



Foundation of Independent Financial Advisors

JUL 2019

What's New?

○ Market Performance during July 2019

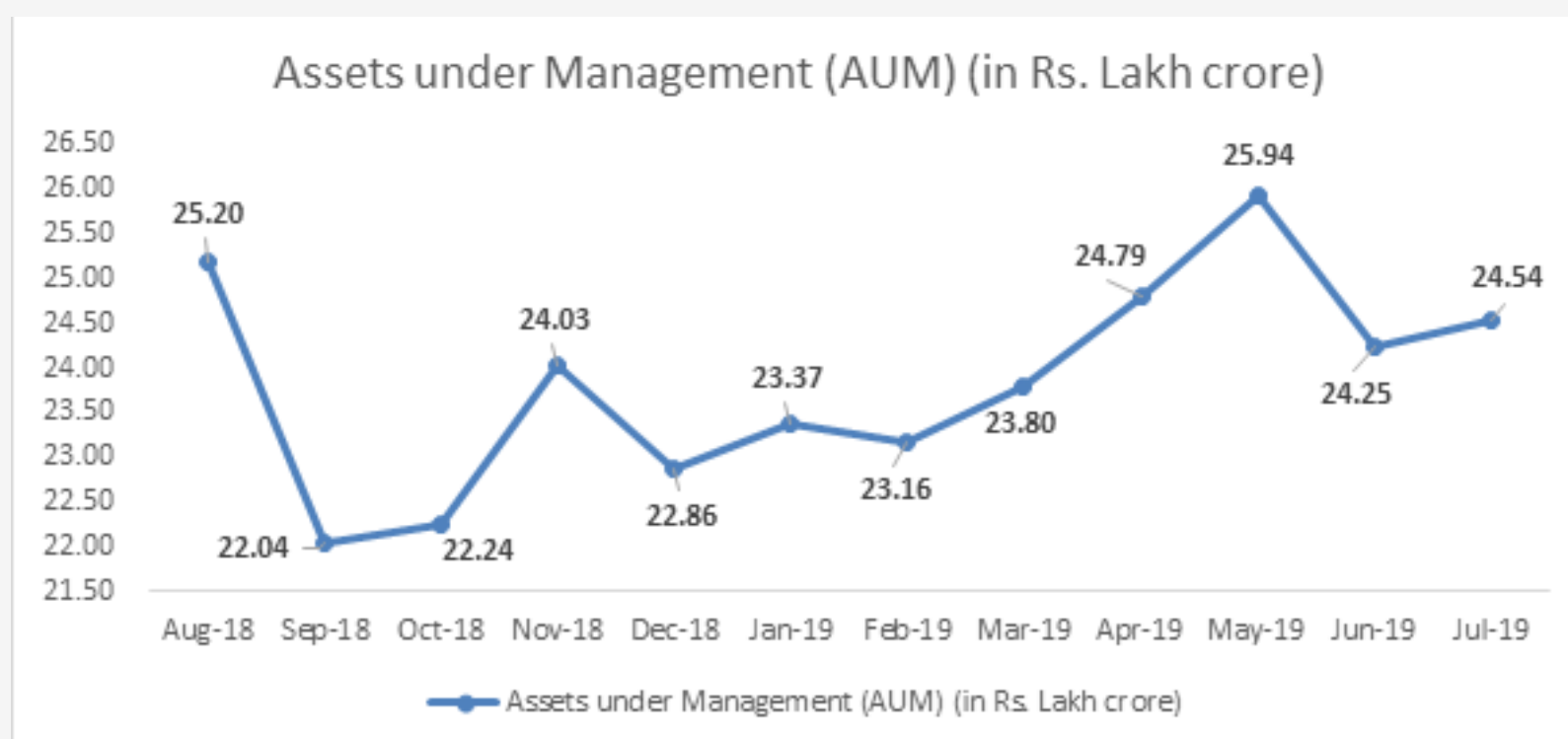
The benchmark indices, S&P BSE Sensex and NSE Nifty50, generated negative returns of 5% and 6% respectively during July 2019. The major dampener to the market sentiments during the month was the Union Budget 2019, which proposed to increase the maximum marginal tax rate for the super-rich taxpayers earning more than Rs. 2 crores, thereby also consequently increasing tax rates for Foreign Portfolio Investors. The sentiment was further moderated due to growing concerns of the lower growth outlook for the Indian economy. Even on the global front, the increasing fears for US-China trade discouraged the market participants from investing in markets.

