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From The Desk Of
Editor-in-Chief

As we unveil this special edition of Banking Finance on Mutual Funds, we do so against the vibrant backdrop of the FFF Professional Meet 2025, a distinguished gathering of mutual fund distributors and asset management companies from across the country. This forum has become a powerhouse of ideas, collaboration, and forward-looking dialogue, helping reshape the future of the mutual fund industry in India.

The mutual fund sector, once considered a conservative investment avenue, is now evolving rapidly—driven by digital transformation, regulatory shifts, and increasingly informed investors. However, with market volatility becoming the new norm, it's imperative to rethink growth strategies. The rise in interest rates, geopolitical tensions, and unpredictable equity trends demand that both AMCs and distributors embrace agility, innovation, and enhanced investor education.

This edition highlights these challenges and opportunities, offering a curated selection of expert insights, in-depth articles, and strategic perspectives tailored for today's fund professionals. From the role of SIPs and passive funds to the growing influence of fintech platforms and regulatory expectations, we cover the full spectrum.

The FFF Meet serves as a timely reminder that growth in mutual funds will now depend not only on product innovation but also on trust, transparency, and targeted outreach. In this ever-shifting landscape, collaboration between fund houses and distributors will be key to unlocking the next wave of investor confidence.

We are proud to dedicate this issue to the professionals driving this transformation. May it inspire new thinking and action in your journey ahead.

Contents

Articles

The Art of Walking Slow: A Path to Wealth and Fulfilment

Kanak Jain
SSL Academy
Volatility Coach

In the rush of life, we often find ourselves running-chasing after dreams, success, and financial stability. We are taught that speed is the key to achievement, that the faster we move, the quicker we reach our goals. But is that really true? The wisdom of the ages tells us otherwise. Walking slow, with awareness, is the secret to true success. Just as one carries a lamp (deepak) in hand, moving steadily and carefully to ensure the path is well-lit, one must walk through life with mindfulness to truly achieve wealth and fulfilment.

The Tale of Two Travelers

Once upon a time, in a small village, two men set out on a journey to a faraway city where they believed great riches awaited them. One was impatient and believed that speed was everything. He sprinted ahead, eager to reach his goal as quickly as possible. The other moved slowly, holding a lamp in his hand, ensuring he could see every step he took.

As the first traveller ran, he tripped over rocks, lost his way in the darkness, and eventually collapsed from exhaustion. The second traveller, though slow, never faltered. He navigated every obstacle carefully, ensuring he stayed on the right path. In the end, it was he who reached the city and discovered the riches he had sought.

The Connection to Personal Finance

The attitude with which we walk through life determines the attitude with which we create wealth. Many people rush into investments, seeking quick returns, and end up losing their hard-earned money. They follow trends, invest in schemes they don't understand, and chase instant gratification. This is akin to the first traveller-rushing forward without awareness, only to stumble and fall.

On the other hand, the wise investor moves with patience and strategy. They invest with awareness, conduct research, and make informed decisions. Just like carrying a lamp in hand, they illuminate their financial path, ensuring they don't step into pitfalls. Wealth creation is not about how fast you can earn money but about how steadily and wisely you build it over time.

Walking Slow: The Wealth-Building Mindset

1. **Patience Over Impulsiveness -** Successful wealth creation requires patience. Those who rush into financial decisions often make mistakes, while those who take their time to analyse and understand investments accumulate wealth steadily.
2. **Awareness Over Blind Speed -** Awareness is key in financial planning. Just as a person carrying a lamp ensures they see every step, a mindful investor evaluates risks, understands market trends, and diversifies wisely.
3. **Long-Term Thinking Over Short-Term Gains -** The most successful investors think in decades, not days. They understand that slow and steady wins the race, and compounding rewards those who stay the course.
4. **Discipline Over Greed -** Those who move too fast often do so out of greed, hoping for quick riches. But true financial stability comes to those who are disciplined, consistent, and content with gradual growth. ❑

Trump, Tariffs, Turbulence: Navigating markets in tough times

Navneet Munot
MD & CEO
HDFC Asset Management Co. Ltd.

It is often said that 'As much as things change, some things still stay the same'. Over the last 6 months, we have seen a lot change on global front - US Elections, subsequent tariff rhetoric, rapidly changing geo-political equations etc. In the Indian context, animal spirits in the market have sobered down with the first meaningful correction in the last few years. Yet, what remains unchanged is the attractiveness of Indian Economy, and consequently, Indian Equities to investors.

Firstly, India's macro-economic stability makes it much more resilient compared to other peers. Strong macro-economic fundamentals, pro-business environment and sustained structural reforms hold India in good stead. What's equally noteworthy is that India's growth journey has a long runway ahead given the low starting base in terms of per capita GDP. Secondly, India has large number of companies with wide array of businesses catering to a diverse set of customers. This presents a diverse set of opportunities in term of stock selection - something which cannot be paralleled by most peers.

With high quality management, strong corporate governance, emphasis on capital efficiency, robust regulatory framework and wide array of investment avenues, Indian equity market can live up to its billing of being a 'Stock pickers paradise'. Thirdly, sustained domestic liquidity could eventually make Indian markets relatively less susceptible to volatility associated with foreign capital flows. Although recently, we have seen sharp reversal of Foreign flows; in the long run, foreign capital will continue to hit Indian shores owing to India's relative attractiveness to foreign investors. Recent correction has also led to moderation of Valuation multiples in certain segments of the market.

The 21st century is often called the 'Asian Century'. Not only is the axis of political power shifting from the West to the East, even the winds of growth have started blowing eastwards and India is understandably expected to be the shining star in this new global landscape. There could be cyclical ups and downs in the market as equities do not give returns in a linear fashion. However, India's structural growth story is here to stay for a long time. India, on its part, has always been culturally and spiritually rich. With the right mix of conducive and prudent policy-making, India can become economically rich in the years to come.

The views expressed by Mr Navneet Munot, are as on 28th March 2025. Past performance may or may not be sustained in future and is not a guarantee of any future returns. The Fund/ HDFC AMC is not indicating or guaranteeing returns on any investments. Readers before acting on any information herein should make his/her/their own investigation and seek appropriate professional advice.

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

Asset Allocation: Crafting the Right Balance

Raghav Iyengar
CEO, 360 ONE Asset

Every investor's journey begins with a story-a story shaped by goals, risk tolerance, and market opportunities. Consider our approach: our research universe encompasses approximately 500 stocks, meticulously tracked by our dedicated team of eight analysts covering key sectors. Each stock undergoes rigorous analysis, but before diving deep into individual names, we start with a broader, top-down view.

Prudent investing demands attention to risks, notably global trade policies-particularly those from the US-which could significantly impact our export-driven growth story. Similarly, fluctuations in crude oil prices present a continuous economic challenge, necessitating vigilant monitoring.

In the broader context of investing, asset allocation and diversification remain foundational principles for effective financial planning. Diversifying investments across equities, debt, real estate, cash, commodities, and precious metals helps investors manage risk while optimizing returns.

Equities typically dominate investor portfolios due to their potential to deliver inflation-beating returns over the long term. Yet, maintaining a balance through debt and real estate remains crucial. Debt instruments provide stability and predictable returns, while real estate offers steady appreciation and income generation opportunities. Gold continues to be a preferred hedge against inflation and volatility.

Increasingly, Indian investors are also exploring alternative investments, including Alternative Investment Funds (AIFs), venture capital, and private equity, to diversify beyond traditional assets. Participation in India's vibrant start-up ecosystem reflects this growing preference for high-potential ventures.

Asset allocation strategies are likely to evolve further, with increasing interest in equities and alternative assets. Fixed-income instruments and international equities are also gaining prominence, as investors seek to mitigate domestic market volatility and diversify globally.

At 360 ONE Asset, our strategy begins by clearly defining how the portfolio will be divided among growth, secular, value (particularly cyclical), and quality segments. This crucial decision is driven by economic indicators, market valuations, and other critical aspects.

Different factors-growth, value, quality, and defensives-tend to perform in cycles. Our Secular-Cyclicals-Defensives-Value Traps (SCDV) framework keeps us agnostic to the growth vs value debate and helps position ourselves appropriately based on the stage of each market cycle. Following this, we maintain an overweight on the secular growth segment and underweight on value traps. We adjust allocations between cyclical and defensive sectors based on economic outlook and valuations. Our disciplined framework ensures a balanced mix of growth, value, and defensives, allowing us to focus more on bottom-up stock selection.

Regardless of the investment type, we do not compromise on a fundamental threshold of quality. Our process then extends to detailed financial and valuation analysis, direct interactions with management, plant visits, and thorough business assessments to build conviction.

Investing in growth stocks demands a different mindset than investing in value stocks. We take a contrarian approach with value stocks, seeking high-quality businesses currently overlooked by the market, trading below their historical valuations despite solid cash flows. Historically, we found opportunities in undervalued public sector entities, which, backed by strong cash flows and attractive dividend yields, benefited from favourable government policies.

Ultimately, effective asset allocation can vary significantly between investors. It is essential to consult your mutual fund or investment advisor, who can help align your portfolio with your unique financial goals and risk tolerance. In conclusion, prudent asset allocation isn't just about returns-it's about maintaining stability and resilience in an evolving economic landscape.

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Why turbulent times in the market give rise to recognition to a quality advice?

Aminder Singh
Founder
Investlogical, Pune

Our team at Investlogical are in the markets since 2004. Having an experience of more than 20 years managing portfolios of various categories of clients, we strongly feel that we always have to prepare for the most volatile time of the markets for our client portfolios.

Last few months we had a fair number of withdrawals and redemptions, but these were not due to panic reaction for the panic in the markets. Neither of this transaction came to our surprise. These transaction were the accomplishment of various financial milestones achieved in our clients lives like buying a house, a second home, child education and marriages. These transactions are there to be executed every year irrespective of the market scenarios. We understand of our clients aspirations and goals through regular communications and personal interactions.

With the drastic change of the flow and of knowledge though various media channels and social media, the investment discipline gets difficult to maintain with this kind of 'information overload' Generally the investors tend to chase returns rather than managing risk to achieve their goals. This we where our experience is anchored to guide them in achieving goals.

For today's investors, the journey to wealth begins not with numbers but with conversations. Firm that listens, care, and deliver transformative value like Investlogical - define the future of finance for the investors.

These success stories are a testament to profound impact of investor-centric wealth management in transforming dreams to reality. ❑

SIP Topup

Vaibhav Chug
Director & Head Sales
WhiteOak Capital Mutual Fund

All time high (ATH) is an often-used term in capital markets. There is some fancy with this term- some get excited, and some get fearful. Various advises float around voting for both the camps. Some take the decision to stay on and some move to fences and wait for right time. However, stock markets are for believers and who eventually wins is the one who stays put in market. The rule of compounding works when not disturbed intermittently.

Correlate ATH with how much one saves. If your income is currently at your lifetime high, shouldn't your monthly saving rather investing be at lifetime high too?

In my career span of more than two decades, I have observed few things which have stayed consistent. One, the belief in India story. Second, the concept of investing regularly. Third, investing any amount is 'enough'. Many investors started their investing journey with minimum amount, without thinking, what should be the right amount of investing for them. Somehow, doing a SIP of 1000-2000 gave a feeling of satisfaction that he/she has started saving in equity and that's it.

The fourth thing which has stayed constant is the actual income growth. Most of the Indians who started investing 20 years back have seen their incomes grow many folds. However, many of them may not have increased their SIPs from what they started with. Why? As I said, because they may have thought that they were doing right by investing 2000-3000 every month. Was that enough?

With income growth, hasn't lifestyle improved? Haven't expenses gone up? Haven't aspirations gone up? So, why not your SIP amount?

At industry level, over last couple of years, we have seen exponential growth of SIP book thanks to the lakhs of new investors who started their investing journey and, thanks to the work being done by distribution partners.

For most of the time, average ticket size of SIP in India has been in range of 2000 or thereabout. Even now the average ticket size is 2400 only despite of crores of investors doing SIPs. Why? Because our monthly saving is still not at ATHs.

Here's some interesting data from WhiteOak Capital which highlights that had investors increased their monthly investing as much as their incomes had grown, they could have met their financial goals much faster:

(Past performance may or may not be sustained in future and is not a guarantee of any future returns. Index performance does not signify scheme performance)

The data says that in the last 25 years, if someone had increased their SIPs with just 1000 monthly, every year, their wealth accumulation would have been 4.21 Crs against 2.73 crs, had he had continued with same amount. Take another example, if someone had increased monthly SIP by 10%, annually, he/she would have accumulated 5.45 Crs.

Was there any magic? - Yes, the compounding magic works and because opting a top-up requires just one tick mark.

If Indians save approx. 30% of incomes, shouldn't the SIP amounts also go up in relation to income. Why have obsession with lifetime highs of market alone? Keep taking your savings to lifetime high and that will take care of financial freedom.

I can write long enough about inflation and importance of investing in equities however enough has been spoken and written about it. Am sure, many of us experience inflation day in and out, and we need to prepare well. Also, Indians aspire for self and future generations. For which, we need to be future ready by saving more and investing more.

You may think that you had started another SIP, well, that's also perfectly fine. Just invest more in proportion to income growth however also be aware that top up SIP is another convenient option if you don't want to keep adding number of funds. Just a small tick mark can help you prepare. Like someone has rightly said- do it once, do it right. Go for SIP Top Ups. ❏

❖❖❖

Navigating the SIP Journey: Staying Steady Through Market Ups & Downs

Sagar Kirankumar Panchal
Volatility Coach
Bardoli

Systematic Investment Plans (SIPs) have become a go-to method for individuals looking to build wealth in a disciplined manner. By investing a fixed amount regularly in mutual funds, SIPs offer the twin benefits of compounding and rupee cost averaging. However, the journey isn't always smooth-markets rise and fall, and that volatility can test an investor's patience.

Over the years, SIP investors have witnessed both spectacular rallies and sharp corrections. It's during the downturns, however, that many begin to doubt their strategy. Fear often takes over, leading to impulsive decisions like stopping SIPs or redeeming units at a loss. But it's important to remember that market volatility is not a bug-it's a feature. It's precisely this volatility that allows SIPs to work effectively over time.

When markets fall, your SIPs buy more units at lower prices. This brings down the average cost per unit, setting you up for better returns when markets eventually recover. Skipping or pausing SIPs during such times breaks this advantage.

Here are a few key Do's and Don'ts for SIP investors:

Do's:

- ❖ **Stay consistent:** Keep investing regardless of market movements.
- ❖ **Think long-term:** SIPs work best when given time-ideally 7 years or more.
- ❖ **Review, don't react:** Revisit your goals periodically, not your emotions.
- ❖ **Diversify wisely:** Spread your investments across equity and debt based on your risk profile.

Don'ts:

- ❖ **Don't stop SIPs in a downturn:** That's when they do the heavy lifting.
- ❖ **Don't chase returns:** Avoid switching funds just because one is temporarily outperforming.
- ❖ **Don't expect instant results:** SIPs are designed for gradual wealth creation.

Investing through SIPs is like training for a marathon, not a sprint. The journey will have ups and downs, but staying the course, especially when the going gets tough, is what leads to real success. By maintaining discipline and patience, investors can turn market volatility into an advantage and steadily move closer to their financial goals. ❏

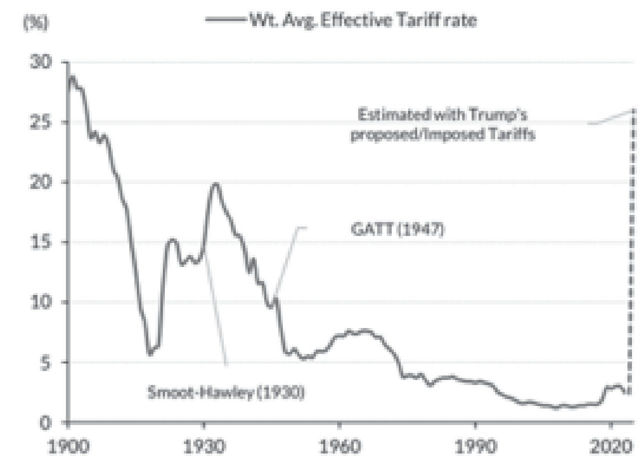
Tariff Impact: Markets in a state of flux

Venugopal Manghat
CIO Equity
HSBC Mutual Fund

In a much-watched out event globally, USA on 'Liberation Day' (April 2) announced tariffs across most countries which will have financial, economic and political implications world-over. In the below note, we highlight the key implications of this event and our positioning in light of these events.

What has happened?

- US has announced 10% baseline tariff on all countries, effective from April 5, and reciprocal tariffs on 180 countries, effective from April 9, for 'unfair' trade practices.

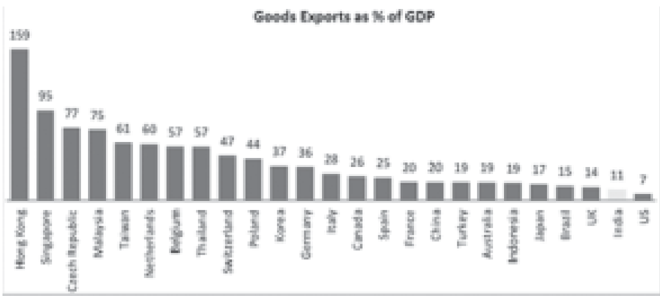


Source: US ITC, Axis Bank Research

- The quantum of reciprocal tariffs announced are much higher than that expected by the market.
- On an average, this results in weighted average tariff for the US increasing to 24%, from just 2.5% at the beginning of the year.
- There are certain goods which are not subject to reciprocal tariffs such as (i) steel, aluminum articles and auto/ auto parts which were already subject to Section 232 (Trade Act of 1962) tariffs earlier this year (ii) copper, pharmaceuticals, semiconductors and lumber articles (iii) bullion (iv) energy and certain minerals not available in US and (v) all articles that may be subject to Section 232 tariffs in future.

India's export exposure to US

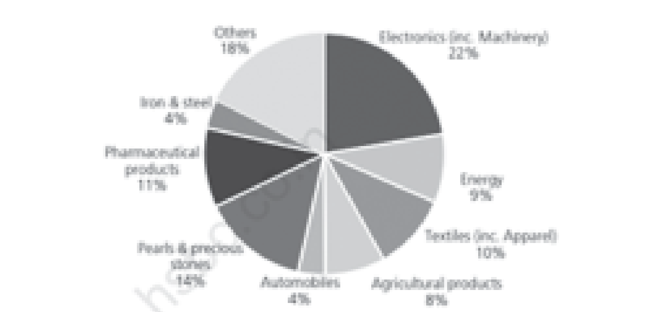
- The contribution of India's merchandise exports to GDP is 11% ($430 bn) and among the lowest in Emerging markets, limiting the impact of global trade slowdown.



Source: TradeMap, Avendus Spark Research

- Among the top 5 export categories to US, Electronics (incl machinery) is the highest with 22% share of US exports, followed by gems and jewellery (14%), pharmaceutical products (11%), textiles (10%) and energy (9%).

