THE ECONOMIC TIMES
wealth

www.etwealth.co | Ahmedabad, Bengaluru, Chennai, Hyderabad, Kolkata, Mumbai, New Delhi, Pune | Volume 11 No. 48 | November 25-December 1, 2024 | 24 pages | ₹8

Which debt fund is for you?

Experts believe the RBI will cut rates next year. Find out what this means for debt funds. **P2**

BALANCING EQUITY & DEBT
P7

10 EQUITY FUNDS THAT HAVE HANDLED VOLATILITY WELL
P9

PLANNING FOR FAMILY WITH SPECIAL NEEDS CHILD
P10

WHICH DEBT FUND IS FOR YOU?

Experts believe the RBI will cut rates next year. Find out what this means for debt funds.

GETTYIMAGES

https://telegram.me/+5S3fmia1ZnJiYzE1

By **Babar Zaidi**

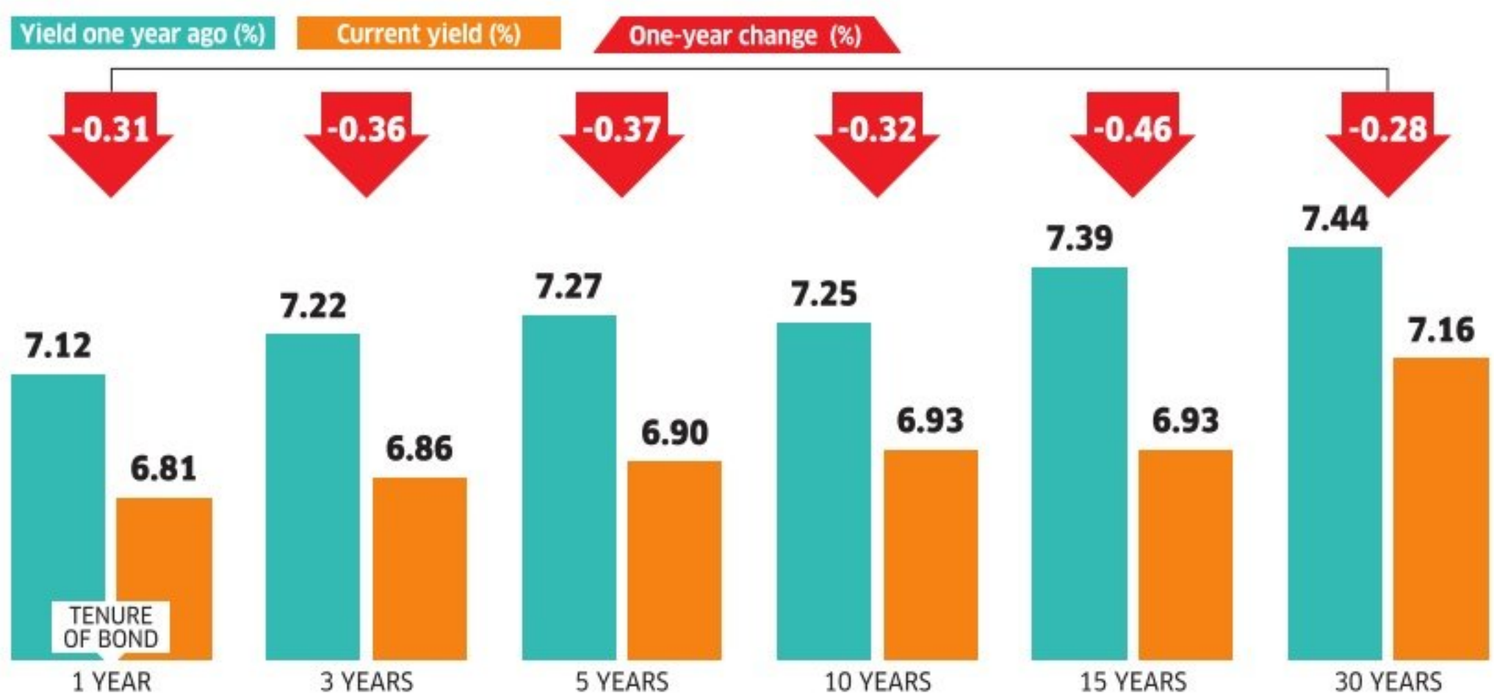
Equity markets have faced turmoil in the past two months, but fixed-income investors have reasons to smile. Major banks, such as the SBI, ICICI Bank and Axis Bank, have hiked their deposit rates. You can earn 7.25% interest on deposits of 1-2 years. Smaller banks, such as the Bandhan Bank, are offering 8%, while NBFCs, such as Sriram Finance, are giving up to 8.9% per annum. Senior citizens can expect 0.5-0.75% higher rates.

Sitting in their house in Bengaluru, senior citizens Ranjitha and B. Srikumar (*see picture*) are not enthused by the high rates offered on bank deposits. Their pensions put them in the 30% tax bracket, which means the post-tax yield of a 7.75% fixed deposit is barely 5.3%. "We are looking to invest in a debt fund that can give better returns than fixed deposits," says the retired Air Force officer.

Debt funds have lost some of the sheen following changes in tax rules in 2023, but they still score over bonds and fixed deposits. For one, when a fixed deposit matures, the investor has to reinvest the

Bond yields have receded in the past year

Yields of very long-term bonds of 30 years are still above 7%.



Data as on 19 Nov 2024 | **Source:** Investing.com

https://telegram.me/+5S3fmia1ZnJiYzE1

"Inflation could cool down to around 4.5% by April. We expect policy rates to be cut by 50 basis points in 2025."

MAHENDRA JAJOO
CIO, FIXED INCOME, MIRAE ASSET INVESTMENT MANAGERS

proceeds at the prevailing interest rate. If the rate has fallen, he will have no choice but to go with the lower rate. There is no such reinvestment risk in a debt fund. Though the gains from debt funds are now taxed at the same rate as the interest on deposits, they can be offset against losses from other investments. There are other advantages as well (*see graphic*).

Rate cut to boost returns

Debt funds are also poised to do well in the coming months. The RBI has kept the policy rates unchanged, but experts believe the central bank will start cutting interest rates next year. "Inflation is high right now, but that is because of high vegetable prices. It could cool down to around 4.5% by April. We expect policy rates to be cut by 50 basis points in 2025," says Mahendra Jajoo, CIO, Fixed Income, Mirae Asset Investment Managers (India). Other experts share his view. "We expect 50 basis point rate cuts next year, more in the first half of the calendar year," says Devang Shah, Head of Fixed Income at Axis Mutual Fund.

When that happens, bond yields will come down and drive up the NAVs of debt funds. Long duration funds will be the biggest gainers. Their portfolios are lined with bonds of very long maturities, and any change in interest rates has a bigger impact on their prices. The average maturity of bonds in the portfolio of UTI Long Duration Fund is 36 years, with a yield to maturity (YTM) of 7.07%. Axis Long Duration holds bonds with an average maturity of 32 years, with a YTM of 6.99%. If interest rates are cut, these long duration schemes are likely to churn out good returns.

Given this scenario, is this a good time to shift to long-term funds to benefit from the uptick, following the rate cut next year? "We have been advising this to investors for almost 12 months now. At the beginning of this year, we told them to add to gilt funds or long duration funds because we anticipated a 50-75 bps rally," says Shah of Axis Mutual Fund.

Bond yields have declined significantly in the past 12 months (*see graphic*), resulting in good gains for debt funds (*see tables*). Short-term bond yields are now at 6.8%, though very long-term yields are still above 7%. Shah says investors should switch to long duration funds, but adds a cautionary note. "The bond markets have already rallied by 40 bps in 2024. From here on, the expectation of rally should be 25 bps."

For the same reasons, some experts feel the duration bet is not worth taking. "Historically, long-term bond yields in India have not dropped below 6.7%, except during periods of economic distress. With the Indian economy currently on solid footing, it appears unlikely that long-term yields will outperform in this environment," says Manish Banthia, CIO, Fixed Income, ICICI Prudential Mutual Fund. He says given the current market dynamics, short- to medium-term bond funds with maturity profiles of approximately 2-4 years, present a compelling investment opportunity.

Other fund managers agree. "Short-term funds with maturity profiles of 1-5 years are the most attractive segment based on the current market and risk-return expectations," says Rajeev Radhakrishnan, CIO, Fixed Income, SBI Mutual Fund. "Investors with higher risk appetites and those with longer time horizons can go for long duration gilt funds."

"We had anticipated a 50-75 bps rally in bonds at the beginning of the year; 40 bps of that rally is already done."

DEVANG SHAH
HEAD OF FIXED INCOME, AXIS MUTUAL FUND

Ranjitha (63) and Wg Cdr (retd.) B. Srikumar (67), *Bengaluru*

The retired couple wants to invest in a safe option. Banks offer them a higher rate on fixed deposits, but in the highest tax bracket, the post-tax yield of a 7.7% FD is barely 5.3%. They don't need the money immediately and can remain invested for 8-10 years.

Our suggestion

Go for dynamic bond funds, which have the flexibility to adjust the maturity profile of the portfolio depending on market conditions. The category has delivered 9.34% average returns in the past year.

What debt funds offer

Changes in tax rules have taken away some of the sheen from debt funds, but they still score over bonds and deposits.

LIQUIDITY
Debt funds are highly liquid and the money reaches your bank account within a day. When you break a fixed deposit prematurely, the entire investment is withdrawn. In debt funds, investors can make partial withdrawals without breaking the investment.

DEFERRED TAX
Interest from bonds and deposits is fully taxable in the year it accrues. In debt funds, the gains are taxed only at the time of withdrawal. An investor can defer the tax liability by holding for longer periods and time the withdrawals to minimise the tax.

FLEXIBILITY
Open-ended debt funds offer a lot of flexibility. You can invest via SIPs, as a lump sum, or when you have liquidity. Similarly, withdrawals can be made any time without any restrictions. Investors can also seamlessly shift to other funds without withdrawing.

DIVERSIFICATION
Like equity funds, debt funds invest in a basket of securities (corporate bonds, gilts, certificates of deposit, PSU bonds, etc.). This spreads the risk of default across several instruments compared to a single issuer.

TAX PLANNING
With indexation gone, the gains from debt funds are added to the income of the investor and taxed at the slab rate. However, the gains can be adjusted against losses in other investments. Interest earned on bonds and deposits cannot be adjusted against losses.

WIDE CHOICES
There are several categories of debt funds, each serving a different purpose for the investor. Whether you want to park your money for a few weeks, a few months or even some years, there is a scheme to fulfill your need.

Anuj and Soniya Jain with son Aarav (15), *Noida*

They started investing in equity funds for their son's education about five years ago and have built a neat corpus. With the goal just two years away, they want to shift to debt schemes to safeguard the corpus from volatility.

Our suggestion

Start shifting to short-term debt funds, which give stable returns. Stagger the switching to be able to harvest tax-free long-term capital gains of ₹1.25 lakh in a financial year. The short-term debt fund category has given 8.36% average returns in the past year.

"In the current market, short- to medium-term bond funds, with a maturity profile of about 2-4 years, are a compelling investment opportunity."

MANISH BANTHIA
CIO, FIXED INCOME, ICICI PRUDENTIAL MUTUAL FUND

Choose the funds that align with your needs

Top rated schemes from different debt fund categories suited for different investment horizons.

BEST SHORT-TERM FUNDS

FUND	1-YEAR RETURN (%)
Sundaram Short Duration	8.57
UTI Short Duration	8.47
Aditya Birla Sun Life Short Term	8.59
Axis Short Duration	8.53
Baroda BNP Paribas Short Duration	8.36
Category average	**8.38**

These funds are not very sensitive to interest rate changes. Go for these if your investment horizon is 1-2 years.

BEST MEDIUM-TERM FUNDS

FUND	1-YEAR RETURN (%)
Aditya Birla Sun Life Medium Term	11.06
Axis Strategic Bond	9.33
HSBC Medium Duration	8.91
ICICI Prudential Medium Term Bond	8.69
SBI Magnum Medium Duration	8.54
Category average	**8.81**

They hold bonds of slightly longer maturities, so change in rates will affect them. Suitable for investment of 3-4 years.

BEST LONG-TERM FUNDS

FUND	1-YEAR RETURN (%)
HDFC Long Duration Debt	11.81
Nippon India Nivesh Lakshya	11.57
Axis Long Duration	11.51
Aditya Birla Sun Life Long Duration	11.23
ICICI Pru Long Term Bond	10.61
Category average	**11.4**

These funds hold very long-term bonds. Can shoot up if rates are cut. Suitable for the long term and for investors with higher risk appetite.

BEST DYNAMIC BOND FUNDS

FUND	1-YEAR RETURN (%)
Aditya Birla Sun Life Dynamic Bond	9.4
ICICI Prudential All Seasons Bond	8.94
Kotak Income Plus Arbitarge FOF	9.12
360 ONE Dynamic Bond	10.04
PGIM India Dynamic Bond	10.28
Category average	**9.35**

These funds can alter the maturity profile of the portfolio as per the reading of the fund manager. Suitable for long-term investors.

Data as on 19 Nov 2024 | **Source:** Value Research

Short-term funds are safer

Anuj and Soniya Jain (*see picture*), on the other hand, are going for short-term debt funds. About five year ago, the Noida-based couple started investing in flexi-cap equity funds for their son Aarav's education. Now that the goal is just two years away, they have started shifting out of equity funds to the safety of debt. They started systematic transfers to a short-term debt fund about five months ago, and have already shifted around 50% of the required sum out of equity funds.

For the Jains, the objective is not capital appreciation but protection of gains they have made till now. "Equity markets can be volatile, so we had to make sure we have the money intact when we need it," says Soniya. They first considered putting the redemption proceeds in fixed deposits, but that would require opening multiple deposits with different maturities. Short-term debt funds suit them perfectly. They can seamlessly shift from the equity scheme to the debt fund and withdraw the entire amount at one go. This flexibility and ease of investment is a big plus for the Jains. These schemes are also not sensitive to interest rate changes because they hold bonds of very short maturities of 6-18 months.

Let fund managers decide

Are you undecided about going with long duration funds for big gains from rate cuts, or staying with short- or medium-term funds for stable returns? Let the fund manager take the call. Dynamic bond funds have the flexibility to invest in bonds of different maturities. Just like flexi-cap equity funds can invest in stocks across market capitalisations, the fund manager of a dynamic bond fund can alter the maturity profile of the portfolio depending on his reading of the market. The category has delivered average returns of 9.35% in the past year.

The adaptability of dynamic bond funds allows investors to hold the funds for longer periods. Investors like the Srikumars, who want to remain invested for more than 7-8 years, will find these especially useful. Based on Value Research ratings, we have identified the best funds in four different categories based on the investment horizon of the investor. We hope this will help you make an informed decision.

Please send your feedback to
etwealth@timesgroup.com

https://telegram.me/+5S3fmia1ZnJiYzE1

PRODUCT LAUNCHES

MUTUAL FUNDS

Axis Mutual Fund has launched the Axis Momentum Fund, a thematic equity fund that will actively manage a diversified portfolio of equity and equity-related securities of companies that exhibit strong momentum. The benchmark of the fund is Nifty 500 TRI. The minimum investment is ₹100. There is a 1% exit load on units redeemed for more than 10% of the investment within a year. **The NFO is open till 6 December.**

DSP Mutual Fund has rolled out the DSP Business Cycle Fund, focusing on equity investments aligned with business cycles through dynamic sector and theme allocation. The fund's benchmark is the Nifty 500 TRI, with a minimum investment of ₹100 and 0.5% exit load on redemptions within 10 months. **The NFO will be open from 27 November to 11 December.**

Franklin Templeton Mutual Fund has introduced the Franklin India Long Duration Fund, a debt fund with a portfolio Macaulay duration of over seven years. The benchmark is the CRISIL Long Duration Debt A-III Index, and the minimum investment is ₹1,000. **The NFO is open till 5 December.**

INSURANCE

Galaxy Health Insurance has debuted Galaxy Promise, offering coverage from ₹3 lakh to ₹1 crore with Signature, Elite, and Premier plans. Key benefits include unlimited sum insured restoration, premium promise for managing healthcare costs, and coverage for 68 consumable items, plus admission, record, and insurance processing charges.

ICICI Prudential Life Insurance has introduced the Increasing Income feature in its ICICI Pru Guaranteed Pension Plan Flexi. It offers a 5% annual increase in annuity payouts, helping retirees manage inflation effectively.

CBDT cuts time for ITR delay requests

New five-year limit for filing condonation applications.

by **Preeti Motiani**

The Central Board of Direct Taxes (CBDT) recently issued a circular on the application for condonation of delay in filing ITR. Income taxpayers often file this application requesting the tax department to condone delay in filing/revising ITR in order to claim income-tax refunds. This condonation of delay application allows them to file an income-tax return (ITR) to claim past tax refund and/or claim carrying forward of losses and setting off in cases where the due date for filing tax returns is long past.

The latest circular has reduced the time limit to apply for condonation of delay to five years from the end of the financial year in which the ITR was required to be filed. The earlier 2015 circular allowed taxpayers to file the condonation delay application within six years from the end of the financial year in which the ITR was required to be filed.

Hence, taxpayers will get one year less to file delay condonation requests to apply for old income-tax refunds. The CBDT issued the circular on 1 October 2024.

Sandeep Bhalla, Partner of Dhruva Advisors, a tax consulting firm, says, "The recent CBDT circular has the new five-year limitation for condonation requests. However, this new time limit will apply to condonation requests made on or after 1 October 2024. The time-limit used to be six years, as per CBDT's 2015 circular. If the condonation request is submitted on or before 30 September 2024, the old time limit of six years will apply."

Sudhir Kaushik, CEO of *TaxSpanner.com*, says, "The new time limit of five years to submit the condonation delay request will not be applicable for the income-tax refunds arising due to court orders. However, the taxpayer must file a delay condonation application within six months of the end of the month in which the court order was issued."

A condonation of delay request is an application submitted by the taxpayer to be allowed to file an income-tax return (well after the expiry of the last date for filing/revising the ITR) so that past tax refunds can be claimed or losses for the past years can be carried forward and set off.

To be allowed to claim tax refund by filing ITR for which the last date has expired, a taxpayer is required to file the condonation request. Typically, a condonation of delay request is required to file an ITR for a year for which the last dates to file belated and revised tax returns are over. Kaushik says, "The income-tax laws allow submission of condonation of delay request only in cases where a taxpayer is facing genuine hardship. While submitting a delay condonation request, the taxpayer is required to submit the proof and documents."