The markets took some support from encouraging mutual fund inflows into the markets amounting to Rs. 151 billion, which outnumbered the FPI outflows of Rs. 124 billion during the month. Majority of the sectoral indices ended July 2019 in negative territory, with S&P BSE Consumer Durables index & S&P BSE Auto Index slipping around 14% and 13% respectively during the month due to slowing consumption trends.

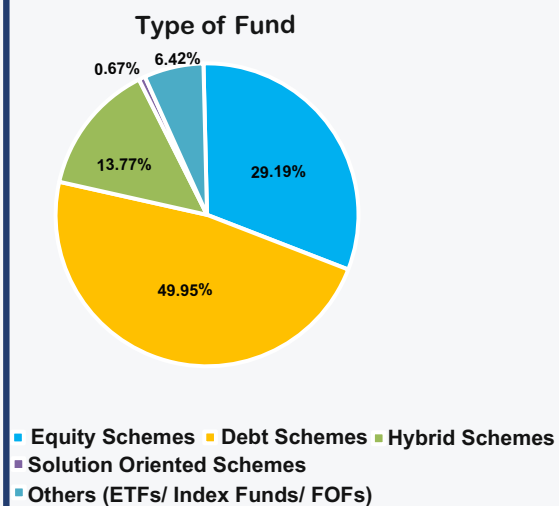
The 10-yr benchmark G-sec yield declined by 51 bps during the month (overall 100 bps during the year) and closed the month of July 2019 at 6.37%. The G-sec yields softened during the month due to the budget proposal of raising a part of Govt. borrowings through Sovereign bonds in foreign currency. However, the first few days of August saw this proposal being withdrawn, for the time being, allowing the benchmark yields to reverse some of the earlier gains in spite of higher than expected 35 bps rate cut by the Monetary Policy Committee (MPC) of Reserve Bank of India (RBI) in August. AAA credit spreads were at 104 bps for 10-year benchmark papers at July end, thereby continuing to be at higher levels. While the month saw high FII/ FPI investment outflows, the Indian currency was able to sustain the downturn supported by lower crude oil prices and ended the month at Rs. 68.78 per USD as against Rs. 69.02 per USD at May-19 end.

The Finance Minister has been interacting with various stakeholders, including the industry, FII/ FPIs, stressed sectors, etc. With the Govt. prioritizing the concerns of the slowing economy, it is expected that sector-specific reforms will be announced soon. RBI has also revised its GDP growth projections downwards in its recently Monetary Policy Committee meeting and thus reduced the policy rates by an unconventional 35 bps. With the 10-year yields nearing multi-year lows, the business sentiments may improve on the back of lower cost of funds, also leading to an improvement in the investment scenario. However, given the heightened trade war fears leading to strengthened greenback against other currencies, the markets may continue to stay volatile. However, the long term outlook for Indian equities remains to be optimistic. As such, the investors may invest in dynamic asset allocation schemes to benefit out of volatility. Further, staggered investments in midcap and smallcap schemes can be continued with long term investment horizon.

