



Foundation of Independent Financial Advisors

— Dec 2018 —

What's New?

○ Monthly SIP Inflows

The year 2018 ended on an optimistic note for the mutual fund industry as the retail investors have continued to display their confidence in investing in equity markets through SIP route. During the month of December 2018, an amount of Rs. 8,022 crores has been invested through SIPs which is 29% higher than the amount of Rs. 6,222 crores collected in December 2018. On a sequential basis, the SIP inflows were almost equal to the inflows of Rs. 7,985 crores in November 2018. As such, total inflows through SIPs in the first 9 months of FY 2018-19 of Rs. 68,479 crores have already surpassed the collection of Rs. 67,190 crores during the 12 months of the financial year 2017-18. The year 2018 also saw 49% higher inflows of Rs. 88,667 crores as against Rs. 59,482 crores in the year 2017.

○ Market Performance during December 2018

Equity markets remained almost flat during the current month, as the markets remained cautious about the upcoming General Elections, after the three State Elections results came out against the ruling party. However, the benchmark indices still managed to close the year 2018 on a positive note with S&P BSE Sensex and Nifty50 giving returns of 6% and 3%, respectively during the year. The month saw many crucial events including the resignation of RBI Governor, State elections results, US Government shutdown and heightened trade war fears.

The 10-yr G-sec yield ended 2018 at 7.37%, 24 bps lower than 7.61% as at 30th Nov. 2018. The year had been a volatile year for the bond markets as well, especially in the aftermath of the IL&FS crisis which saw the credit spreads also move higher, and even the 10Y G-Sec yields touched a high of 8.2% during the year.

As the crude oil prices continued to soften, S&P BSE Oil & Gas Index managed to give returns of 3.79% during the month. Similarly, S&P BSE PSU Index also gave better returns of 5.80%, on the back of buyback announcements and dividend expectations from several PSUs. Further, the rupee consolidation brought some negative returns for the export-oriented sectors and S&P BSE IT Index and S&P BSE Healthcare Index closed the month with -1.45% and -2.86% returns respectively.

With the long term growth outlook intact for the Indian economy, investing in equity markets through SIPs is desirable for the investors to achieve the long term financial goals. While volatility cannot be ruled out over the short term, investments can also be considered in dynamic asset allocation funds.

○ AUM Data - Investments in Mutual Funds

Amidst the uncertainty in the equity markets, the markets have continued to consolidate and stay in a narrow range. The AUM decreased by 5% on a sequential basis from Rs. 24.03 lakh crore as of 30th November 2018 to Rs. 22.86 lakh crore as of 31st December 2018, primarily led by the cyclical outflows of Rs. 1.49 lakh crore from liquid/ money market funds during the last month of the quarter, which are primarily used to fund the advance tax payouts and other periodical payments. The equity mutual funds (including arbitrage funds, balanced funds, and ELSS) saw net inflows of Rs. 4,487 crores during the month, as against Rs. 11,005 crores in November 2018. The cumulative net inflows into equity funds for the 8 months into the current financial year stand at Rs. 1,02,565 crores.

