



# Investment Knowledge Center

A MONTHLY NEWSLETTER TO MANAGE YOUR PERSONAL FINANCE



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## June '22 was an action packed month....

**Both SENSEX & NIFTY were highly volatile through out the month.**

The Key reason for this sudden correction is said to be the rise in interest rates across the world, including India. Our central Bank also raised interest rates to control rising inflation on following observations by **RBI MPC's (Monetary Policy Committee)** :

1. **On the Global front**, they observed that, the global economy continues to grapple with multi-decadal high inflation and slowing growth, persisting geopolitical tensions and sanctions, elevated prices of crude oil and other commodities and lingering COVID-19 related supply chain bottlenecks. Global financial markets have been roiled by turbulence amidst growing stagflation concerns, leading to a tightening of global financial conditions and risks to the growth outlook and financial stability.
2. **On the Domestic Front**, they observed that, data indicates a broadening of the recovery in economic activity. Urban demand is recovering and rural demand is gradually improving. Merchandise exports posted robust double-digit growth for the fifteenth month in a row during May while non-oil non-gold imports continued to expand at a healthy pace, pointing to recovery of domestic demand.

## Domestic Institutional Investor's buying overpowered the selling of FIIs and FPIs. Current resilience in the Equity Market is only on the back of domestic institutional investors and also the average retail investor.....read more about this new strength of Indian Equity Market!



The stake of foreign portfolio investors (FPIs)—often looked at as the primary driver of bull runs and rallies in Indian stock markets. This stake has consistently fallen over the past few quarters with the December quarter witnessing a fall of 81 basis points (bps) to 19.7 per cent in NSE-listed companies. Among the top 500 listed firms, FPIs' stake fell by 65 bps to 20.9 per cent. This was the fourth consecutive quarter that saw a dip in the stake held by foreign investors—now at its lowest level in nine years. In terms of net flows, 2022 has seen FPIs make net sales of nearly \$17 billion till May 2. And they have been net sellers since October 2021.

***Foreign institutional investors' share of Indian equities has hit a multi-year low of 20% . The last time the Indian market witnessed such exodus was in 2008, during the U.S. sub-prime crisis, when FIIs kept selling for 7 consecutive months.***

While the global stock markets and the pack of emerging markets have seen heightened volatility with a clear downward bias—on the back of a mix of macroeconomic and geopolitical concerns (with foreign investors offloading shares in huge quantities across markets)—the Indian markets have stayed resilient. Analysing the data reveals that this resilience is 'Made in India', with domestic financial institutions and retail investors emerging as a strong counterforce to foreign investors.

I know, its not easy to ride the market volatility but luckily we have **SIP (Systematic Investment Plan)** in Mutual Fund, which converts such volatility into opportunity. Read more about such opportunities in this special issue of our Newsletter.

**Your Name**

Designation

Your Company Name

# 3 SMART MOVES to take in this Market !!!

## Move # 1 : Add Units in SIP Folio

**Get greedy** to accumulate more units in your SIP folios. Add funds to your existing SIP folios - whatever amount you can afford ! Minimum Rs 500/- only.

Say you are running an SIP of Rs 2000/- per month in xyz fund; then you should add Rs 2000/- or more into same scheme to get the benefit of cost averaging.

As you know, you will get higher units when NAV / Price is down. Generally investors become fearful when they need to act greedy - and vice a versa.



## Move # 2 : Invest in Old Hero's

### Follow the wisdom statement - Old is Gold !

Pull out the list of India's 20-25 Years old Flagship Equity Funds and invest some funds in the name of your choice. These funds had always been a great performer but generally investors ignored these funds in rising market due to their higher valuation. Now is the time to grab the units of such schemes at good discount.

*look at the list of few of these Good, Old and premium schemes :*

Fund Name	Annualised Returns (CAGR) %				
	3 Yrs	5 Yrs	10 Yrs	15 Yrs	20 Yrs
Nippon Ind Growth Reg	17.96	12.76	15.97	12.73	22.73
SBI Magnum Global Reg	15.14	10.71	16.13	11.97	21.57
HDFC Flexi Cap Reg	11.03	10.92	14.02	12.42	20.67
SBI Contra Reg	21.24	12.92	14.31	10.69	20.66
HDFC Top 100 Reg	7.86	9.26	12.50	11.87	20.14

## Move # 3 : Invest in Business Cycle Funds

Grab the unit of most beaten up sector which is expected to recover faster with the change in cycle. As a layman you can find many such sectors like- IT, Banking etc, which have been corrected by more than 10%. Thus it becomes difficult for a retail investor to select the most promising funds out of these lots.

The solution is '**Business Cycle Fund**' - this is suitable for all investors who have advanced knowledge of macro trends and prefer to take selective bets for higher returns compared to other Equity funds . Given below are the list of some such schemes.



