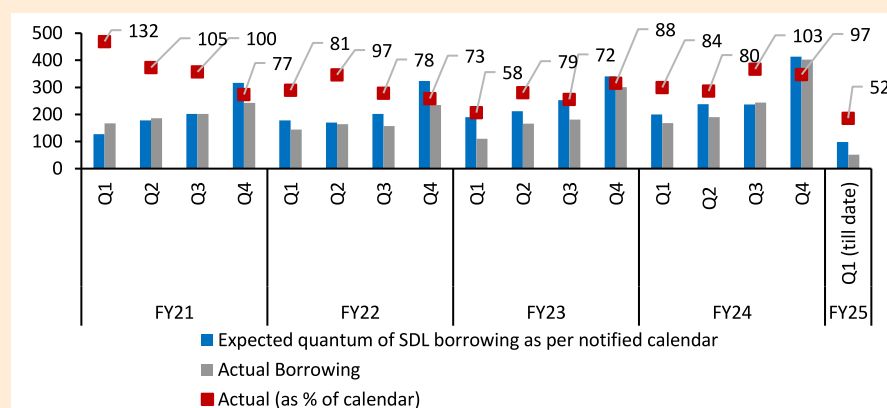
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The direct consequence of higher treasury yields and repricing of expectations have been on incremental FPI debt inflows. April witnessed an overall net outflow of around USD 1.8Bn. This contrasts with net inflows of more than USD 6.29 Bn in Q1 of CY24. With the index inclusion process to start in June, net flows are expected to pick up. At the same time, elevated treasury yields and possible push back on extent of rate cuts could keep active flows subdued. Notwithstanding volatility in portfolio flows, the current demand-supply equation for Government securities is well balanced.

SDL borrowings for Q1 FY25 had been announced with a gross number of ₹ 2.54 trillion. In the context of large SDL issuances in March, states cash balances were fairly high moving into FY25. This alongside possible slowdown in spending as election code of conduct kicked in was expected to keep actual borrowings in Q1 subdued.

**Chart 7**

**FYTD, SDL issuances at 52% of their indicated calendar amount**



Source: Bloomberg, SBIFM Research

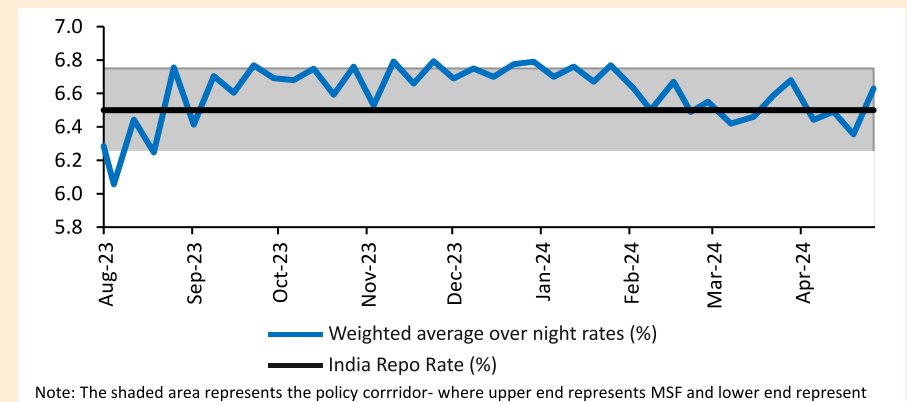
Not much is expected to change with respect to the monetary stance in the near term as the RBI has clearly delinked the stance from system liquidity dynamics and aligned it with progress towards the inflation target. While there has been steady progress towards bringing headline within the range and core remaining softer, there remains ground to cover with respect to aligning CPI to the midpoint target of 4% on a durable basis. A forward outlook where growth remains stronger and macro financial stability is not under threat, provides the central bank sufficient leeway to sequence policy actions to sustainably meet the inflation mandate. This would be independent of policy actions undertaken by other central banks.

What has probably directionally changed, given the steady deceleration in headline CPI probably is the tolerance to operate the system overnight rates closer to the repo rate. The recently announced buyback of government

securities (maturing in FY25) which is a cash management exercise should improve banking liquidity at the margin. At the same time, the transfer of RBI dividend should also improve core liquidity (to the extent of surplus from overseas assets) as well as banking liquidity. Even as the RBI tolerance towards liquidity surplus increases to ensure alignment of operating target to the policy rate, a stance change could potentially be only a H2 FY25 possibility.

