

# 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 seventeen 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,

Finance minister Nirmala Sitaraman presented fourth straight Union Budget on February 1 with the focus on fast-tracking the economy, providing opportunities to businesses and potentially creating 6 million new jobs. Agriculture, healthcare, small businesses and infrastructure also featured prominently in the proposals. The stock market gave thumbs up to the budget and reacted positively to infrastructure boost. The benchmark indices of both BSE and NSE ended nearly 1.5% higher on the budget day.



The budget focused on four pillars of growth - inclusive development, productivity enhancement, energy transition and climate action. In fact, it provided a blueprint of economy from India at 75 to India at 100. The Budget estimates the effective capital expenditure of the Central government at ₹ 10.68 lakh crore in 2022-23, making up about 4.1 percent of the GDP. The gross GST collections for the month of January 2022 are ₹ 1,40,986 crore - the highest since the inception of the tax in 2017.

On the fiscal consolidation front, the budget aims to narrow central deficit to 6.4 percent in FY23 from 6.9 percent in FY22. Clearly, the government is expecting the strong growth to help drive fiscal consolidation in light of 35 percent increase in capex for the next fiscal and this poses some uncertainty given the prevalence of the pandemic-related risks.

In a major push for digital currency and giving a boost to the economy, the RBI will begin issuing digital rupee using blockchain technology in 2022-23. Income from the transfer of any virtual digital asset shall be taxed at the rate of 30 percent.

For the Indian stock market, January 2022 ended up on a positive note with technology stocks leading the gains but only after the leading indices recorded a loss on a monthly basis. The benchmark indices BSE Sensex and NSE Nifty were down by approximately 2 percent. With union budget out of the way, the near term trend is likely to be directed by the global market as US Fed Reserve's hawkish tilt keeps investors on the edge. Foreign Portfolio Investors remained net sellers during the month of January 2022.

Warm regards,

*Hemant Rustagi*

**Hemant Rustagi**  
Editor

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## The Stock Market Performance During January 2022.

Indices	3rd January 2022	31st January 2022	Change in (%)
Sensex	59,183.22	58,014.17	-1.98
MIDCAP	25,244.82	24,613.01	-2.50
SMLCAP	29,807.95	29,226.73	-1.95
BSE-100	17,883.66	17,618.04	-1.49
BSE-200	7,641.37	7,513.14	-1.68
BSE-500	24,140.23	23,715.29	-1.76

## Kotak Balanced Advantage Fund

### It's Automatic!

A fund that gives you freedom from managing equity and debt allocation manually during market ups and downs, giving you a balanced growth.



To simplify, let's look at the example below:



Stay at the docks in Euphoric Sea i.e. when equity market valuations are high, the equity asset allocation are kept low.



Sail full steam when weather is fair and sea is calm i.e. when equity market valuations are low, the equity asset allocation are high.



### KOTAK BALANCED ADVANTAGE FUND

An open-ended dynamic asset allocation fund

It is suitable for investors who are seeking:

- Wealth creation over a long period of time.
- Investment in equity, equity related securities & debt, money market instruments while managing risk through active allocation.
- Investors should consult their financial advisor if in doubt about whether the product is suitable for them.

The above riskometer is based on the scheme portfolio as on 31<sup>st</sup> March 2021. An addendum may be issued or updated on the website for new riskometer.

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS, READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

[www.kotakmf.com](http://www.kotakmf.com)

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# Highlights Of The Union Budget 2022

## Economy

- Capex target expanded by 35.4 percent - from ₹ 5.54 lakh crore to ₹ 7.50 lakh crore. FY23 effective capex seen at ₹ 10.7 lakh crore.
- India's growth highest among all major economies.
- The goal is complementing macro-growth with micro-all-inclusive welfare, digital economy and fintech, tech-enabled development, energy transition and climate action.
- ECLGS cover expanded by ₹ 50,000 to ₹ 5 lakh crore.
- Top focus of the budget: PM Gati Shakti, Inclusive Development, Productivity Enhancement, Sunrise Opportunities, Energy Transition, Climate Action, Financing of investments.
- Productivity-linked incentive schemes in 14 sectors have received excellent response; received investment intentions worth ₹ 30 lakh crore.
- Economic recovery benefitting from public investment and capital spending. This Budget will provide impetus to growth.