UPI payment failures due to tech below 1%

Technical payment failures on the United Payments Interface (UPI) platform have become rare, dropping to 0.7% from over 8% in 2016, according to Dilip Asbe, Managing Director and CEO of National Payments Corporation of India (NPCI).

"When we started UPI, the technical declines were in the range of 8-10%, and over this period, there has been a lot of effort from the ecosystem, especially banks, to scale up the infrastructure. Today, we have 0.7-0.8% technical declines," Asbe said at the State Bank of India Banking & Economics Conclave.

He said that the NPCI was planning to transition low-ticket transactions on UPI to UPI Lite. "The RBI has increased the limit on UPI Lite, hoping it will drive transactions on UPI and will reduce the load on banking infra," Asbe said. "As time passes, low-ticket transactions must be migrated to UPI Lite," he added.

UPI reported 16.58 billion transactions in October, up 45% year-on-year. Settlements amounted to ₹23.5 lakh crore, up 34% y-o-y, as per the NPCI data. In the previous month, UPI had crossed 15 billion transactions for the first time. The average daily transactions went up to 535 million in October from 500 million in September.

Asbe said the corporation was building the UPI stack for five countries, while discussions were going on with another 10 countries. —*ET Bureau*

IN A NUTSHELL

Over 3x

is the expected increase in the proportion of loans dispersed through digital channels in personal and consumer segments. This will be a rise from 12% in 2022 to 37% in 2030.

Source: Moody's

Natural, lab-grown diamond norms on cards

The government will draft guidelines, with the proposal to have explicit labelling, certification.

The government is looking to draft guidelines for diamonds, specifying definitions for natural and lab-grown stones, said the Ministry of Consumers Affairs in a statement. The proposed guidelines will have explicit labelling and certification of all diamonds, specifying their origin and production method and clauses for prohibition of misleading terms like 'natural' or 'genuine' for lab-grown products.

The proposed guidelines will also develop an accreditation system to regulate and standardise diamond testing laboratories, curbing the rise of unregulated entities.

The Central Consumer Protection Authority (CCPA), which operates under the Ministry of Consumer Affairs, had organised a stakeholder consultation with representatives of the diamond industry to discuss the use of appropriate terminology for diamonds. It was chaired by Nidhi Khare, Chief Commissioner, CCPA, the statement added. "There has been a meeting between DGFT (Directorate General of Foreign Trade), Consumer Affairs Ministry and Union Commerce Ministry on natural and lab-grown diamonds industry. Both the natural and lab-grown diamond committees are working to frame measures so that the interest of both the sectors are not impacted and consumers are not duped," said Kirit Bhansali, Vice-chairman of Gem & Jewellery Export Promotion Council (GJEPC. He added that even though lab-grown diamonds have similar carbon content like natural diamonds and are environment-friendly, it has to be clearly stated that they are synthetic and not mined naturally.

While a carat of lab-grown diamond costs about ₹65,000-₹80,000, the price of a carat of natural diamonds is ₹4-4.5 lakh. The Bureau of Indian Standards (BIS) Standard IS 15766:2007 mandates that the term 'diamond' alone must exclusively refer to natural diamonds.

— *ET Bureau*

Sectoral and thematic NFOs turn sour for investors

The NAVs of most thematic and sectoral schemes launched in recent months are below their issue prices.

GETTY IMAGES

The investors who had poured money in fund launches, especially in sectoral and thematic equity schemes that were hot at the time, are facing losses in the wake of the recent sell-off in the stock market. The net asset values (NAVs) of several funds launched recently have shed as much as 21% from their offer price of ₹10 per unit.

Some of the most impacted have been the passive schemes based on defence, PSU, tourism and metal indices, and momentum-based strategies. Their NAVs are between ₹8 and ₹9 now, indicating a 10-20% fall.

While the decline in defence and PSU stocks began in July, the drop precipitated from 27 September onwards when the broader sell-off commenced, triggered by strong foreign institutional outflows. During this period, the Nifty 50 fell 10.44%, the Nifty Midcap 150 fell 10.9%, while the Nifty Smallcap 250 fell 9.1%. The Defence index dropped 10.25%, the PSU index shed 11.7% and the Metal index has declined 12.28% since 27 September.

"While the pain has been felt across the board, it is more visible in some of the new fund offerings, especially index funds, which have been around popular themes with valuation concerns," says Nirav Karkera, Head of Research, Fisdom.

Sectoral mutual funds have not been able to meet investor expectations as such funds attract most of the money when the sector is hot, rather than during periods of attractive opportunities, says Rajeev Thakkar of PPFAS Mutual Fund. "The investment outcome for investors has not been that great. Funds get launched and garner most of the money when the sector is 'hot' and do not get investments when the opportunities are really attractive. We have already seen some of the newer sectoral, thematic funds with NAVs below the offer price," stated Thakkar in his latest letter to unitholders.

NFOs that have incurred losses

Scheme	Latest AUM (₹)	NAV (₹)	Fall since NFO (%)
Motilal Oswal Nifty India Defence	2,127	7.88	-21.20
Kotak BSE PSU Index	71	8.37	-16.30
Tata Nifty200 Alpha 30 Index	174	8.64	-13.56
Aditya Birla SL Nifty India Defence Index	331	8.66	-13.38
Motilal Oswal Nifty 500 Momentum 50 Index	402	8.75	-12.46
Kotak Nifty India Tourism Index	20	8.77	-12.31
Baroda BNP Paribas Nifty200 Momentum 30 Index	27	8.78	-12.24
Nippon India Nifty 500 Momentum 50 Index	486	8.80	-12.02
ICICI Pru Nifty Metal ETF	74	8.82	-11.79
Mirae Asset Nifty200 Alpha 30 ETF	173	8.91	-10.95

NAV as on 14 Nov. **Source:** Accord Fintech, compiled by ETIG database.

Rear-view mirror investing

Mutual funds had launched these schemes when many themes, such as defence and PSUs, had already returned more than 100% in the preceding year. The NFOs attracted several first-time investors, who were led by high-decibel marketing and higher payouts to distributors, partly on the perception that there wasn't much to lose in subscribing to an NFO at par value. NFOs have mobilised ₹1.08 lakh crore in the past 12 months.

The losses may call for a reassessment of holdings. "Investors with high allocation to thematic funds and without any conviction are better off exiting these and moving to diversified equity funds," says Viral Bhatt, Founder, Money Mantra. "Narrow thematic funds are for aggressive investors, who should allocate only 5% of their portfolio to such bets in a staggered manner, with a time frame of around seven years."

The latest market data shows that sectoral funds have the highest assets under management (AUM) of ₹4.52 lakh crore, more than other diversified equity fund categories. Thakkar says most investors would benefit from sticking to diversified equity funds rather than trying to identify the 'best' performing sector or theme.

Mutual fund advisers do not recommend sectoral or thematic funds to new or inexperienced investors. These schemes have a concentrated exposure to one sector or theme, unlike a diversified fund that spreads the risk thin across several sectors. Since the universe is narrow and there are only a few stocks to invest in, the top 4-5 stocks in a sectoral or thematic fund account for a significant portion of the portfolio. A downturn in one or two holdings can hurt the fund.

Every sector or theme goes up or down in certain phases in the economy. As *ET Wealth* had cautioned readers in July, these schemes suit seasoned investors who stay ahead of the curve and have good knowledge of recent developments, trends and policy changes. They are savvy investors who understand sectoral dynamics and are willing to take extra risk to earn higher returns.

Not for the long term

The cyclicity of sectoral and thematic funds also means they are not meant to be kept in the portfolio forever. Just like savvy investors know when to get in, they also know when to exit. "The timing of the exit is extremely crucial. If you get it wrong, you'll be in it for a really long time without making any money," says Santosh Joseph, Founder, Germinate Investor Services.

In 2008, when the power and infrastructure sectors were doing very well, there were several NFOs in the infrastructure category. "The people who invested in these funds, but didn't exit at the right time, suffered losses when the tide turned against these sectors. It took almost 8-10 years for these funds to recover," adds Vivek Banka, Co-founder, Goalteller.

Though they have the potential to give high returns, sectoral funds should not form the core of your investment portfolio. Financial planners say one should not put more than 10-15% of the investment in a sectoral or thematic fund. The core of the portfolio should be an index fund and diversified schemes. Also, when a sectoral or thematic fund gives good returns, book partial profits. "Rebalance your portfolio by taking out profits from thematic funds once it exceeds the allocated percentage," says Banka.

Please send your feedback to
etwealth@timesgroup.com

Balancing equity & debt

Your portfolio needs both in the right proportion, says **Dhirendra Kumar**.

DHIRENDRA KUMAR
CEO, VALUE RESEARCH

MONEY MYSTERIES

The recent market correction reinforces these timeless investment principles. Rather than being swayed by short-term market movements, investors need to focus on maintaining appropriate asset allocation through market cycles. While the allure of equity markets during bull runs is understandable, the role of fixed income in creating long-term wealth cannot be overstated.

For years, I've observed and written about a distinctive trait in Indian investors—the overwhelming preference for fixed-income investments. It's fascinating how deeply ingrained this tendency is in our financial DNA. Walk into any middle-class Indian home, and you are likely to find carefully preserved bank deposit certificates, PPF accounts, and post office schemes. These fixed-income instruments have been passed down as a de facto choice for savings, much like a family tradition. While I've consistently emphasised the importance of equity investments for long-term wealth creation, particularly through equity mutual funds, this fixed-income mindset continues to dominate our investment landscape.

However, the investment scape has witnessed a significant transformation in recent years. Armed with readily available information and easy-to-use trading platforms, young investors are increasingly gravitating towards equity. While this shift from ultra-conservative investing is welcome, the pendulum may have swung too far. Many young investors are now allocating 100% of their portfolios to equity mutual funds, a strategy that carries substantial risks.

The recent market behaviour serves as a timely reminder of these risks. Since late September, the Indian stock markets have experienced a roughly 10% decline, causing anxiety among investors. Though the decline appears to have halted and shows signs of reversal, this volatility underscores a fundamental principle of investing—importance of diversification through proper asset allocation.

Investment success relies on understanding and implementing key concepts, primarily asset allocation and regular rebalancing. Asset allocation involves dividing investments between equity and fixed income in proportions that align with one's risk tolerance and financial goals. While equity offers higher potential returns with greater volatility, fixed income provides stability and steady returns. The art lies in finding the right balance between these two fundamental asset classes.

GETTYIMAGES

Let's re-examine the basics. There are three primary methods to generate returns from investments: earning interest by lending money, participating in business ownership through shares, and benefitting from asset appreciation, as seen in real estate or gold. A well-structured portfolio typically incorporates all these approaches, with fixed income as the stabilising force.

The beauty of maintaining a fixed percentage balance between equity and debt lies in its inherent discipline. When equity markets surge, periodic rebalancing naturally moves some profits to fixed-income investments, protecting gains. Conversely, during market downturns, rebalancing prompts buying equity at lower prices. This systematic approach helps avoid emotional decision-making, often the biggest enemy of investment success.

The case for including fixed income in every portfolio remains strong. Even for aggressive investors, fixed-income allocation is a crucial shock absorber during market volatility. Hybrid mutual funds offer a convenient way to maintain this balance, automatically managing the allocation between equity and debt. Within the fixed-income spectrum, PPF continues to hold its appeal. Despite its long lock-in period, the combination of tax savings during investment, tax-free returns, and government backing makes it an attractive option.

The recent market correction reinforces these timeless investment principles. Rather than being swayed by short-term market movements, investors need to focus on maintaining appropriate asset allocation through market cycles. While the allure of equity markets during bull runs is understandable, the role of fixed income in creating long-term wealth cannot be overstated.

Ironically, while I lamented how Indians were too conservative with their investments, I now advocate the fixed-income instruments I once criticised. But there's no contradiction; the key lies in balance. I still maintain that equity is crucial for long-term wealth creation, but my concern has shifted from too little equity to, in some cases, to too much of it. The truth lies somewhere in the middle. It's not about avoiding fixed income altogether; it's about finding that sweet spot where both fixed income and equity work together to build lasting wealth.

Please send your feedback to
etwealth@timesgroup.com

Nifty 2025 target at 27,000: Goldman Sachs

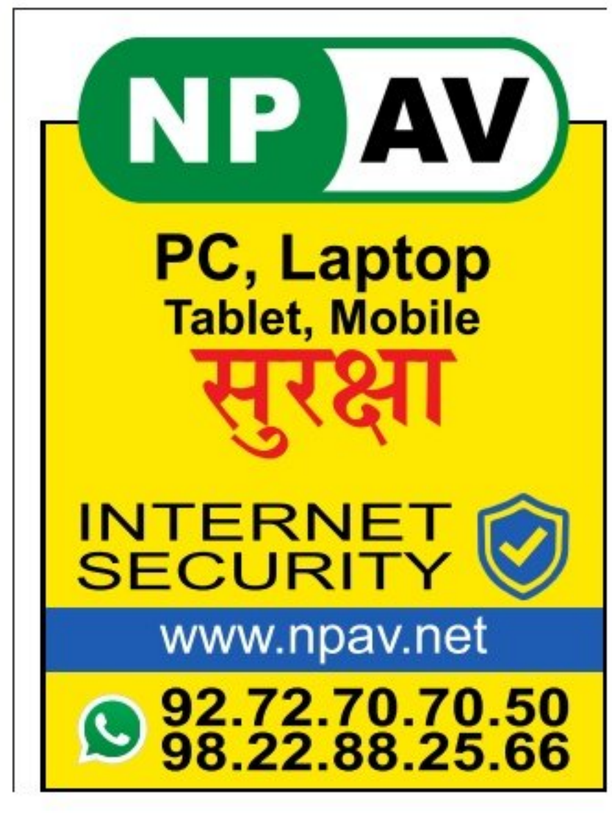
Goldman Sachs has set a three-month target of 24,000 for the Nifty and 27,000 for the next 12 months. The brokerage firm said it is 'tactically neutral' on Indian equities within its Asia and emerging market allocations in 2025.

"We expect the market to remain range-bound over the next three months, and for a back-loaded recovery as growth picks up," stated Goldman in a client note. "While the structural positive case for India over the medium term remains intact, we remain tactically neutral on India, given the slowing growth, high starting valuations and a less supportive domestic and external environment in the near term."

Goldman Sach's 12-month target of 27,000 for the Nifty implies an upside of 12.9% over the 22 November closing of 23,907. The index shot up 557 points, or 2.4% on Friday. Goldman stated that the risk of derating in Indian equities remains even after the recent drop as valuations are still high. The estimated price-to-earnings ratio for MSCI India is at 23 times, above its 10-year mean and above its 'fair value' estimate of 21 times.

Goldman Sachs has listed 16 stocks with 'buy' ratings that have corrected over 20% from their three-month highs and are trading at 'reasonable' valuations compared to the past. These are InterGlobe Aviation, Trent Limited, Cholamandalam Investment, Shriram Finance, Havells India, IndusInd Bank, Aurobindo Pharma, AU Small Finance Bank, L&T Finance, Star Health & Allied Insurance, Phoenix Mills, Crompton Greaves Consumer, Kajaria Ceramics, CreditAccess Grameen, Emami, and CE Info Systems (MapmyIndia).

—ET Bureau



Q&A

Our panel of experts will answer questions related to any aspect of personal finance. If you have a query, mail it to us right away.

My father had a recurring deposit in the post office, which matured in 2020, and a cheque was issued in his name. Due to Covid-19 restrictions, we forgot to deposit it. After his passing in 2022, we found the cheque. When we approached the post office for reissuance in the legal heir's name, they refused. Please advise as to what we can do to access these funds.

The post office acted as per the guidelines of death claim settlement and, hence, refrained from reissuing the cheque to legal heirs.

The January 2023 circular stipulates that the claimants (executor or administrator) must submit the following:

- Application for deceased claim, notarised death certificate, Form 11, Form 13 (affidavit), Form 14 (disclaimer), and Form 15 (indemnity).
- Self-attested KYC documents verified by bank or relevant authority.
- Forms 13, 14 and 15 on non-judicial stamp paper, notarised, and witnessed.
- Bank or PO savings account details for claim disbursement.
- Claims exceeding ₹5 lakh require a notarised copy of the probate or succession certificate.

The above-mentioned documents must be submitted to the post office for processing the death claim.

Rajat Dutta
Founder & Initiator, Inheritance Needs Services

I live with my older brother in a residential apartment, which was in our late mother's name. She passed away without a will and both of us are nominees. Can you guide us on the process to transfer the flat to our joint names? We are both unmarried. What is the usual time frame for the transfer and the approximate cost involved?

To transfer the flat in your joint names, you will first need to obtain a legal heir certificate from the local municipal office, court, or any competent authority. This certificate will help establish the legal heirs of the deceased. The next step is to file an application with the housing society in which the apartment is located, along with the following documents:

- Certified copy of your mother's death certificate.
- Legal heir certificate.
- Nomination form or letter confirming both of you as nominees.
- Application form for the transfer of flat in your joint names.

The cost for this process may vary depending on the lawyer. So it's advisable to consult one in your area for details.

Raj Lakhotia
Managing Partner, LABH & Associates

QUESTION OF THE WEEK

Last month, I was hospitalised due to a severe viral infection. On my doctor's advice, I opted for admission considering the surge in dengue cases. Unfortunately, my insurance provider didn't offer cashless facility. So I paid the expenses upfront, anticipating reimbursement later on. However, my claim was rejected, with the insurer stating that the admission was for diagnostic purposes, as noted in the medical report. How can I challenge this decision by the insurance company?

Health insurance claim rejections can be frustrating, but there are ways to address these. Health insurance is crucial, especially during seasons of widespread viral infections like dengue. In your case, the insurer is likely to have rejected the claim stating that the admissions for diagnostic purposes aren't covered. However, if your admission was due to a severe infection, as advised by your doctor, you can challenge the insurer's decision.

Start by reviewing your policy to understand the coverage terms around hospitalisation. If your doctor recommended admission based on the severity of the infection, ensure this is clear in your claim. Collect supporting documents like doctor's notes and hospital records to strengthen your case.

If your insurer refuses, file a grievance with them. If unresolved, escalate the complaint to the insurance ombudsman within a year of the rejection. The ombudsman can mediate disputes and you can also approach the insurance regulator, Irdai, for further assistance. With proper steps, valid claims can be honoured despite initial rejections.