India's exports to US by major categories, % share

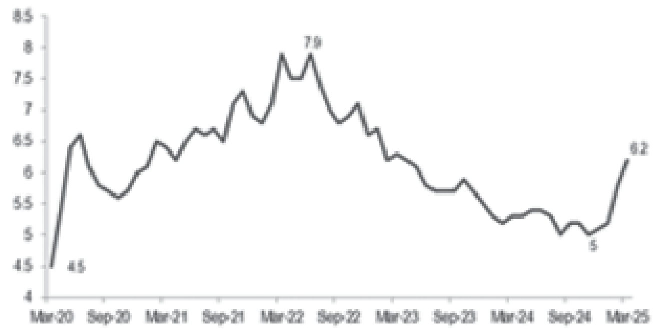


Source: UN Comtrade, UBS

Equity market implications

- The above steps, if implemented in current form, will lead to higher inflation in US, and could decelerate the US GDP growth rate (see chart below).

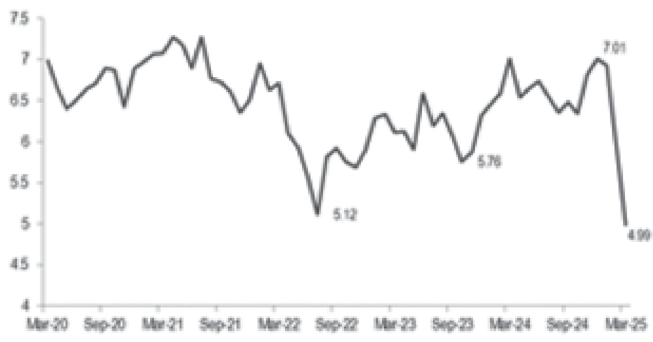
Figure 3: US Consumer inflation expectations



Source: Bloomberg, Investec Equities research

- We believe that the current tariff announcements are just a start, and the final outcome may take months to materialize based on how individual countries deal with these tariffs.
- Some countries, like India, are already in negotiations with US counterparts to cut tariffs on some US imports and working out a bilateral trade negotiation. Some others, like China and EU, are talking about retaliatory tariffs to protect their own interests.

Figure 4: US CEO confidence in the economy 1Y from now



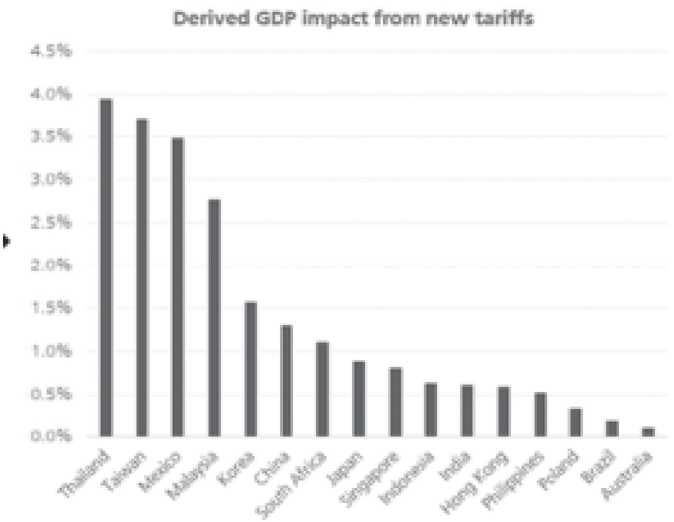
Source: Bloomberg, Investec Equities research

- Notwithstanding the ongoing trade talks with US counterparts, India relatively stands better placed vs most Asian peers. The tariff imposed on India was 26% vs China 34% (over and above 20% tariffs already imposed), Vietnam 46%, Sri Lanka 44%, Bangladesh 37%, Thailand 36%, Indonesia 32%, Taiwan 32%, South Korea 25% and Japan 24%

Source: The White House, UBS. Note: "While it is not fully clear, the new tariffs are likely 'additive' to existing tariffs.This report looks at the impact from the additional tariffs announced 3rd April US Eastern Time.

- India's export to US as a percentage of GDP is low at 2.1% which should result in lower GDP impact (50-60 bps impact) when compared to Asian peers (see chart below).
- On domestic front, high frequency macro indicators are improving with government capex announcements, easing liquidity situation, rate cuts and expected bumper Rabi harvest.
- To conclude, while India seems relatively better placed, we think the global uncertainty will result in Indian equity markets being volatile over the coming months. Any sizeable market correction on these concerns

should offer a great opportunity for wealth creation for investors with medium to long-term horizon.



Source: The White House, CEIC, UBS

Portfolio positioning and sectoral impact

- With some signs of slowdown in macros in 4QCY24, over the past 3-4 months, we had already started reducing our exposure to mid and small caps across all our fund schemes with increase in large caps.
- At sector level, we had also reduced our exposure to Capital Goods and Technology companies. On the other hand, we had increased exposure to Banks and NBFCs.
- Post the tariff announcements, these are still early days, and we are talking to companies/ experts and monitoring the developments. However, based on the current announcement of tariffs we have attempted to look at some sector impacts:
  - **IT:** US/ global growth slowdown may lead to guidance cut across companies
  - **Metals:** Potential global growth slowdown is likely to impact commodity demand and prices
  - **Oil & Gas:** Lower crude oil prices are negative for upstream companies but benefits downstream/ oil marketing companies
  - **Auto and auto ancillaries:** One large OEM will face challenges as US accounts for 33% of their European subsidiary revenues. There is likely to be a direct impact on some of the auto ancillary companies who are supplying to US and indirect repercussions through its supply chain to EU OEMs exporting to the US.
  - **Textile:** Large export to US for some of the companies. Tariff on India is lower than competitor (China, Bangladesh and Vietnam) which may be beneficial for some textile companies.
  - **Pharma:** No tariff announced for now, but indications are these are likely to be imposed. Generics should be relatively impacted less.
  - **Chemicals:** Some companies have 20-25% export to US. India is at an advantage relative to China as tariffs + duty on Chinese crop protection are 54% to 79% vis à vis 27% to 32% for India. Brazil, with a 10% tariff, could see new crop protection capacities. Similarly, UAE, with a 10% tariff, could see new refrigeration gas capacities.
  - **EMS:** Only one EMS player has 40-50% of sales is to US. Opportunity of export for other players due to differential tariffs with China.
  - **Industrials:** MNC firms that already have manufacturing facilities in US and are importing from their Indian subsidiaries could consider expanding their US facilities. Cable companies have low single digit exposure to US, so likely to have marginal impact.

Note: Data as on April 7, 2025 or latest available.

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The Psychology Of Goal Setting In Investment Planning

Gaurav Goyal
National Head - Sales & Marketing,
Canara Robeco Asset Management Company Limited (Investment Manager to Canara Robeco Mutual Fund).

Did you know that people who set specific financial goals are more likely to achieve them than those who don't? Goal setting plays a crucial role in investment planning, helping you stay focused and motivated. It's more than just a financial strategy; it taps into our innate drive for success and creates a structured path to reach your desired future. As Benjamin Graham wisely said, "Investing isn't about beating others at their game. It's about controlling yourself at your own game." By setting clear, specific goals, you focus on your personal journey, managing your emotions and decisions rather than reacting to external pressures.

Why Do We Set Goals?

At its core, goal setting is about achieving progress. We set goals because they provide direction, motivation, and a sense of purpose. Financial goals, particularly, give us a clear roadmap for how to manage, save, and invest our money. Without specific goals, you risk making impulsive financial decisions or losing sight of the bigger picture.

The Psychology of Goal Setting

Goal setting triggers powerful psychological effects. When we set clear, measurable objectives, our brains release dopamine, the "feel-good" hormone, when we make progress toward them. This not only motivates us but helps us feel in control, which reduces anxiety. In the context of investment planning, setting goals helps us manage emotional reactions to market volatility. If you know your goal is a long-term one, you're less likely to panic over short-term market movements.

Goal based investments whether lumpsum or through Systematic Investment Plans (SIPs), enable investors to name their investments after personal milestones or dreams. By naming goals and personalising your investments, you build an emotional connection with the investment, which helps investors stay motivated and disciplined. By naming the investment after a financial goal, individuals are reminded of their long-term goals, fostering a sense of purpose and commitment.

By setting clear goals, you can select the right investment strategy and time horizon, allowing you to track progress, adjust as needed, and stay focused. Much like how a navigation system guides you to reach your destination, a Goal-Based investment helps you to stay on track to reach your financial destination. This helps in simplifying the entire investment process.

Goal Setting in Investment

In investment planning, goal setting is critical. Different goals require different investment strategies. This can be done through lumpsum investments or Systematic Investment Plans (SIPs), depending on your preference and financial situation. If you're looking for flexibility and long-term growth, SIPs allow you to invest small, regular amounts over time, averaging out market volatility. For short-term goals, a lumpsum investment might be more suitable, allowing you to allocate a larger sum upfront.

Goal setting in investments also helps you assess your risk tolerance. For example, if your goal is to take a vacation in the next year, you may choose conservative, short-term investments. On the other hand, if you're planning for retirement 20 years down the line, you can afford to take on more risk by investing in equity mutual funds.

What to Keep in Mind to Achieve Your Goals?

Achieving financial goals requires more than just setting them. To increase your chances of success, consider these tips:

1. **Be Specific:** Clearly define your goal. Instead of saying "I want to save money," say, "I want to save ?5,00,000 for a down payment on a house in five years."
2. **Set Realistic Goals:** Ensure that your goals are achievable based on your current financial situation.
3. **Break Goals Down:** Divide long-term goals into smaller, manageable milestones, making them less overwhelming.
4. **Monitor Progress:** Regularly review your goals and adjust them, if necessary, based on changing circumstances.
5. **Consistency Is Key:** Stay committed to your goals. Small, consistent efforts will eventually lead to big results.

Final Thought.

Goal setting in investment planning isn't just a financial technique - it's a psychological tool that helps you stay focused, disciplined, and motivated. By aligning your investments with your financial goals and consistently working towards them, you can build a secure and prosperous future. Whether you're saving for retirement, a home, or a vacation, clear goals provide the roadmap to your financial success.

Remember - "A goal without a plan is just a wish!"

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

Maximizing Short-Term Investments with Liquidity Management

Danny Moraes
Volatility Coach
Goa

Effective liquidity management is crucial for financial stability. Short-duration mutual funds offer an excellent solution for emergency financial planning. These funds provide quick access to cash while generating better returns than traditional savings accounts.

Investors can park idle cash in liquid mutual funds, ensuring capital preservation with minimal risk. These funds invest in short-term debt instruments, offering higher interest rates compared to fixed deposits. Additionally, liquid funds allow easy redemption, making them an ideal choice for short-term needs.

By strategically allocating funds into short-duration investments, individuals can maintain financial flexibility while earning competitive returns.

This approach ensures liquidity during unforeseen circumstances while keeping money productive. Embracing mutual funds for short-term financial goals enhances both security and profitability. ❑

Active funds steal a march over passives during recent fall

Mahish Mehta
National Head - Sales & Distribution
Kotak Mahindra Asset Management Co. Ltd.

Active funds outshione passive funds due to their ability to adjust portfolios based on market conditions.

Over 52 per cent of all actively-managed mutual funds across market capitalisations managed to beat their indices during the last few months of correction.

Ninety per cent of small-cap funds, 70 per cent of large- and mid-cap funds and 67 per cent of multi-cap funds beat their respective benchmark indices between September 26, 2024, and March 4, 2025, data showed. Sixty two per cent of flexi-cap funds beat their benchmarks during this period. The outperformance was lower for large-caps and mid-cap funds at 56 per cent and 52 per cent, respectively.

Outperformers

% of total actively managed funds

	Recent fall (from Sep 26, 2024)	One-year
Smallcap	96	93
Large & Mid	70	72
Multicap	67	67
Flexicap	62	74
Largecap	56	52
Midcap	52	76

Source: MFI Explorer: Date up to March 4, 2025

"Active funds outshone passive funds due to their ability to adjust portfolios based on market conditions. While passive funds indiscriminately hold all index stocks, active managers focus on quality stocks, rebalance portfolios, and manage risks effectively. This has helped them limit losses and recover faster during market corrections," said Deepak Agrawal, CIO Debt and Head - Products, Kotak Mahindra AMC. The benchmark indices peaked on September 26 before slipping over 15 per cent in the next five months on selloff from overseas investors.

Better show

Active funds have historically done well vis-a-vis passives during market falls, according to Kirtan Shah, Managing Director - Private Wealth, Credence Family Office. "Markets are driven by liquidity and momentum during periods of sustained uptick. This favours passive funds. During downturns, having the right kind of stocks at the right valuation in the portfolio can cushion the blow and help the fund outperform the index," he said.

Active small-cap funds have especially done better during corrections because of their ability to cherry-pick stocks from a large universe.

"A typical small-cap index would have 250 stocks. The small-cap universe itself, however, would comprise 500 or more stocks. Fund managers can pick 50-60 names from those 500 after doing the necessary filtering or quality analysis. During a fall, a select basket of small-cap stocks have a much better chance of beating an index of 250 stocks," said Shah. Last week, Indian equities registered one of the best weekly gains in four years, climbing 4.3 per cent. On Wednesday, indices declined 0.8 per cent. "The current environment favours active management. With markets experiencing fluctuations, the ability to actively adjust exposure and manage risks gives these funds an advantage. Passive strategies, which simply follow the index, lack this flexibility, making active funds a more attractive choice in volatile conditions," ❑

How missing the best days in markets impacts your returns

Abhishek Tiwari
ED & Chief Business Officer
PGIM India Asset Management Pvt. Ltd.

The Indian stock market has demonstrated remarkable resilience over the years, if we look at the historical performance of the BSE Sensex and the Nifty Midcap 100 indexes.

Over the years, the Indian market has witnessed many events like the dotcom bubble, 2009 financial crisis and the 2020 COVID virus induced fall.

Despite experiencing significant intra-year declines, both indices have predominantly ended with positive returns over the long term. This resilience underscores the robustness of the Indian economy and the potential for growth in its equity markets. More importantly, it shows that long term investors who remain focused on their goals eventually end up with positive results.

If you look at the calendar year returns of BSE Sensex for the last 45 years, the index has delivered positive returns in 36 out of 45 years. Even in these positive years, the index experienced intra-year declines ranging from -10% to more than -20%.

For instance, in 1985, the Sensex delivered 94% return despite a -19% drawdown during the year. Similarly, in CY 2020, the index was up 16% despite a significant -38% intra-year decline.

BSE Sensex Return

Intra Year Declines	Number of Calendar Years with Positive Returns
0 to < -10%	4 out of 36
-10% to < -20%	23 out of 36
> -20%	9 out of 36

CY1980-2025 YTD. As of Jan 31, 2025.

In the above table, we can see that even if the Sensex witnessed a decline of up to -10%, in 4 out of 36 years, you would have earned positive returns in those calendar years (Jan 1-Dec 31).

Similarly, in the second instance, even if the intra year decline is in the range of -10% to -20%, in 23 out of 36 years, you earn a positive return. Lastly, even if the decline is more than -20% in any particular year, in 9 out of 36 years, you would have earned a positive return.

If we trace the history, The Nifty Midcap 100 Index of 21 years, the index has delivered positive returns for 15 years, despite intra-year declines often exceeding 10%. For example, in 2009, the index surged by 102% after a 24% drawdown, showcasing the potential for recovery and growth.

Intra Year Declines	Number of Calendar Years with Positive Returns
0 to < -10%	1 out of 15
-10% to < -20%	8 out of 15
> -20%	6 out of 15

CY2004-2025 YTD. As of Jan 31, 2025.

The resilience of the Indian stock market can be attributed to several factors, including the growth of the middle class, government incentives for MSMEs, and supportive liquidity measures by the Reserve Bank of India (RBI). With inflation expected to average 4.20% and GDP growth projected at 6.7% in FY26, the economic outlook remains favourable.

In this context, how should investors navigate their portfolio in the current market?

Should you stop your investments?

Investors should ideally not rush to pause their Systematic Investment Plans (SIPs) because the market is trending lower. In fact, this is very advantage that investors should not miss out on. Investing when Net Asset Values (NAVs) are trending lower helps investors accumulate more units and benefit over the long run.

Any decision to redeem or stop SIPs should be taken in context of your goals. If your goal is near completion, it makes sense to rejig your asset allocation.

While market falls can be unnerving, investors should view intra-year declines as opportunities rather than setbacks. Historical data indicates that the Indian stock market has consistently rewarded those who stay invested through cycles. This reinforces the importance of a long-term investment perspective in navigating market volatility.

Should you time the market?

Timing the market is not an easy job for most sophisticated investors. Systematic Investment Plan (SIP) is designed to overcome this tendency of timing the market by ensuring consistent and disinclined investing. Remembering the old adage - as boring as it may sound serves investors well in the long run - "Time in the market is more important than timing the market."

Where and how to invest?

Categories like Balanced Advantage Funds and Multi Asset Funds, which are designed to take active asset allocation calls can enable you to tide over the current volatile market with ease.

A golden thumb rule of deciding your equity/debt allocation can be based on the time horizon of the goal. For instance, if your goal is say seven years away, you may consider having a higher allocation to equities, depending on your risk appetite.

When to rejig your asset allocation?

If you are closer to achieving your goal, it is wise to start shifting your allocation towards debt to protect your corpus from the volatility of markets.

Leveraging the above discussed strategies and taking the help of a trusted advisor can empower you to make confident and informed decisions about your investment portfolio. ❑

❖❖❖

Success story of a Retired Executive

David John
Volatility Coach
Hyderabad

Our relationship with one of our initial investors began in 2008, stemming from a previous business connection. In a market with low mutual fund awareness, we provided thorough education and guidance. This led to the client's initial investment through small SIPs. The clients experience grew, he confidently expanded into more investments, understanding a strong grasp of risks and rewards.

Seven years later, as he approached retirement, he sought our guidance, placing his trust in our expertise. He invested a significant portion of his retirement benefits, building a substantial portfolio. Witnessing the positive outcomes, he encouraged his wife to do the same after few years. Post-retirement, the portfolio's growth enabled him and his family to enjoy a comfortable lifestyle and achieving his goals as planned. Our strategic allocation not only met his retirement needs but also generated significant wealth, surpassing his initial expectations.

Driven by his positive experience, the client encouraged his children, family and extended family to invest with us. Utilizing detailed financial goal-planning, their initial investments, both SIP and lump-sum, have yielded significant portfolios, ensuring their future financial security.

Our client reports that mutual funds have outperformed traditional investments, such as fixed deposits etc., providing both enhanced returns and a more satisfying investment experience. Currently their portfolio is maintaining a healthy CAGR. Today many of our clients including this family uses MF Portfolio like a bank by withdrawing whenever major goals or needs arises.

17 Years of goal-aligned financial strategies have not only secured our client's multi-generational wealth, but also generated a steady stream of referrals. This testament to our impact reinforces our commitment to continued excellence. ❑

Be it Marriage or SIP, if you stay put the first 7 years, you are generally blessed no matter if you married to a volatile person or invested in a Smallcap SIP

Ritesh Pathak
Head Retail Sales
Senior Group Vice President
Motlal Oswal Asset Managemehnt Co. Ltd.

What we Looked at?

