



UDYAM

It's All About Mutual Fund
Since 1991

INVESTMENT OUTLOOK

MONTHLY NEWSLETTER TO MANAGE YOUR PERSONAL FINANCES

Month Ending - February 2023



What's Inside



Investment Gyan



Market Indicator



Inspiring Investment Story

Wishing you and your family

HAPPY HOLI

Special Section

**Inspiring Savings
Story - Case Study**

FROM THE DESK OF AUTHOR

“Equity Investment doesn't only build wealth, but it also teaches a lot about life, patience, persistence and wisdom.”

Every investor knows the fact that maximum wealth can be created by investing in equity & equity related instruments as compared to any other asset class, if the investor has patience, discipline and is a long-term investor. This literacy is quite evident in the growth of subscriptions in equity funds.

Assets managed by the Indian mutual fund Industry have increased from Rs. 38.89 trillion in Jan 2022 to Rs. 40.80 trillion in Jan 2023. That represents 4.93 % increase in assets over Jan 2022. The proportionate share of equity-oriented schemes is now 51.0% of the industry assets in Jan 2023, up from 48.6% in Jan 2022.

Through our regular investor's communication, we intend to educate our readers about the desired investment behavior which will help them in creating wealth. Such behaviors include the long-term commitment to your investments and keeping patience in terms of managing your fear or greed.

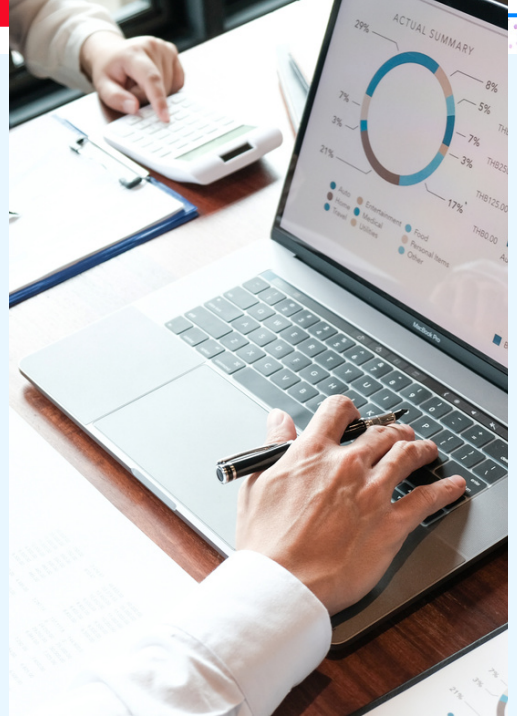
Average returns of last 10 years from Top 10 diversified equity funds, is coming close to 20% return p.a., (we have shown returns of these funds in the sections below). So, one can easily understand that it's the game of average returns. I mean, there could be years when your equity funds will show (-5%) ROI and there could be years when your funds will show a ROI of +24%; So when you see a ROI of 20% p.a. from any equity funds over a period of 10-15 years, this will consist of rough patches also. That is the time when you need to be patient with your investments.

Happy Investing.

As per AMFI latest research data, Individual investors now hold a relatively higher share of industry assets, i.e., 57.3% in Jan 2023, compared with 55.0% in Jan 2022. That directly means that retail investors are getting more literate towards their investments and risks.

In this edition of our newsletter, we have covered some expert comments on US and other Global situation, plus we have covered one more inspiring story on good savings. Please read it during your free time and do provide your feedback.

Wish you a very colorful and happy Holi.



Mr. Uddhav Tulshibagwale
Founder
Udyam Investments



 +91-9822672235, +91-8448440734

CHAPTER - 01 : INVESTMENT GYAN

EQUITY IS AN IMPORTANT ASSET CLASS

You have to understand your risk appetite to take the correct proportion of equity in your portfolio. Asset allocation is key to manage the risk/return appetite

The equity asset class is an interesting asset class and slowly getting more and more acceptance from the last 2 decades.

Equity means ownership

So when you invest in equity, it means that you have bought ownership into a business. For example, when you buy stocks of Infosys or Reliance, you become a small owner of that business.

Even the Restricted stock units (RSU) & Employee Stock Ownership Plan (ESOP) which you get from their companies makes them a small shareholder or owner of the company and that's "equity investment".