Sarbvir Singh
Joint Group CEO, PB Fintech

My wife and I jointly own a house. She purchased it with the financial help of my mother-in-law, who contributed ₹30 lakh for the initial down payment. Additionally, my mother-in-law is planning to sell some land and distribute the proceeds among her children, including my wife. Could you please explain the tax implications of these transactions and advise how we should handle these while filing our income-tax returns?

It is noteworthy to mention that as per Section 56(2)(x) of the Income-tax Act, 1961 ('the Act'), any amount that has been received without consideration from a 'relative' is fully exempt from tax. Since the term 'relative' includes parents, the amount received by your wife from her mother for the purpose of making the down payment of the house will be treated as a gift and will be fully exempt from tax.

Similarly, any distribution of proceeds from the sale of land made by your mother-in-law to your wife will qualify as a gift under Section 56(2)(x) of the Act and will be exempt from tax.

Therefore, your wife is not required to report these amounts as taxable income in her income-tax return. You are also not required to report the amount in your tax return as it was received directly by your wife. The distribution in the hands of her children will also not have any tax implications.

Moreover, when your mother-in-law sells the land, the capital gains arising from the sale will be taxable in her hands. If the land has been held for more than 24 months, any gain shall be classified as long-term capital gain and will be taxed at 12.5% without any indexation benefit, or 20% with indexation. If the land has been held for 24 months or less, the gain will be classified as short-term capital gain and will be included in her income, subject to taxation at the applicable slab rates.

However, in case this parcel of land has been classified as rural agricultural land, then it shall not incur any tax implication.

Amit Maheshwari
Tax Partner, AKM Global

I am an engineer and became an entrepreneur recently. How should I allocate my funds across different investment options?

Entrepreneurship may involve unpredictable cash flow. So it's important to keep 6-12 months' worth of expenses in fixed income. Diversify the remaining amount in mutual funds—large, multi, mid, and small caps—and inflation hedges like gold. For goals that are 12-24 months away, use balanced advantage and multi-asset funds. For long-term goals, focus on equity funds. Allocate 5% of your portfolio to gold.

Manish Kothari,
Cofounder & CEO, ZFunds

Ask our experts

Have a question for the experts?
etwealth@timesgroup.com

10 equity funds that have handled volatility well

The funds that have outperformed their benchmarks during volatile trading days could be good picks.

by **Sameer Bhardwaj**

Volatility has intensified since the beginning of October 2024, as evident from the jump in the India VIX index, which gained over 33% between 1 October and 21 November 2024. The index retreated from a high of 16.69 in the first week of November, the levels seen in early August. The value of the index on 21 November was 15.99.

The FPIs continue to be sellers amid rising US bond yields (amid expectations of rising fiscal deficit due to Trump policies), a strengthening USD index, and stretched domestic market valuations. In 2024, the FPIs sold ₹21,266 crore of net equities (up to 21 November), according to the NSDL data. The US 10-year bond yields currently stand at 4.42%, compared to 3.73% in early October. Meanwhile, the dollar index has gained over 5.7% during the same period.

A jump in consumer and wholesale price inflation in October and earnings downgrades for most stocks have also contributed to the market volatility. The factors that imapcted the Q2 performance and led to the earnings downgrades include slowing consumption, asset quality stress in parts of the BFSI sector, and subdued government spending in the first half of 2024-25.In the current scenario, equity diversified funds can prove effective as risks (unsystematic or company-specific) can be managed through diversification. It is good to identify equity funds that have done well in the past phases of high volatility. We studied the data for past three years, from 14 November 2021 to 14 November 2024, to identify phases of high market volatility using the India VIX index.

GETTY IMAGES

The data has been sourced from ACE MF.

The weekly rolling change in the VIX index was calculated for all trading days from 14 November 2021 to 14 November 2024. Of the 747 trading days, 339 (45.4%) saw weekly changes exceeding the three-year average, indicating high volatility. Nearly 139 equity diversified funds (over three years old) were analysed by comparing their weekly rolling returns (based on daily NAVs) with their benchmark indices.The weekly returns of the funds and their respective benchmarks were analysed for the study period (339 days' high volatility period).

The funds that outperformed on the majority of days were identified. Outperformance is defined as the fund's weekly return being more than the benchmark (and the negative return being lower than the negative return of its benchmark) on a given day. A ratio is worked out by dividing the number of days the fund has outperformed its benchmark by the total number of days when the volatility was high (339 days). For example, if a fund has a ratio of 0.56, it implies that the fund outperformed its benchmark on 56 out of every 100 volatile days. The funds were sorted in descending order of the ratio and the top 10 funds were selected (*see table*). In terms of sub-categories of the selected 10 funds, four funds are from the large- and mid-cap category, two funds are from the large-cap category, two from the mid-cap category and one each from the small-cap and flexi-cap categories. The selected 10 funds have a ratio between 0.58 and 0.68. The aggregate AUM of these 10 funds stood at ₹2.8 lakh crore at the end of October, and grew by 71% year-on-year. Comparatively, the aggregate AUM of all equity diversified funds grew by 55.2%.

Most of the selected funds have done well in terms of risk-adjusted returns in the past three years. While nine out of 10 funds have a Sharpe ratio higher than the average ratio of all equity diversified funds, all 10 funds have generated positive alpha, with nine out of 10 funds having alpha higher than the average. Also, nine out of 10 funds have Sortino ratio higher than the average.

Sharpe ratio measures the excess return (return over risk-free rate) that a fund generates relative to the total risk, whereas Sortino ratio measures the excess return relative to the downside risk. A similar outperformance has also been visible in the past year. The risk-adjusted performance measures (on the selected 10 funds) have been worked out for the full three-year period as opposed to the 339 high volatile days applicable for the fund selection/identification.

In terms of point-to-point returns, all 10 funds have outperformed their benchmarks across three months, six months, one year and three years. The selected funds have also delivered healthy returns in SIP mode over the past three years. Nearly eight out of 10 funds have XIRR (or SIP returns) higher than the average SIP returns of all equity diversified funds between November 2021 and November 2024.

The expense ratio (annual fees charged by AMC) of eight out of the selected 10 funds was lower than the average expense ratio of all equity diversified funds (data for October 2024). A lower expense ratio indicates lower investment costs. As of October, ICICI Bank, ITC, Infosys, Aurobindo Pharma, and Mahindra & Mahindra are among the top holdings in these selected funds. The favoured sectors include banking & finance, healthcare, automobiles, oil & gas, and power.

Equity funds that have performed well in volatile phases

Fund	AUM (₹ crore)	Benchmark	1-year return (%)		3-year return (%)		Sharpe ratio	Expense ratio (%)
			Fund	Bench-mark	Fund	Bench-mark		
HDFC Mid-Cap Opportunities Fund	75,037	Nifty Midcap 150 – TRI	31.8	29.5	25.0	20.4	0.26	1.39
HDFC Flexi Cap Fund	64,929	NIFTY 500 – TRI	34.6	25.6	22.4	13.8	0.36	1.43
ICICI Pru Bluechip Fund	63,670	NIFTY 100 – TRI	27.5	24.2	15.6	11.6	0.23	1.45
Motilal Oswal Midcap Fund – Reg	20,056	Nifty Midcap 150 – TRI	54.9	29.5	31.3	20.4	0.61	1.62
ICICI Pru Large & Mid Cap Fund	17,120	NIFTY LargeMidcap 250 – TRI	31.5	26.9	19.0	16.1	0.29	1.70
DSP Equity Opportunities Fund – Reg	13,804	NIFTY LargeMidcap 250 – TRI	33.9	26.9	17.5	16.1	0.28	1.72
Bandhan Small Cap Fund – Reg	8,716	BSE 250 Small Cap – TRI	49.3	28.9	25.2	20.7	0.51	1.72
Bandhan Core Equity Fund – Reg	6,917	NIFTY LargeMidcap 250 – TRI	36.0	26.9	21.0	16.1	0.30	1.79
Nippon India Vision Fund	5,403	NIFTY LargeMidcap 250 – TRI	35.0	26.9	17.6	16.1	0.31	1.96
DSP Top 100 Equity Fund – Reg	4,470	BSE 100 – TRI	30.3	23.5	14.7	12.5	0.27	1.93

Category average Sharpe ratio: 0.18; Expense ratio: 1.9%. Expense ratio and AUM as of Oct 2024. Returns based on 18 Nov 2024 NAVs. Funds sorted in descending order of AUM. **Data:** ACE MF

Please send your feedback to
etwealth@timesgroup.com

GETTY IMAGES

Planning for family with special needs child

Sonia and Vansh Kumar's daughter, Sara, was diagnosed with traumatic brain injury shortly after birth. As they adjust to this reality, fears about funding Sara's therapies, her expenses as an adult, and her care after they are gone weigh heavily on them. While emotional challenges persist, creating a financial plan can ease some of their anxiety. They have started saving for retirement. Vansh has life and health insurance, but they also have a car loan. How do they navigate these challenges?

Sonia and Vansh Kumar need to focus on three key areas: budgeting for Sara's care, revising their financial plan, and estate planning for her future. They must account for all the expenses related to Sara's disability, including therapies, tutoring, transportation, and nursing care. Since therapies are costly, they should fit these into their monthly budget and start a 'special needs fund' for her future care. Avoiding excessive debt is crucial as it could derail their financial stability.

The Kumars should review their life and health insurance coverage and increase the cover size. Both parents must have life insurance to fund Sara's caregiving needs in their absence. Instead of focusing only on their retirement, they should prioritise building a childcare corpus for Sara. Additionally, they should explore health insurance and medicare options for individuals with special needs to reduce future medical expenses.

They must write a will to establish a trust, funded by their life insurance proceeds, to cover Sara's medical and living expenses. They need to appoint a trustee to manage the trust, and a guardian to care for Sara, if they pass away before she becomes an adult. While immediate changes may be challenging during this emotionally and financially taxing time, having a structured plan in place will help them work towards a secure future for Sara.

Content courtesy Centre for Investment Education and Learning (CIEL). Contributions by Girija Gadre, Arti Bhargava and Labdhi Mehta.

SMART THINGS TO KNOW

Ayushman Vay Vandana Card

1 The Ayushman Vay Vandana Card is a part of the Ayushman Bharat Pradhan Mantri Jan Arogya Yojana designed for senior citizens aged 70 years and above.

2 The card provides access to a wide range of healthcare services at both government and private hospitals that are part of the ABPM-JAY network.

3 It ensures that senior citizens do not have to worry about healthcare expenses.

4 The applicant must be a permanent resident of India and aged 70 years or older to be eligible.

5 Enrolment can be done online through the Ayushman App, and an Aadhaar card is required for the process.

PAPER WORK

:: Obtaining a personal loan

Personal loans are highly expensive and are not recommended, but they can help address specific financial needs, such as medical emergencies, home renovations, etc. These loans do not require security or collateral.

Who offers the loan?

Banks and NBFCs offer personal loans with competitive interest rates. NBFCs offer a more relaxed eligibility criteria and faster processing, but may charge higher interest rates. Peer-to-peer platforms connect borrowers with lenders, often providing competitive rates and flexible terms.

Process for securing loan

To secure a personal loan, determine the amount needed and ensure that it fits your financial plan. Check the lender's eligibility criteria, compare loan offers, and submit your application with accurate details. The lender will verify your documents and assess your creditworthiness. On approval, the loan amount is typically disbursed to your account within hours, or a few days.

Documentation

The following documents are typically required:

- **ID proof:** Aadhaar, passport, voter ID, or driver's licence.
- **Address proof:** Utility bills, rent agreement, or passport.
- **Income proof:** Salary slips, ITR or bank statements.
- **Employment proof:** Appointment letter or business registration documents (for self-employed).
- **Other documents:** Completed loan application form and passport-sized photographs.

:: Points to note

- It is important to maintain a high credit score for securing better interest rates.
- It is essential to keep the debt-to-income ratio low to ensure financial stability.

Leaving an equitable legacy

Parents often fear exercising authority over their own wealth, especially when they feel one child deserves a bigger share of the legacy than the others, because of the repercussions of such a move, says **Uma Shashikant**.

UMA SHASHIKANT
IS CHAIRPERSON, CENTRE FOR INVESTMENT EDUCATION AND LEARNING

The preferred solution in these cases is the will. It offers the much-needed privacy and confidentiality in situations in which parents have to divide their wealth, favouring one child over the other. It allows parents to exercise their authority in a manner they see as fair and equitable. A duly executed will stands the test of courts and law, and implements what parents have in mind for their children.

The brother and sister bonded very well. The brother was better off and earned a much higher income. He supported the parents through their retirement and subsequent hospitalisation. When both the parents passed away, they left their humble flat to the widowed daughter. The son told me that he always knew his parents were partial to her. Can parents be fair and equitable, or is it too tall an order?

My mother-in-law would tell me that siblings must see themselves as separate individuals as early as they can. They are connected and bonded by their childhood, but at every stage their paths diverge, she would argue. One studies well, while another lacks focus. One lands a good job, but another is not fortunate enough even if he tries. One is happily married, and the other suffers a poor relationship. The journey of siblings is fraught with quarrels of comparison and rivalry, even if it is not discussed openly.

Then they grow up and leave. Even if resentments linger, siblings maintain an outwardly civil facade when they meet during family events and functions. The differences flare up again when it comes to inheritance. Money manages to create unpleasantness even though at stake is essentially a free lunch that one feels entitled to. Many cordial relationships break once the parents are gone. Family courts are filled with cases of quarrelling heirs. What could parents have done?

Let's discuss some situations and see how these turn out for parents and children. The first situation involves two children, one of whom has special needs. The mother gives up her job to care for the special child. This compromises the income and wealth of the household, impacting the opportunities and choices for the other child. The parents believe that the special child must continue to receive a higher share, both in life and inheritance. They, however, fear how the other son, now educated and employed, would react to this discrimination. They worry about the manner in which they should implement the inheritance plan they have in mind.

The second involves a widow who brings up three children. The eldest son bears the responsibility of supporting his mother and caring for his two younger sisters. As is the tradition in many Indian families, he funds their weddings with his savings and loans. The mother now thinks that the humble home they own should be passed on to the son. The daughters believe they are entitled to a share and argue that the law now favours them.

The third is a case of two daughters doing quite well in their respective professions and earning well. The older one is married in a large household and has many responsibilities towards her extended family, which doesn't leave her with much savings. The other lives in a nuclear set-up and manages to save most of her earnings. The siblings have a cordial relationship. The younger one is willing to relinquish her share of inheritance in favour of her sister, but the parents think that it might be an unfair division.

Most would argue that the children should be treated equally and get an equal share of their parents' wealth. This argument tries to keep the division simple and free of controversy. Would such a division be fair to the brother who is left with no savings as he was doing his mother's bidding for his sisters? Would it be adequate for the special son whose medical and support services might come at a higher cost?

Why do parents fear exercising their authority over the wealth that they have accumulated? Why do they hesitate to leave it behind in a manner that they see as equitable and fair? First, they fear being questioned by their own children for being unfair. Parents find it very tough to be called out for their actions by their children. Second, they do not want to begin a rivalrous rift between their children. Their instinct for denial dictates that these quarrels begin after they are gone. Third, they are apprehensive about how their old age will play out and do not like to antagonise children on whom they may lean for support. Fourth, they do not want the extended family or families of their children getting involved in these affairs, leading to arguments and explanations.

Isn't there a pleasant way to do all this? If parents believe they are doing the right thing, shouldn't they be open to discussing it with their children and make it a family decision? Shouldn't the family, as a unit, know the choices that parents have in mind, participate in discussing them, express their views and, where possible, help in arriving at a consensus? Amicable as this may sound, it is difficult to have these discussions. Not all families can do it.

Family settlements, as a tool to arrive at how wealth is shared by the heirs, is worked out by lawyers, mostly after court battles have been acrimoniously fought. The presence of a third person and, more importantly, the absence of parents who would be accused or held accountable for the acrimony, are typically not present in these settlements.

The preferred solution in these cases is the will. The will offers the much-needed privacy and confidentiality in situations in which parents have to divide their wealth, favouring one child over the other. It allows parents to exercise their authority in a manner they see as fair and equitable. A duly executed will stands the test of courts and law, and implements what parents have in mind for their children.

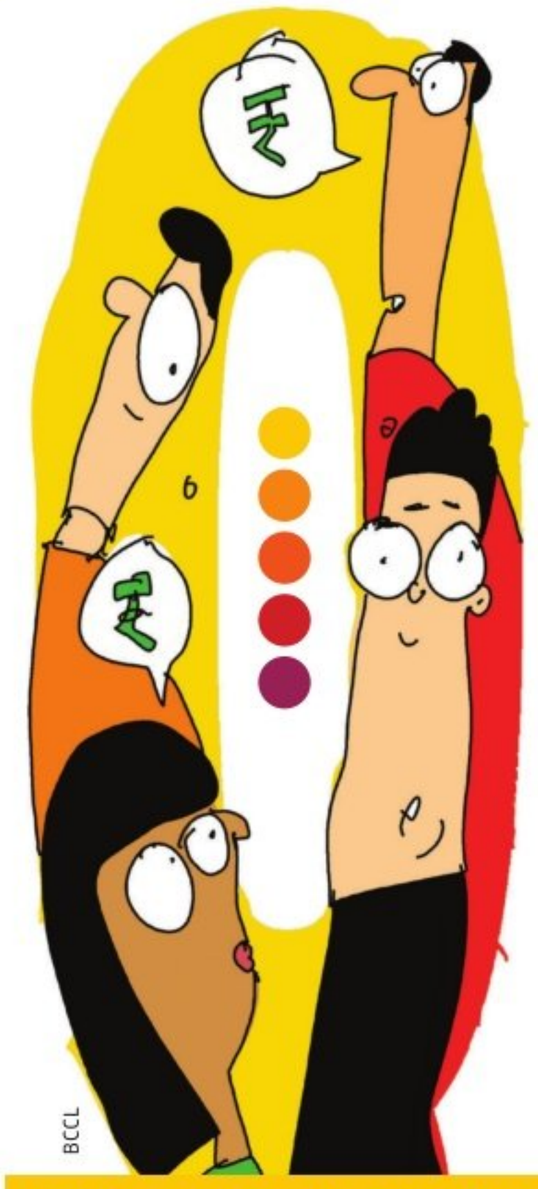
The children, as in the opening case, might believe the decision to be partial or unfair. However, parents bequeathing the wealth earned by them over their lifetimes have the absolute autonomy to decide as they deem fit. The grievances that are expressed later won't matter to them. Choices about bequeathing must consider appropriate tools. It is tough to beat the will in tough situations that require equitable, but unequal, division of wealth.