○ AUM Movement over the last 12 months



AUM Composition as at July 2019 End



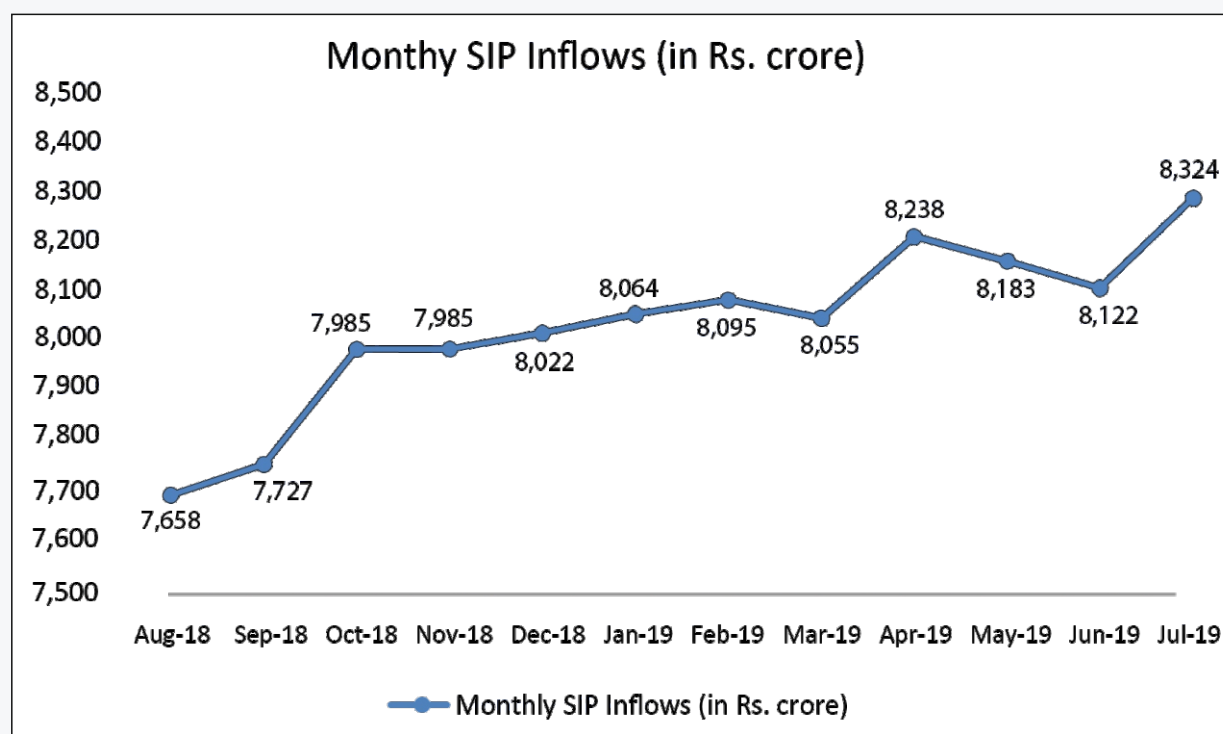
How has the AUM changed over the last month?

(All figures in Rs. crore)

