



Foundation of Independent Financial Advisors

February 2018

What's New?

■ Monthly SIP Inflows

Monthly inflows into Mutual Funds through SIPs have been showing encouraging signs as retail investors continue to show their faith to invest through mutual funds. The domestic savings are shifting slowly into the financial markets, thereby showcasing a healthy trend. Association of Mutual Funds in India (AMFI) data shows that the MF industry had added about 9.26 lacs SIP accounts each month on an average during the FY 2017-18 (till Jan. 2018) with an average SIP size of about Rs 3,300 per SIP account. During the month of January 2018, an amount of Rs. 6,644 crores has been invested through SIPs which is 62% higher than the amount of Rs. 4,095 crores collected in Jan. 17.

■ Equity Market Performance during Feb. 2018

Union Budget 2018 proved to be a key trigger event for the market to put a break to the market uptrend. The imposition of LTCG tax dampened the bullish sentiments coupled along with the sell-off in the global markets. Markets also witnessed sell-off in the banking and financial sector as Reserve Bank of India issued a new bad loan resolution framework, and eliminated all the existing resolution frameworks like SDR, S4A, 5:25 Scheme etc. While the benchmark indices, BSE Sensex and NSE Nifty50 lost around 5% each, even all the sectoral indices also gave negative returns to the investors. Given the volatility in the markets, the clients may be advised to continue to stay invested and in fact, increase the investments through SIP route.

■ Proposed LTCG tax on Listed Shares and Equity Oriented Mutual Funds

Long-term capital gains (LTCG) from the sale of listed equity shares and equity-oriented mutual funds have been considered exempt from tax till the financial year 2017-18. Union Budget 2018 proposed to introduce tax on such gains exceeding Rs. 1 lakh in a year at a concessional rate of 10%, however without any indexation benefit. However, to avoid any disruption in the markets, any gains on the existing investments till 31st January 2018 will stay exempt from income tax. The tax will be levied only upon sale of the specified long-term capital asset on or after 1st April 2018. Any long term capital gains on sale of listed equity shares and equity oriented mutual funds till 31st March 2018 continue to stay exempt u/s 10(38) of the Income Tax Act, 1961.

FIFA welcomes New Members:



| M TYPE | MEM. NO. | TYPE | NAME OF ORGANISATION / IFA | NAME OF MEMBER | LOCATION |
|---------|----------|--------|---|----------------------------|-----------|
| General | 01468 | Indv | Sunil Bhaguji Shinde | Sunil Bhaguji Shinde | Jalna |
| General | 01469 | Indv | Nitin Maroli | Nitin Maroli | bangalore |
| General | 01470 | Indv | Vinay Kumar Rai | Vinay Kumar Rai | Kanpur |
| General | 01471 | N.Indv | Shah :Insurance & Investments | Piyush Pankaj Shah | Jalna |
| General | 01472 | N.Indv | Vivek nair Financial Solutions | Vivek Vasudevan nair | Nagpur |
| General | 01473 | N.Indv | Sanjay Limbraj Inchure | Sanjay Limbraj Inchure | Jalna |
| General | 01474 | N.Indv | Aarush Investments | Pawan Shamsunder Bangad | Jalna |
| General | 01475 | N.Indv | Jai Matadi Financial Advisors & Investments | Snehal Sureshchand Lunavat | Jalna |
| General | 01476 | N.Indv | Economy and You Advosprs | Dattatraya Shivaji Mule | Pune |
| General | 01477 | Indv | Ashwani Jairath | Ashwani Jairath | Ludhiana |
| General | 01478 | Indv | Harish Kumar | Harish Kumar | Ludhiana |
| General | 01479 | Indv | Ashish Vaid | Ashish Vaid | Ludhiana |
| General | 01480 | N.Indv | Re-Consult Wealth Advisory | Naranjan Singh | Zirakpur |
| | | | | Sonu Verma | Zirakpur |
| General | 01481 | N.Indv | Advaita Associates | Vivek Marotrao Pohekar | Nagpur |
| General | 01482 | N.Indv | DS Financials | Dhilan Jyotendra Shah | Panaji |

Events

On 13th February, 2018 FIFA launched the Finalmile book at The Trident. Finalmile is a comprehensive research on Investor Behaviour conducted by Finalmile. The findings have been published in a booklet titled

“An Examination of Indian Mutual Fund Investor's Awareness 2018: A roadmap to improve mutual fund penetration among Indian investors”.

The study is one of the first of its kind in the country as it uses behavioural sciences to do its research and arriving at its conclusions. It aims to understand the engagement that the Indian investor has with Mutual Funds with a view to provide insights to improve retail penetration in Mutual Funds (MFs). It seeks to answer specific questions relevant to all mutual fund stakeholders like Government, Regulator, Manufacturer, Distributor, and keeping the Investor at the centre of the study

The study aims to improve retail penetration in Indian MFs by understanding the

- (i) Quality of awareness among potential and existing investors,
- (ii) Barriers to engaging with mutual funds and the role of regulations and
- (iii) Role of communication and intermediaries in influencing decisions related to investment in mutual funds.





- **FIFA had its 4th Annual Event on Friday, 16th February, 2018. The conference was attended by 380 of India's leading IFAs spread across 70 cities.**
- **The days proceedings started with the National Anthem and Lighting of the Lamp followed by Mr Dhruv Mehta's address to the members.**
- **He gave a quick update on FIFA's activities in the recent past and the Road Ahead was for members to be not only Independent but also Excellent Advisors.**
- **The Keynote address was given by Ms. Arundhati Bhattacharya, Chairperson of SEBI's Mutual Fund Advisory Committee (MFAC) and Ex Chairperson State Bank of India.**
- **A request was made that the MFAC needs a representation from the IFA community.**
- **Four of FIFAs own members shared their own Success Stories.**
- **We then had a very interesting and insightful session by Mr Phil Billingham, UK on Managing the Changing Regulatory Environment.**
- **The Panel discussion on Equities and Debt were very educative and insightful for our members and will go a long way in shaping the suitable and appropriate advise to their clients in the current volatile environment. The Moderator's were able to extract pearls of wisdom from the panellists.**
- **Thereafter we had a session by Ms Nithya Easwaran where she spoke on "Innovation, Collaboration & Independence: building an IFA Platform".**
- **The conference concluded with a very touching performance by the blind boys of Victoria Memorial School.**
- **The photographs and the video will be uploaded on our website for members to access the same.**



Mr. Phil Billingham ACII FPFS CFP Chartered Wealth Manager Chartered Financial Planner, Director, who had come from UK did a workshop in Delhi on 12th February, 2018 and in Mumbai on 17th February, 2018 respectively, which was well attended by IFA's.

We invite Members to solicit new Membership and invite viewers to register as Members. For details and registration forms, please visit FIFA Website: www.fifaindia.org
Your contribution towards this newsletter is solicited. Please share your views on events that you attend. Mail to response@fifaindia.com
Editor: Nisreen Mamaji