Please send your feedback to
etwealth@timesgroup.com

WEALTH WHINES
Money & Relationships

Should I stay with parents as an earning adult?

Though some may insist it is a subjective decision governed by family dynamics, it also has to do with financial considerations, says **Riju Mehta**.



BCCL

The rebellion typical of teenagers teetering on hormonal outbursts tends to fray as the child completes his studies and settles in a new job. Though more appreciative of parents, the streak of independence doesn't disappear completely and the desire to move out and be on one's own starts to rear its head.

Unless a job in a different city has forced the decision, it's natural to want to step out of the parental hood and not feel answerable for one's actions and movements. On the other hand, the emotive pull that draws on parental care and concern could be big reason to continue with the same living arrangement. Add to it safety concerns, especially for single women in bigger cities, and moving to a new set-up in the same city can be a difficult decision. Ultimately, however, financial constraints could play the decisive role. If you are facing this dilemma, consider these points before taking a decision.

Is it financially feasible? The decision could simply be a question of financial feasibility for many young adults. If you are in your first job or in the early stages of your career, the meagre salary may not be able to sustain the massive financial strain of moving and furnishing your own house, rented or otherwise. Add to it the monthly cost of running the household and you may end up using your entire salary without saving much. So it may be better to wait till your income increases before moving out. This doesn't, however, mean that you don't contribute anything to the household expenses. Have an open discussion with your parents about a reasonable amount you can contribute and start paying for your living expenses.

Do you want to save? If the urge to be on your own is subsumed by your desire to begin saving for your financial goals, be it your wedding, higher studies, buying a car or house, or even retirement, it may be better to stay put. After all, the new accommodation would mean that a substantial chunk of your salary would go in rent, food, utilities, commute, entertainment, domestic staff's salaries, among other spending heads. So if you are keen to begin saving and investing as soon as you start earning, continue with the existing arrangement, especially if your parents are fine with it. You could also claim house rent allowance by paying rent to your parents, provided it doesn't burden them with a higher tax liability.

Support system: Besides the financial considerations, a big deal breaker for many young adults is leaving the emotional and physical comfort of their family homes. Staying with parents not only curtails the physical stress of daily chores, such as laundry, food preparation and handling domestic staffers, but also offers the comfort and quality of life they have been used to all their lives. Moreover, the advice, guidance and emotional buffer provided by parents to deal with the ups and downs of working life can be a big pull for adult children. Continue to stay if the need to have your own life is not overwhelming.

Peace of mind: The family dynamics in every household are not necessarily smooth and conflicts could be a rule, rather than an exception. If this is the case, moving out could be a more prudent decision despite the physical and financial convenience of staying in the parental home. Though ultimately it's your decision, if you wish to prioritise peace of mind, move to your own set-up by all means, but be prepared for the high financial outgo.

IF YOU HAVE A WEALTH WHINE, WRITE TO US...

All of us have been in a financial dilemma when it comes to relationships. How do you say no to a friend who wants you to invest in his new business venture? Should you take a loan from your married brother? Are you concerned about your wife's impulse buying? If you have any such concerns that are hard to resolve, write in to us at *etwealth@timesgroup.com* with 'Wealth Whines' as the subject.

Disclaimer: The advice in this column is not from a licensed healthcare professional and should not be construed as psychological counselling, therapy or medical advice. *ET Wealth* and the writer will not be responsible for the outcome of the suggestions made in the column.

READERS' QUERIES

Q *Does the jewellery given to me by my in-laws at the time of marriage form a part of my streedhan? Can my husband stake a legal claim to it?*

– Vineeta Sharma

The jewellery given to you by your in-laws at the time of marriage comprises your *streedhan* and your husband has no legal right over it. In fact, any jewellery, cash, or other gifts given to you by your parents, in-laws, relatives, family and friends during the wedding functions will be your *streedhan*. It may be better to document and list these to avoid any disputes if the relationship doesn't work later on.

Q I got married two years ago and was given ample dowry by my father. At the time, he informed the family that he would will his self-acquired property only to my brother, not to me. However, last year, he passed away unexpectedly without writing a will. Now, do I have any legal right to his property or will it go only to my brother?

– Vidisha

Since the property was self-acquired and your father passed away without writing a will, it will be passed on as per the Hindu succession laws. Proving the impact of a verbal declaration or intention in a court of law is challenging. Therefore, the property will be shared equally by all class I legal heirs of your deceased father. These will include his mother (if alive), his wife and children. Hence, you will have the same right as your brother to your father's property as per the Hindu Succession Act, 2005, and can stake a legal claim to it.

Q I am divorced and have a seven-year-old son. My ex-husband has no children from his second marriage. Will my child have a legal right to his father's ancestral and self-acquired property?

–S. Mehra

Assuming your ex-husband is Hindu, your son will have a legal right to his property. As per the Hindu Succession Act, 2005, every child is a Class I legal heir and has a right by birth to the property, whether ancestral or self-acquired, of his biological father.

In case of ancestral property, your child can opt for a partition suit when he attains legal age. In case of self-acquired property, he will have a right to it if his father passes away without a will. If, on the other hand, the father decides to give it to someone else through a written will, your child will have no right to the property. He can, however, contest the will on relevant grounds as he is a Class I legal heir.

Q My only sister passed away 10 years ago and she was survived by a son. He was raised by my parents. Will he have the legal right to my father's self-acquired property?

–Tripti Bhardwaj

Since your sister predeceased the parents, her son will enjoy the same rights as her and will be considered a Class I legal heir to your father's self-acquired property. Hence, he can stake a legal claim to it along with other Class I legal heirs.

Disclaimer: The responses are based on limited facts provided by the queries. It is advisable to consult a legal practitioner after presenting full facts and documents. Responses should not be considered as legal advice in any manner whatsoever.

SMART STATS

ET WEALTH TOP 50 STOCKS

Every week we put about 3,000 stocks through four key filters and rate them on a mix of factors. The end result of this is the listing of the top 50 stocks based on the composite rating to help ease your fortune hunt.

In This Section

MUTUAL FUNDS - P14
LOANS AND DEPOSITS - P16
ALTERNATIVE INVESTMENTS- P17

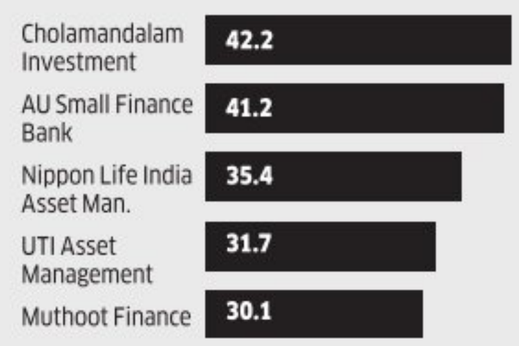
	RANK		PRICE ₹	GROWTH%*		VALUATION RATIOS				RATING	
	Current Rank	Previous Rank	Stock Price	Revenue	Net Profit	PE	PB	PEG (5-year)	Div Yield (%)	No. of funds	Value Research Stock Rating
Kotak Mahindra Bank	1	1	1,734	25	29	15.6	2.3	1.0	0.1	141	★★★★★
Can Fin Homes	2	2	827	17	25	13.4	2.3	0.8	0.7	37	★★★★★
Bajaj Finance	3	3	6,483	30	15	26.2	4.6	1.2	0.6	130	★★★★★
Manappuram Finance	4	4	151	27	21	5.6	1.0	0.4	2.2	11	★★★★★
Aavas Financiers	5	6	1,643	19	14	24.4	3.2	1.3	0.0	34	★★★★★
Indus Towers	6	7	332	5	128	11.6	3.1	0.6	0.0	74	★★★★★
REC	7	8	496	21	17	8.7	1.8	0.6	3.2	107	★★★★★
Cholamandalam Inv. & Fin. Co.	8	9	1,215	42	25	26.5	4.8	1.1	0.2	125	★★★★★
NIIT Learning Systems	9	10	441	5	12	26.5	5.6	3.7	1.2	12	★★★★★
PI Industries	10	11	4,114	9	29	35.3	6.6	1.1	0.4	77	★★★★★
AU Small Finance Bank	11	5	591	41	6	24.2	2.8	0.7	0.2	48	★★★★
Petronet LNG	12	12	322	2	15	12.2	2.5	1.6	3.1	34	★★★★★
Bandhan Bank	13	13	166	22	10	9.6	1.1	0.6	0.9	25	★★★★★
Karur Vysya Bank	14	14	214	22	32	9.5	1.6	0.9	1.1	47	★★★★★
Sharda Motor Industries	15	19	1,928	0	34	17.4	6.2	0.5	0.5	12	★★★★★
Shriram Finance	16	17	2,801	20	22	13.1	2.0	0.6	1.6	112	★★★★★
Nirlon	17	16	414	6	2	17.7	9.8	0.9	6.3	5	★★★★★
Hero MotoCorp	18	18	4,777	15	28	23.2	5.0	3.4	2.9	113	★★★★★
ICICI Bank	19	29	1,247	23	17	18.6	3.2	0.9	0.8	280	★★★★★
KPIT Technologies	20	26	1,297	28	49	48.5	14.1	1.3	0.5	59	★★★★★
Chambal Fertilisers and Chem.	21	21	459	-29	26	12.0	2.3	1.4	1.6	7	★★★★★
Gulf Oil Lubricants India	22	25	1,044	7	27	15.4	3.8	1.5	3.4	16	★★★★★
National Aluminium Company	23	--	250	4	134	14.9	3.0	0.5	1.2	54	★★★★★
Natco Pharma	24	22	1,378	28	74	12.7	3.5	0.4	0.7	7	★★★★★
Ashoka Buildcon	25	24	233	26	284	6.8	2.3	0.1	0.0	11	★★★★★
NMDC	26	15	221	16	6	10.6	2.3	1.9	3.3	47	★★★★
Zydus Lifesciences	27	28	942	14	54	22.1	4.4	1.1	0.3	61	★★★★★
Nesco	28	27	997	15	18	18.6	2.9	1.5	0.6	6	★★★★★
Just Dial	29	31	1,055	14	59	17.8	2.1	1.2	0.0	5	★★★★★
KFin Technologies	30	23	1,031	27	37	59.0	14.5	1.5	0.6	23	★★★★★
State Bank Of India	31	30	780	18	5	9.7	1.6	0.7	1.8	217	★★★★
Indiamart Intermesh	32	20	2,255	18	36	31.5	7.2	0.9	0.9	23	★★★★
CMS Info Systems	33	33	484	19	7	21.9	3.7	2.0	1.2	26	★★★★★
UTI Asset Management Co.	34	34	1,267	32	49	19.2	3.7	0.6	3.7	35	★★★★★
City Union Bank	35	35	171	10	12	11.9	1.4	2.1	0.9	26	★★★★★
Infosys	36	38	1,827	3	8	28.1	8.4	2.4	2.5	229	★★★★★
Repco Home Finance	37	36	445	14	23	6.3	0.9	0.8	0.7	11	★★★★★
LG Balakrishnan & Bros	38	37	1,220	9	10	13.6	2.1	0.5	1.5	8	★★★★★
DCB Bank	39	41	114	23	11	6.3	0.7	0.6	1.1	15	★★★★
HCL Technologies	40	43	1,828	7	9	29.5	7.2	2.7	2.8	127	★★★★★
LTIMindtree	41	32	5,908	4	5	37.5	8.3	1.4	1.1	72	★★★★
Sun Pharmaceutical Industries	42	42	1,769	9	29	38.6	6.2	1.8	0.8	197	★★★★★
Voltamp Transformers	43	39	9,667	16	39	28.4	6.9	1.0	0.9	20	★★★★★
Kewal Kiran Clothing	44	46	603	-2	13	22.9	4.8	1.5	0.3	11	★★★★
Nippon Life India Asset Man.	45	45	676	35	48	32.5	10.6	1.6	2.4	52	★★★★★
Muthoot Finance	46	44	1,910	30	17	16.3	2.9	1.1	1.3	59	★★★★★
Emami	47	48	630	5	12	35.4	10.4	2.0	1.3	55	★★★★★
Supriya Lifescience	48	40	680	20	57	34.8	6.0	0.6	0.1	6	★★★★★
Computer Age Man. Ser.	49	--	4,500	26	37	52.3	21.5	2.2	1.0	51	★★★★★
Aarti Pharmalabs	50	--	616	6	20	24.4	3.0	1.2	0.5	8	★★★★★

*REVENUE AND EPS FIGURES BASED ON ONE-YEAR GROWTH. DATA AS ON 21 NOV 2024.

SOURCE: VALUE RESEARCH

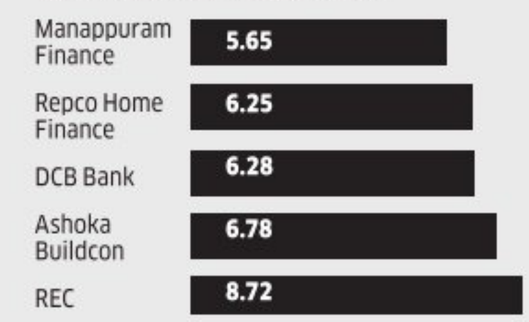
1 Fast growing stocks

Top 5 stocks with the highest revenue (1-year) growth (%)



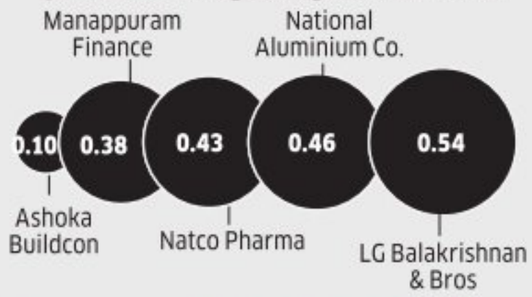
2 Least expensive stocks

Top 5 stocks with the lowest price to earnings ratio



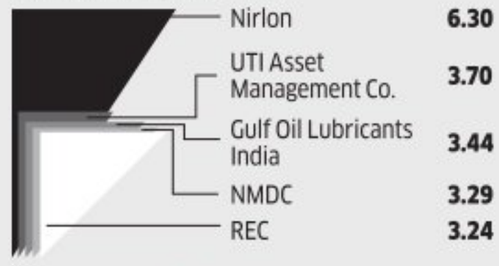
3 Best PEGs

Top 5 stocks with the least price earnings to growth ratio



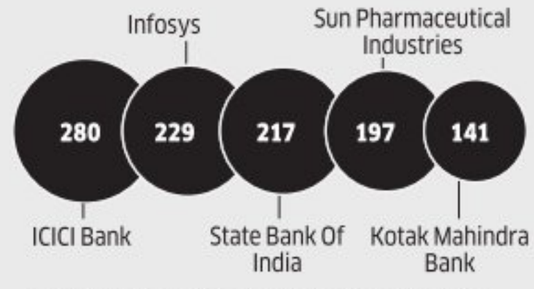
4 Income generators

Top 5 stocks with the highest dividend yield (%)



5 Most widely held

Top 5 stocks held by most number of mutual funds



SEE NUMBER OF MUTUAL FUNDS HOLDING THE STOCKS IN THE ADJACENT TABLE.

https://telegram.me/+5S3fmia1ZnJiYzE1

ETW FUNDS 100

BEST FUNDS TO BUILD YOUR PORTFOLIO

ET Wealth collaborates with **Value Research** to identify the top-performing funds across categories. Equity funds and equity-oriented hybrid funds are ranked on 3-year returns while debt-oriented hybrid and income funds are ranked on 1-year returns.