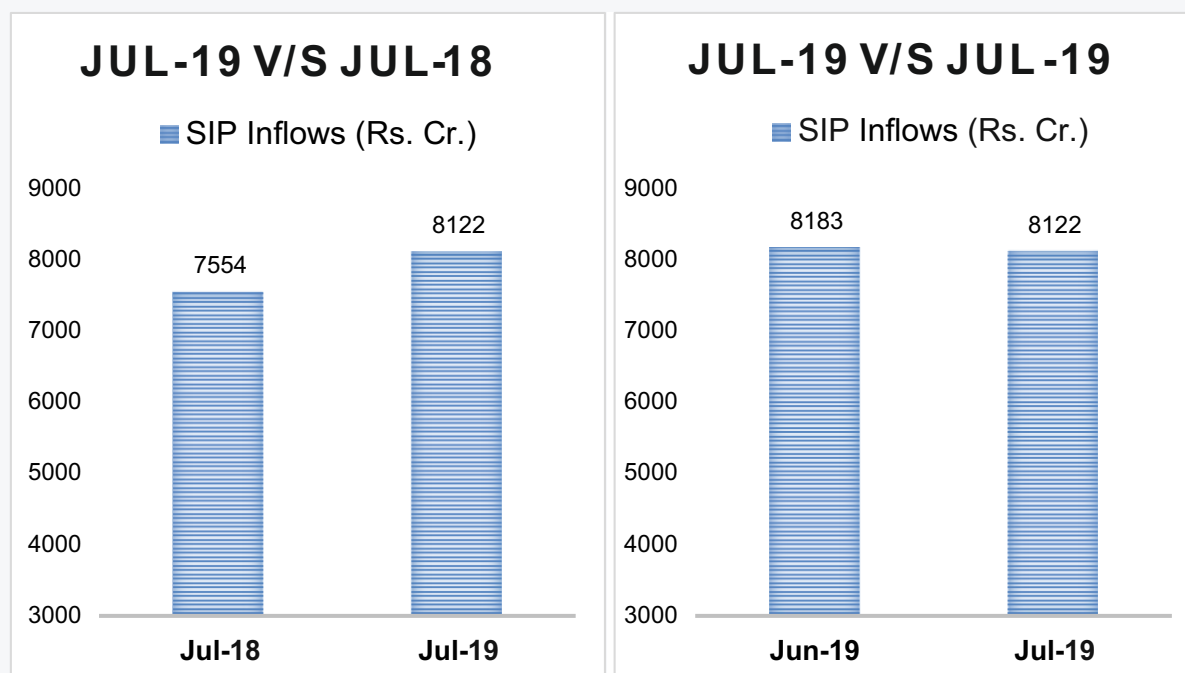
| Particulars | AUM as at 30-Jun-19 | Net Inflows/ (Outflows) | Increase/ (Decrease) due to market movements | AUM as at 31-Jul-19 |
|---------------------------|---------------------|-------------------------|--|---------------------|
| Equity Schemes | 7,58,001 | 8,013 | (49,899) | 7,16,115 |
| Debt Schemes | 11,54,729 | 58,906 | 12,107 | 12,25,741 |
| Hybrid Schemes | 3,41,445 | 7,393 | (10,921) | 3,37,917 |
| Solution Oriented Schemes | 16,802 | 155 | (597) | 16,360 |
| ETF/ FOF/ Others | 1,54,064 | 12,621 | (9,192) | 1,57,493 |
| Total | 24,25,041 | 87,088 | (58,502) | 24,53,626 |

Source – AMFI

SIP Trends



Growth in SIP Inflows



FIFA Welcomes New Members

| Mem Type | Mem No. | Type | Member / Organization | Location |
|----------|---------|--------|----------------------------------|--------------|
| General | O2038 | Ind | Vineet Seth | Amritsar |
| General | O2039 | Ind | Clopha Jashua Anil Kumar Arem | Secunderabad |
| General | O2040 | Ind | Piyushkumar Ramanlal Patel | Mehsana |
| General | O2041 | Ind | Daxesh Shirishkumar Soni | Vaslad |
| General | O2042 | Ind | Rajesh Badrinarayanji Sharma | Amravati |
| General | O2043 | Ind | Bhavinkumar Nareshbhai Prajapati | Valsad |
| General | O2044 | Ind | Kuntal Thakorbhai Patel | Valsad |
| General | O2045 | Ind | Sachin Kerba Shinde | Ichalkaranji |
| General | O2046 | Ind | Bharatkumar Vijaykumar Soni | Ichalkaranji |
| General | O2047 | Ind | Praveen Parasmal Bhansali | Ichalkaranji |
| General | O2048 | N.Indv | Divya Monigari | Hyderabad |
| General | O2050 | Ind | Prapanna Pradip Chinnakonda | Valsad |
| General | O2051 | Ind | Rajesh Lalitbhai Kapadia | Valsad |
| General | O2052 | N.Indv | Pathri Sai Krishna | Hyderabad |
| General | O2053 | Ind | Lalit Mohan Sahu | Hyderabad |
| General | O2054 | Ind | Subhash Manohar Khanvilkar | Mumbai |
| General | O2055 | Ind | Parshva Shailesh Shah | Mumbai |
| General | O2056 | Ind | Sanjeev Kumar Mundhra | Kolkata |
| General | O2057 | Ind | Reena Vipul Ashara | Rajkot |
| General | O2058 | Ind | Chirag Hasmukhbhai Lakhataria | Gondal |
| General | O2059 | Ind | Vinit Dayanand Loni | Sangli |
| General | O2060 | Ind | Suresh Kumar Choudhary | Kolkata |
| General | O2061 | Ind | Prema Mitra | Kolkata |
| General | O2062 | Ind | Shaiwal Agarwal | Ghaziabad |
| General | O2063 | Ind | Anurag Shashidhar Dodmani | Jabalpur |