## Taxes

- Any cess or surcharge on income not allowed as business expenditure.
- 1 percent TDS on transfer of virtual assets above a threshold, gifts to be taxed.
- Surcharge on long-term capital gains capped at 15 percent.
- The government will tax income from digital asset transfers at 30%.
- No deduction allowed while computing income except cost of acquisition.
- Loss cannot be set off from any other income
- Gift of crypto currencies to be taxed at receiver's end.
- A new provision to allow taxpayers to file an updated return.
- Updated return can be filed within 2 years from the end of the relevant assessment year.
- Alternate Minimum Tax for cooperative societies to be cut to 15%.
- Proposal will reduce surcharge on cooperative societies to 7%, for those whose income is between ₹ 1 crore and ₹ 10 crore.
- Tax deduction limit increased to 14% on employers contribution to NPS account of state govt employees

## Jobs

- ECLGS extended till March 2023, 60 lakh jobs eyed in next 5 years.
- Efforts of central, state governments leading to jobs, entrepreneurial opportunities.
- Digital ecosystem for skilling and livelihood to be launched.
- This will aim to skill, reskill, upskill citizens through online training.
- API based skill credentials, payment layers to find relevant jobs and opportunities.

## Infra

- National highway network to be expanded by 25,000 kms during FY 22-23.
- Dsh stack e-portal to be launched to promote digital infra.
- 2,000 kms to be brought under Kavach by FY 22-23.
- Four multi-modal national parks contracts will be awarded in Fy 23.
- One product one railway station will be popularised, 400 new Vande Bharat trains to be introduced.
- PM Gatishakti masterplan for expressways will be formulated in next financial year.
- 100 PM Gati Shakti terminals to be set up in next three years.

- Focus on public investment to modernise infrastructure over the medium term, leveraging tech platform of Gati Shakti via a multi-modal approach.
- PM Gati Shakti will pull forward the economy and will lead to more jobs and opportunities for the youth.

## Housing & urban planning

- ₹ 48,000 crore is allotted for PM Awas Yojana.
- In 2022-23, 80 lakh houses will be completed for identified beneficiaries of PM Awas Yojana; 60,000 houses will be identified as beneficiaries for PM Awas Yojana in rural & urban areas.
- 60,000 crore allocated for providing access to tap water to 3.8 crore households.
- In 2022-23, 80 lakh households will be identified for the affordable housing scheme.
- A high-level committee for urban planners and economists to be formed for recommendations on urban capacity building, planning implementation, and governance.
- 5 existing academic institutions for urban planning to be designated as Centre for Excellence with endowment fund of ₹ 250 cr.
- Modern building by-laws will be introduced.
- A high-level panel to be set up for urban planning.
- Govt to promote use of public transport in urban areas

## MSMEs & startups

- ₹ 6,000 crore programme to rate MSMEs to be rolled out over 5 years.
- MSMEs such as Udyam, e-shram, NCS & Aseem portals will be inter-linked, their scope will be widened.
- They will now perform as portals with live organic databases providing G-C, B-C & B-B services such as credit facilitation, enhancing entrepreneurial opportunities.
- A fund with blended capital raised under co-investment model facilitated through NABARD to finance startups in agriculture & rural enterprises for farm produce value chain.
- Startups will promoted for Drone Shakti.
- PE/VC invested ₹ 5.5 lakh crore in startup, expert committee will be set up to suggest measures to help attract investment.
- Existing tax benefits for startups, which were offered redemption of taxes for 3 consecutive years, to be extended by 1 more year.

## Agri

- Govt to pay ₹ 2.37 lakh crore towards procurement of wheat and paddy under MSP operations.
- 2022-23 has been announced as International Year of Millets
- Railways will develop new products for small farmers and MSMEs.
- A rationalised scheme to increase domestic oilseed production will be brought in to cut down imports.
- Kisan Drones for crop assessment, land records, spraying of insecticides expected to drive a wave of technology in agri sector.
- Ken Betwa river linking project worth ₹ 44,605 crore announced.
- Draft DPRs for 5 river links have been finalised.
- Finance startups to be incentives to aid rural enterprises.
- Natural farming will be promoted along Ganga river corridor.
- A completely paperless, e-bill system will be launched by ministries for procurement.
- Financial support will be provided to farmers to take up agro-forestry.