# Market Indicators

FOR MONTH ENDING JUNE 2022

## EQUITY MARKET SNAPSHOT - LAST ONE YEAR

Period	INDIAN INDICES		Period	KEY INTERNATIONAL INDICIES		
	SENSEX	NIFTY 50		NASDAQ 100	S & P 500	Dow Jones
30TH JUNE 2022	53018.94	15734.20	30TH JUNE 2022	11503.72	3785.38	30779.71
1 Month	-4.58%	-5.13%	1 Month	-9.00%	-8.39%	-6.71%
3 Months	-7.08%	-8.00%	3 Months	-22.47%	-16.45%	-11.24%
6 Months	-8.61%	-9.26%	6 Months	-29.51%	-20.58%	-15.30%
1 Year	1.02%	0.08%	1 Year	-20.99%	-12.37%	-11.13%

## COMMODITY MARKET SNAPSHOT - LAST ONE YEAR

Period	GOLD (USD) / OUNCE	%	SILVER(USD) / OUNCE	%	CRUDE OIL (USD)	%
30TH JUNE 2022	1807.30		20.352		109.03	
1 Month	1848.40	-2.22%	21.781	-6.56%	115.60	-5.68%
3 Months	1959.50	-7.77%	25.285	-19.51%	107.91	1.04%
6 Months	1835.90	-1.56%	23.456	-13.23%	77.78	40.18%
1 Year	1787.70	1.10%	26.281	-22.56%	75.84	43.76%

## OTHER MARKET INDICATORS

Period	G-SEC Rate	Period	CURRENCY		Period	INFLATION
	10 YR G SEC		INR /USD	%		Rate %
30TH JUNE 2022	7.45	30TH JUNE 2022	78.95		31ST MAY 2022	7.04
1 Month	7.42	1 Month	77.57	-1.75%	1 Month	7.79
3 Months	7.14	3 Months	75.90	-3.86%	3 Months	6.95
6 Months	6.68	6 Months	74.49	-5.65%	6 Months	5.66
1 Year	6.05	1 Year	74.57	-5.55%	1 Year	6.26

## NIFTY EQUITY BENCHMARK INDICIES 30TH JUNE 2022

INDEX	CURRENT	1 WEEK%	1 MONTH	1 YEAR	52W H	FALL FROM 52 WEEK HIGH
NIFTY 50	15,780.25	1.44%	-5.29%	0.20%	18,604.45	-15.18%
NIFTY NEXT 50	36,505.40	1.01%	-6.27%	-5.62%	45,290.80	-19.40%
NIFTY 100	15,929.40	1.43%	-5.40%	-0.39%	18,870.70	-15.59%
NIFTY 200	8,290.80	1.43%	-5.56%	-0.56%	9,895.10	-16.21%
NIFTY 500	13,387.55	1.58%	-5.42%	-0.70%	16,004.45	-16.35%
NIFTY MIDCAP 50	7,297.65	1.17%	-5.93%	-2.36%	9,196.75	-20.65%
NIFTY SMALLCAP 100	8,445.25	2.42%	-7.15%	-13.05%	12,047.45	-29.90%
NIFTY BANK	33,425.10	0.88%	-6.70%	-4.53%	41,829.60	-20.09%
NIFTY AUTO	11,701.15	3.01%	1.83%	10.26%	12,139.75	-3.61%
NIFTY FMCG	37,664.55	0.93%	-2.45%	3.95%	42,021.45	-10.37%
NIFTY IT	27,843.35	-0.66%	-6.42%	-3.94%	39,446.70	-29.42%
NIFTY MEDIA	1,897.55	2.79%	-6.13%	4.73%	2,494.55	-23.93%
NIFTY METAL	4,660.90	3.05%	-11.46%	-10.81%	6,825.65	-31.71%
NIFTY PHARMA	12,159.35	0.27%	-4.04%	-15.15%	14,938.25	-18.60%
NIFTY REALTY	385.30	0.82%	-4.53%	11.54%	560.90	-31.31%
NIFTY CONSUMER DURABLES	22,820.05	-0.16%	-8.59%	-	30,892.40	-26.13%
NIFTY OIL & GAS	7,600.70	4.90%	-3.61%	-	8,524.10	-10.83%
NIFTY50 EQUAL WEIGHT	17,668.95	1.08%	-5.75%	-0.31%	-	-
NIFTY100 EQUAL WEIGHT	18,217.30	0.74%	-5.89%	-3.50%	-	-
NIFTY COMMODITIES	5,021.45	3.27%	-8.47%	-2.58%	6,458.45	-22.25%
NIFTY INDIA CONSUMPTION	6,692.80	1.21%	-2.81%	5.56%	7,653.45	-12.55%
NIFTY ENERGY	25,108.50	5.98%	-3.13%	26.50%	29,304.05	-14.32%
NIFTY INFRASTRUCTURE	4,619.80	3.09%	-5.01%	6.20%	5,362.80	-13.85%
NIFTY INDIA DIGITAL	5,090.65	-1.08%	-7.75%	-	7,365.45	-30.88%
NIFTY100 ESG	3,077.70	0.60%	-6.08%	-	-	-
NIFTY INDIA MANUFACTURING	7,286.05	2.05%	-4.61%	-	-	-