On 4th July 2019 Mr Dhruv Mehta was the Chief Guest and Ms Roopa Venkatkrishnan was Guest of Honour for the Installation Ceremony of PIFAA at Pune.

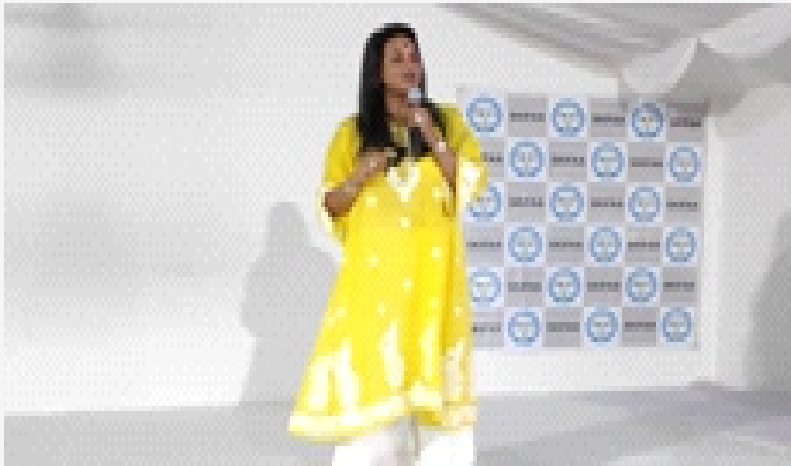


Mr Ashish Modani conducted session on “Behavioural Economics (Psychology Of The Investors)” on 6th July 2019 in Ahmedabad in coordination with Mr Milind Shah, which was attended by 140 IFAs.



Mr Ashish Modani & Ms Roopa Venkatkrishnan conducted session on Behavioural Economics (Psychology Of The Investors)” on 7th July 2019 in Rajkot in which was attended by many IFAs.





Ms Roopa Venkatkrishnan was awarded “Best Performing Financial Advisor – Mega Cities (West)” award on 10th July 2019 by UTI – CNBC TV18.

**UTI-CNBC
TV18 awards**

**FIFA
congratulates
FIFA Member**

**Roopa
Venkatkrishnan**

**Best Performing
Individual Financial
Advisor - Mega Cities
(West)**

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Ms Sangeeta Jhaveri was awarded “Hall of Fame” award on 10th July 2019 by UTI – CNBC TV18.

**UTI-CNBC
TV18 awards**

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**Sangeeta
Jhaveri
(Mumbai)**

- Hall of Fame

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Mr Pallav Bagaria was awarded “Hall of Fame” award on 10th July 2019 by UTI –CNBC TV18.



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TV18 awards**



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**Pallav Bagaria
(Gwahati)**

- Hall of Fame

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Mr Jaydeep Kashigar was awarded “Hall of Fame” award on 10th July 2019 by UTI – CNBC TV18.



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TV18 awards**



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**Jaydeep Kashigar
(Mumbai)**

- Hall of Fame

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Mr Lalit Tripathi was awarded “Hall of Fame” award on 10th July 2019 by UTI – CNBC TV18.



**UTI-CNBC
TV18 awards**



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**Mr. Lalit Tripathi
(Ranchi)**

- Hall of Fame

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Ms Sarika Arun Sahoo was awarded “Best Performing Individual Financial Advisor – Women (East) 2018-2019” award on 10th July 2019 by UTI – CNBC TV18.