# Highlights Of The Union Budget 2022

...Cont. from page 2

## Electric Vehicles

- Battery swapping policy to allow EV charging stations for automobiles will be framed.
- Private sector will be encouraged to create sustainable and innovative business models for battery and energy as a service, improving the efficiency in the EV ecosystem.

## Education

- States to be encouraged to revise syllabi of agricultural universities to meet needs of natural, zero-budget & organic farming, modern-day agriculture.
- 'One class, one TV channel' program of PM eVIDYA will be expanded from 12 to 200 TV channels.
- This will enable all states to provide supplementary education in regional languages for classes 1 to 12.
- Digital university to be set up to provide education; to be built on hub and spoke model.
- 1-Class-1-TV Channel to be implemented to provide supplementary education to children to make up for loss of formal education due to Covid.

## Finance & inclusion

- ₹ 1 lakh crore financial assistance to states to be provided in 2022-23 to catalyse investments.
- Proposed to introduce Digital Rupee by RBI using blockchain technology, starting 2022-23.
- Measures will be taken to step up private capital in infra sector
- Digital Rupee to be rolled out by 2023.
- 100% of 1.5 lakh post offices will come on the core banking system, enabling financial inclusion and access to accounts through net banking, mobile banking, ATMs, and also provide online transfer of funds between post office accounts and bank accounts.
- This will be helpful especially for farmers and senior citizens in rural areas, enabling inter operability, and financial inclusion.
- IBC amendments to enhance efficiency of resolution process
- Facilitate cross-border insolvency resolution.
- To speed up voluntary winding up of companies.
- 75 digital banks in 75 districts will be set up by scheduled commercial banks to encourage digital payments.

- International arbitration centre will be set up in GIFT city to provide faster dispute resolution.
- World-class university to be allowed in GIFT IFSC free from domestic regulation.

## Healthcare

- An open platform for the national digital health ecosystem will be rolled out.
- It will consist of digital registries of health providers and health facilities, unique health identity and universal access to health facilities.
- 95 percent of 112 aspirational districts have made significant progress in health, infra.
- For mental health counselling, a National Tele Mental Health Program will be launched.

## Telecom

- Spectrum auction will be conducted in 2022 for the rollout of 5G.
- Scheme for design led manufacturing to be launched for 5G ecosystem as part of PLI scheme to enable affordable broadband and mobile communication in rural and remote areas.
- 5 pc of USO Fund to be provided for R&D and technology upgradation.
- Contracts for laying optical fibre in villages to be awarded under BharatNet project under PPP in 2022-23.
- Data centre and energy storage system to be given infrastructure status; move to provide easy financing.

## Women & Children

- Recognising the importance of 'Nari Shakti', 3 schemes were launched to provide integrated development for women and children.
- 2 lakh Anganwadis to be upgraded for improving child health.

## Ease of Business

- 75,000 compliances have been eliminated and 1,486 union laws repealed to make it easier for businesses.
- Next phase of ease of doing business, ease of living to be launched.
- Voluntary exit for corporates to be cut down to 6 months from 2 years.

Cont. on page 5...



Amol Patwari & Pallavi Mohadikar Patwari | Entrepreneurs

## Could an all-season fund help mitigate risk from market conditions?

The market goes through many cycles and with it, comes certain risks. **Aditya Birla Sun Life Balanced Advantage Fund** aims to mitigate risk by balancing your portfolio and through asset allocation.

### Why invest?

- Participates in growing stocks and limits investments in low-yield stocks.
- Invests in both equity and debt asset classes, but seeks to maintain gross equity exposure of minimum 65% with the benefit of equity taxation.
- Conservative stock selection approach to keep a reasonable margin of safety at the time of investment.