**Chart 8**

**Overnight rates hover around Repo barring a few weeks of overshoot/undershoot**



Source: Bloomberg, SBIFM Research

With visibility emerging on the liquidity dynamics, the elevated levels at the front end of the curve should settle lower over the coming months. This should enable better risk-reward equation for incremental investments at the shorter segment (up to 5y) of the curve. In the near term, duration play continues to be a tactical opportunity given the spillovers from overseas sentiments and data. A clear visibility on a rate easing cycle in India would be subject to continued progress on inflation. A positive macro backdrop including fiscal consolidation, well matched demand supply balance and declining trend on headline inflation provides visibility on a slightly longer-term structural story on rates.



**Rajeev Radhakrishnan**  
CIO, Fixed Income



**Gaurav Mehta**  
CIO, Alternatives Equity

**Mutual Fund investments are subject to market risks, read all scheme related documents carefully.**



Introducing

### ADITYA BIRLA SUN LIFE MULTI ASSET ALLOCATION FUND

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Scheme:	This product is suitable for investors who are seeking*:	SCHEME RISKMETER
Aditya Birla Sun Life Multi Asset Allocation Fund (An open ended scheme investing in Equity, Debt and Commodities)	<ul style="list-style-type: none"> <li>Long Term Capital Appreciation</li> <li>Investment in equity and equity related securities, debt &amp; money market instruments and Commodities</li> </ul> <p>*Investors should consult their financial advisors, if in doubt whether the product is suitable for them.</p>	<p>Investors understand that their principal will be at Very High Risk.</p>

The Risk-Rometer specified will be evaluated and updated on a monthly basis. For updated Risk-Rometer kindly refer to latest factsheet.

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Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

# Performance Of Select Funds

Data as on April 26, 2024

## EQUITY FUNDS

### Large Cap, Large & Midcap, Multi Cap

Fund	Launch	6 Mth*	1 Year*	2 Year**	3 Year**	5 Year**	7 Year**	10 Year**	15 Year**
ABSL Flexi Cap Fund	Aug-98	24.41	38.86	17.73	17.89	16.14	13.39	16.50	16.99
ABSL Frontline Equity Fund	Aug-02	21.44	33.09	17.33	18.23	15.16	12.81	14.49	16.27
Axis Focused 25 Fund	Jun-12	21.76	31.35	7.72	9.77	12.29	12.09	14.39	-
Axis Growth Opportunities Fund	Oct-18	26.03	46.05	18.03	20.47	21.17	-	-	-
Bandhan Focused Equity Fund	Mar-06	25.94	39.04	17.67	17.70	14.58	12.49	12.87	12.56
Canara Robeco Flexi Cap Fund	Sep-03	22.24	32.10	15.69	17.22	16.82	15.08	15.18	16.75
HDFC Flexi Cap Fund	Jan-95	28.20	43.76	26.39	27.96	19.50	16.65	16.89	18.62
HDFC Large and Mid Cap Fund	Feb-94	28.44	50.58	26.38	27.30	21.22	16.76	15.10	15.14
HDFC Top 100 Fund	Sep-96	24.07	36.98	22.02	22.35	15.55	14.05	14.75	16.32
ICICI Prudential Bluechip Fund	May-08	26.75	41.19	22.21	22.28	17.91	15.61	16.04	17.56
ICICI Prudential Large & Mid Cap Fund	Jul-98	29.99	48.16	25.99	28.12	21.41	16.38	16.54	16.93
Invesco India Contra Fund	Apr-07	29.66	47.23	23.05	22.32	18.87	16.58	18.89	19.16
Kotak Bluechip Fund	Dec-98	21.68	31.44	17.08	17.25	16.14	13.72	14.90	14.94
Kotak Equity Opportunities Fund	Sep-04	28.52	45.28	24.18	22.87	20.13	16.02	18.32	17.94
Kotak Flexicap Fund	Sep-09	24.94	36.66	19.58	18.41	15.71	13.69	17.04	-
Kotak Multicap Fund	Sep-21	33.72	60.78	31.41	-	-	-	-	-
Mirae Asset Large & Midcap Fund	Jul-10	23.57	40.00	18.48	19.41	20.14	17.03	22.36	-
Motilal Oswal Large and Midcap Fund	Oct-19	33.34	57.45	30.96	27.22	-	-	-	-
Nippon India Large Cap Fund	Aug-07	26.83	43.65	26.50	26.15	17.56	15.86	17.05	16.72
Nippon India Multi Cap Fund	Mar-05	29.51	56.02	31.51	32.54	21.33	17.85	17.81	20.75
Parag Parikh Flexi Cap Fund	May-13	25.29	40.28	22.01	22.11	23.05	20.03	19.22	-
PGIM India Flexi Cap Fund	Mar-15	19.46	29.18	12.44	15.48	18.92	14.76	-	-
SBI Focused Equity Fund	Oct-04	18.46	33.19	14.89	17.21	16.41	15.69	17.39	21.07
SBI Large & Midcap Fund	Feb-93	22.78	34.80	19.77	22.66	19.03	15.91	17.54	17.76
UTI Flexi Cap Fund	May-92	10.81	22.60	6.40	9.08	13.71	13.02	14.13	16.02