**UTI-CNBC
TV18 awards**



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**Sarika Arun Sahoo
Bhubaneswar**

**Best Performing
Individual Financial
Advisor - Women
(East) 2018-2019**

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Ms Shifali Umatt was awarded “Best Performing Individual Financial Advisor – (Women North) award on 10th July 2019 by UTI – CNBC TV18.



**UTI-CNBC
TV18 awards**



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**Shifali Satsangee
(Agra)**

**Best Performing
Individual Financial
Advisor Award
(Women North)**

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Ms Shubhangi Gopal Pai was awarded “Best Performing Individual Financial Advisor – (Women West) award on 10th July 2019 by UTI – CNBC TV18.



**UTI-CNBC
TV18 awards**



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**Shubhangi Gopal Pai
(Mumbai)**

**Best Performing
Individual Financial
Advisor Award
(Women West)**

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Capital League was awarded “Best Independent Financial Advisor – (Mega Cities North) award on 10th July 2019 by UTI – CNBC TV18.



**UTI-CNBC
TV18 awards**



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FIFA Member**

**Capital League
(Delhi)**

**Best Independent
Financial Advisor
(Mega Cities North)**

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Mr Datta Prabhakar Kanbargi was awarded “Best Performing Individual Financial Advisor – Up Country (Tier2- South) ” award on 10th July 2019 by UTI – CNBC TV18.



**UTI-CNBC
TV18 awards**



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congratulates
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**Datta Prabhakar
Kanbargi
(Belgaum)**

**Best Performing
Individual
Financial Advisor
- Up Country
(South)**

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Mr Dhananjay Kale was awarded “Best Financial Advisor Award (Tier2- West) ” award on 10th July 2019 by UTI – CNBC TV18.



**UTI-CNBC
TV18 awards**



**FIFA
congratulates
FIFA Member**

**Dhananjay Kale,
Dhanashree
investments
(Pune)**

**Best Financial
advisor award
(Tier 2 - West)**

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Mr Domingo Rebello was awarded “Best Independent Financial Advisor (Tier2- South) ” award on 10th July 2019 by UTI – CNBC TV18.



**UTI-CNBC
TV18 awards**



**FIFA
congratulates
FIFA Member**

**Domingo John
Rohan Rebello
(Mangalore)**

**Best Performing
Individual Financial
Advisor
(Tier 2 - South)**

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Mr Ramesh Chand Maloo was awarded “Best Financial Advisor (Tier2- North) ” award on 10th July 2019 by UTI – CNBC TV18.



**UTI-CNBC
TV18 awards**



**FIFA
congratulates
FIFA Member**

**Ramesh Chand Maloo
(Jaipur)**

**Best Financial
advisor award
(Tier 2 - North)**

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Mr Kirtan Shah of Axis Mutual Fund conducted session on Debt Market on 16th July 2019 in Amritsar in coordination with Mr Kapil Khurana. Many IFA's from Amritsar and Jalandhar attended the event.



On 20th July, 2019 Ms. Roopa Venkatkrishnan conducted “Knowledge Sharing Session” in Kolkata which was attended by many IFAs.



On 25th July 2019 Mr Dhruv Mehta, Ms Roopa Venkatkrishnan, Mr Sanjay Khatri, Mr Gurpreet Kabli and Mr Ashish Modani had a meeting with AMFI Officials in Mumbai regarding KYC/Pan updation. Letter regarding KYC/Pan updation has been sent on 23rd July 2019, by email to AMFI and Mutual Fund Houses. This letter has been uploaded on our FIFA website www.fifaindia.org under Home page in download section.



On 26th July, 2019 Ms Roopa Venkatkrishnan attended the 6th Mint Mutual Fund Conclave in Mumbai.

Regional FP – Conclave 2019 was conducted in 5 cities with houseful attendants and a power packed schedule with inspiring speakers.



How can Financial Advisors help their clients achieve Financial Freedom?