## Mutual Funds

Aditya Birla Sun Life Mutual Fund

**ADITYA BIRLA CAPITAL**

PROTECTING INVESTING FINANCING ADVISING

1800-270-7000

A joint venture with Sun Life

Scheme:	This product is suitable for investors who are seeking*:	
<b>Aditya Birla Sun Life Balanced Advantage Fund</b> (An open ended Dynamic Asset Allocation fund)	<ul style="list-style-type: none"> <li>• Capital appreciation and regular income in the long term</li> <li>• Investment in equity &amp; equity related securities as well as fixed income securities (Debt &amp; Money Market securities)</li> </ul>	<p><b>RISKOMETER</b> Investors understand that their principal will be at High risk</p>
*Investors should consult their financial advisors, if in doubt about whether the product is suitable for them.		

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

# Performance Of Select Funds

Data as on January 28, 2022

## 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 Frontline Equity Fund	Aug-02	8.02	26.59	20.02	17.08	13.07	10.30	15.26	13.16
ABSL Flexi Cap Fund	Aug-98	4.74	27.07	19.57	18.43	13.44	12.39	17.25	12.53
Axis Bluechip Fund	Jan-10	4.48	19.32	17.53	18.77	17.78	11.69	15.90	—
Axis Focused 25 Fund	Jun-12	1.69	18.90	17.14	19.49	16.96	12.93	—	—
Axis Growth Opportunities Fund	Oct-18	6.16	40.36	28.59	25.94	—	—	—	—
Canara Robeco Flexi Cap Fund	Sep-03	8.61	30.55	24.21	21.81	18.06	12.33	15.58	13.96
Canara Robeco Emerging Equities	Mar-05	7.57	33.43	25.83	22.88	17.82	15.45	22.78	16.36
HDFC Flexi Cap Fund	Jan-95	12.64	38.25	22.83	17.82	14.42	10.53	14.90	13.37
HDFC Top 100 Fund	Oct-96	10.26	28.23	18.06	14.69	12.72	9.35	13.41	12.70
HSBC Large Cap Equity Fund	Dec-02	7.85	20.56	17.49	17.66	13.46	10.18	12.74	10.11
HSBC Focused Equity Fund	Jul-20	9.62	28.32	—	—	—	—	—	—
ICICI Prudential Bluechip Fund	May-08	10.91	28.78	21.13	18.50	14.92	11.31	15.11	—
IDFC Core Equity Fund	Aug-05	6.19	32.04	20.66	17.84	13.55	11.58	14.35	10.01
Invesco India Contra Fund	Apr-07	7.42	28.30	23.03	19.90	16.75	13.40	17.82	—
Kotak Bluechip Fund	Dec-98	6.67	25.73	20.17	19.80	14.74	10.86	14.39	11.60
Kotak Equity Opportunities Fund	Sep-04	6.18	28.95	19.88	20.83	15.20	12.48	16.35	13.29
Kotak Flexicap Fund	Sep-09	5.50	23.53	16.48	17.24	14.16	11.61	16.95	—
Mirae Asset Emerging Bluechip Fund	Jul-10	7.44	34.46	28.08	25.91	20.18	18.41	24.62	—
Mirae Asset Focused Fund	May-19	8.53	33.91	26.86	—	—	—	—	—
Mirae Asset Large Cap Fund	Apr-08	6.87	24.50	19.28	17.99	15.59	12.70	17.30	—
Motilal Oswal Large and Midcap Fund	Oct-19	6.54	37.75	22.92	—	—	—	—	—
Nippon India Large Cap Fund	Aug-07	10.93	32.34	18.07	15.73	14.24	10.25	15.43	—
Nippon India Multi Cap Fund	Mar-05	13.59	49.87	21.78	17.26	14.83	9.46	15.64	13.36
Parag Parikh Flexi Cap Fund	May-13	6.73	35.96	33.77	27.75	20.99	16.88	—	—
SBI Focused Equity Fund	Oct-04	9.19	35.83	22.01	22.71	18.55	14.00	18.54	14.28
UTI Flexi Cap Fund	May-92	4.11	25.33	25.55	23.35	18.40	12.95	16.86	14.27