1. We understand that people do not Systematic Investment Plans ('SIP') for 20 Years. At least not generally. So, we will talk about only 7Y SIP's in this analysis. While 5 year and 10 year SIP returns are also included for completeness, we will primarily discuss the 7 year SIP data.

   ALL Monthly Rolling SIP Returns of Nifty 100, Nifty Midcap 150, Nifty Smallcap 250 and Nifty 500 Multicap 50:25:25 Indices from Apr 2005 to Now. Basically, over last 20 odd years. No Selectivity.

   (The period covers significant market events such as the Global Financial Crises Period of 2008 09, Slump by 2013, Includes Covid 19period. Both SIP Started and Ended during these periods; are included in the analysis.)

2. So, this analysis is of
   5 year SIP's - Total 170 SIP Series of 5 years Each

   7 year SIP's - Total 155 SIP Series of 7 years Each

   10 year SIP's - Total 119 SIP Series of 10 years Each

The SIPs are assumed to have started on the 1st working day of each month. The returns depicted are calculated using XIRR at the end of the respective SIP periods, with the valuation based on the first working day of the month following the SIP period.

What did we find?

We Will Only Talk about Worst case scenario historically and Only about Mid & Small Caps, because that is the concern raised. Everyone knows benefits of SIP; Average SIP Returns and Upside are well-known and are also shown in the attached data tables and graphs.

Probability of Loss - Mid Cap 0.0%. Small Cap 5.8% (Large Cap 0.6%). Out of 155 Monthly SIP series, only 9 Series of SIPs in Small caps ended the term at a loss. None of the SIPs in Midcaps ended in a loss.

Worst Loss Smallcap - 7.3%. An interesting observation is that the worst returns across all categories (Large Cap, Mid Cap, Small Cap, and Multi-Cap) and across 5-year, 7-year, and 10-year SIPs occurred in March 2020.

What's important is at that time, instead of redeeming (Lock, Stock or Barrel or Otherwise) if you would have stayed put for just 1 More Year without even continuing your SIP, your experience would have been extremely pleasant. Just like as they say, when in distress; sleep over it.

Conclusion:

Be faithful in marriage and disciplined in SIP for at least 7 years, tide over the itch. if you are going to do SIP for 7 Years, then might as well be with a proposition (Market Cap Segment) which rewards that patience (Check the table for return proposition for different baskets).

Indices	Years of SIP	Minimum Return	Average Return	Maximum Return	No.of Individual SIP Observations	No of Positive Observations	No of Negative Observations	Probability of Loss (%)
10 YEAR SIPs								
Nifty 100	10Y SIP	2.8%	11.5%	15.7%	119	119	0	0.0%
Nifty Midcap 150		4.6%	15.9%	22.5%	119	119	0	0.0%
Nifty Smallcap 250		-1.8%	13.3%	21.3%	119	118	1	0.8%
NIFTY 500 Multicap 50:25:25 index		2.2%	13.2%	18.9%	119	119	0	0.0%
7 YEAR SIPs								
Nifty 100	7Y SIP	-0.8%	11.3%	18.1%	155	154	1	0.6%
Nifty Midcap 150		0.4%	15.3%	27.3%	155	155	0	0.0%
Nifty Smallcap 250		-7.3%	12.7%	27.7%	155	146	9	5.8%
NIFTY 500 Multicap 50:25:25 index		-2.0%	12.8%	22.9%	155	154	1	0.6%
5 YEAR SIPs								
Nifty 100	5Y SIP	-5.9%	11.8%	21.5%	179	177	2	1.1%
Nifty Midcap 150		-8.4%	16.0%	34.7%	179	175	4	2.2%
Nifty Smallcap 250		-18.2%	13.8%	36.7%	179	158	21	11.7%
NIFTY 500 Multicap 50:25:25 index		-9.5%	13.6%	28.6%	179	174	5	2.8%

SIP Term	SIP Status as on	Nifty 100	Nifty Midcap 150	Nifty Smallcap 250	NIFTY 500 Multicap 50:25:25 index
5Y SIP	At End of SIP Term	-5.9%	-8.4%	-18.2%	-9.5%
	After 1 Year (With no Incremental SIP)	16.6%	19.9%	12.5%	16.6%
7Y SIP	At End of SIP Term	-0.8%	0.4%	-7.3%	-2.0%
	After 1 Year (With no Incremental SIP)	15.1%	20.4%	14.8%	16.5%
10Y SIP	At End of SIP Term	2.8%	4.6%	-1.8%	2.2%
	After 1 Year (With no Incremental SIP)	13.6%	18.0%	13.3%	14.7%

Disclaimer:

Source: NSE Indices, MOAMC Internal. Data as on: 31st January 2025. The performance data shown here is based on the historical data and is not reflective of future returns. Past performance is not indicative of future returns. The performance of index based investments is subject to market risks.

Please consult with a financial advisor and read the offer document carefully before investing. The above returns are for the Nifty Indices and doesn't indicate Motilal Oswal Mutual Fund Scheme Returns.

Please consult a financial advisor and read the scheme information document carefully before investing. There is no guarantee of future returns, and actual returns may differ.

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

Gold - a perennial presence in portfolios

Shaily Gang
Head Products
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Role of Gold

Perennial presence of Gold in investor portfolios are rooted in multiple reasons -

- Gold is a hedge against high inflation, currency depreciation and economic or geo-political events.
- Gold has industrial, aesthetic and sentimental value and is has limited supply, this supporting prices
- Central Banks would like to buy Gold to diversify and hedge their US dollar reserve currency holdings. Assisting Gold prices. Gold isn't created or controlled by central banks but it is one of the reserve assets held by them. Thus it tends to track the USD inversely.
- Co-relation of Gold to other asset classes is low, with equities being the lowest

Gold a hedge against inflation, currency depreciation and geo-political events

Gold does not lose value as other currencies can. Historically, Gold has maintained its purchasing power. High inflation leads to high interest rates and stronger exchange rate but devalued currency. High inflation regimes like in 1970 - 1979. Inflation can occur coz of supply side factors like commodity price shocks or supply chain disruptions, fiscal factors like increased govt spending or high govt borrowing on account of fiscal deficit and current account deficit.

Gold prices tend to rise any time there is a period of uncertainty, adverse events etc - we have seen 2020 the Covid 19 pandemic, Russia Ukraine war, 2023 Israel Hamas war, 2008 financial crisis, 2001-2011 gold price rise amidst economic uncertainty.

Why should one invest in Gold

Gold does not earn interest rate. Whenever there is environment of low interest rates, Gold prices rise as demand for Gold increases and vice-versa. When US Fed announces rate cuts, dollar goes weak and Gold prices rise. However, these interlinkages get disturbed during geo-political events. Diversifying between interest generating assets and assets which are a hedge against high interest rates and inflation like gold, is a good thing to do. Thus a perennial presence of 15-20% in gold in the portfolio. Last 40 year data shows gold has yielded 1 to 1.5% CAGR more than inflation and 1% higher than gross FD rate.

How can one invest in Gold

Different ways of investing in Gold are - Gold ETFs and Gold ETF Fund of Funds, Bars and Coins through jewellers, jewellery. Physical gold attracts GST, incurs storage cost, making cost and has a risk of theft. Jewellery too attracts huge making cost and the problem of storage. SGBs were listed units but were available in tranches only, now discontinued by RBI.

Holding Gold ETFs and FoFs is convenient as it is digitally held and can be invested online. Gold ETFs, FoFs attract GST and incur expense ratio. Gold ETF attracts LTCG of 12.5% when the period of holding in more than 12 months with STCG as slab rate when the period of holding is less than 12 months. In case of Gold ETF FoF the period of holding is 24 months for LTCG to be applicable at 12.5% and STCG is at slab rate

Outlook on Gold

Central banks rate cut regime, geopolitical factors and supportive fundamentals like central bank buying, new Trump administration policies shall continue to support Gold prices. The market may look for the global factors pertaining to US trade policies and tariffs change, central bank policies, US economic data and geopolitical factors. Pause in Fed rate cut cycle may affect the pace of rally in Gold prices. Currency related volatility into commodities would exist for the short term while macro factors would guide longer term outlook.

Disclaimer: The views expressed in this article are personal in nature and in is no way trying to predict the markets or to time them. The views expressed are for information purpose only and do not construe to be any investment, legal or taxation advice. Any action taken by you on the basis of the information contained herein is your responsibility alone and Tata Asset Management Pvt. Ltd. will not be liable in any manner for the consequences of such action taken by you. Please consult your Mutual Fund Distributor before investing. The views expressed in this article may not reflect in the scheme portfolios of Tata Mutual Fund. There are no guaranteed or assured returns under any of the scheme of Tata mutual Fund.Mutual Fund Investments are subject to market risks, read all scheme related documents carefully. ❑

Gold vs. Equity: Navigating Long-Term Choices

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Volatility Coach
Bangalore

As gold holds steady and equities fluctuate amid tariff threats and profit booking, long-term investors weigh their options. Both assets bring strengths—gold for stability, equities for growth—but understanding returns, inflation, volatility, liquidity, and taxation clarifies the better fit.

Historical Returns: A Performance Snapshot

Over 20 years, gold has delivered a respectable 10% annualized return, shining during uncertainty, though it endured flat stretches like 1996-2003 and 2012-2017.

The Nifty 50, averaging 14%, consistently outperforms gold, despite wild swings—think the 38% plunge in 2020 followed by a 70% surge in 2021. For pure growth, equities glitter brighter, but past success doesn't guarantee tomorrow's gains.

Inflation Protection: Who Wins?

Gold's reputation as an inflation hedge holds as currencies weaken, though it's not foolproof across all scenarios. Equities, fueled by corporate earnings, typically outstrip inflation over time, yet high inflation and rate hikes can stall Nifty's momentum short-term. For real wealth preservation, equities edge ahead in favorable climates.

Volatility & Risk: Stability vs. Reward

Gold offers lower volatility, a comfort in downturns, but isn't immune to sharp moves—like the 2020-2021 rally and correction. Equities, riskier and prone to short-term dips, reward patience with robust recoveries and long-term compounding, making them ideal for risk-tolerant investors.

Liquidity: Ease of Access

Physical gold poses resale challenges—purity checks, fees—though Gold ETFs, Digital Gold, and SGBs enhance liquidity. Equities, including stocks and index funds, trade seamlessly, offering unmatched flexibility when funds are needed fast.

Taxation: The Cost Factor

Recent laws set LTCG tax at 12.5% for both, but equities gain an edge with a one-year holding period versus gold's two years, unlocking tax benefits sooner.

Portfolio Strategy: Finding Balance

Young investors (under 40) might allocate 80-90% to equities, 5-10% to gold; those nearing retirement (50+) could shift to 60-70% equities, 20-30% gold. During crashes, bump gold to 15-20%. Combining both, guided by a financial advisor, blends safety with growth, tailored to your risk appetite and goals. ❑

Market Volatility Isn't a Red Flag - It's a Green Light for Smart Investors

Sorbh Gupta
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Equities, Bajaj Finserv AMC

Amid ongoing global uncertainty, retail investors are feeling the heat. Volatility in major indices has triggered panic, especially as market corrections seem to happen overnight. This sharp downturn reinforces investor biases-particularly the tendency to expect the worst when markets dip-which often results in hasty, loss-inducing decisions.

The latest developments in global trade tensions, including rising tariff rates and fears of escalating trade wars, have impacted Indian markets as well. As of April 7, 2025, the Nifty 50 fell 2.92% to 22,236.60, and the Sensex dropped nearly 4,000 points before closing at 73,937.90. Within moments, investors witnessed wealth erosion of nearly Rs. 20 lakh crores. Understandably alarming-but not entirely unusual.

Historically, such statistics spark fear and a bandwagon effect, causing widespread withdrawals. Unfortunately, this mass exodus often comes at a time when long-term investors should be doing the opposite: staying the course or even investing more. Market corrections can provide ideal entry points-especially for disciplined strategies like Systematic Investment Plans (SIPs).

During volatile periods, SIPs can be a smart tool. By investing a fixed amount regularly, investors can average out their purchase cost over time-a strategy known as rupee cost averaging. This takes the guesswork out of market timing and fosters a habit of long-term investing, which can help mitigate risk and build wealth over time.

Despite the turbulence caused by U.S. tariff hikes, there's still a positive undercurrent in Indian markets. High inflation, investment hesitancy in the U.S., global supply chain shifts and the potential for a recession are pushing companies to explore more stable, consumption-driven economies like India. The ongoing discussions around a Bilateral Trade Agreement (BTA) and India's ability to absorb 26% tariffs due to its strong domestic demand add to the optimism. Recent corrections post the downcycle that began in September 2024 have acted as an insulation, with the Indian markets outperforming its competitors.

Additionally, domestic monetary initiatives like the rupee-dollar swap, Open Market Operations (OMO), and RBI's policy adjustments are all working toward enhancing liquidity. The restructuring of tax slabs has also improved consumer purchasing power, further supporting economic resilience.

From an investor's perspective, this period could offer a golden window. Several companies with robust fundamentals-strong balance sheets, healthy cash flows, and attractive return ratios-are currently trading at below-average valuations. These conditions rarely last long and often precede market upcycles.

Sectors like FMCG and consumption are already showing signs of leadership in the recovery. NBFCs are on the investor radar. Investing in Indian equities during a global turmoil has backed the investor in the past, and this time is no different. So, for investors with a well-diversified portfolio and a long-term horizon (5-10 years), now may be the right time to stay committed-or even increase exposure-and ride the next growth wave. ❑

Why Asset Allocation? Importance of Diversification

Makhdoom Ansari
National Sales Head Retail & ND
Mirae Asset Mutual Fund

"Do not put all your eggs in one basket" is an old adage and is particularly true when applied to your investments. Asset allocation and diversification are foundational principles in investing, essential for building a resilient portfolio that balances risk and return. Both strategies aim to protect you from the volatility of financial markets while optimizing long-term growth. This article explores why asset allocation and diversification are crucial, their benefits, and how they work together to achieve financial goals.

Understanding asset allocation

Asset allocation is the process of dividing an investment portfolio among different asset classes, such as stocks, debt instruments like bonds and other money market instruments and cash equivalents, and commodities like gold or silver. The goal is to create a mix that aligns with an investor's financial objectives, time horizon, and risk tolerance.

Key components of asset allocation

1. **Time Horizon:** Investors with longer time horizons can afford to take on more risk since they have time to recover from market downturns. For example, someone saving for retirement slated decades away might allocate more to equities for the associated growth potential.
2. **Risk Tolerance:** Risk tolerance measures an investor's willingness and ability to endure losses in exchange for higher returns. Aggressive investors might favour equity-heavy portfolios, while conservative investors may lean toward bonds or cash equivalents.

Types of Funds

There are various categories of mutual funds that have inbuilt asset allocation suited to specific investor profiles. These funds simplify the process by offering pre-diversified portfolios tailored to different risk levels and follow the mandates laid down by SEBI for their asset allocation. Let us look at some funds that can provide inbuilt asset allocation strategies that suit different investor profiles.

- **Balanced Advantage Funds:** Balanced funds typically split 40% to 60% equities and 40 to 60% in fixed income, suitable for moderate risk tolerance.
- **Aggressive Funds:** Focus on equities for higher growth potential but come with increased risk. Investment in equity and equity related instruments is between 65% and 80% of total assets while investment in debt instruments shall be between 20% - 35% of total assets.
- **Conservative Funds:** Prioritize fixed income and dividend-paying stocks to preserve capital and generate income.
- **Multi Asset Allocation Funds:** An open-ended scheme investing in at least three asset classes with a minimum allocation of at least 10 percent each in all three asset classes. Foreign securities are not treated as a separate asset class in this kind of scheme.

Why does asset allocation matter?

Asset allocation is critical because it determines the overall risk and return profile of a portfolio. By spreading investments across various asset classes, investors can reduce the impact of poor-performing assets while benefiting from others that perform well.

Benefits of asset allocation

1. **Risk management:** Different asset classes respond differently to market conditions. Equity may perform well during economic growth, while debt funds tend to be more stable during downturns. Combining these assets reduces the likelihood of significant losses when markets are going through volatility.
2. **Risk adjusted returns:** Asset allocation helps stabilize portfolio performance by offsetting losses in one category with gains in another. This reduces volatility over time.

The importance of diversification

Diversification is the practice of spreading investments across multiple securities or asset classes to minimize risk. It complements asset allocation by ensuring that no single investment dominates a portfolio.

How diversification works

- Investments within a portfolio should perform differently under varying market conditions. For example, while stocks might decline during a recession, bonds could rise as investors seek safer assets.
- Diversification can occur at two levels:
  - **Between asset classes:** Allocating funds across stocks, bonds, cash equivalents, etc.
  - **Within asset Classes:** Investing in a variety of sectors or geographic regions within each category.

Benefits of diversification

- **Reduced risk:** Diversification minimizes exposure to the poor performance demonstrated by any single investment.
- **Improved stability:** By owning assets with varying correlations, investors can smooth out fluctuations in returns. For example, equity has a negative correlation to gold prices. Therefore, when returns from equity is going through a downturn, the price of gold is usually seen to be rising, thereby accruing higher returns for the investors.
- **Potentially higher returns:** A diversified portfolio often achieves better long-term results than one concentrated in high-risk investments.

Asset Allocation vs Diversification

While asset allocation focuses on dividing investments among asset classes based on goals and risk tolerance, diversification ensures those investments are spread across sectors or regions within each class. Both strategies work together to optimize portfolio performance.

Feature	Asset Allocation	Diversification
Focus	Balancing risk across asset classes.	Reducing risk within each asset class as well as across asset classes.
Goal	Aligning portfolio with financial objectives.	Minimizing exposure to individual investments.
Example	An investor allocating 60% to stocks, 30% to debt and 10% to gold is asset allocation.	An investor investing in multiple industries or countries in the equity/debt segment.

Rebalancing: Maintaining balance

Over time, market movements can shift the original proportions of a portfolio's asset allocation. For example, if equity outperforms debt portion of the portfolio significantly, the equity portion may grow beyond its intended percentage. In such cases, a rebalancing of the portfolio is required.

Why Rebalancing Is Important

Rebalancing restores the portfolio's original allocation by selling overperforming assets and buying underperforming ones:

- Maintains alignment with risk tolerance.
- Prevents overexposure to high-risk assets.
- Ensures consistent progress toward financial goals.

Challenges of asset allocation and diversification

While these strategies offer significant benefits, they are not without challenges:

- **Market Risk:** Diversification reduces asset-specific risks but cannot eliminate market-wide risks entirely e.g., economic recessions.

❖ **Costs:** Building a diversified portfolio often involves additional fees for mutual funds or ETFs, which can impact returns.

❖ **Complexity:** Managing allocations across multiple asset classes requires ongoing monitoring and adjustments.

Role of Mutual Funds in simplifying diversification

Mutual funds provide an efficient way for investors to achieve diversification without selecting individual securities:

❖ Funds like Nifty 50 index funds own stocks of top 50 companies across industries in India.

❖ Asset allocation funds may offer pre-diversified portfolios tailored to specific goals (e.g., retirement fund).

However, narrowly focused mutual funds (e.g., sector-specific funds) may require additional diversification efforts within a portfolio.