	Value Research Fund Rating	Net Assets (₹ Cr)	RETURNS (%) 3-Month	6-Month	1-Year	3-Year	5-Year	Expense Ratio (%)
EQUITY: LARGE CAP								
Nippon India Large Cap Fund	★★★★★	34,105	-3.27	5.10	28.29	18.41	19.22	1.57
HDFC Top 100 Fund	★★★★	36,467	-4.87	4.30	22.99	15.89	16.90	1.61
ICICI Prudential Bluechip Fund	★★★★★	63,670	-3.34	5.33	27.49	15.67	18.76	1.45
Quant Focused Fund	★★★★★	1,121	-7.47	-0.29	26.35	15.67	21.06	2.15
JM Large Cap Fund	★★★★★	457	-7.71	1.64	28.36	14.61	17.66	2.36
DSP Nifty 50 Equal Weight Index Fund - Regular Plan	★★★★	1,887	-6.28	3.66	21.88	14.43	19.11	0.87
Baroda BNP Paribas Large Cap Fund	★★★★	2,349	-5.46	4.27	29.34	14.28	17.18	2.00
Edelweiss Large Cap Fund - Regular Plan	★★★★	1,081	-4.61	4.85	23.47	12.98	16.55	2.18
Invesco India Largecap Fund	★★★★	1,255	-3.52	6.83	29.87	12.37	17.48	2.09
Canara Robeco Bluechip Equity Fund - Regular Plan	★★★★	14,581	-2.29	7.47	26.39	11.81	17.34	1.66
EQUITY: LARGE & MIDCAP								
Motilal Oswal Large and Midcap Fund - Regular Plan	★★★★★	6,840	1.39	16.06	45.34	23.35	24.80	1.77
ICICI Prudential Large & Mid Cap Fund	★★★★★	17,120	-3.49	5.18	31.48	19.04	22.86	1.70
Quant Large and Mid Cap Fund	★★★★★	3,709	-11.31	-4.74	29.73	19.02	24.34	1.88
UTI Large & Mid Cap Fund - Regular Plan	★★★★	3,976	-3.44	10.64	35.27	18.88	23.18	1.96
HDFC Large and Mid Cap Fund - Regular Plan	★★★★	23,485	-4.64	5.63	28.01	18.66	22.76	1.66
Kotak Equity Opportunities Fund - Regular Plan	★★★★	25,034	-3.98	3.50	30.32	18.03	20.92	1.59
SBI Large & Midcap Fund	★★★★	28,660	-1.83	8.30	27.56	16.23	20.81	1.60
EQUITY: FLEXI CAP								
JM Flexicap Fund	★★★★★	4,722	-5.58	5.11	40.29	23.65	23.58	1.81
HDFC Focused 30 Fund	★★★★★	14,969	0.83	10.10	34.55	23.00	22.27	1.68
HDFC Flexi Cap Fund	★★★★	64,929	-0.07	9.78	34.73	22.54	22.46	1.43
Bank of India Flexi Cap Fund - Regular Plan	★★★★	1,930	-4.71	4.78	37.57	20.22	–	2.02
ICICI Prudential Retirement Fund - Pure Equity Plan	★★★★★	1,017	-1.77	3.88	36.75	19.55	22.90	2.15
ICICI Prudential Focused Equity Fund	★★★★	9,867	-3.51	7.21	35.02	18.41	23.30	1.74
Mahindra Manulife Focused Fund - Regular Plan	★★★★	1,791	-6.42	2.85	32.70	18.06	–	2.02
HDFC Retirement Savings Fund Equity Plan	★★★★★	5,970	-3.47	6.62	26.13	17.95	23.29	1.78
Franklin India Flexi Cap Fund	★★★★	17,450	-2.85	7.59	30.05	16.61	21.73	1.71
Parag Parikh Flexi Cap Fund - Regular Plan	★★★★★	81,919	0.87	9.15	28.40	15.19	24.35	1.33
Franklin India Focused Equity Fund	★★★★	12,068	-4.12	5.04	26.55	15.13	19.70	1.76
SBI Retirement Benefit Fund - Aggressive Plan	★★★★	2,715	-3.67	4.02	20.85	13.92	–	1.94
360 ONE Focused Equity Fund - Regular Plan	★★★★	7,617	-5.74	4.17	24.52	13.36	20.49	1.78
Union Flexi Cap Fund	★★★★	2,234	-3.31	4.21	20.05	11.67	18.80	2.02
EQUITY: MID CAP								
Motilal Oswal Midcap Fund - Regular Plan	★★★★★	20,056	4.66	24.34	56.76	31.90	31.38	1.62
HDFC Mid-Cap Opportunities Fund	★★★★	75,037	-1.56	8.86	32.31	25.23	27.96	1.39
Nippon India Growth Fund	★★★★	33,922	-1.06	10.30	36.17	23.01	28.74	1.59
Edelweiss Mid Cap Fund - Regular Plan	★★★★	7,677	-0.69	14.86	41.98	22.66	28.91	1.74
Quant Mid Cap Fund	★★★★★	8,941	-11.61	-7.82	26.09	21.34	30.81	1.73
Kotak Emerging Equity Fund - Regular Plan	★★★★	50,627	-1.06	12.21	35.86	20.69	26.67	1.43
SBI Magnum Midcap Fund	★★★★	21,407	-3.69	5.94	24.17	16.99	26.39	1.67
EQUITY: SMALL CAP								
Nippon India Small Cap Fund	★★★★★	61,027	-3.54	7.07	32.19	25.97	34.56	1.43
Tata Small Cap Fund - Regular Plan	★★★★	9,464	0.59	12.83	36.27	23.11	31.39	1.70
EQUITY: VALUE ORIENTED								
JM Value Fund	★★★★	1,067	-8.44	3.46	33.12	22.91	24.00	2.19
SBI Contra Fund	★★★★★	40,486	-5.02	4.81	29.27	22.30	29.20	1.52
ICICI Prudential Value Discovery Fund	★★★★★	49,104	-3.20	8.32	30.92	20.96	25.23	1.54
Templeton India Value Fund	★★★★	2,199	-7.03	2.87	27.43	18.94	23.59	2.05
Bandhan Sterling Value Fund - Regular Plan	★★★★	10,036	-4.62	3.98	27.54	18.11	25.21	1.75
EQUITY: ELSS								
Motilal Oswal ELSS Tax Saver Fund - Regular Plan	★★★★	4,074	0.65	14.56	49.08	23.14	22.65	1.83
SBI Long Term Equity Fund - Regular Plan	★★★★★	27,559	-4.62	6.49	39.44	22.19	23.91	1.60
HDFC ELSS Tax Saver Fund	★★★★	15,935	-2.09	7.70	33.53	20.39	20.55	1.71
DSP ELSS Tax Saver Fund	★★★★	16,841	-2.75	10.39	35.47	17.36	21.06	1.64
Quant ELSS Tax Saver Fund	★★★★★	10,980	-10.24	-4.33	25.12	17.09	30.11	1.72
Parag Parikh ELSS Tax Saver Fund - Regular Plan	★★★★★	4,274	-0.23	10.09	26.05	16.79	22.72	1.72
Bank of India ELSS Tax Saver Fund - Regular Plan	★★★★	1,436	-5.89	1.58	31.28	16.40	24.51	2.08
Kotak ELSS Tax Saver - Regular Plan	★★★★	6,148	-3.53	2.92	27.97	15.36	19.69	1.76

18.41% THE 3-YEAR RETURN OF NIPPON INDIA LARGE CAP FUND IS THE HIGHEST IN ITS CATEGORY.

23.65% THE 3-YEAR RETURN OF JM FLEXI-CAPFUND IS THE HIGHEST IN ITS CATEGORY.

31.90% THE 3-YEAR RETURN OF MOTILAL OSWAL MIDCAP FUND IS THE HIGHEST IN ITS CATEGORY.

22.91% THE 3-YEAR RETURN OF JM VALUE FUND IS THE HIGH-EST IN ITS CATEGORY.

LAGGARDS & LEADERS

Taking a long-term view of fund returns, here is a list of 10 funds in each category—five leaders (worth investing) and five laggards (that may be a drag on your portfolio).

LAGGARDS | LEADERS

Equity: Large cap 5-year returns

Laggards		Leaders	
PGIM India Large Cap Fund	12.57	BHARAT 22 ETF	25.32
Axis Bluechip Fund	12.69	ICICI Prudential BHARAT 22 FOF	25.25
Groww Large Cap Fund	13.00	SBI BSE Sensex Next 50 ETF	21.69
LIC MF BSE Sensex Index Plan	14.09	UTI BSE Sensex Next 50 ETF	21.63
Tata BSE Sensex Index Fund	14.16	Nippon India ETF BSE Sensex Next 50	21.39

Equity: Flexi cap 5-year returns

Laggards		Leaders	
Axis Focused Fund	11.39	Quant Flexi Cap Fund	30.94
ABSL Bal Bhavishya Yojna	12.21	Parag Parikh Flexi Cap Fund	24.35
LIC MF Children's Fund	12.30	JM Flexicap Fund	23.58
ABSL Retirement Fund - 30s Plan	12.92	ICICI Prudential Focused Equity Fund	23.30
Motilal Oswal Focused Fund	14.03	HDFC Retirement Savings Fund	23.29

Equity: Mid cap 3-year returns

Laggards		Leaders	
PGIM India Midcap Opp	11.23	Motilal Oswal Midcap Fund	31.90
Axis Midcap Fund	14.30	HDFC Mid-Cap Opportunities Fund	25.23
UTI Mid Cap Fund	14.84	Nippon India Growth Fund	23.01
DSP Midcap Fund	14.94	Edelweiss Mid Cap Fund	22.66
Taurus Mid Cap Fund	15.81	Mahindra Manulife Mid Cap Fund	22.48

Equity: Small cap 3-year returns

Laggards		Leaders	
PGIM India Small Cap Fund	11.08	Nippon India Small Cap Fund	25.97
ABSL Small Cap Fund	15.22	Bandhan Small Cap Fund	25.50
Kotak Small Cap Fund	16.04	Quant Small Cap Fund	24.76
ABSL Nifty Smallcap 50 Index	16.25	Tata Small Cap Fund	23.11
ICICI Prudential Smallcap Fund	17.44	Invesco India Smallcap Fund	23.08

Hybrid: Aggressive 5-year returns

Laggards		Leaders	
PGIM India Hybrid Equity Fund	11.45	BoI Mid & Small Cap Equity & Debt	25.44
ABSL Retirement Fund - 40s Plan	11.51	JM Aggressive Hybrid Fund	23.97
Shriram Aggressive Hybrid Fund	11.85	Quant Absolute Fund	23.02
Axis Children's	11.92	ICICI Prudential Equity & Debt Fund	21.39
LIC MF Unit Linked Insurance	12.01	Mahindra Manulife Aggressive Hybrid	18.58

ANNUALISED RETURNS IN % AS ON 19 NOV 2024.

ETW FUNDS 100

	Value Research Fund Rating	Net Assets (₹ Cr)	RETURNS (%) 3-Month	6-Month	1-Year	3-Year	5-Year	Expense Ratio
HYBRID: EQUITY SAVINGS								
HSBC Equity Savings Fund	★★★★★	548	0.29	7.61	21.33	12.25	12.91	1.51
Kotak Equity Savings Fund - Regular Plan	★★★★★	7,804	-1.36	3.82	14.80	10.41	10.87	1.77
UTI Equity Savings Fund - Regular Plan	★★★★	613	-0.35	3.75	12.77	9.66	11.02	1.65
SBI Equity Savings Fund - Regular Plan	★★★★	5,616	0.95	5.73	13.24	9.59	11.15	1.19
ICICI Prudential Equity Savings Fund	★★★★	12,406	1.18	5.10	9.65	8.26	8.10	0.97
HYBRID: AGGRESSIVE (EQUITY-ORIENTED)								
JM Aggressive Hybrid Fund	★★★★★	679	-4.87	4.69	32.33	20.45	23.97	2.27
SBI Magnum Children's Benefit Fund - Investment Plan	★★★★★	2,825	-1.87	13.60	34.79	19.54	–	1.93
ICICI Prudential Equity & Debt Fund	★★★★★	40,203	-2.56	5.00	25.78	17.90	21.39	1.58
Bank of India Mid & Small Cap Equity & Debt Fund	★★★★★	1,010	-4.32	6.46	26.09	16.76	25.44	2.25
ICICI Prudential Retirement Fund - Hybrid Aggressive Plan	★★★★	691	-2.41	4.14	32.33	16.25	17.68	2.27
Edelweiss Aggressive Hybrid Fund - Regular Plan	★★★★★	2,195	-2.83	6.69	24.35	15.64	17.51	1.97
UTI Aggressive Hybrid Fund - Regular Plan	★★★★	6,111	-1.89	8.71	25.71	14.92	18.54	1.87
HDFC Children's Fund Regular Plan	★★★★	9,858	-1.55	5.82	21.60	14.53	18.05	1.73
Kotak Equity Hybrid Fund - Regular Plan	★★★★	6,606	-1.66	8.84	25.89	13.86	17.88	1.77
Quant Absolute Fund	★★★★	2,251	-7.98	-2.17	22.54	13.12	23.02	2.00
HDFC Retirement Savings Fund - Hybrid Equity Plan	★★★★	1,577	-1.81	5.78	20.06	13.08	16.97	2.08
Baroda BNP Paribas Aggressive Hybrid Fund - Regular Plan	★★★★	1,169	-1.96	5.96	24.51	13.02	15.95	2.11
HYBRID: CONSERVATIVE (DEBT-ORIENTED)								
SBI Magnum Children's Benefit Fund - Savings Plan	★★★★★	121	1.79	10.50	19.24	11.83	13.13	1.21
Kotak Debt Hybrid Fund - Regular Plan	★★★★	2,999	-0.07	5.25	14.59	9.08	11.27	1.66
HDFC Hybrid Debt Fund	★★★★	3,320	0.21	4.45	13.41	9.64	10.74	1.76
ICICI Prudential Regular Savings Fund	★★★★	3,220	0.72	5.36	13.10	8.85	9.70	1.66
SBI Conservative Hybrid Fund	★★★★★	10,076	0.35	5.15	12.75	8.90	10.94	1.12
Bank of India Conservative Hybrid Fund - Regular Plan	★★★★★	66	-0.48	2.14	9.63	12.73	11.81	2.23
HYBRID: DYNAMIC ASSET ALLOCATION								
HDFC Balanced Advantage Fund	★★★★★	94,866	-2.67	4.24	24.75	20.50	19.72	1.35
Baroda BNP Paribas Balanced Advantage Fund	★★★★	4,115	-1.06	5.24	19.99	11.99	15.69	1.89
Edelweiss Balanced Advantage Fund - Regular Plan	★★★★	12,306	-2.33	3.64	19.38	10.38	14.60	1.69
ICICI Prudential Balanced Advantage Fund	★★★★	60,545	-0.72	5.54	17.17	11.68	12.89	1.46
Tata Balanced Advantage Fund - Regular Plan	★★★★	10,288	-1.49	3.51	16.26	10.52	12.82	1.70
DEBT: FLOATER								
SBI Floating Rate Debt Fund - Regular Plan	★★★★	1,170	1.89	4.27	8.25	6.51	–	0.46
Aditya Birla Sun Life Floating Rate Fund - Regular Plan	★★★★★	13,142	2.02	4.06	7.95	6.56	6.44	0.44
DEBT: BANKING AND PSU								
Aditya Birla Sun Life Banking & PSU Debt Fund	★★★★	9,507	1.95	4.20	7.90	5.95	6.48	0.73
HDFC Banking and PSU Debt Fund - Regular Plan	★★★★	5,809	1.97	4.12	7.89	5.81	6.38	0.79
ICICI Prudential Banking & PSU Debt Fund	★★★★★	9,047	1.88	3.97	7.73	6.18	6.60	0.74
ITI Banking and PSU Fund - Regular Plan	★★★★★	31	1.73	3.77	7.56	5.86	–	0.70
Bandhan Banking & PSU Debt Fund - Regular Plan	★★★★	13,429	1.80	3.95	7.53	5.78	6.31	0.63
DEBT: SHORT TERM								
HDFC Short Term Debt Fund	★★★★	14,972	2.01	4.31	8.34	6.12	6.70	0.71
Sundaram Short Duration Fund	★★★★★	223	2.12	4.28	7.98	5.91	7.51	0.83
Axis Short Duration Fund	★★★★	9,304	1.92	4.13	7.97	5.94	6.32	0.89
UTI Short Duration Fund - Regular Plan	★★★★★	2,676	1.99	4.01	7.92	5.99	7.39	0.83
Aditya Birla Sun Life Short Term Fund - Regular Plan	★★★★	8,924	1.89	4.14	7.91	6.11	6.58	1.01
ICICI Prudential Short Term Fund	★★★★	19,922	1.92	4.12	7.85	6.41	6.83	1.02
DEBT: CORPORATE BOND								
HDFC Corporate Bond Fund	★★★★	32,072	2.17	4.51	8.57	6.15	6.86	0.61
Aditya Birla Sun Life Corporate Bond Fund	★★★★	23,337	2.05	4.51	8.52	6.42	7.07	0.52
Nippon India Corporate Bond Fund	★★★★★	5,946	2.11	4.44	8.45	6.49	6.82	0.70
Kotak Corporate Bond Fund - Standard Plan	★★★★	14,163	2.02	4.38	8.25	6.06	6.36	0.67
Axis Corporate Bond Fund - Regular Plan	★★★★	6,104	1.91	4.21	8.00	5.98	6.64	0.91
ICICI Prudential Corporate Bond Fund	★★★★★	27,164	1.99	4.17	8.00	6.45	6.88	0.58

All equity funds ranked on 3-year returns. Debt funds ranked on 1-year returns.

12.25% THE 3-YEAR RETURN OF HSBC EQUITY SAVINGS FUND IS THE HIGHEST IN ITS CATEGORY.

19.24% THE 1-YEAR RETURN OF SBI MAGNUM CHILDREN'S BENEFIT FUND IS THE HIGHEST IN ITS CATEGORY.

7.90% THE 1-YEAR RETURN OF ABSL BANKING & PSU FUND IS THE HIGHEST IN ITS CATEGORY.

Expense as on 31 October 2024
Returns as on 19 November 2024
Assets as on 31 October 2024
Rating as on 31 October 2024

Did not find your fund here?
Log on to www.wealth.economictimes.com for an exhaustive list.

Methodology

The Top 100 includes only those funds that have a 5- or 4-star rating from Value Research. The rating of a fund vis-à-vis other funds in its category is determined by subtracting a fund's risk score from its return score. The resulting number is assigned stars according to the following distribution:

★★★★★ Top 10%
★★★★ Next 22.5%
★★★ Middle 35%
★★ Next 22.5%
★ Bottom 10%

(Not covered in ETW Funds 100 listing)

Debt funds with less than 18-months performance history and equity and hybrid funds with less than three-years performance track record are not rated. This ensures that all the funds have existed long enough to be tracked for consistency of performance. Given the focus on long-term investing, we have considered only the 'growth' plan of funds as it reinvests interim gains unlike 'IDCW' plan which offers periodic payouts to investors, thereby reducing NAV. The fund categories are:

Categories

Equity: Large-cap: Funds investing at least 80% in large cap stocks.

Equity: Large & MidCap: Funds investing at least 35% each in large and mid caps.

Equity: Flexi Cap: Funds investing at least 65% in equity with no particular cap on large, mid or small.

Equity: Mid Cap: Funds investing at least 65% in mid caps.

Equity: Small Cap: Funds investing at least 65% in small caps.

Equity: Value Oriented: Funds following value/contrarian investment strategy and grouped under 'Value' or 'Contra' categories as per SEBI.

ELSS: Equity: With a lock-in of three years and tax benefit under Section 80C.

Hybrid: Aggressive: Funds investing 65-80% in equity, and the rest in debt.

Hybrid: Conservative: Funds investing 10-25% in equity, and the rest in debt.

Hybrid: Equity Savings: Funds investing at least 65% in equity and equity related instruments, and at least 10% in debt.

Hybrid: Dynamic Asset Allocation: Funds which dynamically manage the asset allocation between equity and debt.

Debt: Short Duration: Funds with Macaulay duration between 1 and 3 years at the portfolio level.

Debt: Corporate Bond: Funds investing at least 72% in AA+ and above-rated corporate bonds.

Debt: Banking and PSU: Funds investing at least 72% in the debt instruments of banks, PSUs, public financial institutions and municipal bonds.

Debt: Floater: Funds investing at least 58.5% in floating-rate instruments.

FUND RAISER

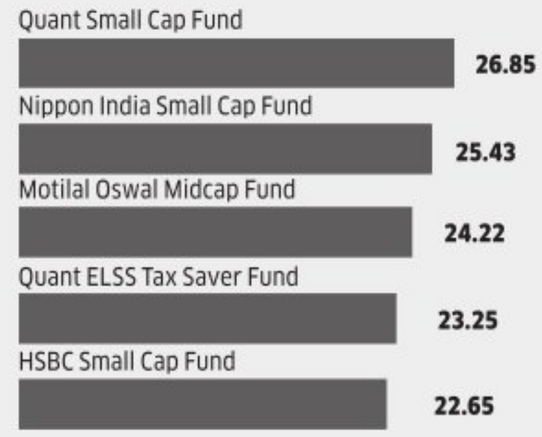
1,651

was the total number of mutual fund schemes across categories in October 2024. In the past one year, 190 new funds have been launched.