**Ratio of total market cap over GDP**

Recent 10 Year Maximum - 132%

Recent 10 Year Minimum - 48.29%

**Current Mkt Cap / GDP- 103%**

Current Market Cap of India as on 30TH JUNE 2022 - 243 LAKH CR INR

Current GDP: \$3.04 TRLN US dollars or 236 LAKHS CR INR

**GDP Growth Figures****% of Growth**

LAST QUARTER (JFM 2022)

4.10%

PREVIOUS QUARTER (OND2021)

5.40%

YEAR AGO (JFM 2021)

2.50%

**FII's/FPI's Activities in Indian Equity Markets****FII / DII - ACTIVITIES IN INDIAN EQUITY MARKET (CASH)**

Month- Year	FII ( Rs Crores)	DII (Rs Crores)
	Net Purchase / Sales	Net Purchase / Sales
Jun-22	-58112.37	46599.23
May-22	-54,292.47	50,835.54
Apr-22	-40,652.71	29,869.52
Mar-22	-43,281.31	39,677.03
Feb-22	-45,720.07	42,084.07
Jan-22	-41,346.35	21,928.40
Year To Date(YTD)	-2,83,405.28	2,30,993.79

**FPI/ FII HOLDING IN INDIAN EQUITY MARKET - COUNTRY WISE**

Country Wise AUC in Crores	As on May 30, 2022	%of Holdings
USA	1726121.00	39.12%
MAURITIUS	457938.00	10.38%
LUXEMBOURG	324905.00	7.36%
SINGAPORE	310289.00	7.03%
UNITED KINGDOM	249909.00	5.66%
IRELAND	221642.00	5.02%
CANADA	130318.00	2.95%
JAPAN	104375.00	2.37%
NORWAY	123720.00	2.80%
NETHERLANDS	87295.00	1.98%
OTHER	675478.00	15.31%
<b>TOTAL</b>	<b>4411991.00</b>	<b>100.00%</b>

**FPI/ FII HOLDING IN INDIAN EQUITY MARKET - SECTOR WISE**

Sector Wise AUC in Crores	As on June 15, 2022	% FPI Holdings
Financial Services	1285636.00	5.26%
Oil, Gas & Consumable Fuels	545683.00	2.23%
IT & SERVICES	509373.00	2.08%
FMCG	258961.00	1.06%
Auto & Auto Components	220158.00	0.90%
Healthcare	198030.00	0.81%
Power	187532.00	0.77%
Consumer Durables	147510.00	0.60%
Metals & Mining	123414.00	0.50%
Telecommunication	103657.00	0.42%
Top 10 Sector Holdings	3579954.00	14.63%
OTHERS	570654.00	2.33%

## Mutual Fund CATEGORY AVG Performance across Industry - 30th JUNE 2022

## Equity Funds Category - AVG Performance across Industry

Category Type	1 Month	3 Months	6 Months	1 year
Sector - FMCG	-1.90	2.19	3.65	13.93
Equity- Infrastructure	-4.67	-7.17	-8.49	5.11
Contra	-3.98	-6.93	-7.91	3.67
Small-Cap	-4.00	-9.81	-12.84	2.94
Dividend Yield	-4.85	-8.94	-9.52	2.35
Multi-Cap	-4.63	-9.69	-10.65	0.93
Large & Mid- Cap	-4.60	-9.71	-11.43	0.61
Value	-4.83	-9.29	-9.83	0.43
Mid-Cap	-4.92	-9.53	-11.96	-0.04
Focused Fund	-4.51	-9.31	-11.28	-0.07
Large-Cap	-4.90	-9.39	-9.90	-0.21
ELSS (Tax Savings)	-4.87	-9.59	-11.21	-1.11
Sector - Technology	-6.08	-21.49	-26.29	-1.83
Flexi Cap	-4.94	-10.33	-12.44	-1.97
Equity - ESG	-5.19	-11.97	-14.25	-2.48
Sector - Financial Services	-5.80	-8.45	-7.10	-5.22
Sector - Healthcare	-3.22	-10.41	-16.17	-13.07