### Midcap & Smallcap

Axis Midcap Fund	Feb-11	6.29	34.99	26.87	25.55	21.10	14.60	21.34	—
HDFC Mid-Cap Opportunities Fund	Jun-07	7.67	39.26	27.16	21.59	14.79	13.42	19.80	—
Kotak Emerging Equity Fund	Mar-07	6.71	41.40	27.68	26.16	17.47	15.43	21.27	—
L&T India Value Fund	Jan-10	9.25	39.02	24.42	20.33	13.85	13.24	19.13	—
Motilal Oswal Midcap 30 Fund	Feb-14	21.86	53.47	25.93	25.11	14.62	13.13	—	—
UTI Mid Cap Fund	Apr-04	7.37	38.07	31.34	25.14	15.65	13.01	20.52	14.55

### Sectoral / Thematic Fund & Tax Saving

ICICI Prudential Banking and Financial	Aug-08	2.95	29.12	9.63	13.17	12.66	11.15	17.89	—
Nippon India Banking & Financial	May-03	7.14	38.65	11.95	12.74	12.38	9.13	14.77	15.92
ICICI Prudential Pharma Healthcare	Jul-18	-5.10	13.60	34.02	26.18	—	—	—	—
Nippon India Pharma Fund	Jun-04	-7.15	14.31	33.67	23.93	16.37	11.74	17.88	19.03
SBI Healthcare Opportunities Fund	Jul-99	-5.59	10.99	31.74	22.34	10.41	8.27	16.89	12.67
Kotak Pioneer Fund	Oct-19	3.17	27.95	29.20	—	—	—	—	—
Axis Long Term Equity Fund	Dec-09	1.63	20.46	17.31	19.43	16.44	12.13	19.01	—
IDFC Tax Advantage (ELSS) Fund	Dec-08	11.03	45.21	30.83	23.80	18.13	13.80	18.25	—
Kotak Tax Saver Fund	Nov-05	7.88	30.65	20.52	20.63	15.31	11.88	15.62	11.02
Mirae Asset Tax Saver Fund	Dec-15	7.44	31.62	26.10	23.84	19.86	—	—	—

## ARBITRAGE FUNDS

Funds	Launch	3 Mth*	6 Mth*	1 Year*	2 year**	3 Year**	5 Year**
ICICI Prudential Equity Arbitrage Fund	Dec-06	0.93	1.77	4.04	4.01	4.68	5.19
IDFC Arbitrage Fund	Dec-06	0.84	1.61	3.72	3.61	4.45	5.08
Kotak Equity Arbitrage Fund	Sep-05	0.95	1.80	4.15	4.10	4.76	5.34

## 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	2.73	20.22	15.91	13.05	9.71	8.76	13.18	12.29
Canara Robeco Equity Hybrid	Feb-93	5.83	21.61	19.20	17.91	14.25	11.49	15.11	13.06
DSP Equity & Bond Fund	May-99	2.73	20.53	17.41	18.59	12.71	11.41	13.85	12.50
ICICI Prudential Equity & Debt	Nov-99	16.33	44.44	26.21	21.35	15.21	13.12	17.05	12.92
Kotak Equity Hybrid Fund	Nov-99	7.74	26.70	20.23	20.25	13.10	11.10	13.27	10.95
SBI Equity Hybrid Fund	Dec-95	6.16	22.33	16.21	16.81	13.67	10.99	15.92	12.02
ABSL Balanced Advantage	Apr-00	2.02	13.05	13.17	12.71	9.47	—	—	—
ICICI Prudential Bal. Advantage	Dec-06	5.70	15.68	13.28	13.32	11.04	—	—	—
IDFC Bal. Advantage Fund	Oct-14	2.29	12.55	11.75	11.97	9.95	—	—	—
Kotak Bal. Advantage Fund	Aug-18	3.18	11.63	12.23	12.92	—	—	—	—
Nippon India Bal. Advantage	Nov-04	1.96	14.55	12.13	11.71	10.58	—	—	—
IDFC Equity Savings Fund	Jun-08	3.89	9.68	8.81	8.69	6.4	—	—	—
Kotak Equity Savings Fund	Oct-14	5.71	11.95	10.89	10.21	9.11	—	—	—