Source: AMFI.

1 Top 5 SIPs

Top 5 equity schemes based on 10-year SIP returns

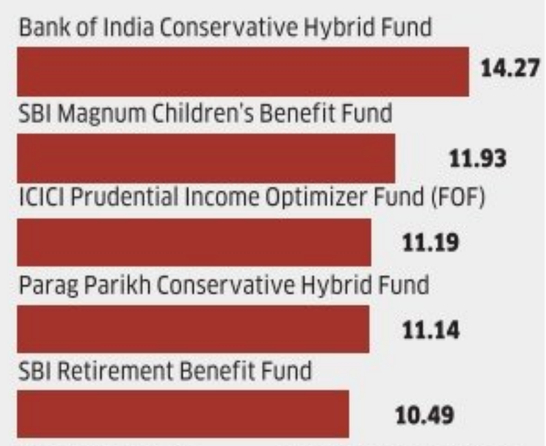


SIP: SYSTEMATIC INVESTMENT PLAN

% ANNUALISED RETURNS AS ON 20 NOV 2024

2 Top 5 SWPs

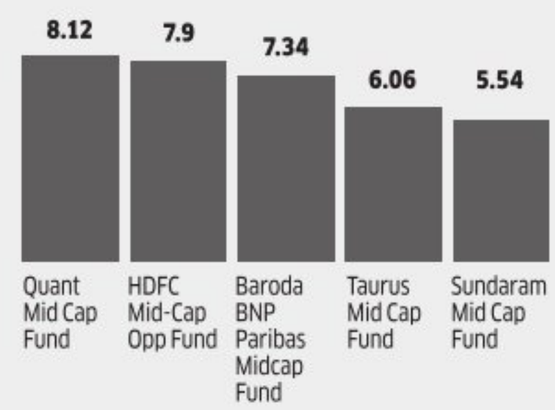
Top 5 conservative hybrid schemes based on 3-year SWP returns



SWP: SYSTEMATIC WITHDRAWAL PLAN

% ANNUALISED RETURNS AS ON 20 NOV 2024

3 MidCap : Cash Holdings



% OF ASSETS AS ON 31 OCT 2024

4 Debt: Medium to Long Duration

% AS ON 31 OCT 2024

% EXPENSE RATIO IS CHARGED ANNUALLY.

METHODOLOGY OF TOP 100 FUNDS ON WWW.WEALTH.ECONOMICTIMES.COM

LOANS & DEPOSITS

ET WEALTH collaborates with **ETIG** to provide a comprehensive ready reckoner of loans and fixed-income instruments. Don't miss the information on investments for senior citizens and a simplified EMI calculator.

Top five bank FDs

TENURE: 1 YEAR	Interest rate (%) compounded qtrly	What ₹10,000 will grow to
Bandhan Bank	8.05	**10,830**
IndusInd Bank	7.75	**10,798**
RBL Bank	7.50	**10,771**
Karnataka Bank	7.35	**10,756**
YES Bank	7.25	**10,745**
TENURE: 2 YEARS		
RBL Bank	8.00	**11,717**
IndusInd Bank	7.75	**11,659**
DCB Bank	7.50	**11,602**
Karnataka Bank	7.35	**11,568**
IDFC First Bank	7.25	**11,545**
TENURE: 3 YEARS		
DCB Bank	7.55	**12,516**
RBL Bank	7.50	**12,497**
Bandhan Bank	7.25	**12,405**
IndusInd Bank	7.25	**12,405**
YES Bank	7.25	**12,405**
TENURE: 5 YEARS		
DCB Bank	7.40	**14,428**
Dhanlaxmi Bank	7.25	**14,323**
IndusInd Bank	7.25	**14,323**
YES Bank	7.25	**14,323**
RBL Bank	7.10	**14,217**

Top five senior citizen bank FDs

TENURE: 1 YEAR	Interest rate (%) compounded qtrly	What ₹10,000 will grow to
Bandhan Bank	8.55	**10,883**
IndusInd Bank	8.25	**10,851**
RBL Bank	8.00	**10,824**
Karnataka Bank	7.85	**10,808**
YES Bank	7.75	**10,798**
TENURE: 2 YEARS		
RBL Bank	8.50	**11,832**
IndusInd Bank	8.25	**11,774**
DCB Bank	8.00	**11,717**
Karnataka Bank	7.85	**11,682**
Bandhan Bank	7.75	**11,659**
TENURE: 3 YEARS		
DCB Bank	8.05	**12,701**
RBL Bank	8.00	**12,682**
YES Bank	8.00	**12,682**
Bandhan Bank	7.75	**12,589**
IndusInd Bank	7.75	**12,589**
TENURE: 5 YEARS		
YES Bank	8.00	**14,859**
DCB Bank	7.90	**14,787**
Axis Bank	7.75	**14,678**
Dhanlaxmi Bank	7.75	**14,678**
IndusInd Bank	7.75	**14,678**

Top five tax-saving bank FDs

TENURE: 5 YEARS AND ABOVE	Interest rate (%)	What ₹10,000 will grow to
DCB Bank	7.40	**14,428**
Dhanlaxmi Bank	7.25	**14,323**
IndusInd Bank	7.25	**14,323**
YES Bank	7.25	**14,323**
City Union Bank	7.10	**14,217**

ALL DATA SOURCED FROM ECONOMIC TIMES INTELLIGENCE GROUP (ETIGDB@TIMESGROUP.COM)

HOME LOAN RATES

With effect from October 2019, all banks have made the transition to external benchmarks for pricing new home loans. Most banks have picked the RBI repo rate as the external benchmark.

REPO RATE: 6.5%

BANK	RLLR (%)	FOR SALARIED FROM (%)	FOR SALARIED TO (%)	FOR SELF-EMPLOYED (%) FROM (%)	FOR SELF-EMPLOYED (%) TO (%)	WEF
City Union Bank	9.70	8.25	10.50	8.25	10.50	23 May 2024
IndusInd Bank	--	8.35	9.90	8.35	9.90	Not Given
Bank of Maharashtra	9.30	8.35	10.40	8.45	10.90	19 Oct 2024
Union Bank of India	9.25	8.35	10.75	8.35	10.75	7 Oct 2024
Indian Overseas Bank	9.35	8.40	10.50	8.50	10.60	13 Oct 2023
Bank of Baroda	9.15	8.40	10.60	8.40	10.60	14 Feb 2023
Bank of India	9.35	8.40	10.70	8.40	10.85	1 Jun 2024
UCO Bank	9.30	8.45	10.30	8.45	10.30	15 Mar 2023
IDBI Bank	9.20	8.45	10.85	8.60	12.35	12 Aug 2024
SBI Term Loan	9.15	8.50	9.65	8.50	9.65	5 Apr 2024
Canara Bank	9.25	8.50	11.20	8.55	11.25	12 Nov 2024
Punjab & Sind Bank	8.45	8.55	10.00	8.55	10.00	3 Oct 2024
Indian Bank	9.20	8.60	8.85	8.85	10.35	5 Oct 2024
Karnataka Bank	--	8.60	10.62	8.60	10.62	1 Nov 2024
South Indian Bank	9.85	8.70	11.20	8.75	11.70	Not Given
Kotak Mahindra Bank	--	8.75	9.00	8.75	9.00	Not Given
HDFC Bank	--	8.75	9.95	8.75	9.95	Not Given
Federal Bank	--	8.80	10.25	10.20	10.30	16 Nov 2024
Karur Vysya Bank	9.90	9.00	11.05	9.00	11.05	19 Aug 2024
J & K Bank	9.35	9.10	10.20	9.10	10.20	10 Nov 2024
Bandhan Bank	--	9.16	13.33	9.16	13.33	Not Given
ICICI Bank	--	9.25	9.90	9.40	10.05	Not Given
Dhanlaxmi Bank	8.50	9.35	10.00	9.85	10.50	1 Aug 2024

Your EMI for a loan of ₹1 lakh

TENURE	5 YEARS	10 YEARS	15 YEARS	20 YEARS	25 YEARS
@ 7%	1,980	1,161	899	775	707
@ 8%	2,028	1,213	956	836	772
@ 9%	2,076	1,267	1,014	900	839
@ 10%	2,125	1,322	1,075	965	909

FIGURES ARE IN ₹. USE THIS CALCULATOR TO CHECK YOUR LOAN AFFORDABILITY.
FOR EXAMPLE, A ₹5 LAKH LOAN AT 10% FOR 15 YEARS WILL TRANSLATE INTO AN EMI OF ₹1,075 X 5 = ₹5,375

Post office deposits

	Interest (%)	Minimum investment (₹)	Maximum investment (₹)	Features	Tax benefits
Sukanya Samriddhi Yojana	8.20	250	₹1.5 lakh p.a.	One account per girl child	80C
Senior Citizens' Savings Scheme	8.20	1,000	₹30 lakh	5-year tenure, minimum age 60 yrs	80C
Public Provident Fund	7.10	500	₹1.5 lakh p.a.	15-year tenure, tax-free returns	80C
Kisan Vikas Patra	7.50	1,000	No limit	Can be encashed after 2.5 years	Nil
5-year NSC VIII Issue	7.70	1,000	No limit	No TDS	80C
Time deposit#	6.9-7.50	1,000	No limit	Available in 1, 2, 3, 5 year tenures	80C#
Post Office Monthly Income Scheme	7.40	1,000	Single ₹9 lakh	5-year tenure, monthly returns	Nil
			Joint ₹15 lakh	5-year tenure, monthly returns	Nil
Recurring deposits	6.70	100	No limit	5-year tenure	Nil
Savings account	4.00	500	No limit	₹10,000 interest tax-free	Nil

Data as on 21 Nov 2024

#Benefit available only for 5-year deposit

ALTERNATIVE INVESTMENT RETURNS MONITOR

The scope and attractiveness of alternative investments is increasing. Here's a weekly tracker of returns from such investments. But don't compare these with returns from traditional investments since the proportion and purpose of alternative investments is vastly different.

Gold (995) (₹)

61,005 — 21 NOV 2023
76,624 — 21 NOV 2024

PRICE OF 10 GM GOLD

Silver (₹)

72,729 — 21 NOV 2023
90,317 — 21 NOV 2024

PRICE OF 1 KG SILVER

Platinum ($/troy ounce)

937.95 — 21 NOV 2023
957.04 — 21 NOV 2024

WTI Crude ($/barrel)

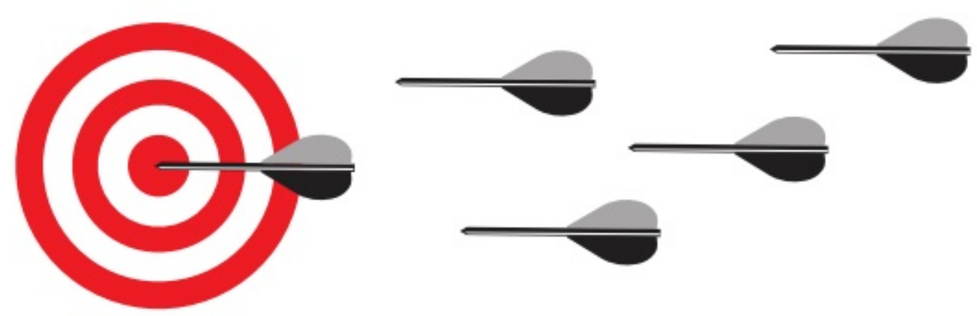
77.42 — 21 NOV 2023
70.3 — 21 NOV 2024

CHANGE

	Gold (995)	Silver	Platinum	WTI Crude
1 WEEK	4.33%	3.69%	1.85%	2.6%
1 YEAR	25.6%	24.18%	2.04%	-9.2%

PENNY STOCKS UPDATE

Penny stocks as a recommended non-traditional investment? Not exactly. **ET WEALTH** neither has the expertise nor does it recommend investing in such stocks. But since the relatively 'low' cost of investment attracts some investors to penny stocks, we provide a weekly snapshot of this most volatile and uncertain type of stock investing.



Top price gainers

STOCK	MARKET PRICE (₹)	1-WEEK (%) CHANGE	1-MTH (%) CHANGE	1-MONTH AVG VOL (LAKH)	1-MONTH AVG VOL CHG (%)	MKT CAP (₹CR)
Excel Realty N Infra	1.55	14.81	**115.28**	57.42	42.03	218.66
Monotype India	1.45	14.17	**70.59**	19.62	31.71	101.95
Svam Software	8.05	5.92	**57.84**	0.57	47.47	13.6
Quantum Build-Tech	5.67	14.55	**51.6**	0.04	132.68	14.21
Neueon Towers	4.41	15.75	**51.03**	0.12	-50.68	24.93
VCU Data Management	8.97	-14.16	**49.5**	2.98	1,423.95	13.9
Landmarc Leisure Corp	2.09	-5.43	**42.18**	3.13	98.96	167.2
Pro Fin Capital Services	3.24	5.88	**40.87**	23.61	-12.85	68.69
Epuja Spiritech	5.61	-1.58	**40.6**	3.32	313.37	43.53
Gemstone Investments	3.59	-5.53	**39.15**	2.1	-48.55	26.82

Top volume gainers

STOCK	MARKET PRICE (₹)	1-WEEK (%) CHANGE	1-MTH (%) CHANGE	1-MTH AVG VOL (LAKH)	1-MONTH AVG VOL CHANGE (%)	MKT CAP (₹ CR)
JMG Corporation	8.48	6	35.46	0.9	**10,227.40**	19.64
Bombay Talkies	4.3	-13.83	-15.02	0.1	**5,490.11**	23.22
VCU Data Management	8.97	-14.16	49.5	2.98	**1,423.95**	13.9
Quasar (I)	3.17	5.67	21.46	2.85	**1,026.49**	16.96
Darshan Orna	5.06	26.5	20.76	15.63	**632.40**	25.33
Vivanza Biosciences	4.03	-3.36	14.49	4.75	**624.95**	16.12
Tilak Ventures	3.34	15.17	-14.8	24.79	**456.19**	148.86
Grandma Trading Age	0.89	-1.11	2.3	3.08	**448.35**	11.62
Jackson Investments	0.8	-13.04	23.08	36.24	**439.91**	23.26
Akshar Spintex	0.72	-4	-34.55	19.57	**384.85**	56.7

Top price losers

Rajnish Wellness	1.76	-10.2	**-38.25**	145.17	-0.08	135.26
Akshar Spintex	0.72	-4	**-34.55**	19.57	384.85	56.7
Gautam Gems	5.3	-0.38	**-30.26**	9.15	79.75	21.65
PMC Fincorp	3.34	0.91	**-25.11**	22.38	-15.28	237.84
Cressanda Solutions	7.49	-5.19	**-23.65**	16.53	100.58	310.76
India Steel Works	5.47	7.68	**-23.6**	5.77	-65.33	217.76
Pressure Sensitive Sys	4.07	-19.25	**-23.35**	5.7	32.63	60.4
Rajnish Retail	9.46	-5.49	**-19.56**	1.97	-21.65	145.02
Vodafone Idea	6.92	-5.72	**-17.62**	440.31	-21.16	46,972.18
Risa International	1.17	3.54	**-16.43**	3.93	70.73	18.66

Top volume losers

Pratik Panels	6.11	0.33	8.72	1.35	**-73.63**	39.04
GV Films	0.72	-1.37	-10	38.7	**-72.33**	65.85
BC Power Controls	4.09	-6.62	-3.08	1.86	**-72.15**	28.55
Lesha Industries	1.56	-4.88	-8.77	7.13	**-71.26**	44.62
Kenvi Jewels	4.85	-0.41	3.85	1.77	**-68.66**	61.3
Deep Diamond India	8.01	15.58	26.14	4.74	**-67.53**	25.63
Siti Networks	0.89	-3.26	-5.32	3.64	**-67.04**	77.62
Symbiox Investment & Tra	3.8	11.44	25	1.02	**-66.79**	11.89
Filatex Fashions	0.92	1.1	-14.02	25.63	**-66.45**	766.74
GACM Technologies	0.79	-3.66	11.27	13.85	**-66.28**	53.77

STOCKS HAVE BEEN SELECTED USING THE FOLLOWING FILTERS: PRICE LESS THAN ₹10, ONE-MONTH AVERAGE VOLUME GREATER THAN OR EQUAL TO 1 LAKH, AND MARKET CAPITALISATION GREATER THAN OR EQUAL TO ₹10 CRORE. DATA AS ON 21 NOV 2024. **SOURCE:** ETIG DATABASE AND REUTERS-REFINITIV

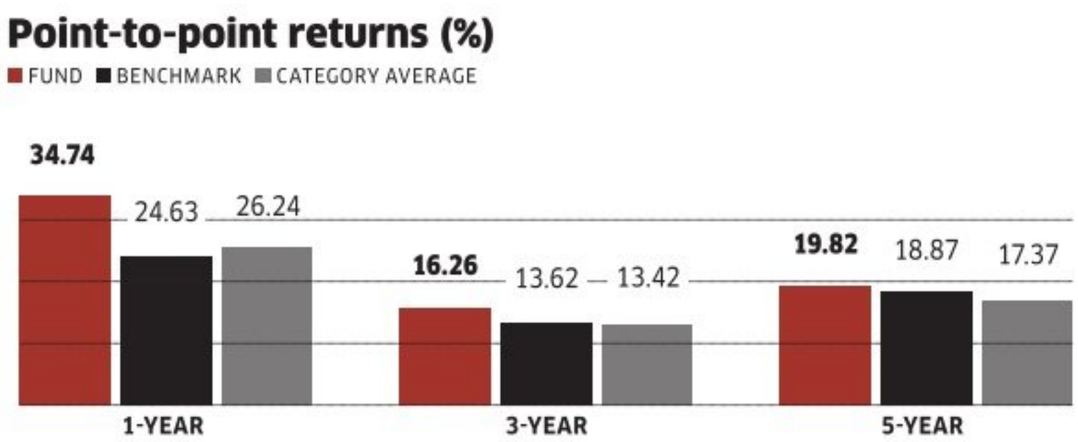
EDELWEISS FLEXI CAP

Dynamic allocation

ET Wealth collaborates with **Value Research** to analyse top mutual funds. We examine the key fundamentals of the fund, its portfolio and performance to help you make an informed investment decision.