FIFA Welcomes New Members

M TYPE	MEM. NO.	TYPE	NAME OF ORGANISATION / IFA	NAME OF MEMBER	LOCATION
General	O1772	N.Indv	P C Stocks And Investments	Nitin Chaturvedi	Agra
General	O1773	Ind	Snehal Nikhil Rane	Snehal Nikhil Rane	Pune
General	O1774	N. Ind	Rajeev Lokapur HUF	Rajeev Lokapur	Pune
General	O1775	N. Ind	Fortune Planners Investment Services P. Ltd.	B Padmanaban	Chennai
General	O1776	Ind	Vikas Wadhawan	Vikas Wadhawan	Amritsar
General	O1777	N.Indv	Fintegrity Wealth Management LLP	Vinay Vijay Nagori	Pune
General	O1778	N.Indv	Elite Services Incorporation	Sanjeev Kumar Chawla	Delhi
General	O1779	Ind	Deepak Arora	Deepak Arora	Sonipat
General	O1780	Ind	Jigish Chandrakant Patel	Jigish Chandrakant Patel	Mumbai
General	O1781	Ind	Vikas Kumar	Vikas Kumar	Amritsar
General	O1782	N.Indv	Ganpati Finance Consultants	Pawan Kumar Garg	Ludhiana
General	O1783	Ind	Ricky Gupta	Ricky Gupta	Raikot
General	O1784	N.Indv	Client First Financial Services	Harmeet Singh Bhatia	Ludhiana
General	O1785	N.Indv	Client First Financial Services	Mohinder Jeet Singh	Ludhiana
General	O1786	N.Indv	Sampat Investments	Priyesh Girish Sampat	Mumbai
General	O1787	N.Indv	Wealth Creator Technicals	Mohit Arun Jhanjee	Ludhiana
General	O1788	N.Indv	Do It Now Financial Services	Shafi Ahmed Syed	Bangalore
General	O1789	Ind	Shubham Mangesh Zavar	Shubham Mangesh Zavar	Pune
General	O1790	N.Indv	Raksha Wealth Management	Shiva Prakash B.S	Mysore
General	O1791	N.Indv	Credence Financial Advisors	Amit Sitaram Luharuka	Bharuch
General	O1792	N.Indv	Vaishnavi Financial Services	Prakash Deepchand Kosarkar	Raipur
General	O1793	Ind	Kinjalkumar Naginbhai Dhimmar	Kinjalkumar Naginbhai Dhimmar	Valsad
General	O1794	N.Indv	Excellent Financial & Taxation Services	Dilipkumar Shashikant Vayeda	Bharuch
Founder	O1795	N.Indv	Y&G Wealth & Consultants Pvt Ltd	Yogesh Prakash Chinchole	Pune
General	O1796	N.Indv	Mutual Fund Shoppe	Raj Kumar Singhai	Jabalpur
General	O1797	N.Indv	NS Wealth Solution Pvt Ltd	Nitin Rajkumar Sawant	Pune
General	O1798	Ind	Mohanjit Singh Khurana	Mohanjit Singh Khurana	Jalandhar
General	O1799	N.Indv	Money Care	Devinder Gupta	Jalandhar

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General	O1800	N.Indv	Ankush Mehendi Ratta	Ankush Mehendi Ratta	Jalandhar
General	O1801	N.Indv	Jain Investment Consultant	Amit Jain	Banga
General	O1802	N.Indv	Solutions Pinnacle Wealth	Amit Dhir	Jalandhar
General	O1803	N.Indv	Liv Better Investments	Amit Gupta	Jalandhar
General	O1804	Ind	Anjali Manish Toshniwal	Anjali Manish Toshniwal	Pune
General	O1805	Ind	Pratik Arvindbhai Shah	Pratik Arvindbhai Shah	Bharuch
General	O1806	N.Indv	Vikas Investments	Pratikkumar Ashokbhai Shah	Vapi
General	O1807	Ind	Nayan Jagmohan Mehta	Nayan Jagmohan Mehta	Surat
General	O1808	Ind	Hitesh Vasantbhai Vasani	Hitesh Vasantbhai Vasani	Vapi
General	O1809	N.Indv	K And K Associates	Kapilkumar Rajkumar Makkar	Vapi
General	O1810	N.Indv	Mehta Associates	Viral Jigish Mehta	Ankleshwar
General	O1811	Ind	Riddhi Sanjay Patel	Riddhi Sanjay Patel	Bharuch
General	O1812	N.Indv	Nitya Nishra Financial Advisors	Vatsal Kirtikumar Gandhi	Bharuch
General	O1813	Ind	Sanjay Siroliya	Sanjay Siroliya	Indore
General	O1561A	N.Indv	Kadam Capital	Mahesh Uttamrao Kadam	Aurangabad
General	O1814	N.Indv	MSK Financial Advisory Pvt Ltd	N Meenakshi Sundaram	Chennai
General	O1815	N.Indv	Financial Advisor	Santosh Babulalji Behare	Amravati
General	O1816	N.Indv	Financial Advisor	Rajesh Rameshkumar Agrawal	Amravati
General	O1817	Ind	Kanhiya Lal Agrawal	Kanhiya Lal Agrawal	Mathura
General	O1818	Ind	Jitendra Agrawal	Jitendra Agrawal	Mathura
General	O1819	N.Indv	Khushi Investment	Deepak Kumar Agrawal	Mathura
General	O1820	Ind	Sushil Tiwari	Sushil Tiwari	Mathura
General	O1821	Ind	Hari Shankar	Hari Shankar	Mathura
General	O1822	Ind	B.Palani	B.Palani	Chennai
General	O1823	N.Indv	Affluence Financial Services	Renuga Sathish	Chennai
General	O1824	N.Indv	Paisa Care Financial Services	P. Venkatesan	Chennai
General	O1825	N.Indv	Desikan Consulting	Desikan Rangarajan	Chennai
General	O1826	Ind	M Kumaran	M Kumaran	Madurai
General	O1827	N.Indv	Lakshmi Investments	Veluchamy Saravanabavan Rajnikanth	Madurai
General	O1828	N.Indv	Bright Path Financial Solutions	B. Parameswaran	Madurai
General	O1829	N.Indv	My Investments	Saravana Kumar Subbiah	Madurai
General	O1830	N.Indv	Om Sai Investment	Viresh Vinubhai Patel	Bharuch
General	O1831	Ind	Ajay Agrawal	Ajay Agrawal	Mathura
General	O1832	Ind	Ashok Kumar Sharma	Ashok Kumar Sharma	Mathura
General	O1833	Ind	Avinash Kumar Bansal	Avinash Kumar Bansal	Mathura