Conclusion

Asset allocation and diversification are indispensable tools for managing investment risk while pursuing financial growth. Together, they help investors navigate market volatility by spreading exposure across asset classes and securities.

By understanding your time horizon and risk tolerance, you can tailor your portfolio using these strategies to meet long-term goals like retirement or short-term objectives like saving for a vacation. Whether through mutual funds or individual investments, embracing asset allocation and diversification ensures your portfolio remains resilient amid changing market conditions.

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Navigating Market Volatility: A Success Story of Financial Discipline

Varun Mittal
Volatility Coach
Ghaziabad

Market volatility often triggers panic among investors, leading to impulsive decisions that hurt long-term wealth creation. However, those who understand volatility as an opportunity rather than a threat emerge as winners. This is the story of Sudhir Gupta, a 72-year-old retired professional, who successfully turned market fluctuations to his advantage through patience and discipline.

Turning Market Fear into Opportunity Sudhir had been investing in mutual funds and equities for over two decades. During March 2020, when Nifty 50 crashed from 12,000 to 7,500 (-38%), many investors rushed to exit the market, fearing deeper losses. However, instead of pulling out his investments, Sudhir stayed committed to his asset allocation strategy and increased his investments by 25% from his available liquidity. His approach looked like this:

❖ **March 2020:** Market falls 38% - Sudhir adds more funds to equities instead of exiting.

❖ **December 2021:** Nifty 50 recovers to 18,000 (+140% from lows). His patience is rewarded with strong gains.

❖ **2022-2023:** Market corrections (-10 to -15%) - Sudhir maintains his SIP investments consistently.

❖ **March 2024:** His disciplined approach results in a steady, inflation-beating growth in his portfolio and a comfortable post-retirement income.

Key Takeaways for Investors

1. Volatility is temporary; growth is long-term. Sudhir's decision to stay invested and invest more during dips led to better outcomes.
2. Systematic investing beats market timing. Investors who panic and stop SIPs miss out on recovery phases and long-term compounding.
3. A balanced asset allocation provides stability. Sudhir maintained 40% in debt and 60% in equity, ensuring both capital protection and growth.

Final Thought As a Volatility Coach, my role is to guide investors like Sudhir Gupta in navigating market cycles with confidence. His journey proves that staying invested with discipline and a goal-based approach leads to financial success, even in retirement. So the next time the market dips, ask yourself: Are you reacting out of fear or investing with a strategy? ❑

Current Equity Market Scenario

Post a stellar run of around 18 months (Apr 23 to Sep 24) where the broader markets doubled domestic equities appear to be in a consolidation phase over the last 3-4 months. A multitude of global and local factors can be attributed to current volatility which has led to sharp decline in the Indian equity markets from their all-time highs attained towards end of Sep'24.

Index Name Index Levels Absolute Change

	28-Mar-25		26-Sep-24	
Nifty	50	23519	26216	-10.3
Nifty Midcap	150	19120	22368	-14.5
Nifty Smallcap	250	15104	18435	-18.1

Source: MFI Explorer. Past performance may or may not be sustained in future.

Heavy selling by foreign institutional investors coupled with increased supply of paper, notwithstanding strong support from the DIIs aided the recent fall. FIIs sold Indian equities worth Rs. 2.16 trillion for the period ranging from Oct'24 to March 25. (Source: NSDL, Bloomberg)

Market Valuations

Post this recent correction large cap valuations are close to their historical 10-year average, while the mid and small caps are still trading above their long-term averages, though the premium have reduced. Nifty50 is currently trading at a 1 year forward PE of 20.3x trading at a marginal discount compared to its 10-year average of 20.5x. Meanwhile the Mid Cap and Small Cap indices still trade at a premium respectively compared to historical averages. (as of Mar 31 2025)

Way forward

Macro uncertainty around the impact US Tariff announcements, likely impact on global growth, interest rate/ inflation etc may lead to higher volatility in the near term as the global trade policies are reshaped and reset. Domestic growth improved from the lows of 5.6% in Q2 FY 25 to 6.2% in Oct-Dec quarter suggesting that growth challenges could be moderating. Rural economy is reviving on the back of higher water reservoir levels and higher acreage for rabi crop.

Corporate capex has shown nascent signs of recovery while monetary and fiscal stimulus announced in the recent past including the interest rate cuts liquidity measures such as OMOs, and income tax cuts in the Union Budget FY26 for middle income group may aid in boosting liquidity.

The recent market pull back has helped reduce the excess valuations or premiums in some pockets. Low base of FY25's 1Q earnings will act as a support in FY26 financial year. Key to earnings growth will be sales recovery as margin expansion may be challenging. Looking ahead the market returns are likely to reflect the earnings growth.

Large financials, Power, Utilities consumer discretionary segment along with structural themes like urbanization, premiumization and localization of manufacturing appear well placed in the current context. Large Cap & Large Cap oriented strategies along with hybrid funds appear better placed on risk-reward basis, while Mid/Small cap allocation may be considered from a long-term perspective in a staggered manner through systematic investments.

Overall, we believe while the market may consolidate in the near term as the macro visibility improves even as the domestic fundamentals remain supportive and offer reasonable possibilities from a medium-term perspective.

Common Source: Bloomberg, RBI, NIMF Research

Disclaimer:

The views expressed herein are based on publicly available information and other sources believed to be reliable. It is issued for information purposes only and is not an offer to sell or a solicitation to buy/sell any mutual fund units/securities. ❑

- By Nippon India Mutual Fund

AI Changing the Paradigm of Banking and Financial Services

Rohit Pateria
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Lark Finserv

In recent years, Artificial Intelligence (AI) has rapidly evolved from a back-office automation tool to a front-line strategist in the banking and financial services industry. It's no longer just about chatbots or predictive analytics—AI is fundamentally changing the way banks operate, interact with customers, manage risk, and create value.

The next frontier? Agentic AI—intelligent systems that not only process tasks but proactively initiate actions, optimize outcomes, and deliver hyper-personalized experiences. As AI becomes more autonomous, banks are moving from digitization to true intelligence.

From Assistants to Autonomous Agents

AI in banking began with automation and reactive systems—chatbots answering queries or algorithms detecting anomalies. But with Agentic AI, the shift is toward autonomous agents that understand customer context, execute complex tasks, and learn continuously.

Take Bud Financial, for example. This fintech has launched embedded agentic AI capabilities that help customers optimize their money management in real-time. These AI agents analyze income, expenses, and saving goals to make autonomous decisions—like moving funds to higher-interest accounts or preventing overdrafts—without user prompts. This level of intelligence brings banks closer to being real-time financial advisors rather than just repositories of money.

Personalization at Unprecedented Scale

Traditional banking has often struggled with the paradox of scale vs. personalization. AI finally makes mass personalization possible.

Arta Finance, a U.S.-based wealth management startup, introduced an AI financial assistant that gives investment advice in Gen Z slang, showing how financial communication can be tailored not just by numbers, but by generation, tone, and behavior. The AI learns from users' spending patterns, investment behaviors, and financial goals to provide highly personalized advice previously accessible only to high-net-worth individuals.

This is where Agentic AI truly shines—it doesn't just react to customer inputs, it predicts and engages proactively, making banking feel more like a conversation than a transaction.

AI-Enhanced Customer Experience

Customer service is where AI first gained visibility—and it continues to grow more powerful and intuitive.

The Commonwealth Bank of Australia (CBA) is using AI to manage over 50,000 customer interactions daily through intelligent messaging systems and live chat. Unlike traditional bots, these AI systems understand context, retrieve customer data in real time, and resolve issues more accurately. This not only boosts customer satisfaction but also frees up human teams to focus on complex or emotional cases.

AI also plays a key role in fraud detection. CBA and other global banks use AI algorithms that monitor millions of transactions per second, identifying fraudulent behavior with incredible precision. In a sector where trust is everything, AI is becoming the backbone of digital trust.

Smarter Risk and Wealth Management

Risk management in finance is being transformed through real-time data analysis and behavioral modeling. AI can now look beyond credit scores and evaluate a borrower's digital behavior, financial habits, and even macro trends to predict default risk more accurately.

Visa, a global payments leader, recently announced a $100 million investment in generative AI. This move supports the creation of tools for smarter fraud detection, faster transaction processing, and better customer profiling. Their AI Advisory Practice helps financial institutions integrate these tools into their workflows—bringing sophisticated risk modeling to everyday banking.

Revolutionizing M&A and Investment Intelligence

AI is also finding a seat at the strategic decision-making table. UniCredit, one of Europe's leading banks, developed DealSync, an AI platform for identifying small-scale M&A opportunities. Targeting transactions under Euro 50 million, DealSync has already generated over 2,000 leads and 500 mandates. This technology uncovers opportunities that were previously invisible, bringing AI into the core of corporate growth strategy.

Democratizing Finance

The beauty of AI lies in accessibility. It's making services like investment advice, risk profiling, and tax optimization available to everyday consumers, not just elites.

For example, AI-powered robo-advisors can now build and manage personalized portfolios, adjust allocations in real-time based on market changes, and offer tax-loss harvesting strategies—all at a fraction of the cost of a traditional wealth manager.

The Future: AI as a Financial Partner

As we look ahead, AI is not just a tool—it's becoming a strategic partner. The future of banking will be shaped by systems that:

- Understand individual customers at a micro level.
- Take intelligent actions on behalf of users.
- Collaborate with human teams, augmenting their decision-making.
- Learn and evolve with every transaction, interaction, and data point.

Banks that embrace this evolution will lead in creating intelligent financial ecosystems, where every service is personalized, every decision is data-driven, and every customer is empowered.

A Paradigm Shift in Progress

AI is not just transforming banking—it's redefining its very paradigm. With Agentic AI and real-world implementations already delivering value, the financial services sector stands at the cusp of a new era: intelligent, autonomous, and deeply human-centric.

The future of finance isn't just digital. It's smart, proactive, and adaptive—and it's already here.

Guide to Smart Investing in a Long Run

Alok Singh
CIO
Bank of India Mutual Fund

The establishment of a corpus for future requirements, including retirement funding, children's education expenses, or buying a house, requires long-term investment planning. Mutual funds can help as an investment option because they generate wealth while spreading out investments across different assets. Long-term investors need to maintain discipline during market volatility to accumulate long term wealth. The following methods may help investors maximize their chances of achieving financial goals and managing investment risks. The following constructs may help you achieve your financial goals during your long-term investment journey. Here we go-

1. **Adopt a Long-Term Perspective-** Investors should embrace the buy-and-hold approach because it promotes long-term development instead of focusing on short-term market changes. The market timing challenges become less problematic when investors adapt to long-term wealth creation which also managing portfolio volatility effects.

2. **Stick to a Consistent Investment Strategy-** Investors who choose value investing, growth investing, or dividend investing should follow their chosen approach consistently because this practice develops a portfolio structure that matches their financial objectives and risk level.

3. **Focus on Future Potential-** Your investment choices should depend on your future financial plans instead of focusing on the scheme's historical returns. Forward-thinking investment strategies enable you to discover opportunities that offer substantial profit potential.

4. **Review your Portfolios at Intervals-** Review your portfolio frequently to evaluate the performances of funds to understand any underperformance by any of your funds to act accordingly.

5. **Diversify Your Portfolio-** Investments spread across multiple asset classes and market segments help minimize financial risk. Diversifying your investments across different asset classes helps in managing market volatility.

6. **Be Mindful of Taxes-** Investment decisions should never rely solely on tax considerations, but you need to understand their effect on your returns. Select tax-advantaged investment vehicles while carefully planning to maximize your post-tax financial gains.

Investors achieve long-term success by sticking to proven methods rather than investing as per the historic returns of schemes or by predicting future market movements. Investors who stay invested for long term and maintain disciplined approach may help in building wealth in a long term. These principles ensure investors avoid typical mistakes while making more knowledgeable choices for their financial futures.

Disclaimer- *Mutual Fund Investments are subject to market risk, read all the scheme related documents carefully.*

Common Mutual Fund Myths Busted: Separating Fact from Fiction

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Mutual funds have become a popular investment choice in India, offering a professional approach with a diversified portfolio of stocks, bonds, and other assets. However, several misconceptions persist, which can mislead potential investors. This article aims to debunk some of the common myths about mutual funds to help investors make informed decisions.

Myth 1: Mutual Funds Are Only for the Wealthy

Fact: Mutual funds are accessible to all. Many believe mutual funds are meant for the wealthy, assuming that investing requires a large sum of money. In reality, mutual funds are designed to be accessible to a wide range of investors. With schemes that allow starting investments from as little as Rs. 500 or Rs. 100 per month via a Systematic Investment Plan (SIP), even small, regular contributions can help investors begin building wealth.

Myth 2: Mutual Funds Are Difficult to Understand

Fact: Mutual funds are simpler than they appear. Some shy away from mutual funds, assuming they are complex. While they involve some technical terms, resources like fact sheets, fund presentations, and online platforms can help investors understand the basics-such as Net Asset Value (NAV), expense ratios, and asset allocation-making it easier for anyone to invest wisely.

Myth 3: It is Important to Time the Market

Fact: There is no right time to enter the market. A common myth is that investors must wait for the perfect moment to enter the market. However, no one can predict market movements with certainty. Instead of trying to time the market, it's more beneficial to invest for the long term, allowing your investments to grow naturally over time.

Myth 4: Past Performance Guarantees Future Success

Fact: Past performance is not an indicator of future returns. A mutual fund's past success does not guarantee future results. Market conditions change, and past performance often reflects circumstances that may not persist. It's crucial to evaluate a fund's investment strategy, management, and risk level rather than relying solely on historical returns.

Myth 5: Any Kind of Risk is Bad

Fact: Understanding risk-adjusted returns is key. Not all risks are bad; the focus should be on managing risk for optimal returns. Every investment carries some risk, and the key to success lies in understanding and managing these risks effectively.

Conclusion

Investing in mutual funds requires patience and discipline. By understanding the facts behind mutual funds, investors can avoid misconceptions and make well-informed decisions, leading to long-term financial success.

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Decoding the psychology behind investment decisions

Market cycles are often driven by more than just numbers, they reflect investors' emotions.

Investor behavior can often be shaped by emotions like greed and fear, which may influence portfolio performance. For example, greed can lead to overconfidence, causing investors to buy at elevated valuations, potentially impacting long-term returns.[1]

The Nifty 50 Index's performance through the lens of greed and fear

Investor behavior driven by greed was evident in 2007, 2017, and 2021, as many entered the market without fully assessing valuations. Conversely, fear-driven selling during downturns - such as the 2008 financial crisis and the 2020 pandemic led investors to exit at lower prices, missing out on subsequent recoveries.[1]

Historical data reinforces this pattern, showing how market cycles shape portfolio outcomes. Those who stayed invested or increased allocations at lower levels ultimately saw gains over time, even when the Nifty 50 Index fell over 50% in 2008 and 13% in March 2020. This highlights the importance of a structured investment approach to navigate market fluctuations more effectively.[2]

The impact of investor sentiment on decision-making

Investor sentiment typically shifts from optimism and excitement to euphoria, followed by phases of anxiety and panic. This emotional cycle influences decision-making and reinforces biases, often leading to emotion-driven investing.[1]

As a result, investors may react impulsively. They might buy declining stocks under the assumption that they are undervalued, without fully assessing the company's fundamentals. However, if the business fails to recover, this approach can lead to underperformance, misallocation of capital, and potential long-term losses. Recognizing these behavioral patterns can help investors make more rational, informed decisions, rather than reacting emotionally to market movements.[3]

Behavioral finance and cognitive biases

Behavioral finance examines the role of psychological factors in investment decisions, where emotions such as fear, greed, and social influence often shape market behavior, leading to fluctuations that are not always aligned with company fundamentals. Emotion-driven investments tend to exhibit higher volatility compared to those based on data and structured analysis.[4]

Investor decisions are often influenced by cognitive biases, affecting how risks and opportunities are assessed. Here are a few biases that affect the investment decisions of investors :

- **Confirmation bias -** Considering only favorable information while ignoring risks such as policy changes or high costs, which may result in a lack of preparedness for market shifts.[4]
- **Anchoring bias -** Relying on past stock prices with the expectation of recovery, without evaluating structural changes in the business.[4]
- **Recency bias -** Assuming recent trends will continue, overlooking long-term market cycles and broader influences.[4]
- **Loss aversion -** Holding underperforming stocks to avoid realizing a loss, which may lead to missing out on better investment opportunities.[4]
- **Herd mentality -** Making investment decisions based on market sentiment rather than intrinsic value, which may contribute to mispricing.[4]

- Gambler's fallacy - Expecting past trends to influence future movements, despite market outcomes being independent of previous patterns.[5]

Aiming to manage investment biases through mental models

A structured approach seeks to mitigate biases in investment decisions. Mental models assist in objective analysis, risk assessment, and decision-making by providing a disciplined framework for evaluation. Below are some key mental models that help in making more informed and strategic investment decisions:

Margin of safety

Buying undervalued stocks to limit downside risk and improve long-term outcomes.[6]

First-principles thinking

Evaluating stocks based on fundamentals like balance sheet strength and competitive position rather than broad assumptions.[6]

Second-order thinking

Assessing long-term implications beyond immediate price movements, considering factors like competition and profitability.[6]

Probabilistic thinking

Weighing potential outcomes based on historical performance and consistency to assess investment risks.[6]

A well-researched investment strategy enables investors to stay focused on long-term goals, instead of reacting to short-term market fluctuations. By aiming to maintain a diversified portfolio, applying structured mental models, and seeking to manage behavioral biases, investors can aim to make more informed decisions and navigate market cycles effectively.[1,2&4]

Source 1: Investopedia, July 29, 2023 | Source 2: Economic Times, March 15, 2025 | Source 3: Investopedia, December 18, 2024 | Source 4: Investopedia, August 20, 2024 | Source 5: Investopedia, September 21, 2023 | Source 6: Techhelp, March 16, 2025

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- By team Groww Mutual Fund

MFD Articles

Retirement Planning is the most important financial aspect in one's life, but it has the least priority among most working youngsters

Amit Kachroo
Volatility Coach
Delhi

Life is full of complexities; all are busy with their lives. Individuals don't have time to plan, and they take it too easy. Adulthood is indeed an important stage of one's life and it is imperative to plan for the future. This is the stage where one can work hard and save money and invest for long term goals like retirement. Unfortunately, one seldom pays much emphasis on. Infact, it has been observed that today's young generation doesn't pay much attention to it.

Retirement planning should be the most vital goal of any individual. It is one of the most important part of the overall financial planning graph. Retirement Planning is very important, and you should start planning for it early on.

While Retirement as term sounds very long distant in one's life; however, the judicial move will be to start planning for it from the day you get your first salary. It should be a part of your intentional living.

Without dwelling deep into numbers and statistics, below are the broad reasons why one should start planning for Retirement from an early age.

1. To maintain a decent life style so that once you are retired you don't compromise on quality of life and you continue to live the same way as you do now. In order to have this one has to have a substantial corpus ready at the time of retirement.
2. The other important factor is life expectancy. It is seen that life expectancy in India is increasing day by day with the advent of new medical technology. So, it is imperative to have a solid financial cushion which would help them to live without any stress post retirement. The corpus built over these years will also help if a retired individual has to undergo any medical treatment.

Saving and Investing early will be your Trump card which can be used later on in life.

Let's talk about as to how smart work beats hard work. Investing early is smart work.

Let me illustrate this with two extreme cases. Early Arihaan and Late Aakash.

Both start working at 20 and both want to Retire at 60. The market returns 12% a year, compounded monthly.

1. Early Arihaan at 20 years of age starts investing Rs 10,000 per month for next 30 years but leaves the money in the market for next 10 years till retirement.
2. Late Aakash waits 10 years and start investing Rs 10,000 at 30 years of age for the next 30 years till retirement.

Who ends up with more money-

- ❖ Early Arihaan invested Rs 36 Lakhs and made 11.2 Crores
- ❖ Late Aakash also invested Rs 36 Lakhs and made 3.43 Crores.

The huge difference between early Arihaan and late Aakash is the delay cost. Even though they invested same amount but Arihaan started investing early and invested till he was 50 years old and kept his money invested till 60 and his money kept on compounding whereas Aakash started investing when he was 30 years old and he lost 10 years of initial compounding.

We can clearly see that investing early produce great fruits. Power of saving and investing early is massive.

One has to be pragmatic when it comes to saving and investing for your own retirement. The key mantra is to start saving & investing the instance you start earning. It sounds bizarre initially when you think of retirement when you are just starting out in career.

Happy Investing. ❑

"Dhan aur Samriddhi": Wealth the Smart

Arabinda Kundu
Volatility Coach
Kolkata

"Money earned must be made to earn more money."

- *Arthashastra*, Kautilya

In today's dynamic financial landscape, building wealth doesn't require a fortune-just a smart plan and steady habits. I'm Arabinda Kundu, a Distributor with Mutual Funds & Insurance since 2006 and now Director - Saffolya o Samriddhi, A Division of Wealth Right. With 18 years of guiding people-doctors, shopkeepers, officers-to financial freedom, I've learned what works. My clients' stories show how small steps, paired with avoiding common pitfalls, can lead to big wins.

Dr. Subrata Bandyopadhyay, a Kolkata doctor, started with me in 2006. His goal? Fund his sons' education and retire comfortably. Through monthly Systematic Investment Plans (SIPs) in equity Mutual Funds, he built a solid corpus. By 64, he retired, bought a second home in Shantiniketan, and saw his sons become doctors-all stress-free. Equity's 15% average annual growth (2005-2024) fueled his success, and as his distributor, I kept him steady through market dips, proving consistency trumps timing.

Biplab Roy, a government officer since 2006, aimed for freedom and hit it at 49 with SIPs. Beyond that, he donates regularly to society, inspiring me to grow a Rs. 25 lakh corpus via SIPs, yielding Rs. 1.5 lakh yearly for local causes. His journey mirrors India's rise-8% GDP growth in 2024 (Reserve Bank of India)-showing wealth can uplift more than oneself.

Investors often stumble, though. Two mistakes to avoid: **panic selling** during market drops (like 2008's 50% dip, which recovered by 2015) locks in losses, and **chasing hot tips** (70% flop, per SEBI) burns cash fast. Stick to a plan instead. India's markets are booming-Sensex from 10,000 to 80,000 since 2005-making now ideal to start.

Actions Now to Start Investing

- **Set a Goal**: Pinpoint your "why"-education, home, freedom.
- **Start Small**: Begin with Rs. 500 monthly in an equity Mutual Fund.
- **Stay Steady**: Automate SIPs, ignore short-term noise.
- **Seek Guidance**: Consult a distributor for a tailored approach.

Small moves today, minus the missteps, can secure your tomorrow! ❏

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Riding the Highs vs. Building Wealth: The Power of an Opportunity Fund

Arpan Arora
Volatility Coach
Bangalorw

Why Real Wealth Isn't Built in Bull Markets - It's Built in the Crashes

Everyone loves a rising market. When portfolios are climbing, the temptation to go All-In on equities is strong. After all, a 100% equity allocation feels like the fastest path to wealth until the inevitable downturn hits.

The truth? Real wealth isn't built during the highs, it's built by capitalizing on the lows.

The Problem with Going All-In on Equities

A 100% equity portfolio looks aggressive and rewarding in a bull market, but it leaves you powerless when corrections arrive.

- Historically, markets see 15-20% dips every 2-3 years.
- Once a decade, deeper crashes occur like 2008 (-50%) or COVID-19 (-35%).

Without surplus cash reserve, you miss the chance to buy assets at a discounted price and loose the opportunity.

The Math of Market Recovery

A 20% fall requires a 25% gain just to break even. But if you buy during the dip, you start from a lower base, accelerating returns.

Example:

- During COVID-19, investors who deployed cash in lows of March 2020 saw 4x growth in 5 years, a return that normally takes a decade at 15% annualized.

The Opportunity Fund Strategy

Instead of going all-in, consider a 70:30 split (equity : debt).

1. The 30% in debt/cash compounds quietly at 6-7%, acting as a safety net.
2. When markets correct, this reserve is deployed systematically buying equity funds at lower prices.
3. Post-recovery, rebalance to lock in gains and reset for the next opportunity.

Real-Life Case:

A client wanted 100% equities but agreed to 70:30. When markets dropped, we gradually deployed the 30% debt portion. As markets rebounded, we rebalanced. No panic, No missed chances, Just disciplined execution.

The Bigger Picture: Preparation Over Prediction

An opportunity fund isn't about timing the market, it's about being ready when markets fall.

- All-equity portfolios suffer most in crashes.
- Balanced portfolios with cash reserves turn crises into opportunities.

Final Thought

Warren Buffett's timeless advice holds: "Be fearful when others are greedy, and greedy when others are fearful." By maintaining an opportunity fund, you ensure you're always positioned to act & not react when markets stumble.

Because true wealth isn't made in the boom, it's made in the bust. ❑

The tortoise and the hare: A Bollywood take on Financial Success

Bhanu Pratap Jain
Volatility Coach
Tinsukia

"Paise ka nahi, plan ka khel hai!" (It's not about money, it's about the plan!)

Meet Raj and Priya—two IT professionals with similar incomes but vastly different approaches to money. Raj chased hot stock tips and crypto trends with the drama of a Bollywood hero, hoping to get rich quick. Priya, in contrast, quietly followed a clear plan rooted in her life goals—buying a house, educating her kids, and retiring comfortably.

Raj's investments were exciting but unstable, shifting with every new market trend. When demonetization hit, his small-cap heavy portfolio dropped 35%. He panicked and exited the market. Priya's losses were milder. She saw the dip as a chance to buy more and stayed focused on her SIPs and goal-based strategy.

Over a decade, Raj's returns were mediocre despite high risk. He remained uncertain about his future. Priya, however, met her house goal on time and was steadily progressing toward others. Her secret? Clarity, discipline, and emotional resilience.

She knew why she was investing. Each rupee had a purpose. Raj, meanwhile, was investing just to make more money—without a roadmap, he was vulnerable to fear and hype.

The lesson? Personal finance isn't about chasing the highest returns. It's about setting meaningful goals, creating a simple plan, automating investments, and ignoring market noise. Success comes not from picking the best fund, but from consistent contributions and emotional control.

So, ask yourself: are you like Raj, chasing trends, or like Priya, building a plan?

Start with clear goals, match your investments to timelines, automate SIPs, and stay the course. Remember, boring consistency often wins in the end.

As Warren Buffett said, "The stock market is a device for transferring money from the impatient to the patient."

Or in Bollywood style: "Sabr ka phal meetha hota hai." ❑

How Strategic Derivatives Trading Can Enhance Long-Term Wealth: A Success Story by ASP FINSERV

Ashish Pandey
Volatility Coach
Mumbai

Introduction

At ASP FINSERV, we believe that wealth creation is not just about long-term investments-it's about strategically managing risks and seizing opportunities. While mutual funds and stocks form the foundation of a solid investment portfolio, integrating derivatives trading can enhance returns and provide stability.

This is the story of an investor who transformed his portfolio with the help of ASP FINSERV's structured derivatives strategies. His journey showcases how a smart, data-driven approach can optimize wealth creation while mitigating risks.

Background of the Investor

Meet Mr. Sharma (name changed for confidentiality), a 42-year-old business owner with a keen interest in investing. His portfolio predominantly consisted of mutual funds and blue-chip stocks, offering steady growth but lacking agility in volatile markets.

Despite being financially secure, Mr. Sharma faced three key challenges:

Market downturns occasionally eroded his returns.

Short-term liquidity issues limited his ability to capitalize on emerging opportunities.

A lack of active risk management left his portfolio vulnerable to economic uncertainties.

The Strategy: How Derivatives Enhanced Portfolio Performance

Recognizing these gaps, ASP FINSERV introduced Mr. Sharma to a structured derivatives strategy designed to maximize returns while maintaining risk control. Here's how:

Hedging for Protection: To safeguard against market declines, we advised him to use index put options as an insurance mechanism. This ensured his portfolio remained resilient even during downturns.

Income Generation Through Covered Calls: By selling covered call options on his blue-chip stock holdings, Mr. Sharma started earning a steady premium income, enhancing his cash flow without liquidating his investments.

Smart Leverage & Risk Management: With our guidance, he selectively used futures contracts to enhance exposure to promising sectors while maintaining strict stop-loss strategies to avoid excessive risk.

Results: Wealth Growth & Trading Income

Within 12 months of implementing these strategies, Mr. Sharma witnessed significant improvements in his portfolio performance:

Stability During Volatility: Despite market fluctuations, his portfolio maintained a strong risk-adjusted return.

Additional Income: Selling covered calls generated a consistent monthly income, which he reinvested for compounded growth.

Wealth Appreciation: By integrating derivatives strategically, his overall portfolio value grew by 18%, outperforming traditional investment approaches.

Key Takeaways for Investors

Mr. Sharma's story highlights valuable lessons for all investors: Derivatives aren't just for speculation-when used wisely, they can enhance stability and returns.

Data-driven decisions matter. Having the right insights and expertise makes all the difference in managing risk and maximizing profits.

ASP FINSERV's expertise can help investors leverage derivatives to optimize their portfolios without excessive risk.

Conclusion: The Future of Smart Investing

Mr. Sharma's journey is a testament to the power of strategic derivatives trading. At ASP FINSERV, we remain committed to educating and empowering investors, helping them navigate the markets with confidence and intelligence.

Are you ready to optimize your investment strategy? Let ASP FINSERV guide you towards a smarter, more profitable financial future. Contact us today to learn more about our expert-driven approach to derivatives and wealth management. ❑

From Grief to Growth: How One Woman Rebuilt Her Life with the Power of Financial Planning

Chetan Jain
Volatility Coach
Bangalore

In 2017, Anisha's life turned upside down. At just 42, she lost her husband to a sudden Heart attack, leaving her alone with two young daughters-one in junior school, the other in high school. The weight of uncertainty, fear, and grief was overwhelming. She didn't know where to begin. All she knew was that her world had collapsed.

But there was one anchor of hope: her husband's life insurance policy of Rs. 2.50 crore.

The first step was using a portion of the payout to close the Home loan and other liabilities like care loan etc. a burden that no longer loomed over her head. Still, money alone doesn't create stability. That's where we came in.

In our initial meetings, Anisha was nervous, vulnerable, and consumed by questions about her future. Could she sustain her family? Could she secure her daughters' education? Could she survive without ever having managed money before?

We told her this: "You don't need to worry about building wealth overnight. You need a system that works for you-month after month, year after year."

We created a custom mutual fund portfolio blending debt, balanced, and equity funds-each selected not just for performance, but to match her life's new rhythm. The focus was stability first, then growth. With regular monthly withdrawals planned for her expenses, school fees, emergencies, and long-term education goals, she never had to make a financial decision alone.

Eight years later, Anisha stands tall. Her elder daughter is pursuing graduation; the younger one is in her final year of school. Anisha has not only survived-she has thrived. She is confident, calm, and focused on her family's future.

This isn't just a story of financial planning. It's a story of emotional recovery, strategic decision-making, and the power of trust.

When we look at Anisha today, we don't just see a client. We see resilience. We see how, with the right guidance, a family on the brink of despair found stability, dignity, and purpose again.

As a Mutual Fund Distributor, this is more than a profession-it's a mission. Anisha's journey reminds me every day: with empathy, planning, and the right approach, we can guide families not just through life, but through crisis-and come out stronger on the other side. ❑

Empowering Investors Through Financial Planning

Ashish Sarda
Volatility Coach
Kolkata

Financial freedom often feels like an unattainable dream, clouded by doubts and market uncertainties. As a Volatility Coach and FFFP Community member, I have encountered countless individuals wary of investing, believing mutual funds are too risky or driven by commissions.

However, my mission has always been clear-*to educate, empower, and enable individuals to build wealth over time.*

One of my most rewarding experiences was guiding a middle-class couple who feared they wouldn't afford their child's education. By introducing them to Systematic Investment Plans (SIPs) and the power of compounding, we structured a disciplined approach. A decade later, their investments had fully funded their child's education, proving that patience and planning yield remarkable results.

Similarly, a dedicated professional sought financial freedom but lacked a clear roadmap. We designed a structured investment plan, and fifteen years later, he joyfully retired at 50 to pursue his passion. His words resonated deeply: "I finally have the financial freedom to follow my dreams-thanks to your guidance!"

During the COVID-19 crisis, an entrepreneur I advised found his business on the brink. Thankfully, our planning had included an emergency corpus, which sustained him and his employees. He later told me, "If not for your financial guidance, my business wouldn't have survived."

These stories reinforce that being a Mutual Fund Distributor (MFD) is about more than investments-it's about being a partner in financial well-being. If you're waiting for the right time to start investing, remember: *the best time was yesterday, the second-best time is now.* Let's create wealth, secure futures, and transform lives together!

Client Relationship is importance for reference

Bikash Harlaka
Volatility Coach
Guwahati

One of my Client recently while on vacation trip with his family ,Suddenly met with a major accident and his 17 year old daughter got injured heavily and she had to go for multiple surgery .Just one month ago before this accident , his Health Insurance policy was renewed on my several request, which the client want to discontinue as he thought the premium was very high for him and he never had any claim history in past since very long time so thought not making any importance to continue.

The surgery and other treatment cost was approx. 7 to 8 lakh and most of the expenses were paid by the Health Insurance Company. This small suggestion of mine to continue his health insurance and explaining him the importance of health insurance, make him more trust upon me. And from then onwards he has thanked me a lot after this incident.

His entire Mutual fund portfolio and other investment related matter he completely discusses with me and have complete trust upon me. His daughter's higher education expenses also were completely managed through mutual fund portfolio. He took the time to understand his financial situation, priorities, and aspirations.

Together, we established clear financial goals, including paying off debt, building an emergency fund, and saving for marriage for his daughter and child education for his son. Over the next coming years, he wants to be more discipline about his financial goals and priorities in his life. He has referred me with lot of his friends and relatives. He and his entire family is like my own family now.

Navigating Market Volatility: My Experience

Deepak Iyengar
Volatility Coach
Bangalore

As a financial products distributor, I've encountered my fair share of market corrections, but one particular incident stands out. Ms.Priyadarshini , long-term client nearing retirement, called me in a panic during a significant market downturn. The recent market correction had caused a sharp decline in her portfolio, and she was concerned about her future. Her immediate instinct was to sell off everything, fearing further losses.

I understood her concern but knew that reacting out of fear could derail her long-term financial goals. I calmly walked her through the historical performance of markets during times of correction, pointing out that downturns are often followed by periods of growth. I shared data showing how, historically, the Sensex had rebounded within a few years after significant dips.

But beyond the numbers, I reminded the client of the goals we had set together: a secure retirement, traveling the world with her family, and ensuring her children's education. These long-term objectives required a strategy based on patience, not short-term reactions. I assured her that our diversified investment plan was designed to weather such volatility and that selling in a panic would only lock in losses.

Priyadarshini decided to stay the course, and over the following year, her portfolio not only recovered but grew substantially. The experience reinforced a key lesson: financial success is about staying focused on long-term goals, even when market conditions cause short-term anxiety. Today, Priyadarshini is enjoying her retirement, grateful for the decision to trust in the plan we created together.

Investing with Confidence: How Financial Literacy Transformed Lives

Vijay Mishra
Volatility Coach
Delhi

As a mutual fund advisor, I have had the privilege of transforming my clients' financial journeys, empowering them to make confident and informed investment decisions. One of my most impactful experiences was with clients who initially relied on traditional savings methods like fixed deposits and post office savings. Skeptical about mutual funds, they feared market fluctuations and lacked the confidence to explore investment opportunities beyond their comfort zone.

Understanding their concerns, I took the time to educate them on the fundamentals of mutual funds, explaining risk management, diversification, and long-term wealth creation. Through personalized guidance, I helped them start with low-risk investments, gradually building their confidence in the market. By carefully selecting funds suited to their financial goals and risk appetite, I ensured they experienced steady growth without unnecessary stress.

Over time, they became more comfortable with the investment process and developed a disciplined approach to wealth management. They learned to stay invested through market ups and downs, focusing on long-term gains rather than short-term fluctuations. With patience and strategic planning, their portfolios began to grow significantly, and they saw firsthand the benefits of smart investing.

Today, they are confident investors who have successfully purchased their dream homes and cars-achievements they once thought were beyond their reach. More importantly, they have secured a stable financial future for their families. Their transformation from hesitant savers to knowledgeable investors is a testament to the power of financial literacy and disciplined investing.

My mission as an advisor is to provide the same level of support to every investor. Whether you are planning for your child's education, securing your retirement, or building long-term wealth, I am committed to helping you create a strategy that aligns with your financial aspirations. Investing wisely isn't just about making money-it's about achieving financial freedom and peace of mind. With the right guidance, knowledge, and patience, anyone can take control of their financial future and turn their dreams into reality.

If you're ready to embark on your investment journey with confidence, I am here to guide you every step of the way. ❑

The Silent Guardian: Women and Financial Well-Being

Deepak Patil
Volatility Coach
Ichalkaranji

A woman is not just a homemaker but the silent guardian of her family's financial well-being. From budgeting daily expenses to securing the future, she plays a crucial role in protecting her home from financial crises. With her smart money management skills, she ensures stability and security for her loved ones.

Mastering Money Management

A woman's ability to manage money is unmatched. She knows how to balance income and expenses while keeping aside savings for emergencies. Her budgeting skills ensure that her family never faces a financial crunch.

A Smart Saver and Planner

She understands the importance of financial planning. Whether it is her child's education or marriage, she sets aside savings to fulfill future needs. Her disciplined approach helps her achieve long-term financial goals.

Investment: The Key to Growth

Beyond saving, she also invests. Women have traditionally invested in gold, but today's empowered woman explores various investment options like mutual funds, stock markets, fixed deposits, and real estate to grow wealth and fight inflation.

Securing the Family's Future

A woman must also focus on protecting her family from financial risks. She should ensure that her family has:

- ❖ **Mediclaim Policy -** To cover medical emergencies.
- ❖ **Term Insurance -** To secure her family's financial future in case of any unfortunate event.
- ❖ **Personal Accidental Policy -** To handle sudden accidents and their financial impact.
- ❖ **Emergency Fund -** A financial cushion to deal with unexpected expenses.

Exploring Diverse Investment Options

Apart from traditional investments, women must explore diverse financial instruments such as Systematic Investment Plans (SIPs), Public Provident Fund (PPF), National Pension Scheme (NPS), and even real estate. These options help in long-term wealth accumulation and provide financial security.

Understanding Legal and Financial Responsibilities

Financial planning is incomplete without estate planning. She should ensure that the Will of the family Karta is properly made and documented. This will prevent future disputes and secure the family's wealth. Additionally, she must stay informed about taxation, nominee details in financial accounts, and inheritance rights to safeguard her family's assets.

The Power of Financial Independence

A woman who understands financial products and investments can make better decisions for her family. By taking control of money matters, she can protect her home from any financial crisis. A financially independent woman is confident, secure, and empowered to handle any challenge that comes her way.

Women are not just homemakers; they are financial warriors who build, save, and protect their family's future. Let's empower every woman to take charge of her financial destiny and ensure a stable, prosperous life for her loved ones! ❏

Financial Well-Being in VIKSIT BHARAT: A Path to Stability and Growth

Devender Goswami
Volatility Coach
Ludhiana

Financial well-being is an essential component of a fulfilling and stress-free life. It goes beyond merely earning money; it encompasses managing finances wisely, saving for the future, and making informed financial decisions that align with personal goals and values. This article explores the key aspects of financial well-being and offers practical steps to achieve financial stability and growth.

Understanding Financial Well-Being

Financial well-being is the state of having control over day-to-day finances, the capacity to absorb financial shocks, the ability to meet financial goals, and the confidence to make informed financial decisions. It is not about wealth but about financial security and freedom.

Key indicators of financial well-being include:

- **Financial Stability:** The ability to cover daily expenses comfortably without excessive stress.
- **Debt Management:** Maintaining a healthy balance between income and debt, ensuring that obligations are manageable.
- **Savings and Investments:** Building financial reserves for emergencies, retirement, and future aspirations.
- **Financial Knowledge and Confidence:** Having the skills and understanding to make wise financial choices.

Steps to Improve Financial Well-Being

Achieving financial well-being requires discipline, planning, and continuous learning. Here are practical steps to enhance financial health:

1. **Create and Stick to a Budget**
   A budget is a crucial tool for managing income and expenses. Tracking spending habits helps identify areas where money can be saved and ensures that essential needs are met without unnecessary overspending.

2. **Build an Emergency Fund**
   An emergency fund provides financial security in unexpected situations, such as medical expenses, car repairs, or job loss. Experts recommend saving at least three to six months' worth of living expenses.

3. **Reduce and Manage Debt**
   High-interest debt can be a significant obstacle to financial well-being. Paying off debts strategically, starting with high-interest loans first (the avalanche method) or smaller debts for quick wins (the snowball method), can improve financial stability.

4. **Save and Invest Wisely**
   Saving regularly and investing in growth-oriented assets like stocks, mutual funds, or retirement accounts can build long-term wealth. Diversifying investments helps minimize risk and maximize returns.

5. **Increase Financial Knowledge**
   Continuous financial education is crucial for making informed decisions. Reading books, attending financial literacy workshops, and consulting with financial advisors can enhance understanding and confidence in money management.

6. **Plan for the Future**
   Setting financial goals-whether buying a home, funding a child's education, or planning for retirement-creates a roadmap for financial success. Retirement planning should start early to take advantage of compounding growth.

Conclusion

Financial well-being is not achieved overnight; it requires consistent effort, discipline, and a proactive approach. By following these steps, individuals can gain financial stability, reduce stress, and create a secure and prosperous future. Taking control of financial health today ensures long-term security and peace of mind. ❑

Investor Success Story: A Journey towards Financial Freedom

Gaurav Handaa
Volatility Coach
Faridabad

Financial well-being is not just about returns; it's about security, discipline, and confidence in facing life's uncertainties. One such inspiring journey is that of an investor who, after much hesitation, finally took the first step toward financial stability.

Referred by an existing investor, he was initially reluctant to begin his investment journey. It took nearly a year of follow-ups before he decided to start. During our discussions, he shared his biggest concern-managing a significant debt that he aimed to reduce over the next couple of years. Understanding his priorities, we structured an approach that focused on reducing liabilities while also setting aside funds for unforeseen situations.

A few months ago, he faced an unexpected financial crisis. However, due to the disciplined savings he had built over the past two years, he managed to navigate the situation without additional borrowing. More importantly, he successfully reduced his debt by 75%, an achievement that once seemed out of reach.

In a moment of gratitude, he expressed, "You saved my honor." These words reaffirmed the impact of staying committed to financial discipline. His story serves as a reminder that consistency and the right guidance can transform financial stress into stability.

His success is a motivation for us to continue helping individuals take control of their financial future. At the end of the day, financial freedom isn't just about numbers-it's about having the confidence to live life on your terms.

From Despair to Triumph: How One Man's Faith in Investing Changed His Life

Gaurav Jain
Volatility Coach
Lucknow

In 2019, Mr. Agarwal, a respected scientific equipment trader in Lucknow, faced the unimaginable. A bitter business division left him cheated by his own brothers, costing him crores. Decades of hard work vanished overnight.

Depressed and disillusioned, he lost faith-not just in people, but in God. His entire life savings went into salvaging his business. And with a daughter's wedding approaching in four years, he was drowning in uncertainty. The societal pressure of maintaining his family's reputation only made things worse.

There was no money in sight to fund the grand wedding-estimated to cost Rs. 1.5 crores.

At this crossroads, a mutual friend introduced him to me. With hesitation, he shared his situation, unsure if anything could be done. But instead of focusing on the past, we looked ahead.

Together, we mapped out a clear, structured investment plan to build his daughter's wedding kitty. The goal: ?1.5 crores in four years.

The Power of Discipline & Resilience

Starting in March 2019, without disrupting his business operations, he began a Systematic Investment Plan (SIP) of ?1 lakh per month in a Flexi Cap Fund.

Then came 2020.

COVID-19 hit, and fear gripped the world. Markets crashed. Businesses suffered. Mr. Agarwal, like many, wanted to stop investing-after all, who invests when everything seems to be falling apart?

But I urged him to stay the course.

It wasn't easy, but he trusted the process. Month after month, he continued investing, even when the markets were bleeding.

The Unbelievable Turnaround

By January 2025, after 71 SIP installments of Rs. 1 lakh each (Rs. 71 lakhs total), his patience paid off. The power of rupee cost averaging and market recovery worked in his favor.

His investment had grown to Rs. 1.49 crores-an astonishing 25.7% IRR during this period.

His daughter's wedding was not just financially secured-it was a celebration of resilience, belief, and smart investing.

Today, Mr. Agarwal smiles with pride. He has not only regained his financial stability but also his faith-both in God and in equity investing.

His words? "Mutual Fund, Sahi Hai!"

❖❖❖

An investor Centric Strategy

Harwinder Singh
Volatility Coach
Chandigarh

1. **Is Based on Your Financial Goals:** Asset allocation should directly align with your life's goals, whether it's saving for retirement, buying a home, or funding a child's education.
2. **Reflects Your Risk Tolerance:** Every investor has a different ability to handle market fluctuations, which should be taken into account when deciding how much to allocate to each asset class.
3. **Considers Your Time Horizon:** The length of time you plan to hold an investment plays a significant role in determining the right asset mix. Long-term investors can generally afford to take on more risk than those with shorter timelines..

1. Identify Your Financial Goal

Your investment strategy should begin with defining clear and specific financial goals. For example:

1. Child Education
2. Home Purchase
3. Retirement Goal
4. World Tour
5. Car Goal
6. Firm House Goal

2. Goal-Based Asset Allocation

Each goal will have a different investment approach based on its urgency and risk profile.

Example:

- Equities
- Debt /Liquid
- Gold/Silver
- Real Estate or Commodities

3. Assess Your Risk Tolerance

- Aggressive Investors
- Moderate Investors
- Conservative Investors

4. Consider Your Time Horizon

- Short-Term (1-3 years.)
- Medium-Term (3-10 years)
- Long-Term (10+ years)

5. Behavioural Factors

Investors' behavioural traits can also affect how they approach asset allocation. For example, some investors may panic during market downturns, leading them to sell off their risky assets, while others may be too conservative and miss growth opportunities.

To keep emotions in check:

Stay Disciplined: Stick to your asset allocation even when the market fluctuates. Rebalancing regularly ensures that you maintain your desired risk level.

Conclusion: Asset Allocation Is About You

An investor-centric approach to asset allocation focuses on aligning your portfolio with your unique financial goals, risk tolerance, time horizon, and life stage. There's no one-size-fits-all solution, and your asset allocation should be personalized to reflect your individual circumstances.

As you move through different phases of life, your portfolio needs will shift, so it's essential to regularly review and rebalance your assets. Whether you're saving for a home, a child's education, or retirement, a carefully considered asset allocation strategy will help you navigate market volatility while keeping you on track to meet your financial objectives.

A Relationship That Didnot End with a Life "It Grew" Stronger

J L Prajapati
Volatility Coach,
Gorakhpur

One day, I got a call from a family from the hospital. The man was already my client, and I had been assisting him with his financial matters for a long time. It was my first time receiving such a call. Without wasting a minute, I took the cash and rushed there, reaching within half an hour.

When I arrived, the patient's wife looked worried. She told me, "My husband handles all the finances. I don't know anything about it." I could see her helplessness.

For the next 15 days, I arranged funds for his treatment, ensuring there were no delays and that everything went smoothly. Thankfully, his treatment was successful, and he recovered. Once he was healthy again, he returned the money I had arranged for him, appreciating my support beyond financial matters.

Unfortunately, after some time, he passed away. His wife called me again, this time for help with his cremation. I stepped in and assisted the family with all the necessary arrangements, just like I had done before.

That was when his relatives came to know that I was not just someone handling their finances but someone they could trust. Until then, they had no idea of my role in their lives. Seeing how everything was managed, they all said, "If you weren't there, this wouldn't have been possible."

Over the years, my relationship with the family deepened. Whenever money was credited to his account, he used to inform me, and I would guide him on where to invest the funds properly. After his passing, I took on the responsibility of managing his wife's and children's finances, helping them plan for their future and make informed financial decisions.

Even today, I continue this journey with his wife, daughter, and son-in-law. I help them with their financial planning, ensuring they are secure and growing. They trust me, and in return, they support me by referring new clients and helping me expand my business. It has become a two-way relationship of trust and support-something that started with financial guidance but turned into a lifelong bond."

Turning Dreams Into Reality: Rajesh's Financial Journey

Kiran Kumar
Volatility Coach
Rajahmundry

Managing money can be challenging in today's unpredictable world. But with the right guidance, financial success is within reach. This is the story of Rajesh Kumar, an investor from Hyderabad, who turned his financial struggles into success with proper planning.

Rajesh, working a regular job, found it difficult to save enough for his family's needs. Recognizing the need for help, he approached me. I explained the importance of HIP (Health Insurance Plan), TIP (Term Insurance Plan), and SIP (Systematic Investment Plan) to build a solid financial foundation. These steps ensured protection while steadily growing his wealth.

We started with a health insurance plan through EMI, giving Rajesh confidence that his family was protected during medical emergencies. Next, we secured a term insurance plan, ensuring financial support for his loved ones. Finally, I introduced SIPs, guiding him to invest small amounts regularly in mutual funds. Despite market ups and downs, Rajesh stayed disciplined and followed the plan.

Over the years, his investments grew far beyond his expectations. Today, he is becoming financially independent,and his children education investment also grew significantly, His story highlights the power of making informed decisions and staying committed to a financial plan.

Rajesh's journey is a perfect example of how expert guidance and proper planning can transform lives. With the right knowledge and dedication, anyone can achieve their financial goals.

From Hardship to Prosperity: A Financial Planning Success Story

Manoj Munot
Volatility Coach
Pune

In 2006, as I transitioned from engineering to financial planning, I encountered a remarkable client who would exemplify the power of disciplined investing paired with positive thinking. A recently widowed single mother approached our consultancy with a modest goal: securing her daughter's education despite challenging circumstances.

Our approach extended beyond traditional financial planning. We developed a comprehensive strategy that addressed both practical investments and mindset. We established a Systematic Investment Plan (SIP) of .10,000 and encouraged her to maintain unwavering focus on her financial goals while distancing herself from negative influences.

The cornerstone of our guidance included daily affirmations:

"I am leading a first-class life."

"Day by day, my money and joy are increasing."

"I am born to be rich and prosperous."

"My wallet and pocket are crammed with money."

These weren't mere words but powerful mindset tools that complemented her rigorous financial discipline.

Over the subsequent 12 years, this disciplined approach yielded extraordinary results. Through consistent investing and strategic portfolio management, she amassed Rs. 1.5 crore for her daughter's education. More impressively, she simultaneously built an additional Rs. 1.5 crore retirement corpus and increased her monthly investment capacity from the initial Rs. 10,000 to over Rs. 1 lakh.

This journey underscores a profound financial truth: persistence trumps luck. The combination of patience, faith, and strategic planning can transform modest beginnings into remarkable wealth. Her success demonstrates that financial prosperity is not merely about mathematical calculations but also about cultivating an abundance mindset.

The "tathastu effect" – where thoughts materialize into reality – proved true in her case. By consistently focusing on prosperity rather than scarcity, she created her desired financial reality despite starting from adversity.

Her story stands as inspiration for anyone facing financial uncertainty: with proper guidance, disciplined investing, and unwavering positive focus, financial transformation is within reach for everyone willing to commit to the journey.

Common Investment Mistakes and How to Avoid Them

Meet Shah
Volatility Coach
Gandhinagar

Investing is a powerful way to build wealth, but certain mistakes can hinder progress and lead to losses. Understanding these common pitfalls and how to avoid them is key to long-term financial success.

1. Emotional Decision-Making

Markets fluctuate, and emotions often drive impulsive decisions. Fear may push investors to sell during downturns, while greed can prompt risky investments when markets are soaring.

Solution: Follow a disciplined investment plan aligned with your goals. Stick to your strategy regardless of market noise, and avoid panic-driven decisions.

2. Trying to Time the Market

Many investors attempt to predict market highs and lows, often resulting in missed opportunities or losses.

Solution: Instead of timing the market, focus on time in the market. Consistent investing through SIPs reduces the impact of volatility and maximizes compounding benefits.

3. Lack of Diversification

Investing heavily in a single asset class or sector exposes your portfolio to unnecessary risk.

Solution: Diversify across equities, debt, gold, and other assets to reduce volatility and balance risk.

4. Ignoring Asset Allocation

Overlooking the right mix of asset classes can lead to poor returns or excessive risk.

Solution: Maintain an asset allocation that aligns with your risk tolerance, goals, and investment horizon. Periodically review and rebalance your portfolio.

5. Not Investing Sufficiently

Many investors hesitate to invest meaningful amounts due to a lack of confidence in the product.

Solution: Take the time to understand the product, its risks, and potential returns. Knowledge builds confidence, enabling you to invest sufficient amounts to achieve your goals effectively.

6. Neglecting Regular Reviews

Failing to monitor investments can cause you to overlook underperforming assets or shifting financial needs.

Solution: Conduct periodic reviews to assess performance, rebalance your portfolio, and adapt to changing goals.

7. Falling for Unrealistic Promises

Investors are often tempted by schemes promising unusually high returns with minimal risk.

Solution: Avoid "get-rich-quick" offers. There's no shortcut to creating wealth; if you want to build lasting financial success, focus on long-term growth and forget about short-term gains. Focus on well-researched investments with a proven track record.

8. Overlooking Financial Goals

Investing without clear objectives can result in scattered decisions and inconsistent growth.

Solution: Define specific goals such as retirement, education, or wealth creation. Tailor your investment strategy to achieve these milestones.

9. Ignoring the Power of Compounding

Many investors underestimate the long-term impact of compounding, missing out on exponential growth.

Solution: Start investing early and remain consistent. Use a compounding calculator to visualize how your investments can grow over time, enhancing your understanding of this powerful concept. Compounding rewards patience, turning small investments into substantial wealth over time.

10. Not Keeping Emergency Funds

Many investors overlook the importance of having an emergency fund, which can force them to liquidate investments prematurely during financial crises.

Solution: Maintain an emergency fund with at least 6-12 months' worth of expenses to manage unexpected events without disrupting your investment strategy.

Conclusion

Mistakes are part of every investor's journey, but learning from them is crucial. Consulting an expert can help you overcome these mistakes and align your investments with your financial objectives. By staying disciplined, diversified, and focused on long-term goals, you can build a stable financial future while minimizing costly errors. Successful investing isn't about perfection-it's about consistency and informed decisions. ❑

6 Essential Financial Planning Tips for a Secure Future

Mohit Arora
Volatility Coach
Bathinda

As a new year begins, it's the perfect time to revisit your financial plans and work towards long-term stability. Here are six essential tips to help you manage your finances effectively:

1. Create and Stick to a Budget:

Begin by analyzing your monthly income and expenses to create a realistic budget. This will help curb unnecessary spending and increase your savings. Use apps or spreadsheets to track your progress. For instance, saving just Rs. 100 daily on non-essential expenses could add up to Rs. 3,000 in a month!

2. Build an Emergency Fund:

Life is unpredictable, and having a safety net is crucial. Set aside an amount equivalent to 3-6 months of expenses in an emergency fund. This ensures financial security during job losses or medical emergencies. For example, if your monthly expenses total Rs. 20,000, aim to save between rS. 60,000 and Rs. 1,20,000 gradually.

3. Reevaluate Your Debts:

High-interest debts like credit card balances can strain your finances. Focus on paying them off as quickly as possible. Explore debt consolidation or refinancing options to reduce interest rates. For example, a Rs. 50,000 credit card balance with a 24% annual interest rate would cost Rs. 12,000 in interest alone. Eliminating such debts is vital.

4. Reconsider Your Investment Strategy:

Review your portfolio regularly to ensure it aligns with your goals and risk tolerance. Diversify your investments across equity, debt, real estate, and gold for better stability against market fluctuations. A medium-risk portfolio, for instance, could allocate 50% to equity, 30% to debt, and 10% each to real estate and gold.

5. Consult a Financial Advisor:

A financial advisor can bring expertise to your financial planning, helping you navigate complex decisions like investments, tax strategies, and retirement planning. They can tailor solutions to your goals and risk tolerance while keeping you updated on market trends. Their insights can ensure you're on the right track to achieve long-term stability.

6. Invest in Financial Education:

Financial literacy empowers you to make informed decisions. Learn about investments, tax planning, and retirement strategies through books, courses, or seminars. Commit to reading a financial book monthly or taking online courses to deepen your knowledge.

By following these practices and seeking guidance from a financial advisor when needed, you can build a robust financial foundation and secure your future. Remember, financial planning is an ongoing process-review your progress regularly and adjust your strategies to stay on track. Here's to a financially thriving year ahead! ❑

Finding Purpose in Wealth

Nishith Baldevdas
Volatility Coach
Chennai

In today's fast-paced world, many people feel dissatisfied despite having high incomes. They work hard and earn well, yet happiness often seems out of reach. As a financial advisor, I have seen how the rush for wealth can distract individuals from what truly matters in life.

It is important to understand the difference between income and wealth. Income is the money earned from jobs or investments, while wealth is the total value of what you own, including property and savings. Many confuse high income with true wealth, not realizing that true wealth means inner happiness along with the right purpose. They often equate returns with wealth, believing that high returns create wealth. However, it is actually high savings, coupled with smart investments, that builds true wealth.

People also struggle with the concepts of instant gratification and delayed gratification. The desire for quick rewards can lead to impulsive financial decisions, causing them to overlook the importance of saving and long-term wealth accumulation.

As family structures evolve, with more nuclear families and single parents emerging, we see rising cases of divorce. Many couples earn well but lack a common purpose. This disconnect often leads to misunderstandings and ego clashes, ultimately resulting in separation. Couples must collaborate on shared financial goals to foster stability.

Consider the examples of Indian icons like Ratan Tata and N. R. Narayana Murthy, who highlight that true wealth comes from purpose-driven growth and helping others rather than simply accumulating riches.

To cultivate a sense of purpose in wealth creation, consider these simple steps:

1. **Define Your Purpose:** Understand why wealth matters to you-whether for security, helping others, or pursuing passions.
2. **Invest in Knowledge:** Educate yourself about personal finance and diverse investments.
3. **Set Long-Term Goals:** Focus on realistic objectives that align with your values.

In conclusion, true wealth goes beyond monetary gain. Embracing a purpose-driven approach will lead to lasting happiness and spiritual fulfillment. By prioritizing what matters most, we can enrich our lives and the lives of others, creating a meaningful financial journey.

As the famous philosopher Socrates once said, "Wealth is not his that has it, but his that enjoys it." Let us strive to find joy in our wealth through purpose, connection, and inner peace. ❑

Investing in Indian Financial Markets: A Practical Guide

Opinder Jain
Volatility Coach
Hydrabad

I India’s financial markets offer diverse opportunities tailored to your goals and risk tolerance. Here’s a practical guide to key investment options.

Stocks: Powering Wealth Creation

Stocks let you own company shares, promising high returns with volatility. Ideal for young professionals with long horizons or those comfortable with market swings aiming for growth.

Mutual Funds: Hands-Off Growth

Professionally managed, mutual funds pool money for diversified investing. Perfect for beginners or busy investors balancing risk and reward. Start with SIPs, picking equity funds for growth or debt funds for stability, and review performance and fees.

Fixed Deposits: Secure Returns

FDs guarantee fixed returns, suiting retirees, short-term savers, or risk-averse individuals needing steady income.

Bonds: Steady and Safe

Bonds provide regular interest from government or corporate loans. They're great for conservative investors or retirees seeking predictable income and portfolio balance.

Real Estate: Tangible Gains

Real estate offers rental income and appreciation but demands capital. It fits long-term investors or high-net-worth individuals. Opt for high-growth areas or REITs for easier exposure.

Gold: Inflation Shield

Gold hedges uncertainty, ideal for stability-focused investors. Limit it to 5-10% via Gold ETFs or Sovereign Gold Bonds.

Emerging Avenues: REITs, InvITs, Crypto

REITs and InvITs diversify into real estate and infrastructure, while crypto tempts high-risk takers with volatility.

Matching Risk to Goals

Low-risk? Choose FDs, bonds, or debt funds. Moderate? Try hybrid funds or REITs. High-risk? Go for stocks or crypto. Diversify, start early, and consult experts if needed—your financial future begins now! ❑

The Power of Togetherness

Partha Patim Chattopadhyay
Volatility Coach
Bagnan

Market is very volatile for last six months. It has come down near about 14% from it's all time pick. Several sector has faced severe correction. Main culprit of this fall is volatile decision which are coming frequently from president's house of the world economic power house USA. Apart from this compare to others emerging markets valuation of our market is expensive. Bond yield of USA touching all time high.

From micro and macro point of view economical condition of the entire world are not comfortable. For these reasons FII are now in selling mood. They are taking more exposure on china. Investors are confused about their investment decision. In this situation Multi Asset Allocation Fund is the ray of hope to the investors.

Now the question is what is the concept of Multi Asset Allocation Fund. Here investors will be getting the flavour of different asset class like Gold, Bond, Equity etc. Fund manager can invest in different asset class with a Pre-Fixed percentage. As diversification is present here. So it counts consistent and favourable returns for investor over different market cycle. It proves better risk adjusted return to the investors. Those whose risk appetite is not so high & not willing to take more risk they can park their money here, as deviation is not as high as equity fund. So investor can get low volatility comfort with moderate return. Some AMC included international equity with their multi asset allocation fund. As a result investors' portfolio getting the taste of equity around the globe.

Investor can invest lumpsum amount of money as well as take exposure through SIP and STP route. Different asset management company offering multi asset allocation fund. But before investing always consult with your financial advisor.

In the present situation of the market, it is the right mix product. As Gold and Silver are in the part of portfolio. So it reduces the volatility of the fund by the proper mixing of the component of multi asset allocation fund. It can generates good amount of return also. Several multi asset allocation fund have completed there decade old journey and have generated good amount of returns during the period.

For new comers and senior citizen, it is really Mr dependable. Senior citizen can use the benefit of 'power of togetherness', by way of SWP. Young citizen can invest here to get the benefit of diversification. So it's a ''BAHUBALI'' fund for all type of investor.

Compare with others equity fund, it's volatility is low and return is moderate. Investor can invest different asset class under one umbrella. As multi asset fund allocates minimum 60% of there investment into equities, so it's tax treatment is same as equity fund. In present turbulent market situation multi asset allocation fund is the SILVER LINING of many investors. ❑

Estate Planning

Praveen Jaina
Volatility Coach
Agra

Mr. Sudhir, in his late 40s, was a seasoned businessman. He was proactively managing his family business of manufacturing sweets. This business was five generations old and he was the sixth generation. His children were studying in renowned universities, he had a mansion like home, he had already seen half of the world. All in all, he was a wealthy man. Where was the problem?

His problem was about the future of business after he is gone. His children had expressed their wishes to move abroad for higher studies and probably settle there. They were not willing to join their family business. There the problem lies! One of our investor clients recommended us to him. He was reluctant at first, but later on, we had a chance to meet.

He made us walk through their family business journey and explained how their children are willing to make their own trajectory. After carefully listening to him, we were sure that Mr. Sudhir should definitely consider estate planning. Mr. Sudhir with puzzled look on his face asked us what was estate planning?

Estate planning is a process of managing and distributing assets and property strategically, during your lifetime and ensuring your wishes are followed, even after you are gone. Our team explained Mr. Sudhir about the key objectives of personal estate planning, targets, Beneficiaries, Tax planning, Trusts, etc.

Firstly, we discussed about his wishes about family business after him. Considered partnership, if any. Secondly, we discussed about creating a trust which will take care of him and his wife after his retirement. Later on, we discussed about his inheritance to his children. Mr. Sudhir had got a reality check and relief at the same time.

He was worried about the complexity of the matter, but gradually, we helped him ease, with our planning. We assured him that a team of professionals will always be there for him and his family throughout the process.

Today, after half a decade, we can proudly say, he feels confident, secured and satisfied about the future. although his concerns, worries and uncertainties not completely wiped out but surely, taken a back seat.

Investor Success Story

Puja Gaurav Luthra
Volatility Coach
Agra

Almost a decade back, when I started as a Mutual Fund Distributor, a friend of ours Mr. T started his investments with us with an SIP of Rs. 5000 per month. Slowly and gradually over a span of 7-8 years he increased his SIP investments to Rs. 50,000 per month.

As a practice, last month we met him for a review meeting and found him a little tensed. On enquiring he told that he was looking for a house to purchase for quite sometime and has finally found one. The value of which was 6 Crores and he would require around 2 Crore base capital to purchase the same and he was concerned about how to arrange such a big amount.

We told him that we have arranged for Rs. 1.5 Crore with Rs. 80 Lac invested by him so far with us and he may now have to arrange the balance only.

He was elated to learn that his small savings over a period of time with proper planning and care has grown up to such an extend that it is such a big help for him today.

He was surprised and overwhelmed to see the power of compounding and SIP.

We left the meeting table that day with a commitment from his end that he would take his investments to Rs. 1 Lac per month and increase it further in future as per his income allows.

The power of compounding, SIP and Mutual Funds strengthened the trust and commitment between us and the investor. The meeting that started with a worry on our client's face, ended with a big smile and a sigh of relief on his face, giving us satisfaction and inner peace. ❑

From Grief to Growth: Ridhima's Journey of Financial Empowerment

(Client name has been changed to protect privacy)

Sailee Velankar
FFF Pro Life
Mumbai

When Ridhima lost her husband at the age of 35, her world changed overnight. With no regular income, modest educational background, and limited financial knowledge, she suddenly had to make life-altering decisions about a .4 crore term insurance payout and .50 lakh in savings — the only assets available to secure her future.

Surrounded by conflicting advice, she felt confused. Some suggested she invest in real estate. Others advised fixed deposits. Her parents encouraged her to put a major portion in gold. While everyone meant well, none of the options felt right to her.

She met several financial planners, but their recommendations didn't offer her the confidence or clarity she was looking for. That's when she was referred to us by one of our chartered accountant clients.

From the start, our focus was not on selling products but on listening. We took time to understand Ridhima's mindset, fears, and life goals. What she truly needed was liquidity, monthly income, and long-term inflation-beating growth — all without taking unnecessary risks.

We implemented a three-bucket strategy:

- **Bucket 1:** For emergencies and her home renovation.
- **Bucket 2:** For generating monthly income via SWP and setting aside funds for further education.
- **Bucket 3:** Long-term investments in equity mutual funds and PMS with a 5–10 year horizon.

Over five years, Ridhima's journey has been inspiring. She completed a post-graduation in digital marketing, purchased her own home in Hyderabad, and launched a small business — eventually becoming financially independent.

She deeply appreciated the ongoing hand-holding, regular reviews, and timely restructuring of her portfolio. What stood out to her was our genuine concern, patience, and the comfort of having a reliable partner throughout.

She often says that beyond returns, it was the trust, empathy, and transparency that truly empowered her. Today, she confidently refers friends and family to us — a reflection of the journey we built together, treating wealth creation as a journey, not just a destination. ❑

Choosing to Retire Early: A Financial Roadmap

Rajesh Bansal
Volatility Coach
Delhi

Retiring early is about achieving financial independence and pursuing what you love. Vipin, a friend and a neighbour - Aged 27 yrs, had a clear goal: to retire by 40. While working at Sodexo and pursuing an Executive MBA at IIM Noida, he planned to take an assignment in Dubai to maximize earnings. His meticulous approach to planning intrigued me, and as a financial planner, I decided to help him build a strategy to achieve his goal.

The Need for Early Retirement Planning

The modern workforce faces immense burnout, pushing many young professionals to consider early retirement. However, this is no easy feat-it demands financial discipline, long-term planning, and strategic investments. Unlike previous generations who thought of early retirement in their fifties, today's professionals must start planning as early as possible to turn this dream into reality.

Setting Retirement as a Goal, Not an Alternative

One of the biggest barriers to early retirement is procrastination. Many aspire to financial freedom but fail to align their actions with their goals. Treating early retirement as a serious, non-negotiable target ensures commitment and timely corrective actions.

Overcoming Financial Bottlenecks

Two major threats to early retirement are:

1. **Unnecessary Spending:** Mindless expenses can severely limit savings potential.
2. **Lack of Alternative Income Sources:** A diversified income stream is crucial for sustaining financial independence.

Steps to Retire Early

Achieving early retirement requires a well-defined financial roadmap. Vipin set a target of accumulating Rs. 5 crore by the time he turned 40. To achieve this, he needed to save Rs. 38.46 lakh annually or Rs. 3.20 lakh per month-a challenging goal. Instead of relying solely on savings, we leveraged the power of compounding to optimize investments.

Investment Strategy

Vipin committed to saving Rs. 1 lakh per month and investing an additional Rs. 10 lakh annually as a lump sum. Based on this, we devised an investment plan:

- Rs. 1 lakh per month in a mix of multi-cap and mid-cap mutual funds.
- Lump-sum investments in a combination of large-cap and balanced funds.

This structured approach projected a final corpus of Rs. 7.5 crore-exceeding his original target. The realization that his dream was achievable fuelled Vipin's determination further.

Retirement Plan:

Monthly SIP Investment	100,000
Rate of Growth	15%
Period of Investment	13 years
Investment in 13 yrs	15,600,000
Wealth Pool at the end of 13 yrs	48,148,377

Yearly Lumpsum Investment	1,000,000
Rate of Growth	12%
Period of Investment	13 years
Investment in 12 yrs	12,000,000
Wealth Pool at the end of 13 yrs	27,029,109

Expected Corpus at the age of 40 yrs Rs. 75,177,486

The Power of Numbers

Having a clear financial goal with tangible figures transforms early retirement from a distant dream into an actionable plan. By understanding the financial realities and making informed investment decisions, individuals can achieve financial independence and retire early with confidence.

Early retirement is not a luxury but a possibility with proper planning, disciplined saving, and smart investing. With right strategy, financial independence is well within reach. ❑

Learn Sector Cycle for Smart Moves

Ratnesh Varshney
Volatility Coach
Aligarh

The stock market is a dynamic environment where sector performances fluctuate over time due to various economic, political, and industry-specific factors. Investors who focus solely on one sector risk exposure to downturns and missed opportunities elsewhere. Instead, identifying emerging trends and diversifying investments can enhance portfolio resilience and optimize returns.

Examples from Sector Performance Data

Study of Sector-wise performance data from CY 2015 to CY 2024, showcasing how industries undergo cycles of growth and decline. Here are three notable examples:

1. Oil & Gas vs. IT

In CY 2016, the Oil & Gas sector surged by 28.95%, while IT grew by only 6.15%. However, in CY 2018, the trend reversed-IT witnessed 25.97% growth, whereas Oil & Gas declined by -11.25%. This underscores how sectors can swap positions in market performance and why investors must adjust their focus.

2. Healthcare vs. Auto

Healthcare remained relatively steady with 12.94% growth in CY 2015. By CY 2024, it soared to 41.05%, proving its long-term potential. Meanwhile, Auto thrived in CY 2017, with an impressive 32.66% growth, only to decline sharply by -23.73% in CY 2024. This demonstrates the importance of anticipating changes and reallocating investments accordingly.

3. Finance vs. FMCG

Finance saw strong growth in CY 2017 (28.85%) and continued its upward trajectory in CY 2020 (28.69%). In contrast, FMCG showed stability but lacked high volatility. Investors looking for steady returns might opt for FMCG, while those seeking growth might prefer Finance.

How to Identify Changing Scenarios and Switch Investments
To navigate sector fluctuations effectively, investors should consider these strategies:

- **Monitor Sector Trends Regularly:** Reviewing historical performance and current market reports helps investors anticipate changes and adjust strategies.
- **Understand Economic Influences:** Macroeconomic factors, government policies, and technological advancements shape sector behavior. Keeping abreast of these influences aids in decision-making.
- **Diversification is Key:** Instead of concentrating on one sector, spreading investments across multiple industries minimizes risks and maximizes gains.
- **Seek Expert Guidance:** Consulting financial advisors, industry specialists, or experienced investors can provide valuable insights and prevent costly mistakes.
- **Analyze Data Before Investing:** A thorough study of past sector performance, future projections, and external influences enhances investment accuracy.

The stock market is inherently unpredictable, but smart investors adapt to changing circumstances rather than remaining fixated on one sector. By analyzing trends, diversifying, and seeking expert opinions, they position themselves for sustained success. Understanding sector rotations and acting strategically ensures they stay ahead in the ever-evolving investment landscape.

From Fear to Freedom: How Mutual Funds Secured My Retirement

Sameer Kaila
Volatility Coach
Delhi

This is the story of an Investor Mr. Debashish Roy Chowdhury, who was about to retire in 2018, and I met him through a common friend. He was very sceptical in investing into Mutual Funds, but we slowly inducted him into Mutual Fund System by investing his capital in Debt & Conservative Hybrid Funds, which gave him confidence and thereafter he added investments of his wife and daughter as well. This is what he has to say.

"I still remember when I first met him back in 2018. At that time, I was really unsure about investing. Retirement savings are a big deal, and like many others, I was worried-What if I make the wrong choice? What if I lose everything? People around me kept saying, "Don't put too much into mutual funds; you might get stuck and regret it later." Naturally, I was scared.

But then Sameer who has a gift of convincing , the way he explained things, the way he made everything so simple and clear and brought me to invest in Mutual Funds-it gave me confidence. I trusted his advice, and looking back, I'm so glad I did. I invested my funds and did SWP for regular cash flows from those funds, SIP for my daughter and Lumpsum Investments for my spouse.

Today, thanks to those wise decisions, my investments have grown well. And more importantly, I had the financial stability to arrange my daughter's wedding without any stress, from the funds that I invested in Mutual Funds.

So, from the bottom of my heart, thank you, Sameer. Your guidance truly made a difference.

Balancing Liquidity and Income: A Retirement Portfolio Success Story

Bishan Agarwal
Volatility Coach
Faridabad

As a volatility coach, I encountered a 60-year-old client with ?50 lakhs to invest. His dual objectives presented a common challenge: maintaining liquidity for emergencies while generating a monthly income of ?30,000 after five years-all without depleting the portfolio over time.

We designed a three-tiered solution:

- **Emergency Tier (25%):** Rs. 12.5 lakhs allocated to liquid funds and short-term deposits with quarterly roll-over facilities. This provided immediate access without penalties while beating inflation.
- **Income Generation Tier (45%):** Rs. 22.5 lakhs invested in a laddered portfolio of government securities, corporate bonds, and secured NCDs with staggered maturities. This created a reliable income stream beginning in year five.
- **Growth Tier (30%):** Rs. 15 lakhs placed in large-cap and multi-cap equity funds. This component ensured long-term sustainability.

Three years into our strategy, the portfolio has weathered market corrections while maintaining stability. The emergency fund proved valuable when unexpected medical expenses arose. Meanwhile, the growth tier has appreciated by 32%, creating a buffer against inflation.

Projections show that by year five, the monthly income requirement will be met entirely through dividends and interest, preserving principal. This means the ?30,000 monthly income can continue indefinitely, with potential increases as the growth component compounds.

The key takeaway: with strategic structuring, investors don't need to choose between liquidity and income. A properly designed portfolio delivers both while remaining resilient against market volatility and time. ❑

How to Stay Financially Fit in an Age of Rising Costs and Lifestyle Inflation

Ruchika Verma
Volatility Coach
Delhi

Intentional Spending: Know Where Your Money Is Going

Start by shifting your mindset from impulsive to intentional. Ask yourself before each purchase:

- Do I truly need this?
- Does it add long-term value or just momentary satisfaction?

Small choices - like limiting frequent dining out, holding off on impulse buys, or pausing on that third OTT subscription - can lead to significant savings. Intentional spending is not about depriving yourself, but about aligning your money with what matters most to you.

Leverage Budgeting Apps to Stay in Control

Tracking every expense manually can be overwhelming. Budgeting apps can help you:

- Categorize expenses
- Set limits
- Track monthly trends
- Receive alerts for overspending

The visual clarity they provide helps identify leaks in your budget and gives you the power to fix them.

Automate Your Savings and Investments

The best way to resist the temptation to overspend is to automate your savings. As soon as your income comes in, route a portion to:

- Emergency fund
- Systematic Investment Plans (SIPs)
- Retirement funds
- Specific goals like education, home, or travel

This 'pay yourself first' strategy builds discipline and ensures that your savings grow without effort, while also benefiting from compounding over time.

Schedule Regular Financial Health Checks

Just as you visit a doctor for a health check-up, your financial life also needs periodic review. Every few months, check:

How to Stay Financially Fit in an Age of Rising Costs and Lifestyle Inflation

- Are your expenses aligned with your income?
- Are your goals still the same?
- Have you reviewed your insurance coverage?
- Is your investment portfolio well-diversified?

Making timely adjustments keeps you financially agile and prepared for life's changes.

Avoid Lifestyle Comparison Traps

It's easy to feel pressured to upgrade your lifestyle when you see peers or influencers doing so. But remember: comparison is the thief of financial peace. Your financial goals are unique - don't let someone else's social media feed dictate your spending.

Choose JOMO - Joy of Missing Out - especially when it helps preserve your long-term financial well-being.

Conclusion

Staying financially fit isn't about cutting corners - it's about making thoughtful choices, using the right tools, and keeping your goals in focus. In an era of rising prices and endless temptations, these small, consistent habits can help you build a financially strong and fulfilling life.

Start today. Spend with intention. Invest with purpose. And stay financially fit - no matter what the economy throws your way.

Disappointed Investor became Happy Investor

Sanjay Kumar Verma
Volatilty Coach
Varanasi

15 years ago a old retired person meet me in a mutual fund office with so many SOA and other papers.

He was very frustrated towards his investment and going to redeem his units. Meanwhile he was feeling tired with lengthy paper work.

He was totally disappointed and looking for a worthy and experienced person that take care and guide him for a better experience.

I gave him my phone number and fix a call to meet him.

Finally he visited my office then I saw his investment properly.

I found that his maximum investment was in sectoral and thematic funds thats why he was not happy with portfolio returns.

I guide and suggest him for asset allocation and well diversified funds.

After that he changed his investment and was very impressed with my better solution and services.

Later on he suggest me as a reliable and experienced MFD in his relatives, near dear and other surrounding person.

Year after year our relationship make more happiness and joyful moments.

Two years ago he invited me in his son's marriage along with my family.

Now I am just like a family member for him. He always discussed me and take my opinion in his several decisions.

Till now I am giving my expert suggestions and curated services in 7 families which was referred by him. ❑

The Power of Multi-Asset Allocation and Compounding: A Simple yet Effective Investment Strategy

Sanjeev Kumar Chawla
Volatility Coach
Delhi

Meet Prateek, a 30-year-old software engineer who wanted to start investing for his future. He had heard about the importance of SIP investing through mutual funds, but wasn't sure where to begin. After we met, Prateek discovered the concept of multi-asset allocation and compounding. He decided to give it a try, and the results were astonishing.

What is Multi-Asset Allocation?

Imagine you have a basket of eggs. If you put all your eggs in one basket and it breaks, you'll lose everything. But if you spread your eggs across multiple baskets, you'll reduce the risk of losing everything. That's basically what multi-asset allocation is - spreading your investments across different asset classes, such as stocks, bonds, and commodities like Gold & Silver.

What is Compounding?

Compounding is like a snowball rolling down a hill. It starts small, but as it rolls, it gets bigger and bigger. When you invest regularly, your returns earn returns, creating a snowball effect that can help your wealth grow exponentially over time.

How Did Prateek Benefit?

Prateek started investing Rs. 30,000 every month in a diversified mutual fund portfolio. If he continues to do so for 15 years, and the results are going to be remarkable:

In 10 years, his total investment was Rs. 36 lakhs (Rs. 30,000 x 12 x 10), his portfolio grew to Rs. 70 lakhs, earning a return of 12% per annum.

Just a patience of 5 more years & his investment of Rs. 54 lakhs (Rs. 30,000 x 12 x 15) is going to touch appx 1.43 Crores, earning a return of 12% per annum,

Prateek's story illustrates that by investing systematically and diversifying his portfolio, he has been able to reduce risk and earn impressive returns.

Getting Started:

If you're new to investing, here's how you can get started:

1. Meet a Volatility Coach/Mutual Fund Distributor or conduct your own research to determine your investment goals and risk tolerance.
2. Choose a diversified mutual fund portfolio that aligns with your goals and risk tolerance.
3. Set up a systematic investment plan (SIP) to invest a fixed amount regularly.
4. Monitor and rebalance your portfolio periodically to ensure it remains aligned with your goals.

By following these simple steps and harnessing the power of multi-asset allocation and compounding, you can create a robust investment strategy that helps you achieve your crucial financial goals. ❑

From Dependence to Financial Empowerment: A Woman's Journey to Investing

Sarika Chawla
Volatility Coach
Delhi

There was a time when I relied on others for financial decisions. Growing up, I saw my father handling money while my mother managed the home. Even after I started working-despite my father's disapproval-I never actively managed my finances.

After marriage, my husband took care of our investments, and I continued to depend on him. But when I lost him to COVID, everything changed. Overnight, I had to take charge of finances I had never handled before. Within three days, I left my job and took over his business, realizing that financial knowledge wasn't optional-it was essential.

I immersed myself in learning-attending workshops, consulting experts, and managing my own wealth. What started as a necessity soon became a passion. I learned to invest wisely, diversify, and secure my financial future. The woman who once relied on others was now confidently making financial decisions.

Key Takeaways:

1. Earning and managing money are different-financial independence comes from knowing how to grow and protect wealth.
2. Financial preparedness is crucial-delaying it can leave us vulnerable.
3. Investing isn't just for experts-anyone willing to learn can take control of their finan

Today, I guide others-especially women-to take charge of their financial future. You don't need to be an expert to start. You just need the willingness to learn. The best investment you can make is in your own financial knowledge. ❑

Small is big!!

Shifali Satsangee
Volatilty Coach
Agra

A science teacher based in Agra, wasn't naturally drawn to finance. In fact, he had always felt a little intimidated by the world of investing. He didn't come from a wealthy background and had no relatives who talked about stocks or real estate. Like many others who were first time investors, he reached out to us saying he had not much to invest. We helped him by talking about basics and fundamentals of investing.

The concept we explained was simple: Rather than waiting for the "perfect moment" or trying to find quick ways to get rich, the key to building wealth was starting small and being consistent. It was the principle of compound growth-the idea that small investments, made regularly, would grow significantly over time. It was the small, consistent actions-the "thousand" that had turned into lakhs, and those small steps, multiplied over years, which were the key to his successful investments.

While doing our yearly portfolio review, we reminisced about the time back to the early days, when he'd felt like his efforts were too small to matter. In those moments, it was hard to see the bigger picture. But now, with years of steady investing behind him, the power of small was clear. Small actions, done consistently, had a massive impact.

We realised what we helped him with was not eventually just building up a substantial corpus over the years. But we helped him with something far more valuable: peace of mind, freedom, and the ability to live life on his own terms. We are truly blessed to be part of our clients journey to their financial destination. ❑

Asmita's Journey: From Uncertain to Unstoppable

Shreyansh Jain
Volatilty Coach
Agra

As Indian economy is moving forward, so are the women of the country. The following excerpt is the best example of financial independence and self-confidence. Asmita was an above average student with average job expectations. When she approached us, a decent salary earning 25 years old person with no knowledge about investing was sitting before us.

It was her uncle who had recommended, to take help for financial planning. Even after approaching us, she had her reservations such as would she be able to spend on herself? Buy gifts for parents? Have unplanned outings with friends? These concerns were natural for any other millennial.

After making her understand about liquidity, emergency funds, and lifestyle expenses planning, she was assured about her reservations. She had a unique quality of making notes. She took notes of everything we told her. She had million doubts about investing, naturally. Her every question was answered and doubts were cleared.

Her goals were simple. Car, House, Marriage, Vacations and Retirement. Continuous interactions made her and our team realized her gradual shift from underconfident to confident person financially. Timely updates about portfolio health, apt strategies in particular situations and most importantly, consistency made things manageable.

Today, when we see her journey a paradigm shift can never go unnoticed. It is her, who realizes it. She understood that financial planning is never just about the money matters, it is mostly about behavioral management, being patient and consistent eventually, leading to financial independence. We are proud to say that she has achieved her Car goal and Home is on the way!!! ❏

A Family's Financial Journey

Sridharan Sundaram
Volatilty Coach
Chennai

Ramanan, a mid-50s software engineer, and Rekha, a homemaker, sought financial planning two years ago. With a high school child, a Rs. 4 crore mortgage, and savings skewed toward Ramanan's ESOPs, they worried about education, retirement, insurance, and taxes.

Key Challenges

Their goals included funding their child's education (domestic or abroad), securing retirement in 10 years, upgrading health and life insurance, optimizing taxes, repaying their Rs. 5 crore villa loan, and diversifying Ramanan's ESOP-heavy portfolio.

Strategic Solutions

Education Fund

We estimated education costs and built a fund with SIPs in balanced equity-debt mutual funds for growth and stability.

Retirement Planning

Analyzing their EPF, PPF, and savings, we boosted contributions, diversified into equity-debt mixes, and added NPS for tax benefits.

Insurance Upgrade

We enhanced their health coverage with a family floater and critical illness rider, plus a term life plan for Ramanan.

Tax & Mortgage

ELSS and NPS cut their tax burden, while a 20% EMI hike and partial ESOP liquidation accelerated mortgage repayment.

Portfolio Diversification

We reduced ESOP concentration, redirecting funds into mutual funds for balance.

Outcomes Amid Tragedy

Ramanan's sudden passing from a cardiac arrest tested the plan. The term insurance and liquidated ESOPs cleared liabilities, while mutual funds transferred to Rekha. The education fund thrived, and a hybrid scheme with SWP ensured Rekha's income. Upgraded health coverage and tax savings bolstered stability.

Conclusion

Despite loss, proactive planning empowered Rekha to sustain her family's future with confidence, proving the value of foresight.

The Power of SIP: Staying Committed Through Market Fluctuations

Saurabh Jain
Volatilty Coach
Kolkata

Systematic Investment Plans (SIPs) are a powerful wealth-building strategy that allows investors to contribute a fixed amount regularly, creating a substantial corpus over time. However, during market downturns, many investors are tempted to halt or reduce their SIP contributions due to negative market sentiments.

Take the story of Raj, an investor who began his SIP journey with a monthly contribution of Rs. 10,000. Initially, his investments thrived, boosting his confidence. But when the markets dipped, filled with alarming news about economic slowdowns and falling stock prices, Raj considered stopping his SIP. He wondered if it was wiser to wait for stabilization.

Yet, Raj recalled the core principle of SIP: it thrives on market volatility. By consistently investing, he was purchasing more units at lower prices during downturns-a strategy known as "rupee cost averaging" that can enhance long-term returns.

As time passed and markets rebounded, Raj reaped the rewards of his perseverance. His investments not only recovered but grew significantly, teaching him that successful investing demands patience and resilience, especially in tough times.

Raj's experience serves as a vital reminder for all investors: despite the noise from social media and market anxieties, the strength of SIP lies in its ability to navigate volatility. By staying committed to regular investments, investors can harness compounding benefits and emerge stronger from market challenges. ❑

Ordinary People, Extraordinary Financial Journeys

Vipulesh Yadav
Volatilty Coach
Lucknow

Story 1: Financial Planning for Life Goals - Mr. Babu's Success

Mr. Babu met me in 2005, seeking guidance on financial planning. With a disciplined investment approach, he has built a corpus exceeding Rs. 1 crore today. His financial journey has been structured around essential life goals, demonstrating the true purpose of wealth management.

Over the last 20 years, he has systematically withdrawn funds to support his family's needs. He utilized around Rs. 20 lakh for his daughters' education and Rs. 25 lakh for their weddings. Despite these withdrawals, his portfolio remains strong due to careful investment planning and a Systematic Withdrawal Plan (SWP) that ensures a steady flow of income post-retirement. His case proves that wealth creation isn't just about growing money-it's about using it wisely at the right times.

Key Learnings from These Stories

1. **Start Early, Stay Invested -** P. Pandey's journey showcases how starting investments early leads to significant wealth accumulation through compounding. The earlier you begin, the higher the growth potential.
2. **Patience is Key -** Markets fluctuate, but long-term investing in well-researched funds pays off. P. Pandey stayed invested despite market ups and downs, allowing his wealth to grow steadily.
3. **Goal-Based Planning Works -** Mr. Babu's approach to using his investments for his daughter's education and marriage shows the importance of aligning investments with life goals.
4. **The Role of SWP in Retirement Planning -** Instead of depleting his corpus at once, Mr. Babu implemented a Systematic Withdrawal Plan (SWP), ensuring a continuous post-retirement income while keeping his wealth intact.
5. **Disciplined Investing Leads to Financial Freedom -** Both stories reinforce that investing regularly and sticking to a well-planned strategy enables financial independence and security.

These cases demonstrate that with the right financial planning, anyone can achieve their long-term financial goals while ensuring financial security for their family.

Story 2: The Power of Starting Early - P. Pandey's Journey

P. Pandey began his investment journey at the young age of 25. With discipline and a long-term mindset, he started investing in the Nippon India Small Cap Fund - Growth Plan. Over the past 15 years, his initial investment of Rs. 1,72,000 has grown significantly. As of today, he holds 7,300.327 units, and the current value of his investment stands at Rs. 10,94,021.89.

His success highlights the magic of compounding and the benefits of patience in equity investing. By choosing a well-performing mutual fund and staying committed for the long term, he has witnessed his wealth multiply many times over. His story is a testament to the importance of starting early and staying invested through market fluctuations. ❑

The Roadmap to Simple, Smart and Successful Investing

Rajsekhar MP
Volatilty Coach
Hyderabad

In today's ever-changing market, successful investing is not just about chasing high returns, it's about building a strategy that can weather ups and downs. A well-planned approach begins with diversification.

By spreading investments across various asset classes like equities, bonds, and real estate, etc. Investors reduce risks and capture growth opportunities in different market cycles.

Moreover, successful investing requires a long-term perspective. Regular contributions, reinvestment of dividends, and periodic portfolio rebalancing transform short-term market changes into lasting financial gains. With patience and discipline, even modest, consistent efforts can lead to significant wealth accumulation over time.

By adopting a strategic and forward-thinking approach, investors can safeguard their financial future while building a strong foundation for long-term wealth in an ever-changing financial world.

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What is Your Business Focus Area for 2025? Process, People, or Pricing?

Abhinesh Kumar
Finnsys
Lucknow

All three Ps - Process, People, and Pricing - are essential pillars of a successful business. A thriving financial practice requires strength in all three. However, in today's compliance-driven environment, I urge you to first build a rock-solid CRM process. Why? Because in a world shaped by regulatory frameworks and due diligence norms, your process becomes your growth engine and your safety net.

As commission-based intermediaries (MFDs), you are bound to offer only incidental advisory and strictly follow compliance rules. Your online process must prevent DIY (Do It Yourself) transactions without a recorded risk profile. Risk profiling assessments must be properly documented and stored. This is not a limitation - it is your biggest opportunity. It defines a winning path: grow through deeper, richer client relationships, not just chasing more clients. In-depth engagement leads to trust, better wallet share, more consistent revenue, and lasting loyalty.

AMFI's Due Diligence Questionnaire (DDQ) highlights the need for operational discipline: structured onboarding, thorough risk profiling, transaction tracking, transparent communication, strong grievance handling, and client data protection. Meeting these is not just ticking boxes - it is about building a professional and scalable business.

The need of the hour is a CRM system that empowers you to design Pipelines or Blueprints for client journeys and enables full Workflow Automation - including KYC collection, periodic reviews, risk updates, and compliance reporting. A good CRM supports record-keeping, grievance tracking, and audit-readiness, aligning with AMFI norms.

In 2025, put Process at the heart of your business growth strategy. Build systems that are compliant, client-centric, and future-ready. True growth comes when trust meets discipline.

Let's make 2025 the year of process excellence and unstoppable growth! ❑

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Are you a Sailor or a Surfer......

Pramod Saraf
Volatilty Coach
Indore

Testing the waters in turbulent times is the most difficult situation.

As we put the same into the world of investing and wealth creation, often people misjudge and make mistakes while choosing their own destiny.

A very basic homework one has to do before investing is to choose what is the expectation and final goal for the investment.

It should always be clear in the minds of investors about the definition of oneself that Are u investing to reach a destination over a period of time, or do you just want to enjoy the tides and you are a Surfer?

Today, as we see posts we enjoyed a long period of superlative returns (which were much higher than expected returns through markets) we are on the verge of panic situation and a deep sense of fear.

As a human tendency under all such unfavourable conditions, our decision-making capabilities often gets impacted more towards wrong choices.

Having spent more than 22 years into wealth management and client relationships, I have developed a deep sense or understanding into the behavioural aspects of investing and clients' psychology.

To Err is human but to repeat it time and again is a bad choice or short sightedness.

In the world of investing, as I have mentioned earlier, your goal comes first, and the journey to reach that goal will always have lots of bottlenecks, smooth tailwinds and bumpy rides, but keeping in mind the final destination and to be imperturbable is the most important aspect.

Today, as we see broader large cap indices are down around 15% from its top.

Midcap indices are down around 20%, and Smallcap indices are down around 25% from the top.

Under such conditions, not only a new set of investors but even seasoned investors question your and their own investing capabilities.

As a wealth manager, one must keep reminding clients about actual returns rather than superficial returns and market fads..

Similarly, at all times, asset allocation, which is specific to a clients risk appetite, must always be kept in mind so that necessary action can be taken during volatile times.

Very recently, we have observed e during the pandemic period severe markets plummeting but anyone who was invested came out with huge returns.

For the investors key takeaways are

1. Stick to your portfolio and trust your wealth manager.
2. Start putting in more money during such times if u have a longer horizon to average out your buying price.(in consultation with your wealth manager)
3. Don't ever make a mistake like stopping your SIP input.
4. It's a longer discipline that will help you to reach your destination.
5. Only consider trustworthy information sources and avoid social media content flooded with useless information.

To conclude your time being invested in the markets makes your destiny rather than ur market timing capabilities. ❑

BSE INSTITUTE

TAAT

TACTICAL ASSET ALLOCATION AND TRANSACTION CERTIFICATION COURSE

SSL ACADEMY

SESSION 1

Asset Allocation Game
(understanding practical way of doing various types of asset allocation)

SESSION 2

Volatility Game 2.0
(Understanding how Factors like Yield ratio and Volatility Index help you to take tactical calls)

SESSION 3

MF Ratio Analysis , Volatility Calculators & Transactions

SESSION 4

AI for MFDs
(Use AI to create website , Videos, blogs ,content , songs ,excel formulas and much more)

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