HOW THE FUND HAS PERFORMED

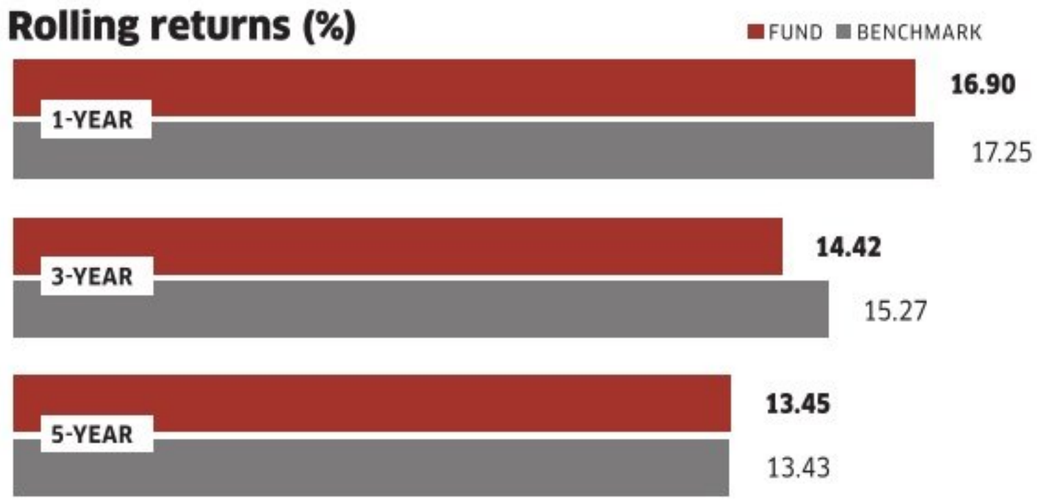
Point-to-point returns (%)



The fund has comfortably beaten index and peers in recent years.

AS ON 21 NOV 2024

Rolling returns (%)



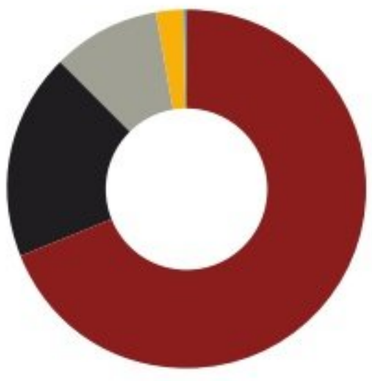
The fund's long-term track record indicates persistent lag relative to index across time frames.

AS ON 21 NOV 2024

Note: Different benchmark (BSE500 TRI) is used due to non availability of stated benchmark data. Returns are rolled daily over past decade for relevant time frames.

WHERE THE FUND INVESTS

Portfolio asset allocation (%)



Equity	97.15
Large cap	70.86
Mid cap	19.22
Small cap	9.92
Cash	2.69
Debt	0.16

Fund style box

The fund has a large-cap bias.

AS ON 31 OCT 2024

BASIC FACTS

DATE OF LAUNCH
2 MAR 2015

CATEGORY
EQUITY

TYPE
FLEXI CAP

AUM*
₹ 2,365 crore

BENCHMARK
NIFTY 500 TOTAL RETURN INDEX

WHAT IT COSTS

NAV**
GROWTH OPTION
₹36.76

IDCW
₹30.18

MINIMUM INVESTMENT
₹100

MINIMUM SIP AMOUNT
₹100

EXPENSE RATIO# (%)
1.96

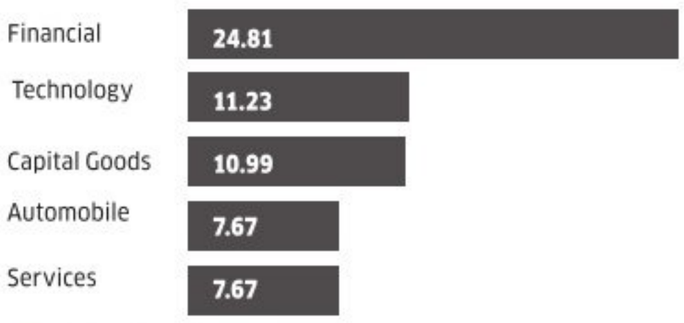
EXIT LOAD
1% for redemption within 90 days

*AS ON 31 OCT 2024
**AS ON 21 NOV 2024
#AS ON 31 OCT 2024

FUND MANAGER

TRIDEEP BHATTACHARYA
3 YEARS

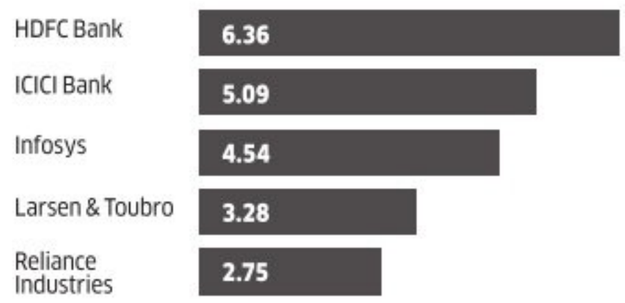
Top 5 sectors in portfolio (%)



The fund's sector bets are fairly diversified.

AS ON 31 OCT 2024

Top 5 stocks in portfolio (%)



The portfolio is heavily diversified in individual bets.

AS ON 31 OCT 2024

Recent portfolio changes

New entrants

Bajaj Housing Finance, Havells India, Ipca Laboratories, Lupin, SBI Life Insurance Company (Sep). Escorts Kubota, ICICI Lombard General Insurance Comapny (Oct).

Complete exits

Aarti Industries, Bharat Petroleum Corporation, CanFin Homes, IndusInd Bank, JB Chemicals & Pharmaceuticals, Voltas (Sep).

How risky is it?

	Fund	Category	Index
Standard deviation	13.80	13.23	13.72
Sharpe Ratio	0.85	0.70	0.71
Mean return (%)	17.61	15.04	15.56

BASED ON 3-YEAR PERFORMANCE.

The fund's risk-return profile is in the top quartile in its category.

AS ON 31 OCT 2024

Source: Value Research

Should You Buy

Earlier run as Edelweiss Multi Cap, the fund was repositioned under the flexi-cap category to retain its fluidity in market-cap allocation. It retains a large-cap bias, with modest presence in mid- and small-caps. The fund prefers businesses with scalability and ability to grow faster than the sector. It is agnostic to any investing style and avoids taking outsized sector bets, macro calls or cash calls. The portfolio is well diversified with modest positions in its top bets. The fund has outperformed sharply over the past year, and has fared well in recent years. The fund should do well over market cycles as it shuns any style bias.

REC: Electrifying performance

Loan book diversification, healthy sanction pipeline and stable asset quality to drive performance.

The government-owned NBFC reported a decent performance in the September 2024 quarter and registered PAT growth of 5.9% year-on-year. The performance was led by provision write-backs and a decline in operating expenditure. Moreover, the NII was healthy and grew at 23% year-on-year, supported by strong loan growth and margin improvement.

REC is a power sector lender and finances all segments of domestic power infrastructure (generation, distribution and transmission), and renewable energy projects. It has diversified its loan portfolio towards infrastructure and logistics sectors. The company's product portfolio includes loans (long, medium and short-term), debt refinancing, revolving bills payment facility and financing of equipment manufacturing.

It is a beneficiary of the buoyant prospects of India's energy sector, which is expected to create robust growth in its loan book. Reports from Motilal Oswal and Nomura released in October highlight the long-term growth prospects of the power sector. The Nomura report expects power demand to remain strong led by new drivers (such as rising trends of electrification, upticks in data centre capacities, rising EV adoption and green hydrogen) in addition to primary drivers (residential, industrial and commercial sectors). The Motilal Oswal report estimates an investment opportunity of ₹40 lakh crore in the Indian power sector over the next decade and lists electrification of energy in residential and transportation segments, 5G, artificial intelligence, India's rising real GDP and proactive regulatory support as the key tailwinds.

REC has a healthy sanction pipeline, and the management has guided for ₹1 lakh crore of disbursements in the second half of 2024-25. It will focus on the reform-driven power distribution sector, aiming for 15-20% loan book growth over 3-4 years and plans to double AUM by 2030.

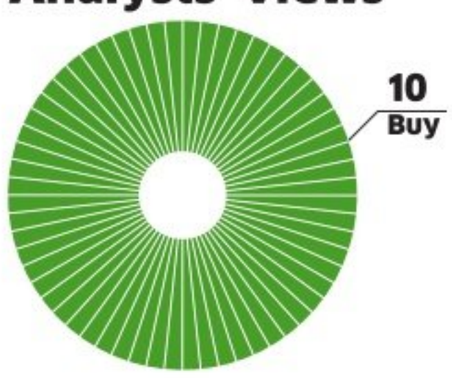
The asset quality is steady with a sequential improvement in GS3 (potential risky assets) in the September quarter. Selective non-power segment financing, prudent risk management and ongoing resolution of stressed assets are some of the factors that are enhancing its asset quality. Three projects (Hiranmayi, Sinnar Thermal and KSK Mahanadi) are in advanced stages of resolution and the management expects write-backs of ₹1,500 crore from such projects. REC also enjoys the highest domestic ratings from all four domestic rating agencies (CRISIL, ICRA, CARE, and India Ratings & Research).

The recent stock price correction amid speculations of likely financing to Vodafone Idea, the proposal that was rejected by REC, provides a buying opportunity. In the last one year, the stock has significantly outperformed the market benchmark with 41.6% returns compared to BSE Sensex with 17.5% returns.

Selection methodology: We pick the stock that has shown the maximum increase in 'consensus analyst rating' during the past three months. The consensus rating is arrived at by averaging all analyst recommendations after attributing weights to each of them (1 for strong buy, 2 for buy, 3 for hold, 4 for sell, 5 for strong sell). An improvement in consensus analyst rating indicates that the analysts are getting bullish on the stock. Only stocks with more than five analysts covering them are considered. You can see similar consensus analyst rating changes during the past week in ETW 50 table.

—Sameer Bhardwaj

Analysts' views



REC is a beneficiary of the buoyant prospects of India's energy sector.

Fundamentals

	ACTUAL		CONSENSUS ESTIMATE	
	2022-23	2023-24	2024-25	2025-26
Revenue (₹ cr)	15,515.07	47,122.04	20,765.56	23,745.54
EBIT (₹ cr)	13,853.68	16,520.97	19,597.25	22,631.80
Net profit/loss (₹ cr)	11,054.64	14,019.21	15,744.70	17,999.70
EPS (₹)	41.86	53.11	59.80	68.40

Valuations

	PBV	PE	DIVIDEND YIELD (%)
REC	1.86	8.69	3.26
Power Finance Corporation	1.48	7.06	2.98
Indian Railway Finance Corp.	3.76	28.43	1.06
Shriram Finance	2.15	13.1	1.61
Bajaj Finance	5.22	26.03	0.56

Brokerage calls

RECO DATE	RESEARCH HOUSE	ADVICE	TARGET PRICE (₹)
29 Oct 2024	Motilal Oswal	Buy	630
29 Oct 2024	DAM Capital	Buy	755
28 Oct 2024	Elara Capital	Buy	695
27 Oct 2024	PhillipCapital	Buy	700

Relative performance

Godrej Properties is compared with ET Realty and BSE Sensex. Stock and index values normalised to a base of 100. **Source:** ETIG and Reuters-Refinitiv

WHAT EXPERTS ADVISE

https://telegram.me/+5S3fmia1ZnJiYzE1

BUY

STOCK	RESEARCH HOUSE	ADVICE	STOCK PRICE (₹)	1-YEAR TARGET PRICE (₹)	POTENTIAL UPSIDE (%)	COMMENT
PNC Infratech	Centrum Broking	Buy	299	454	51.8	Upgrade to 'buy' due to its healthy order pipeline, likely completion of Phase 1 of asset monetisation in December 2024 and significant stock correction. The focus on projects across verticals and agencies (other than MoRTH) to sustain execution momentum is the other positive.
Colgate-Palmolive (India)	Nuvama	Buy	2,709	3825	41.2	Maintain 'buy'due to its leadership position in oral care, strong R&D, premiumisation trend in oral care, focus on new launches and likely strengthening of rural demand and volumes.
Muthoot Finance	Systematix	Buy	1,778	2,250	26.5	Maintain 'buy' due to the robust performance in the September quarter led by steady NIMs and lower opex Expectations of robust growth in gold loans, strong customer additions and upward revision in guidance by the management are the key positives.
Medplus Health Services	HDFC Securities	Buy	684	830	21.3	Reiterate 'buy' due to the strong performance in the September quarter led by gross and operating margin expansion. Likely pickup in store addition rate in the second half of 2023-24, optimisation of working capital and likely increase in private pharma label share are the key positives.
National Aluminium Company	Antique Stock Broking	Buy	220	265	20.5	Maintain 'buy' due to the robust performance in the September quarter led by strong alumina prices and lower costs. Its integrated business model, attractive dividend yield and high cash levels are the other positives.
Ipca Laboratories	JM Financial	Buy	1,537	1,815	18.1	Maintain 'buy'given the imminent US turnaround, strong domestic franchise and margin improvement. Also, expectations of growth in export branded business in the second half of 2024-25 and synergies from Unichem integration are the other positives.

SELL

STOCK	RESEARCH HOUSE	ADVICE	STOCK PRICE* (₹)	1-YEAR TARGET PRICE (₹)	POTENTIAL DOWNSIDE (%)	COMMENT
Apollo Tyres	Kotak Securities	Sell	475	390	-17.9	Maintain 'sell' due to the continuing revenue underperformance compared to peers and market share loss. Also, muted demand trends in the OEM segment and the likelihood of weak margins are the other negatives.

https://telegram.me/+5S3fmia1ZnJiYzE1

Higher tax cut under new regime

Sudhir Kaushik of *TaxSpanner.com* tells readers how they can optimise their tax by rejigging their incomes and investments.

Ludhiana-based finance professional Ratul Mohindra pays a high tax even though his salary is fairly tax-friendly. Mohindra wants to opt for the new tax regime. TaxSpanner estimates that Mohindra can reduce his tax by almost ₹25,000 if his company offers him the NPS benefit.

Mohindra has chosen the new regime because he can't claim too many deductions and exemptions. As he lives in his own house, the house rent allowance is fully taxable. Under the new regime, there are very few exemptions and deductions. Even so, he can reduce his tax by asking his company for the NPS benefit. Under Section 80CCD(2), up to 10% of the employee's basic salary put in the pension scheme is tax-free. This limit is higher at 14% of the basic under the new regime opted by Mohindra. If his company puts ₹7,943 (14% of his basic salary) in the NPS on his behalf every month, his annual tax will reduce by about ₹24,500.

If his company agrees to change the pay structure, Mohindra should get some taxable perks in his salary replaced with tax-free reimbursements. The conveyance and fuel reimbursement of ₹96,000 (₹8,000 a month), communication allowance of ₹12,000 (₹1,000 per month), LTA of ₹28,000 and professional development allowance of ₹28,000 will be tax-free against bills. Newspaper allowance of ₹12,000 (₹1,000 per month) and food coupons worth ₹26,400 (₹2,200 per month) can also be added. The ₹25,000 medical insurance premium he pays can also be claimed as a deduction.

Under Section 80CCD(2), a monthly contribution of ₹5,673 (10% of his basic salary) to the NPS will reduce his tax by about ₹21,000. Another ₹15,600 can be saved if he invests ₹50,000 in the pension scheme on his own.

INCOME FROM EMPLOYER

INCOME HEAD	CURRENT	SUGGESTED STRUCTURE: OLD REGIME	SUGGESTED STRUCTURE: NEW REGIME
Basic salary	6,80,800	6,80,800	6,80,800
House rent allowance	3,40,400	3,40,400	3,40,400
Special allowance	432,050	↓ 3,25,570	↑ 3,36,738
Professional development	28,000	28,000	28,000
Conveyance and fuel reimbursement	96,000	96,000	96,000
Telecommunication allowance	12,000	12,000	12,000
Newspaper and periodicals	0	↑ 12,000	↓ 0
Meal coupons	0	↑ 26,400	↓ 0
LTA	28,000	28,000	28,000
Employer's contribution to Provident Fund	21,600	21,600	21,600
Contribution to NPS under Sec 80CCD(2)	0	↑ 68,080	↑ 95,312
TOTAL	16,38,850	16,38,850	16,38,850

Reduce this taxable component of the salary package.

These perks are tax-free subject to actual usage and submission of bills.

Up to 10% of basic pay in the NPS is tax-free.

Up to 14% of basic pay in the NPS is tax-free.

+ INCOME FROM OTHER SOURCES

INCOME HEAD	CURRENT	SUGGESTED: OLD REGIME	SUGGESTED: NEW REGIME
Interest income	2,500	2,500	2,500
Capital gains	0	0	0
Rental income	0	0	0
TOTAL	2,500	2,500	2,500

All figures are in ₹

You will save ₹5,089 more if you stay in the new tax regime.

↑ Denotes suggestion to increase ↓ Denotes suggestion to reduce

Tax-saving investments

INVESTMENT OPTION	CURRENT (₹)	SUGGESTED OLD (₹)	SUGGESTED NEW (₹)
Provident Fund	21,600	21,600	21,600
Life insurance	0	8,500	8,500
ELSS funds	0	1,20,000	0
NPS under Sec 80CCD(1b)	0	50,000	0
TOTAL ADMISSIBLE	0	2,00,000	0

Buy life cover of ₹1 crore.

Invest in ELSS funds to save tax.

Consider the NPS to save more tax.

No deduction available under new tax regime.

Other deductions

EXEMPTION OR DEDUCTION	CURRENT (₹)	SUGGESTED OLD (₹)	SUGGESTED NEW (₹)
HRA exemption	0	0	0
Medical insurance	25,000	25,000	25,000
TOTAL ADMISSIBLE	0	25,000	0

Claim deduction for health insurance premium.

No deduction available under new tax regime.

Ratul Mohindra's tax

	TAX ON SALARY	TAX ON INTEREST INCOME	TAX ON CAPITAL GAINS
CURRENT	₹1,58,782	780	0
	₹1,59,562		
SUGGESTED (Old regime)	₹1,39,392	780	0
	₹1,40,172		
SUGGESTED (New regime)	₹1,34,563	520	0
	₹1,35,083		

TOTAL TAX SAVED

(OLD REGIME) ₹19,390

(NEW REGIME) ₹24,479 per year

TAX RATIO

(Total tax as % of annual income)

EXISTING	SUGGESTED (OLD)	SUGGESTED (NEW)
9.7%	8.5%	8.2%

WRITE TO US FOR HELP

Paying too much tax? Write to us at etwealth@timesgroup.com with 'Optimise my tax' as the subject. Our experts will tell you how to reduce your tax by rejigging your pay and investments.