Events

On 11th December, 2018 Ms. Roopa Venkatkrishnan had an interactive session at Ahmedabad which was well attended by more than 105 IFA's.



Mr. Sanjay Khatri, Director, FIFA had a session on 14th December at Panaji, and 15th December 2018 in Belgaum and many IFA's attended the same



On 22nd December, 2018 Ms. Roopa Venkatkrishnan had a session in Rajkot and many IFAs attended the programme.



Mr Amit Biwalkar had conducted the session on 29th Dec 18.



Financial Resolutions Every Advisor Must Take!

New Year is the time for the
New beginnings to be made,
New promises to keep,
New plans to be made

This 2019, let us also make some financial resolutions and promise ourselves that we will keep it for the rest of our lives.

No claims of guaranteed returns

Mutual funds are always subject to market risks. As such, we will not make any claims of guaranteed returns, as it gives our clients a sense of expectations.



Regularly review the client's portfolios

Our clients trust us as a guiding partner for their financial plans. We must regularly review their portfolios so as to ensure that their financial journey is on track.



Giving an unbiased advise

We help our clients achieve their dreams and goals. Unbiased advise can be another enabler in that direction, and we would advise only on the basis of specific requirements in the financial plan.



Asset Allocation is the Key

We will always formulate an asset allocation strategy for our clients, as it helps them diversify their investment risks and take a step ahead towards their financial goals.



These resolutions will help us stay true towards being 'independent financial advisors' and let us strive to keep these resolutions for all our professional endeavors.

'Side pocketing' - Creation of a Segregated Portfolio within the Mutual Fund Scheme

Here are its salient features:

○ What is a 'segregated portfolio'?

It shall mean a portfolio, comprising of debt or money market instrument affected by a credit event, that has been segregated in a mutual fund scheme.

○ Enabling Clause in Scheme Information Document

Such segregation can be done only if the Scheme Information Document (SID) of the scheme has provisions for a segregated portfolio with adequate disclosures.

○ Decision to create a segregated portfolio

AMC shall decide on the creation of a segregated portfolio on the day of a credit event. Once such a decision has been taken, a press release will also be required to be issued disclosing its intention to segregate such debt and money market instrument and its impact on the investors. The mutual fund should also disclose that the segregation shall be subject to trustee approval.

○ Implementation of Such Decision

Upon receipt of the trustee approval (which shall in no case be later than one day from the day of credit event), the NAV of both segregated and main portfolio shall be disclosed from the day of the credit event and all existing investors in the scheme as on the day of the credit event shall be allotted equal number of units in the segregated portfolio as held in the main portfolio.

○ Liquidity to the Unitholders of Segregated Portfolio

No redemption and subscription shall be allowed in the segregated portfolio. However, in order to facilitate exit to unitholders in the segregated portfolio, AMC shall enable listing of units of the segregated portfolio on the recognized stock exchange within 10 working days of creation of a segregated portfolio and also enable transfer of such units on receipt of transfer requests.

○ Benefits of Segregation

The future investors will be able to subscribe only to the main portfolio and as such, any recovery in the segregated portfolio will benefit the unitholders of the segregated portfolio only.

○ Disclosure Requirements

The Net Asset Value (NAV) of the segregated portfolio shall be declared on a daily basis and adequate disclosure of the segregated portfolio shall also appear in all scheme related documents, in monthly and half-yearly portfolio disclosures and in the annual report of the mutual fund and the scheme.

○ Scheme Performance to Consider the Impact of Segregated Portfolio

The scheme performance required to be disclosed at various places shall include the impact of the creation of a segregated portfolio. The scheme performance should clearly reflect the fall in NAV to the extent of the portfolio segregated due to the credit event and the said fall in NAV along with recovery(ies), if any, shall be disclosed as a footnote to the scheme performance.

Quiz

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- lock-in
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