MONTHLY NEWSLETTER - APRIL 2023

NEWS HIGHLIGHTS

UBS to buy Credit Suisse for nearly $3.25B

Banking giant UBS is buying troubled rival Credit Suisse for almost $3.25 billion, in a deal orchestrated by regulators in an effort to avoid further market-shaking turmoil in the global banking system.

Credit Suisse, Silicon Valley Bank collapse leads to a rally in Cryptos

Bitcoin, the world's largest cryptocurrency in terms of market cap, has rallied this month ever since the collapse of multiple much-vaunted global financial institutions. The cryptocurrency breached the $28,000 mark for the first time after June 2022, fueled by investors' distrust in the banking system.



Government Removes LTCG Tax Benefit From Debt Mutual Funds.

Now, debt mutual funds are to be taxed as short-term capital gains in much the same way as bank fixed deposits. Change to come into effect from April 1, 2023.



Rajesh Gopinathan resigns as TCS MD & CEO effective Sept 15; K Krithivasan is the new CEO designate

Rajesh Gopinathan, Managing Director (MD) and Chief Executive Officer (CEO) of Tata Consultancy Services (TCS) has tendered his resignation effective Sept 15, the company informed on Thursday. Also, K Krithivasan is the CEO designate, TCS added.

Yellow Metal Shines: Gold Prices Breach Rs 60,000 Mark For The First Time In India

Heightened global uncertainties, the weakness of the rupee, and the upcoming festival season have combined to push up gold prices in India to around the ₹60,000 per 10-gram mark for the first time in the physical retail market in Mar'23.



Source: Multiple News Portals

MONTHLY MARKET DATA

Particulars	Open	High	Low	Close	Change %
Sensex	59,136.48	60,497.57	57,088.50	58,991.52	-0.25%
Nifty	17,360.10	17,799.95	16,828.35	17,359.75	0.00%
Nasdaq	11,447.58	12,227.93	10,983.05	12,221.91	6.76%
Gold	$1,827.24	$2,010.19	$1,809.40	$1,967.90	7.70%
Crude	$76.53	$80.83	$65.66	$75.57	-1.25%

*Source : Investing.com

Market Data period 01/03/2023 to 31/03/2023

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FINANCIAL QUOTE OF THE MONTH

> Too many people spend money they haven't earned, to buy things they don't want, to impress people that they don't like
>
> - Will Rogers

TAX SAVING TIP OF THE MONTH

Purchasing your dream house through investment in Mutual Funds can make sense because you are capable of earning compounded returns on investments. Section 54F of income tax law allows you to save capital gain tax on your entire long-term capital gain from redemption on equity mutual fund if you purchase a residential property with the net sale consideration

The only thing you need to remember is that if you sell your newly acquired property before 36 months, from the date of acquisition, your entire capital gain exempted earlier becomes taxable. As per the Union Budget 2023, a maximum of Rs. 10 crores can be claimed for deductions under Section 54.

ASK YOUR MFD



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QUIZ

Which is the oldest commercial bank in India?
Answer will be published in the next edition.

EDITORIAL

Why Term Insurance and SIP is the best combo at your young age?

A few months before, Rohan started his first job in an MNC Bank as an Investment Banker. He joined with a package beyond his expectations but after a few months he discovered that to cope with the urban lifestyle, his savings at the end of the month becomes negligible.

Since his father retired last year, Rohan is wondering how to secure his dependents in the case of any unforeseen event and also wants to achieve financial freedom as he intends to retire early and pursue his hobbies.

Rohan shared his problem with his senior Nikita, who suggested that he opt for Term insurance which ensures financial safety for dependants, and along with that start investing in equity-oriented mutual funds through monthly SIP mode. Let's find out the rationale for Nikita's decision.

Term Insurance coverage is affordably priced.

Nikita tells Rohan that Insurance is a pure risk product and does not mix investment with insurance. Normal endowment policies may not be sufficient for proper risk coverage and term insurance gives large Sum Assured with a very affordable premium.

Premiums of Rs 1 crore insurance cover till the age of 65.