## 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	0.20	0.67	1.75	4.12	7.32	7.68	6.89
Axis Corporate Debt Fund	Jul-17	0.25	0.75	1.74	4.03	7.23	6.87	—
HDFC Corporate Bond Fund	Jun-10	-0.02	0.47	1.77	3.98	7.37	8.37	7.51
Kotak Corporate Bond Fund	Sep-07	0.26	0.61	1.93	4.12	6.38	7.44	7.31
Kotak Banking and PSU Debt Fund	Dec-98	0.05	0.52	2.09	3.94	6.72	8.16	7.40
SBI Banking and PSU Fund	Oct-09	0.21	0.59	1.34	2.84	6.01	7.47	7.17
ICICI Prudential Savings Fund	Sep-02	0.33	0.46	1.78	3.86	5.96	6.87	6.96
Kotak Savings Fund	Aug-04	0.34	0.88	1.60	3.40	4.41	5.47	6.12

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

### Dividends declared by equity and equity-oriented funds during the month of January 2022

Scheme name	Date	Dividend declared in ₹ Per unit
ICICI Prudential Equity & Debt Fund	05/01/2022	0.16
HDFC Equity Opportunities Fund - Series II - 1126D May	14/01/2022	4.32
Invesco India Tax Plan	14/01/2022	2.60
Sundaram Aggressive Hybrid Fund	17/01/2022	0.27
PGIM India Hybrid Equity Fund	17/01/2022	0.15
Nippon India Vision Fund	24/01/2022	2.00
L&T Large and Midcap Fund	24/01/2022	0.17
L&T Hybrid Equity Fund	24/01/2022	0.14
ICICI Prudential Quant Fund	27/01/2022	1.30
Axis Equity Hybrid Fund	27/01/2022	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.

## Be Disciplined Even While Reviewing Your Portfolio

One of the key aspects for you, as an investor, is reviewing performance of funds in the portfolio as it helps you understand whether your portfolio is doing the job for you or not. Simply put, portfolio review is an important activity and must get its due in your investment process. However, the process of doing so can be tricky as you have to tackle a number of aspects relating to measuring the performance of funds over time.

Remember, monitoring the portfolio is an on-going process and the key is to avoid either tweaking the portfolio in a hurry or remaining invested for years in the hope of an improved performance from funds performing poorly consistently. Also, avoid looking at the NAVs of funds every day as it can make handling volatility in the market quite stressful.

Considering that reviewing the performance is an on-going exercise, you need to put performance in perspective and understand the reasons for non-performance. As an investor, you must know how to differentiate a fund manager's poor performance from the stock market's poor performance. Remember, in a falling market, a fund manager can't be expected to give positive short-term returns. In fact, if the fall in NAV of the fund is lesser than the peer group, it amounts to out-performance.

Besides, reviewing fund performance in a haphazard manner can compel you to make some irrational investment decisions that could have a significant negative impact on your financial future. Therefore, you must follow the right process to do so. Here are some guidelines you need to remember while reviewing the performance of your portfolio:

While analysing the performance of the portfolio, the focus should be on figuring out how the portfolio is performing from the view point of your personal goals. Are you comfortable with the level of volatility that may have

occurred keeping in view your short term, medium term and long-term goals? If your answer is in the negative, you must have a close look to ascertain if your asset allocation requires any realignment.

While the stock market tends to be volatile from time to time, different segments of the market i.e. large cap, mid-cap and small cap also perform differently at different times. As the tide shifts in favour of a particular segment, the performance of funds focusing on that segment improves dramatically. Therefore, making changes in the portfolio every now and then based on short term performance of a particular segment can backfire in the long-term. The key is to focus on your allocation as that helps in earning returns commensurate to your risk profile.

Another important aspect is to compare the performance of the funds with their benchmarks as well as with that of other schemes in the same category over different time periods. If a fund is not keeping pace with its peer group for say 4-6 quarters, it makes sense to exit from it and move the money to another fund that deserves a look from long-term point of view. By doing so, you can enhance your chances of improving returns over time.

You must hold a fund long enough to evaluate its performance. Avoid making the mistake of either holding onto funds for too long or exiting in a hurry. Remember, a wrong decision can either expose you to the risk of missing out on good rallies or getting out too early thus missing out on potential gains.