## Fixed Income Category- AVG Performance across Industry

Morningstar Category	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR
Credit Risk	0.21	-0.48	10.09	15.82
Short Duration	0.26	-0.38	1.01	3.65
Ultra Short Duration	0.35	0.69	1.59	3.56
Arbitrage Fund	0.32	1.02	1.84	3.56
Money Market	0.36	0.64	1.58	3.44
Low Duration	0.30	0.38	1.30	3.35
Medium Duration	0.32	-1.48	-0.41	3.19
Liquid	0.34	0.90	1.64	3.17
Floating Rate	0.15	0.14	0.93	2.86
Banking & PSU	0.21	-0.39	0.23	2.41
Dynamic Bond	0.27	-0.52	-0.24	2.36
Corporate Bond	0.18	-0.77	-0.04	2.12
Medium to Long Duration	0.28	-1.63	-0.95	1.89
Government Bond	0.34	-1.26	-1.00	1.41
Long Duration	0.32	-2.65	-2.24	-0.07
10 yr Government Bond	0.46	-2.33	-3.13	-2.01

## Balance Fund Category- AVG Performance across Industry

Category Type	1 Month	3 Months	6 Months	1 year
Conservative Allocation	-0.85	-2.57	-1.28	3.87
Equity Savings	-1.42	-2.88	-2.69	2.21
Balanced Allocation	-3.15	-7.54	-8.13	1.67
Dynamic Asset Allocation	-2.34	-4.62	-4.31	1.48
Aggressive Allocation	-3.58	-7.77	-8.71	-0.02

Source - Morning Star as on 30th JUNE 2022

NOTE: This is not a single scheme Fund Performance, this is an Avg. Performance of all the funds in same Category across the MF Industry. However Performance may be different for different scheme under same category, Pls check with your advisor for the TOP Performing funds in above category for last one year)

# Inspiring Investment Story

Of Mr. Ravishankar



This is a true testimony of **Mr Ravishankar**, aged 69 Yrs. Around 10 Years back when we met him, Mutual Fund was never in his list of preferred investment choice. Today when you will meet him, he will appear as a greatest fan of Mutual Funds. At his age, he is actually so excited about Mutual Funds that he has become an unofficial Brand Ambassador for our company..... what changed the opinion of Mr Ravishankar ?

## The great returns in Mutual Funds or anything else ?

Of Course, Returns is one of the factor but there are many other factors which converted Mr. Ravishankar from an anti MF investor to pro MF! During his last 10 Yrs of investment journey, Mr. Ravishankar learnt about the strong regulation which governs Mutual Funds, he learnt about the transparency and professional fund management within a pre-defined expense ratio. Most importantly, he learnt that - VOLATILITY is the OPPORTUNITY, if you are a disciplined investor.

I am just sharing his Investment snapshot which he did around 10 Years back, as a gift to his 3 Yrs Grand Daughter :

Scheme Name	Launch Date	Date of Investing	Amount Invested	Value as on 30-06-2022	Profit	CAGR Returns (%)	Absolute Returns (%)
Canara Robeco Emerging Equities Reg Gr	10-03-2005	05-07-2012	1,00,000	6,03,898	5,03,898	19.72	503.9
DSP Equity Opp Reg Gr	20-05-2000	05-07-2012	1,00,000	4,08,046	3,08,046	15.11	308.05
Invesco India Contra Fund Gr	11-04-2007	05-07-2012	1,00,000	4,48,798	3,48,798	16.21	348.8
HDFC Flexi Cap Gr	01-01-1995	05-07-2012	1,00,000	3,65,167	2,65,167	13.84	265.17
SBI Small Cap Reg Gr	05-09-2009	05-07-2012	1,00,000	8,68,224	7,68,224	24.15	768.22
<b>TOTAL MF VALUE</b>			<b>500000</b>	<b>26,94,133</b>	<b>21,94,133</b>	<b>17.81</b>	<b>438.828</b>
Fixed Deposit	-	05-07-2012	5,00,000	9,82,345	4,82,345	6.99	96.47
Gold	-	05-07-2012	5,00,000	8,08,545	3,08,545	4.94	61.71
PPF	-	05-07-2012	5,00,000	10,80,765	5,80,765	8.02	116.15

As you can see in the table above, the investment of Rs 5 Lakhs in MF is more than double of all other traditional investments like- FDs, Gold and PPF. This performance of Mutual Fund schemes completely changed the thought process of Mr Ravi. He learnt the biggest lesson of his life , which he is preaching others too - "**Volatility is not harmful, if you have adequate risk appetite and tenure on your side**"

As a MF Distributor, we also train all our investors to pick the investment product according to your Risk appetite and investment tenure. Mutual Fund offers products for all type of Risk appetite - Low to very High . Just discuss your plan with us and invest in the most suitable product for your Goals.

**Disclaimer :** The Schemes and their result shown on the table above are the real values; however, this article is not an endorsement or advice for investing in these schemes, directly or indirectly. This is in no ways a recommendation for any scheme and also, there is no guarantee that similar performance will be repeated in future also. Investor should choose the SIP schemes after evaluating their risk suitability or investment targets.

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



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