AGE OF BUYER	30 YEARS	35 YEARS	40 YEARS	45 YEARS
Tenure of Cover	35 Years	30 Years	25 Years	20 Years
Annual Premium	₹ 15,942	₹ 19,608	₹ 23,859	₹ 32,746
Daily Cost	₹ 43.68	₹ 53.72	₹ 65.37	₹ 89.72
Total Cost	₹ 5.58 Lakh	₹ 5.88 Lakh	₹ 5.96 Lakh	₹ 6.55 Lakh

Premium rates for Term Insurance Plan of a leading life insurance company, for the male non-smoker, premium inclusive of GST. Premium may vary from company to company. The term Insurance premium is at the discretion of life insurance companies and can change at any time.

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Benefits of SIP at a young age:



Nikita also describes the benefits of starting SIP in an Equity Mutual Fund scheme at a young age and then gradually increasing SIP deductions along with salary increments. Being a finance person Rohan realizes that SIP gives rupee cost averaging to his investments and helps him to be disciplined with his savings. He also realizes the power of compounding works in Equity investment and gives the best results when investments get time to grow.

Lesser cost of management:



After coming back from work Rohan also realizes term insurance along with SIP investment has another benefit. Its cost of management is far lower than other investment options like Endowment policy, ULIP, or PMS. He is also able to beat inflation and create wealth in the long term. Along with that, he can secure his family with pretty much big-term insurance coverage and his outgo will be under his savings limit. He also feels relaxed by knowing that SIP investments are totally flexible as he can stop, increase or decrease his commitments at any time as per present scenarios.

SIP ready reckoner chart:

SIP Amount	Step Up SIP with 8% growth					
	10 years	15 years	20 years	25 years	30 years	35 years
₹10,000	₹30,22,223	₹73,45,194	₹1,59,11,320	₹3,24,00,061	₹6,35,04,599	₹12,13,27,291
₹15,000	₹45,33,335	₹1,10,17,791	₹2,38,66,980	₹4,86,00,091	₹9,52,56,898	₹18,19,90,937
₹25,000	₹75,55,558	₹1,83,62,985	₹3,97,78,301	₹8,10,00,152	₹15,87,61,497	₹30,33,18,229

Returns have been assumed as 12% for SIP's future growth. Returns are not guaranteed and may not be linear as shown above.

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MF CATEGORY WISE PERFORMANCE (%) AT A GLANCE

Category	1 year	3 years	5 Years	10 Years
Equity - Contra	6.17	33.96	13.02	13.02
Equity - Dividend Yield Fund	2.62	30.28	11.33	11.33
Equity - ELSS	-0.27	26.6	10.05	10.05
Equity - Flexi Cap Fund	-1.83	26.01	10.87	10.87
Equity - Focused Fund	-1.23	25.97	10.17	10.17
Equity - Large & Mid Cap Fund	-0.24	28.65	10.97	10.97
Equity - Large Cap Fund	-0.34	24.21	10.32	10.32
Equity - Mid Cap Fund	0.75	32.76	11.62	11.62
Equity - Multi Cap Fund	0.7	31.11	12.53	12.53
Equity - Small Cap Fund	1.47	41.89	12.92	12.92
Equity - Value Fund	3	31.72	9.75	9.75

* All Sectoral, Thematic, Index & ETF Funds excluded in the above list.
* Disclaimer: This report has been prepared on the basis of data available with us and we have taken all precautions so that there are no errors and lapses. However, we do not assume any liability for actions taken on the basis of this report. Past performance may or may not be sustained in future. Mutual fund investments are subject to market risks, read all scheme related documents carefully. Returns are not guaranteed. Insurance is the subject matter of solicitation, for more details on risk factors, terms and conditions please read the sales brochure carefully.
* Report as on 01/04/2023

Question and Answer for the Quiz Last Edition:

Q: What is Rule of 72

Ans: Rule of 72 helps us to calculate how long it's going to take our money to double. Divide 72 by the expected rate of return on investment and the outcome is the number of years taken for doubling the value of the investment.

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