### Midcap & Smallcap

Axis Midcap Fund	Feb-11	25.01	43.00	19.03	20.03	21.10	18.49	19.62	-
HDFC Mid-Cap Opportunities Fund	Jun-07	28.17	57.76	32.07	29.98	24.06	17.68	21.13	23.47
Kotak Emerging Equity Fund	Mar-07	22.00	43.24	22.30	23.66	23.00	16.93	22.11	21.06
Motilal Oswal Midcap Fund	Feb-14	36.43	64.46	32.93	37.58	26.96	18.25	22.61	-
PGIM India Midcap Opportunities Fund	Dec-13	18.93	32.51	15.17	20.18	25.10	16.75	17.82	-
UTI Mid Cap Fund	Apr-04	20.73	43.60	19.78	21.78	21.71	14.89	18.95	21.31
HDFC Small Cap Fund	Apr-08	23.98	52.64	31.05	32.57	23.53	19.68	21.21	20.96
Kotak Small Cap Fund	Feb-05	21.23	42.84	19.03	24.65	26.62	18.03	21.90	21.69
Nippon India Small Cap Fund	Sep-10	29.22	61.77	32.33	36.23	30.71	22.50	27.11	-
SBI Small Cap Fund	Sep-09	23.45	41.94	23.13	25.44	25.27	20.71	25.71	-
Bandhan Small Cap Fund	Feb-20	37.14	77.26	32.52	31.34	-	-	-	-

### Sectoral / Thematic Fund & Tax Saving

UTI Flexi Cap Fund	May-92	10.81	22.60	6.40	9.08	13.71	13.02	14.13	16.02
Nippon India Banking & Financial	May-03	16.43	30.14	20.69	22.52	12.98	12.12	15.59	17.95
ICICI Prudential Pharma Healthcare	Jul-18	32.50	59.81	25.28	18.24	24.45	-	-	-
Nippon India Pharma Fund	Jun-04	27.26	53.12	21.97	16.58	22.65	18.32	17.03	22.41
SBI Healthcare Opportunities Fund	Jul-99	30.06	55.17	24.74	18.15	23.07	14.66	15.45	21.13
Kotak Pioneer Fund	Oct-19	27.32	46.18	21.39	18.70	-	-	-	-
Axis ELSS Tax Saver Fund	Dec-09	22.27	34.91	11.80	12.28	14.00	13.30	15.95	-
Bandhan ELSS Tax Saver Fund	Dec-08	22.30	39.39	19.38	22.72	19.87	16.56	18.12	18.29
Kotak ELSS Tax Saver	Nov-05	26.47	40.29	22.14	21.65	19.07	15.37	17.98	16.81
Mirae Asset ELSS Tax Saver Fund	Dec-15	23.66	37.05	17.86	18.90	19.10	17.17	-	-

## ARBITRAGE FUNDS

Funds	Launch	3 Mth*	6 Mth*	1 Year*	2 year**	3 Year**	5 Year**
Bandhan Arbitrage Fund	Dec-06	1.78	3.71	7.46	6.31	5.39	5.03
ICICI Prudential Equity Arbitrage Fund	Dec-06	1.81	3.70	7.53	6.37	5.51	5.19
Kotak Equity Arbitrage Fund	Sep-05	1.91	3.90	7.89	6.65	5.76	5.38