You must do a thorough analysis before making a decision to sell. Many investors err on the side of selling funds without giving them time to show what they can do. That's why proper selection of funds becomes an important activity. If you select well at the start, you can avoid these situations occurring frequently.

## Highlights Of The Union Budget 2022

...Cont. from page 3

### Defence

- Govt committed to reduce import and promote self reliance in defence sector.
- 68 percent of capital for defence sector to be earmarked for local industry.
- defence R&D will be opened up for industry, startups and academia with 25% of defence R&D budget.
- Private industry will be encouraged to take up the design and development of military platforms and equipment in collaboration with DRDO and other organizations through SPV model.
- 68% of of capital procurement budget in defence will be earmarked for domestic industry in 2022-23 (up from the 58% last fiscal).

### Railways

- 400 new generation Vande Bharat trains to be manufactured in next 3 years.
- 2,000 km of rail network to be brought under indigenous technology KAWACH for safety and capacity augmentation.

### Climate & Net Zero

- Risks of climate change are strongest externalities for the world.
- Funds will be used for projects that will help reduce carbon intensity of the economy.
- Sovereign green bonds will be part of government's borrowing programme in Fy23.
- Proceeds to be deployed in public sector projects.
- 4 pilot projects for coal gasification to be set up.
- ₹ 19,500 cr additional allocation for PLI for manufacturing high efficiency solar modules has been made.
- Low carbon development strategy opens up employment opportunity.

### Travel

- ePassports will be rolled out in 2022-23 for convenience in overseas travel.
- E-passport with embedded chip will be rolled out.



## Are You On Track To Achieve Financial Freedom?

All of us would like to lead a comfortable retired life, provide the best education to our children, own a comfortable house, and have a few other things that could facilitate a particular lifestyle. Needless to say, only financial freedom can help us achieve all these objectives. The key, however, is to realize that financial freedom can be achieved only if we plan our investment, follow a strategy and are willing to make a few sacrifices today to have a better tomorrow.

Earning, saving and investing are the three main components to becoming financially independent. Although each one of these has an important role to play in this process, the order of importance will change depending on what stage of life you are. We all understand the importance of earning and working hard to improve our ability to earn more. However, many of those doing well in their career often don't consider it necessary to save, assuming that there will always be enough money available to take care of their future needs.

How much you save will largely depend upon how financially responsible you are. Simply put, being financially responsible doesn't require you to live below your means. Instead, it requires you to avoid buying things that you don't really need. The attempt should be to save as much as you can. Remember, if you spend 100 percent of your income, financial freedom will remain a distant dream.

It is also important to understand the difference between saving and investing. Saving is what you keep aside out of your income and investing is when you put your money to work in a manner that it starts contributing towards achieving your investment goals to be achieved over varying time horizons. Remember, the more you invest, the faster you attain financial freedom. Now that we know the role of earning, saving and investing in achieving financial

freedom, it is equally important to understand the process that can ensure that there are no slip ups.

Most Indian investors prefer to invest in safer and fixed return yielding traditional investment options like fixed deposits, bonds and small savings schemes. While there is nothing wrong with worrying about the safety of one's hard earned money, it is equally important for investors to understand risks that emanate from ignoring the risk of inflation. It is a proven fact that traditional investment options can make you compromise on liquidity, flexibility, tax efficiency and real rate of return.

Considering that these traditional investment options offer lower returns and are taxed at your nominal tax rate, the real rate of return usually would either be negative or minimal. Consequently, you may fail to stay ahead of inflation over the longer term and hence compelled to compromise on some of your important goals like children's education and marriage and retirement planning.

Therefore, it's time to look beyond traditional investment options and include market linked products in the portfolio. Although market linked products have the attendant risks like volatility and uncertain returns, a careful selection of funds based on your asset allocation as well as investing through a disciplined investment approach can not only minimize these risks but also provide opportunities to earn higher returns. Needless to say, higher returns would allow you to have the freedom to do what you want to at different stages of your life. Mutual funds have an important role to play since they offer a variety of market linked products allowing you to choose ones that are most suitable for your time horizon and risk profile.

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