While the equity markets have stayed volatile during July, the retail investors have continued their investments into the markets through SIPs. The month of July 2019 saw the highest ever monthly SIP inflows of Rs. 8,324 crores (Source: Association of Mutual Funds in India, AMFI). The recent market turmoil may have got the investors thinking to stop their SIPs and redeem existing investments, for such correction phase is something new for the investors who have entered the markets in recent times. As such, financial advisors play a crucial role in reinforcing the conviction of retail investors in the markets. Continuing with our purpose of being the client's financial guide, let us discuss how we can help our clients achieve financial freedom:

- 1. Regular Investing through SIPs** – While making investments, it is the human tendency to defer the investments until they can get the timing right. However, the unpredictability of the markets is indeed its beauty, and thus, most of the investors may keep deferring the investments till eternity while they wait for the right time. Registering a SIP is one of the most efficient ways to get rid of the emotional bias in the investing journey and thus, achieve financial freedom in its real sense. When one registers a SIP, the investment amount gets deducted from the bank account on a periodic basis and gets automatically invested in the mutual fund scheme. As such, SIPs must be registered in the mutual fund scheme suiting the financial goals and investment horizon of the client.
- 2. Asset Allocation** – The investment portfolio of the client must be aligned with his financial priorities and risk appetite. While you may have advised the client to invest heavily into equity markets while they were young, the compelling circumstances may call for a change in the financial profile, since the client may have additional financial commitments now. Similarly, the risk profile may have changed with the passage of time and lower investment period available now. As such, the portfolios must be periodically rebalanced to suit the changes in the financial profile. Clients may be advised to register Systematic Transfer Plans (STP) to switch investments from one mutual fund scheme to another and maintain optimum asset allocation best suiting the risk profile.
- 3. Linking the Investments with Specific Goals** – Financial goals add an emotional element to the investing journey, and as such, the clients are more likely to continue investing even during market downturns to achieve the financial goals in a time-bound manner. Further, adding a time frame to the goals and the investments can help take the investment decisions more appropriately, as different types of mutual fund schemes may be suitable for varying investment horizons and risk appetite.

Keeping Investment Valuations away from Sight – This is undoubtedly one of the most vital steps to be performed to achieve financial freedom in real sense. When one checks the portfolio valuations daily, it causes an avoidable panic in the minds, even while the investments might be there for a longer time on account of longer investment horizon for financial goals. The short term market movements may be irrelevant while considering it for long term goals. As such, the clients may be advised not to check the valuations/ NAV at frequent intervals. However, advisors must perform a periodical performance review of the portfolio to sustain the portfolio health and ensure that the journey to secure a healthy financial future is on track.

The dynamism of markets may keep the clients connected and bound with their portfolios, but it is essential to help them enjoy freedom from such shackles within their financial lives. Adding a sense of financial discipline into their lives and letting them know that someone is taking care of their investing needs is a crucial element to help them achieve financial freedom. Allow your clients to enjoy financial independence this August.

Quiz

- Q.1 - Passive funds tend to have lower expense ratios than actively managed funds.
A) True B) False
- Q.2 - Overnight funds cannot levy exit load.
A) True B) False
- Q.3 - A large cap fund must invest 90% of the portfolio in equity instruments of large cap companies.
A) True B) False
- Q.4 - SWP stands for:
A) Simple Wealth Plan B) Simplified Wellness Plan
C) Systematic Withdrawal plan D) Small Wishlist Plan
- Q.5 - The valuation of debt securities is directly proportional to the yield of such securities.
A) True B) False

Ans. Q.1 - A), Q.2 - A), Q.3 - B), Q.4 - C), Q.5 - B)

All Members are requested to update their email IDs and cell numbers on telegram and database. Also, please provide the GST Number. All those Members who have not paid the Annual Fee are requested to do so at the earliest for both 2017-18 & 2018-19.

Your contribution towards this newsletter is solicited. Please share your views on events that you at your end.

Mail to response@fifaIndia.com

Editor: Nisreen Mamaji