## HYBRID

Fund	Launch	6 Mth*	1 Year*	2 Year**	3 Year**	5 Year**	7 Year**	10 Year**	15 Year**
ABSL Equity Hybrid '95 Fund	Feb-95	17.63	28.49	11.67	13.77	12.19	9.83	12.84	14.35
Canara Robeco Equity Hybrid	Feb-93	18.53	27.21	14.63	14.77	14.77	12.89	14.81	15.47
DSP Equity & Bond Fund	May-99	15.18	28.75	15.04	14.03	14.47	11.95	14.60	14.49
ICICI Prudential Equity & Debt	Nov-99	24.48	41.10	22.63	26.45	20.51	16.83	17.69	17.96
Kotak Equity Hybrid Fund	Nov-99	17.17	27.56	15.63	16.22	16.47	12.73	13.51	13.78
SBI Equity Hybrid Fund	Dec-95	16.79	26.31	12.38	14.39	13.79	12.78	14.20	14.74
ABSL Bal. Advantage Fund	Apr-00	13.96	21.82	13.35	12.21	11.88	-	-	-
Bandhan Bal. Advantage Fund	Oct-14	12.22	21.10	10.91	10.14	10.35	-	-	-
ICICI Prudential Bal. Advantage	Dec-06	13.43	21.79	14.02	13.62	12.76	-	-	-
Kotak Bal. Advantage Fund	Aug-18	11.92	18.85	12.27	11.13	11.51	-	-	-
Nippon India Bal. Advantage	Nov-04	15.64	24.73	14.60	13.34	11.62	-	-	-
Bandhan Equity Savings Fund	Jun-08	5.86	11.09	7.46	7.54	7.41	-	-	-
Kotak Equity Savings Fund	Oct-14	12.27	19.61	12.67	12.27	10.65	-	-	-

## DEBT

### Debt Oriented & Ultra Short Term Debt Fund

Funds	Launch	1 Mth*	3 Mth*	6 Mth*	1 Year*	2 Year**	3 Year**	5 Year**
ABSL Short Term Fund	May-03	0.42	1.71	3.77	6.55	6.12	5.44	6.87
Axis Corporate Debt Fund	Jul-17	0.34	1.82	3.75	6.51	5.95	5.18	6.18
HDFC Corporate Bond Fund	Jun-10	0.52	2.09	3.90	7.23	6.29	5.48	7.16
Kotak Corporate Bond Fund	Sep-07	0.47	1.86	3.82	6.77	5.97	5.37	6.57
Kotak Banking and PSU Debt Fund	Dec-98	0.34	1.73	3.72	6.51	5.95	5.42	6.99
SBI Banking and PSU Fund	Oct-09	0.37	1.76	3.50	6.22	5.44	4.69	6.36
ICICI Prudential Savings Fund	Sep-02	0.77	2.18	3.90	7.85	6.91	5.95	6.63
Kotak Savings Fund	Aug-04	0.71	1.94	3.55	6.95	6.22	5.29	5.58

\*Absolute \*\* Annualised. Past performance may or may not be sustained in future.

### Dividends declared by equity and equity-oriented funds during the month of April 2024

Scheme name	Date	Dividend declared in ₹ Per unit
ICICI Prudential Balanced Advantage Fund - Monthly	02.04.2024	0.07
ICICI Prudential Equity & Debt Fund - Monthly	02.04.2024	0.16
UTI Conservative Hybrid Fund - Monthly	02.04.2024	0.08
Kotak Debt Hybrid Fund - Monthly	12.04.2024	0.09
Nippon India Balanced Advantage Fund	12.04.2024	0.20
Sundaram Balanced Advantage Fund - Monthly	16.04.2024	0.08
Sundaram Aggressive Hybrid Fund - Monthly	16.04.2024	0.25
Aditya Birla Sun Life Balanced Advantage Fund	19.04.2024	0.15
PGIM India Equity Savings Fund - Monthly	19.04.2024	0.07
Nippon India Hybrid Bond Fund - Monthly	22.04.2024	0.07
HDFC Balanced Advantage Fund	25.04.2024	0.25
Edelweiss Aggressive Hybrid Fund	25.04.2024	0.17
Edelweiss Equity Savings Fund - Monthly	25.04.2024	0.08
Invesco India Balanced Advantage Fund	26.04.2024	0.15
Aditya Birla Sun Life Regular Savings Fund - Monthly	26.04.2024	0.08
DSP Equity & Bond Fund	26.04.2024	0.20
DSP Regular Savings Fund - Monthly	26.04.2024	0.08
DSP Dynamic Asset Allocation Fund	26.04.2024	0.05
DSP Equity Savings Fund - Monthly	26.04.2024	0.07
Canara Robeco Equity Hybrid Fund - Monthly	26.04.2024	0.71
Canara Robeco Conservative Hybrid Fund - Monthly	26.04.2024	0.10
Bandhan Equity Savings Fund - Monthly	29.04.2024	0.07
Bandhan Regular Savings Fund	29.04.2024	0.07
Motilal Oswal Balance Advantage Fund - Quarterly	29.04.2024	0.20
Axis Equity Hybrid Fund - Monthly	29.04.2024	0.10
Axis Equity Saver Fund - Monthly	29.04.2024	0.09
ICICI Prudential Regular Savings Fund - Monthly	30.04.2024	0.14
LIC MF Aggressive Hybrid Fund	30.04.2024	0.10