Early start brings big goals within reach

Sumeet Gandotra is saving for his child's marriage and retirement. Here's what the doctor advises.

PORTFOLIO CHECK-UP

- Has been investing in a mix of stocks, equity and hybrid funds for past 18 years.
- Early start and regular investing have helped build a sizeable corpus.
- Does not monitor fund performance. Too many laggards in portfolio.
- Portfolio has too many schemes. Needs to consolidate.
- Just 7-8 schemes from different categories are enough.
- Goals are ambitious, but can be reached with increase in investments.
- SIPs will have to be increased by 5% every year.
- Reduce exposure to small- and mid-cap funds. Large caps give more stable returns.
- Avoid direct stock investments unless you have time and expertise to manage them.

Note from the doctor

- Equity exposure is very high. Invest more in fixed income as well.
- To hike debt in portfolio, put NPS corpus in gilt funds.
- Establish contingency fund for unforeseen expenses.
- Life cover of ₹50 lakh not enough. Buy ₹50 lakh more.
- Review investments and rebalance at least once a year.
- Reduce risk when goal is near so that you don't miss the target.

GOALS

1. **EMERGENCY FUND** Immediate — PRESENT COST: ₹**10 lakh** — FUTURE COST: **NA**
2. **CHILD'S MARRIAGE** **5** years — PRESENT COST: ₹**50 lakh** — FUTURE COST: ₹**70.1 lakh**
3. **RETIREMENT INCOME: 6** years — CURRENT NEED: ₹**3.5 crore** (₹1.4 lakh a month) — CORPUS NEEDED: ₹**5.25 crore**

	INVESTMENT	AMOUNT INVESTED (₹)	EXISTING SIP (₹)	RECOMMENDED ACTION	NEW SIP (₹)
1	Nippon India Ultra Short Duration	2,68,755	0	Start SIPs of ₹20,000 in this low duration fund to build contingency corpus.	20,000
1	ICICI Pru Equity & Debt	1,61,123	11,000	Increase SIPs to ₹25,000 in this outperforming aggressive hybrid fund.	25,000
2	PPF	20,00,000	12,500	Keep contributing to build corpus for child's marriage goal.	12,500
2	ICICI Pru Bluechip	3,55,704	6,000	Increase SIPs in this outperforming large-cap fund to ₹10,000. Hike by 5% every year.	10,000
2	Axis Bluechip	97,618	0	Both funds have consistently underperformed. Stop SIPs and shift corpus to ICICI Prudential Bluechip to consolidate portfolio.	0
2	Axis Midcap	2,22,897	5,000		0
2	Axis Small Cap	80,150	0	Small-cap funds can be volatile. Shift corpus to PGIM India Flexicap to consolidate portfolio.	0
2	PGIM India Flexicap	2,39,299	5,000	Increase SIPs in this stable flexi-cap fund to ₹6,000. Hike by 5% every year.	6,000
3	Mirae Asset Large & Midcap	16,83,226	7,500	Fund has underperformed. Stop SIPs and shift corpus to Parag Parikh Flexicap for better returns.	0
3	Parag Parikh Flexicap	7,42,251	5,500	Increase SIPs in this outperforming flexi-cap fund to ₹10,000. Hike amount by 5% every year.	10,000
3	Kotak Flexicap	2,04,647	0	Shift corpus to Canara Robeco Emerging Equities to consolidate portfolio.	0
3	Canara Robeco Emerging Equities	3,74,262	2,000	Hike SIPs in this stable large- & mid-cap fund to ₹5,000. Hike amount by 5% every year.	5,000
3	Quant Small Cap	2,19,429	2,000	Both funds have done well till now. Continue SIPs but watch their performance closely. Hike SIP amount by 5% every year.	2,000
3	Quant Active	1,02,359	4,000		4,000
3	Mirae Asset ELSS Tax Saver	8,57,599	0	Continue holding this stable ELSS fund for the long term.	0
3	SBI Small Cap	7,04,951	10,000	Need to reduce small-cap exposure. Shift SIPs and corpus to SBI Bluechip large-cap fund.	0
3	Mirae Asset Large Cap	2,65,342	0	Shift corpus to SBI Bluechip to consolidate portfolio.	0
3	SBI Bluechip	1,96,591	0	Restart SIPs of ₹10,000 in this stable large-cap fund. Hike amount by 5% every year.	10,000
3	Nippon India Small Cap	2,32,385	2,000	Increase SIPs to ₹5,000 in this outstanding small-cap fund. Increase by 5% every year.	5,000
3	Mirae Asset Aggressive Hybrid	2,27,964	0	Start SIPs of ₹5,000 in this aggressive hybrid fund. Hike by 5% every year.	5,000
3	PGIM India Midcap Opportunities	2,11,119	7,000	Continue SIPs in this stable mid-cap fund but watch performance closely. Hike amount by 5% every year.	7,000
3	Direct stock investments	92,00,000	0	Sizeable investments in stocks. These can be volatile. Consider moving to a mutual fund.	0
3	Provident Fund	50,00,000	18,000	Keep contributing and don't withdraw before retirement.	18,000
3	NPS	20,00,000	8,000	Keep contributing to this low-cost scheme to save for retirement.	8,000
3	Sovereign Gold Bonds	5,50,000	0	Hold till maturity and then reinvest in gold ETFs.	0
	TOTAL	**₹2,61,97,671**	**₹1,05,500**	The goals can be reached using the mutual funds marked in the same colour.	**₹1,47,500**

PORTFOLIO DOCTOR

Not many investors know whether they have invested in the right funds and if their fund portfolio is on track. The Portfolio Doctor assesses the health of the fund portfolio, examines the schemes and their suitability with regard to the goals and, if required, recommends corrective measures. The advice given is based on the performance of the funds, the risk profile of the investor as well as his financial goals.

Assumptions used in the calculations

INFLATION

Education expenses	For all other goals
10%	7%

RETURNS

Equity funds	Debt options
12%	8%

PORTFOLIOS ANALYSED BY

RAJ KHOSLA, Managing Director and Founder, MyMoneyMantra

WRITE TO US FOR HELP

If you want your portfolio examined, write to etwealth@timesgroup.com with 'Portfolio Doctor' as the subject. Mention the following information:

- Names of the funds you hold.
- Current value of the investment.
- If you have SIPs running in any of them.
- The financial goals for which you invested.
- How much you need for each financial goal.
- How far away is each goal.

Readers' response, online and in print, to ET Wealth stories has been enlightening. We pick some that add information and perspective to our articles from previous issues.

The cover story brilliantly outlines the complex dynamics of Trump administration in global markets. The expected rise in volatility, interest rates, and stronger dollar are critical considerations for global and Indian investors alike. The article highlights how emerging markets, including India, might face challenges, but it also underscores the opportunities for discerning investors to benefit from shifts like 'China plus one' strategy. Balancing risks with long-term goals is key, and the article rightly advises focusing on portfolio allocation rather than external uncertainties.
Seema Mahajan

The cover story aptly captures the uncertainties surrounding Trump's presidency. While the risks from higher US interest rates and tariffs are real, the article reassures investors not to overreact to market noise. I found the emphasis on maintaining a disciplined, goal-oriented approach insightful. The point that India's long-term market performance depends more on domestic corporate earnings and economic growth, rather than global politics, resonates strongly with seasoned investors. India is on a growth trajectory despite the changing geopolitics.
Jagdish Basu

Trump effect

The cover story 'Will Trump affect your investing strategy?' on Trump's potential economic policies is thought-provoking. It goes a long way in assuaging the fear of lay investors regarding the aftermath of the regime change in the USA. Quoting experts, the article has rightly pointed out that while a high degree of volatility and sectoral rotation is likely, long-term investors should see these as an opportunity for portfolio building ignoring the noise. It may be noted that the Trump regime may reduce geopolitical conflict to an extent, but may increase trade wars.
B.P. Sarkar

Dhirendra Kumar's column 'True measure of wealth' underscores the importance of a sound understanding of investments before making decisions. It reminds me of someone who invested heavily in the Indian share market two decades ago without proper knowledge, and ended up losing lakhs of rupees. The 'demonstration effect' led to his downfall, leaving his family struggling to resolve the financial mess. To this day, he avoids any discussion about shares or debentures, a cautionary tale for all investors.
S. Ramakrishnasayee

Dhirendra Kumar makes a valid point regarding the 'circle of competence'. Before we start investing, we should ensure sound knowledge about the product being chosen. Unless we know what we are doing, there will be no joy in investing and it will boil down to some numbers on the screen. To derive true value from our investments, we need to learn and develop such skills. We should also learn the art of making well-calculated bets. The earlier we learn to do this, the better it will be.
Karan Verma

Thank you Dhirendra Kumar for the superbly articulated column on Charlie Munger. I have been following Munger for over 15 years and the article has summarised his investing principles in an easy, understandable style.
Narasimha Prasad

BACK TO BASICS

Advance tax *vs* Self-assessment tax

If you are confused by personal finance terms, jargon and calculations, here's a series to simplify and deconstruct these for you. In the 26th part of this series, **Riju Mehta** explains the difference between the two types of taxes.

What is advance tax?

As the name suggests, it's a tax that is paid in advance, not at the end of the financial year, on the income received during the year. Also called 'pay as you earn' tax, it is paid in four instalments throughout the year as per the dates decided by the Income-tax Department (15% by 15 June; 45% by 15 September, 75% by 15 December, and 100% by 15 March).

Under Section 208 of the Income-tax Act, 1961, advance tax is to be paid by any individual, be it salaried, professional, business, freelancer or self-employed, whose tax liability exceeds ₹10,000 in a financial year.

How to calculate advance tax?

- **a** Calculate the gross total income by including salary and additional income from other sources, such as rental income, interest on savings accounts, capital gains, among others .
- **b** Subtract any deductions and exemptions (under the old tax regime).
- **c** Calculate total tax liability.
- **d** Add health and education cess.
- **e** Subtract TDS/ TCS.
- **f** Calculate advance tax to be paid using the formula:

Advance tax = (c+d) − e

Split it into four instalments by calculating **15%, 45%, 75% & 100% of (f)**.

What is self-assessment tax?

After accounting for advance tax, TDS (tax deducted at source) and TCS (tax collected at source), if there is still some tax to be paid on the income for a given financial year, it is called self-assessment tax. Unlike advance tax, there is no fixed date for depositing this tax, but it has to be paid before filing the income-tax return. If this is not done, it can invite interest on the outstanding tax amount.

Self-assessment tax is paid by those who are obligated to file income-tax returns and it can be done using Challan 280. This is usually paid if you've either forgotten an additional source of income, or received unlikely gains, or if there has been any discrepancy in TDS or advance tax calculation.

How to calculate self-assessment tax?

Here's how you can easily calculate the amount of additional tax that is due.

- **a** Calculate the tax payable on total income.
- **b** Add any interest you are liable to pay under Section 234A/ B/ C.
- **c** Subtract any relief under Section 90/ 90A/ 91.
- **d** Subtract any MAT credit under Section 115JAA.
- **e** Subtract the advance tax paid.
- **f** Subtract any TDS/ TCS.
- **g** Calculate due tax using the formula:

Self-assessment tax = (a+b) − (c+d+e+f)

GETTY IMAGES

The Economic Times Wealth is available at an invitation price of ₹8/issue. To book your copy, contact your newspaper vendor or call 1800 1200 004.

The Economic Times Wealth, published by Bennett, Coleman & Co. Ltd. exercises due care and caution in collecting the data before publication. In spite of this, if any omission, inaccuracy or printing errors occur with regard to the data contained in this newspaper, The Economic Times Wealth will not be held responsible or liable. The content hereof does not constitute any form of advice, recommendation or arrangement by the newspaper. The Economic Times Wealth will not be liable for any direct or indirect losses caused because of readers' reliance on the same in making any specific or other decisions. Readers are recommended to make appropriate enquiries and seek appropriate advice before making any specific or other decisions.

Published for the proprietors, Bennett, Coleman & Co Ltd by R.Krishnamurthy at The Times of India Suburban Press, Akurli Road, Western Express Highway, Kandivli (E), Mumbai-400101. Tel. No.: (022) 28872324, 28872931, Fax: (022) 28874231. (2) The Times of India Press, [illegible] (1) The Times of India Suburban Press, Akurli Road, Western Express Highway, Kandivli (E), [illegible] 275. Editor: Babar Zaidi (Responsible for selection of news under PRB Act). © Reproduction in whole or in part without written permission of the publisher is prohibited. All rights reserved. RNI No.: MAHENG/2014/57046.

https://telegram.me/+5S3fmia1ZnJiYzE1

THE ECONOMIC TIMES
wealth

www.etwealth.co | Ahmedabad, Bengaluru, Chennai, Hyderabad, Kolkata, Mumbai, New Delhi, Pune | Volume 11 No. 48 | November 25-December 1, 2024 | 24 pages | ₹8

NFO

MIRAE ASSET
Mutual Fund

Leverage Tactical Opportunities in the Interest Rate Cycles!

Designed for investors seeking exposure to bonds, Government securities and other Debt & Money Market Instruments within a debt portfolio.

Invest in

Mirae Asset
Long Duration Fund

(An open ended debt scheme investing in instruments such that the Macaulay duration of the portfolio is greater than 7 years (please refer to page no. 12 of SID for details on Macaulay's Duration). A relatively high interest rate risk and relatively low credit risk)

Scan here for product details & disclaimers

New Fund Offer Closes on: 2nd December 2024
Scheme re-opens for continuous Sale and Repurchase on: 9th December 2024

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

NFO

MIRAE ASSET Mutual Fund

Mirae Asset Long Duration Fund

Bond Price and Interest Rate are inversely related

Interest Rates go down

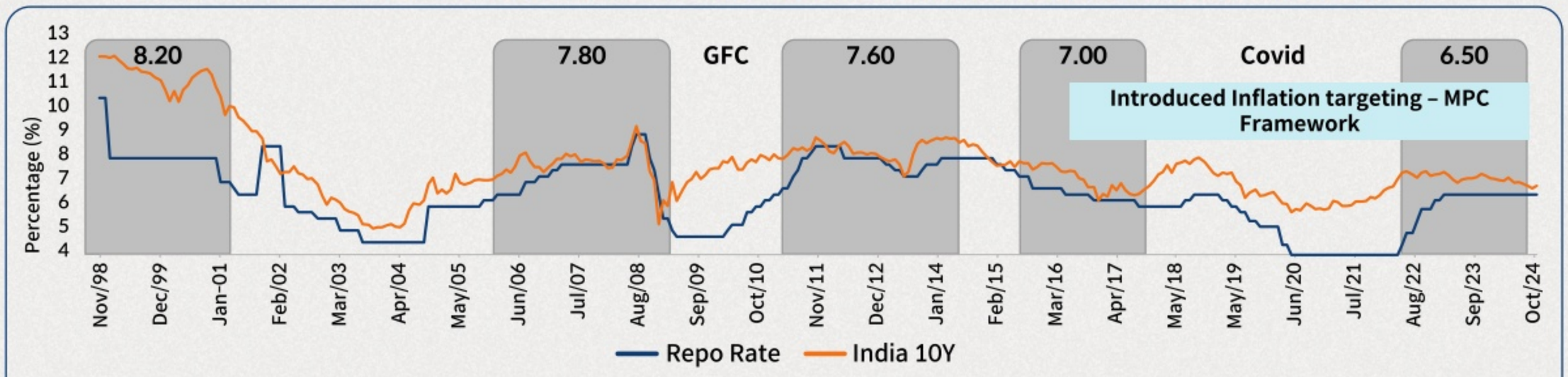
Bond Prices go up

Longer the Duration, Higher is the impact of change in interest rates

	If Interest Rate Decreases by 1%	
	Bond A (MOD* of 3 Years)	Bond B (MOD* of 10 Years)
Value of ₹100 invested	103	110

Note: Similarly, when interest rates go up, bond prices decline.
*MOD: Modified Duration measures the sensitivity of bond price to changes in interest rates. The Percentage Change in Bond Price is calculated by multiplying Modified Duration of the bond with a percentage point change in interest rates.

Interest rates are expected to decline further in line with the historical trend



Investing in a Long Duration Fund today can help capture this trend

Source: RBI, MPC: Monetary Policy Committee, GFC: Great Financial Crisis, Data as on 31st October 2024.

Why invest in Mirae Asset Long Duration Fund?

- May be considered as part of Core Asset Allocation
- Relatively less volatile returns over the long term
- May be considered for long term financial goals like- Retirement, Child's Education, Marriage, etc.
- Seek for opportunity to capture prevailing yields
- Tactical allocation in a falling interest rate scenario to benefit from capital gains
- Tax Deferment^ as mutual funds are pass through vehicles

Source: Internal; ^The tax deferment benefits in which investor is taxed at the redemption rather than periodically compared to other conventional - instruments may enable investors to grow their portfolios more efficiently over the long-term.

PRODUCT LABELLING

Mirae Asset Long Duration Fund (An open ended debt scheme investing in instruments such that the Macaulay duration of the portfolio is greater than 7 years (please refer to page no. 12 of SID for details on Macaulay's Duration). A relatively high interest rate risk and relatively low credit risk) **is suitable for investors who are seeking***

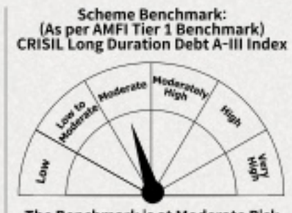
- Optimal returns over the long term
- Investments in an actively managed diversified portfolio of debt and money market instruments.

*Investors should consult their financial advisors if they are not clear about the suitability of the product.

Scheme Riskometer

Investors understand that their principal will be at Moderate Risk

Scheme Benchmark: (As per AMFI Tier 1 Benchmark) CRISIL Long Duration Debt A-III Index



The Benchmark is at Moderate Risk

Scan here for product details & disclaimers

Potential Risk Class Matrix (PRC)

Credit Risk → Interest Rate Risk ↓	Relatively Low (Class A)	Moderate (Class B)	Relatively High (Class C)
Relatively Low (Class I)			
Moderate (Class II)			
Relatively High (Class III)	A-III		

The above Product Labelling assigned during the New Fund Offer (NFO) is based on internal assessment of the scheme characteristics or model portfolio and the same may vary post NFO when the actual investments are made.

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

Follow us on: