

Do

You

Know ?



Welcome to the First Issue of our NEWSLETTER

A warm welcome to all our esteemed clients and readers.

SRS Financial Services just completed two successful years in the month of January and now are the Family of 1500 satisfied clients. This has been a wonderful journey with all of you. We would like to Thank each and every one of you for your support and good wishes

We are pleased to share the First Issue of our new monthly newsletter – **Wealth Focus**

This newsletter will focus on important Financial news from Mutual Fund Industry, Stock market and happening events from SRS.

We are sure this newsletter will help you sharpen your knowledge about industry and help you to make wise decisions.

Activities

Covered

So Far



SRS Financial Services participated in a Business Expo organised by Rotary Means Business (RMB), a Fellowship of Rotary International held at Brahman Sabha Hall, Dombivli (E) on 24th March, 2019.

Mrs Vinita Rane, Mayor of Kalyan-Dombivli Municipal Corporation visited our stall along with RMB Chairman Mr. Sanjay Kumar Tiwari.

Financial Literacy Program

SRS Financial Services conducted **Financial Literacy Program for Team of Doctors (Dentists)** on 23rd March, 2019.

Dr. Lalit Patil of **32 Care Points** and Dr. Niraj Bhat were instrumental in arranging this program. Mr. Mahesh Reddy presented from SRS Financial Services on topic of **Importance of Savings, Investments and Tax Planning.**



Mutual Fund



Let's Get to know about Types of Mutual Funds..

Today we will have a look at types of mutual funds at macro level. This will help investors to allocate their savings as per their risk appetite and investment horizon.

○ Equity Funds:

These types of funds invest predominantly in equities i.e. shares of companies. Primary objective of these funds is Wealth Creation or Capital appreciation. They have potential to generate higher returns and are best for long term investments. Equity funds are further subdivided into below categories –

- **Large Cap Funds** – These funds invest predominantly in companies that runs Large established businesses and are known for giving stable growth. These funds are allowed to invest in only first 100 companies by market capitalisation.

- **Mid Cap Funds** – These funds invest in Mid-Sized companies. Mid Cap funds can give more returns than Large cap funds since risk involved is also more. Going by market capitalisation, Mid Cap funds has 150 companies (i.e from number 101 to 250) to invest in.

- **Small Cap Funds** – These funds invest in Small Cap companies. Small Cap funds can give more returns than midcap funds since risk involved is also more. Going by market capitalisation, small cap funds have largest pie of listed companies to invest in. Every company after number 250 is considered as small cap company. That means there are more than 6000+ listed companies available for investment in Small Cap fund

- **Multi Cap funds** – As name suggests these type of funds invest across market capitalisation i.e Large, Mid and Small sized companies. Investor gets all type of investment flavours in these Multi cap funds

- **Sectoral Funds** – These types of funds invest in companies that are related to one type of business. For e.g. Technology Funds, Banking Funds

- **Thematic Funds** – These type of funds invests in a Common theme. For e.g. Infrastructure funds that invests in companies that will benefit from the growth in infrastructure segment

- **Tax Saving Funds** – These type of funds are also known as ELSS, which offers Tax saving benefit under section 80c with a minimum lock-in period of 3 years. They score high compared to all traditional tax saving instruments

○ Income or Bond or Fixed Income Funds:

Compared to Equity funds, these are Safer Investments and are suitable for **Income generation**. These type of funds invest in Fixed Income Securities like Government Securities or Bonds, Commercial Papers and Debentures, Bank Certificate of Deposits and Money market instrument like Treasury Bills, Commercial Papers etc. Some popular types of funds in this category are Liquid Funds, Ultra Short term, Short term, Floating Rate, Corporate debt, Dynamic Bond, Gilt funds etc

○ Hybrid Funds:

These types of funds invest in both Equities and Fixed Income thus offers the best of both **Growth Potential as well as Income generation**. Popularly, they are known as Balanced Funds. Depending on the investment strategy fund manager invest anything between 25% to 75 in Equities or Debt. Some of the examples of Hybrid fund are Aggressive Balanced funds, Conservative Balanced funds, Pension Plans, Child Plans and Monthly Income Plan etc.



Why
to
Wait

Till Year End to Save Tax?



Finally, it's a end of financial year 2018-19. Many of us were running from pillar to post till last minute to get tax saving investments in place and submitting proofs to HR. Last minute tax saving investments also often end up going into unsuitable avenues. Just think, do we need to do all running at last minute or we have a way to do it systematically and relax at year end?

Yes, there is No need to postpone your Tax Savings investments till last few days of financial year. Mutual Funds offers Systematic Investment in Tax Saving schemes.

In the past few years, Equity Linked Saving Schemes (ELSS) have emerged as one of the best tax- saving instruments due to their unique features.

• High Returns

ELSS funds serve two purposes. Apart from saving your Taxes, these funds also generate higher returns for you. Based on past evidence, it indicates that ELSS generates about 12% returns and over in a period of 15 years and more.

• Tax Efficient

Long term capital gains (LTCG) realized from ELSS mutual funds is taxed at only 10% if your total capital gain in the year of withdrawal is over 1 lakh. There is no capital gain tax imposed on you if your total profit is less than Rs 1 lakh in a Financial year.

• Least Lock-in Period

While Traditional tax-saving investments have longer lock-in periods, ELSS funds come with a lock-in of just three years. Apart from this, PPF includes a lock-in of fifteen years and NPS requires one to stay invested until you retire. With ELSS, your money will not get blocked for long period, and you get liquidity option after 3 years.

• Convenience

Investors can invest in Tax Saving ELSS Schemes either Lumpsum or through monthly Systematic Investment Plans (SIP).

Considering all above benefits and convenience, start Tax Planning, right from the first month of New Financial Year, so that your investments start growing immediately.

Relax and Enjoy New Financial Year!!

Funds
Performance Watch

Equity Schemes				Debt Schemes			
Scheme Name	Scheme Category	Returns (CAGR%)		Scheme Name	Scheme Category	Returns (CAGR%)	
		3 Yrs	5 Yrs			3 Yrs	5 Yrs
Axis Bluechip Fund	Large Cap	16.15	14.27	Franklin India Liquid Fund - Super Inst. Plan	Liquid Fund	7.22	7.81
DSP Midcap Fund	Mid Cap	15.69	19.81	ICICI Prudential Ultra Short Term Fund	Ultra Short Duration	8.06	9.66
SBI Small Cap Fund	Small Cap	18.37	27.67	Franklin India Short Term Income Plan	Short Duration	9.55	9.29
Kotak Equity Opportunities Fund	Large & Mid Cap	15.77	16.67	Aditya Birla SL Credit Risk Fund	Credit Risk	8	-
Aditya Birla SL Equity Fund	Multicap	16.59	17.74	Kotak Dynamic Bond	Dynamic Bond	8.85	9.02
ICICI Prudential Equity & Debt Fund	Equity Hybrid Fund	14.86	15.29	Aditya Birla SL Corporate Bond Fund	Corporate Bond	8.09	8.78
Aditya Birla SL Tax Relief 96	Tax Saving (ELSS)	15.07	18.29	ICICI Prudential Gilt Fund	Gilt Fund	8.42	10.14

Source: Value Research Online

○ Role of an Investment Advisor:

Human being is a social animal and his life is always shaped by society and emotions. This is also true in case of investing. You all know that market is a game of sentiments and emotions, greed and fear. At the time of investing, investor is always in two minds, Invest or not to invest. History says whenever you are in two minds, there are 99% chances that your decision will go wrong. Here, the Role of Investment Advisor comes into picture.



- A good Investment advisor or Mutual Fund Distributor is able to connect the investor's need with the features of various schemes and recommend a portfolio accordingly. It is not important to invest in best scheme but it's important to invest in most appropriate scheme.
- Investor can not devote much time to evaluate schemes as it requires study of different attributes such as scheme objectives, Investment universe, the risks that the fund is taking etc. Advisor does this study and recommends him schemes accordingly.
- Once the portfolio is constructed, regular monitoring of the scheme characteristics and portfolio is required, which is an ongoing job. An advisor helps you to review these schemes too.
- Advisor is the only person who saves investor from taking wrong decision in panic due to sudden fall in market and help him to keep patience by reminding him of his objectives and goals. Thus, advisor plays yet another role; and that is of Counselor.
- Advisor keeps investor updated with latest happenings in Industry and new products launched
- Advisor sort out each and every query of investor such as requirement of statement, change in KYC, change in nominee etc and saves investor's time to visit Mutual Fund office.
- Many times, investor gets a friend for life in the form of Advisor.

So, Say YES to Investment Advisor !!

Equity Market Outlook

Recently, we have seen lot of inflows from FII's. March month witnessed inflows of 32000 crores highest ever since 2007. These inflows helped market to trade at higher levels. Nifty is now only few points away from all time high. Bank Nifty is trading at all time high. Banking sector has the biggest contribution to take market higher.

The Biggest driver for Indian market locally for the last few months has been the local political outlook. After Pulwama incident, market thinks Mr Modi will come back into power for second term. Market always favours political stability.

Market is factoring in Mr Modi heading strong Government and a big pick-up in earnings cycle for the next year.

For the next couple of months, the market's outlook seems positive or it will have momentum irrespective of valuations or underlying fundamentals. We are positive on IT and Pharma sector since USD fill up previous gap and poised to scale higher.

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