Please check whether you have received dividend for the fund/s that you may have in your portfolio out of this list. In case, you do not maintain any portfolio statement, Wiseinvest can do that for you free of charge. Once we have the details, we would send your updated statement every month. You can contact our corporate office or our branch to avail of this free service.

# Systematic Investment Plan

## Don't Let Emotions Rule Your Investments

### What is SIP?

Systematic Investment Plan (SIP) allows you to invest in mutual funds in a systematic manner. It is akin to investing in a Recurring Deposit (RD) of a bank. By enrolling for SIP, you commit to invest a fixed sum, at a fixed interval, for a fixed period in a pre-decided fund.

### Why SIP?

Investing through SIP is an effective investment strategy as you commit to invest a certain percentage of your "take home salary" and that goes a long way in ensuring that you save as you earn. Moreover, the commitment to invest every month takes emotions out of your decision-making process. These emotions vary from "greed" to "fear" depending upon the state of the stock market, which often makes it difficult to make sound investment decisions. By adopting a disciplined investment approach propagated by SIP, you can benefit from the volatility in the market through "averaging"-investing at different levels of the markets- rather than worrying about it.

However, to benefit from the true potential of this amazing process, there are some Do's and Don'ts to follow:

#### Do's

**The earlier you start, the better:** It is crucial to start investing early through SIP as it allows you to invest for a longer period and benefit from "Power of Compounding". Remember, delaying your investment can prove very costly.

Current Age	Accumulation period (Years)	Assumed Return @ 12%	
		Monthly SIP - ₹ 10000	Corpus Accumulated (in Crores)
25	35		6.50
30	30		3.53
35	25		1.90
40	20		1.00
45	15		0.50
50	10		0.23

**The values shown are for Illustrative Purposes Only. The assumed return should not be considered as guaranteed return.**

As is evident, for someone who delays investing by 10 years, (begins investing at 35 instead of 25), the accumulated corpus would be around 1/3rd of what he could have accumulated (₹ 6.50 Crores) if he had begun investing at 25. If you haven't started investing through SIP, do it now as it is never too late.

**Look beyond traditional options:** If you have been investing a bulk of your money in a Recurring and/or a Fixed Deposit of a bank, it's time for you to look beyond them and invest in mutual funds as they have the potential to offer higher gross as well as post-tax returns. No doubt, being market-linked products, there are attendant risks too. However, by opting to invest in the right asset class i.e. equity, debt or hybrid i.e. a mix of both and appropriate funds coupled with a disciplined approach, you can earn higher post-tax returns. World over, investors have benefitted from investing in mutual funds. It's your turn now!

**Align your investments to your goals:** While SIP is a great tool to build a large corpus through smaller contributions over time, it is important to have a purpose for your investment. Some of your investment goals could be buying a house, providing for children's education and marriage, going on a vacation and creating a retirement fund that allows you to retire comfortably.

By defining your goals, assigning a time horizon and target to each one of them, you can work out which asset class to invest in and how much needs to be invested per month to achieve each of the goals. Also, create a separate portfolio for each of your goals rather than creating a pool. This approach will help you in not only monitoring the progress of the portfolio but also in ensuring that you don't over-or under-deploy funds towards a particular goal.

Assuming that you start planning for your child's higher education at the time of birth, you will have around 18 years to build the corpus required for this important goal of your life. If the current cost of education is ₹ 50 lakhs, at an assumed annual inflation rate of 10%, you will require ₹ 2.78 Crores when the child turns 18. If you invest in equity funds, you need to invest ₹ 36000 per month thru SIP to achieve this target (at an assumed annualized return of 12%). Here's how much you need to invest depending on when you start investing.

### Goal: Child's Higher Education



Current Cost of Higher Education - ₹ 50 Lakhs			Required monthly SIP (₹) @ assumed return of		
Age of the Child	Years to Higher Education	Future Cost (in Crores)*	8%	10%	12%
0	18	2.78	58000	46000	36000
5	13	1.73	63000	54000	46000
10	8	1.08	80000	73000	67000
15	3	0.66	162000	157000	152000

\*Inflation rate @ 10%

**The values shown are for Illustrative Purposes Only. The assumed return should not be considered as guaranteed return.**

Similarly, other long-term goals like child's marriage and retirement planning too require you to start investing early and in a disciplined manner through your defined time horizon.

### Goal: Child's Marriage



Current Cost of Marriage - ₹ 25 Lakhs			Required monthly SIP (₹) @ assumed return of		
Age of the Child	Years to Marriage	Future Cost (in Crores)*	8%	10%	12%
0	25	1.35	14000	10000	7000
5	20	0.96	17000	13000	10000
10	15	0.69	20000	17000	14000
15	10	0.49	27000	24000	22000

\*Inflation rate @ 7%

**The values shown are for Illustrative Purposes Only. The assumed return should not be considered as guaranteed return.**

Cont. on page 6...

## Systematic Investment Plan...

...Cont. from page 5

### Goal: Retirement Planning



#### Current Monthly Expenses - ₹ 20000

Age	Years to Retirement	Future Expenses*	Corpus Req'd. (in Crores)	Required monthly SIP (₹) @ assumed return of		
				8%	10%	12%
30	30	153000	3.33	23000	15000	10000
35	25	109000	2.37	25000	18000	13000
40	20	78000	1.69	29000	23000	17000
45	15	56000	1.20	35000	29000	24000
50	10	40000	0.86	47000	42000	38000

\*Inflation rate @ 7%.

Life expectancy - 80 years. Expected returns post retirement - 8%.

**The values shown are for Illustrative Purposes Only. The assumed return should not be considered as guaranteed return.**

**Opt For Growth Option:** The power of compounding works out the best when you invest for long-term and allow the gains to remain invested. Taking out money through dividend would defeat the purpose. So, go for growth option.

#### Don'ts

**Don't Invest Randomly:** Investing randomly through SIP can prove to be counter-productive. For example, if you decide to invest through SIPs in equity funds only for a year or so and if the market doesn't perform well during this short period, you will be disappointed and could feel compelled to stop investing. Remember, this would be an illogical way of assessing the performance of an asset class like equity and the effectiveness of a powerful mechanism like SIP. So, invest with a clearly defined time horizon and that can be done by aligning your investments to your goals.

**Don't Stop SIP in a falling market:** The objective of investing through SIPs is to turn market volatility to your advantage. Therefore, don't stop investing when the markets fall. Remember, those could be the best times for you to invest in the stock market. Therefore, you must continue your investment process for a committed period of time, irrespective of the market mood.

**Don't Invest Aggressively Through SIP:** Don't make the mistake of starting an SIP with an amount that you could find tough to continue after a while. So, make a budget to ascertain how much you can begin investing for each of your goals and if there is a shortfall, gradually increase the amount to ensure continuity. If you don't have the money required to be invested for all your goals, the right thing to do would be to prioritize your goals and focus on more important ones.

**Don't think you can't lose money:** While investing through SIP will help you tackle the risk of volatility and benefit from it in the longer term, there could be periods where you might see poor/negative short-term returns. However, you must remember that investments made during these periods will help you improve your returns substantially when the market turns around. Hence, keep your focus on long-term results rather than getting distracted by short-term uncertainties.

**Don't invest in too many funds:** Investing in too many funds can prove to be counter-productive. By definition, mutual funds are diversified and hence having too many funds in the portfolio could result in over-diversification. Remember, it is always difficult to monitor a portfolio that has large number of funds and that often results in some of the under-performing funds pulling down the overall portfolio returns.

**RISK FACTORS:** Mutual funds, like securities investments, are subject to market and other risks and there can be no assurance that the scheme's objectives will be achieved. As with any investments in securities, the NAV of units can go up or down depending on the factors and forces affecting capital markets. Please read the offer document before investing.

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