Now obviously when you invest in the business, you get a % ownership. And if that company becomes big someday in the future, your overall net-worth also goes up. But there is a problem, the business grows only over time and in between, there are ups and downs and that reflects in the stock price of the business/company.

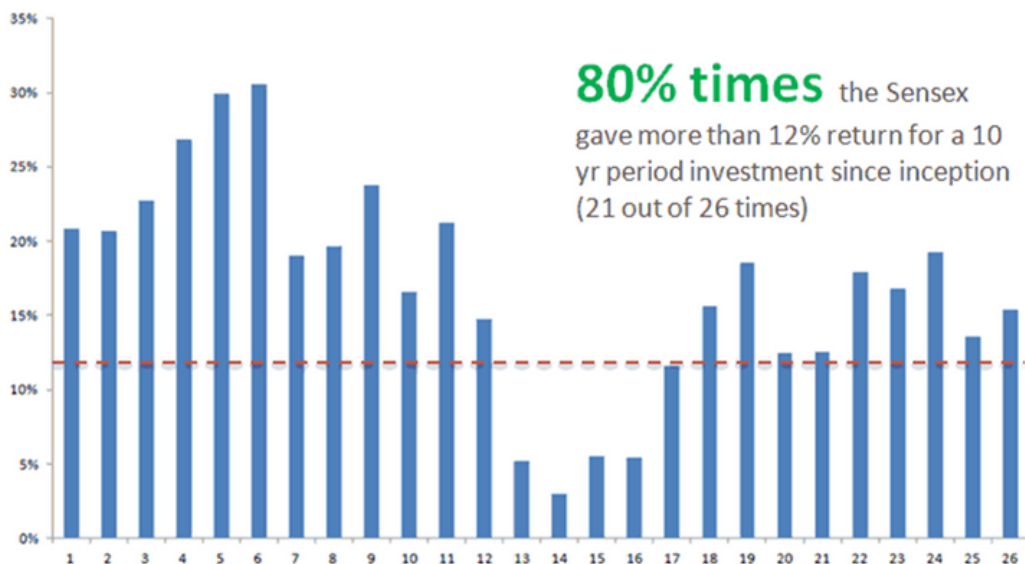
If you look at any investor or businessman today who has actually made it big, there are high chances, it's all happened with multi bagger equity investments. Someone either opened their own company and his ownership in the company added it to his net-worth or invested in some company which had superb growing and held it over the long term.

Equity Investing works in the long run

Below is the 10 years rolling return chart for various decadal blocks of Sensex. You can see that most of the time Sensex has given more than 12% return (much more than that actually) every 4 out of 5 times. This is since the time Sensex has been into existence.



Rolling 10 yr CAGR returns of Sensex over time



MUTUAL FUND IS THE BEST WAY TO INVEST IN EQUITIES

Investing in mutual funds is very simple. You need to understand your risk appetite and investment tenure before choosing the right equity fund for you.

Mutual funds offer a wide range of investment solutions for different investment needs, tenures and risk appetites. Different investors have different financial goals and risk appetites depending upon their stages of life and financial situations. Also, one investor can have multiple financial goals at any point of time. To select the right mutual fund scheme for your specific investment needs you need to compare equity funds vs debt funds as these are two most important assets.



What are equity funds?

Equity funds invest primarily in shares of companies and related securities like derivatives (i.e., futures, options) which trade in the stock market. The primary objective of investing in stocks is capital appreciation along with which stocks may pay dividends which provides income to investors. If you compare difference between equity and debt mutual funds, equity is more volatile asset class compared to debt. Investors need to have moderately high to high-risk appetite with longer investment tenures for equity funds investments.

There is a different type of categorization of equity funds which is largely based on market capitalization segments i.e., Large cap, mid cap and small cap. Large cap funds invest primarily in the top 100 companies by market capitalization. Mid cap funds invest primarily in 101st to 250th companies by market capitalization, while Small Cap funds mostly invest in 251st and onward companies by market capitalization.

Taxation of gains from equity mutual funds

Whether the gain on sale is known as short-term or long-term capital gains, equity mutual funds are subject to capital gains tax. Both resident and non-resident Indians pay the same capital gains tax rates.

Type Of Tax	Tax Rate
Short Term Capital Gains Tax (under section 111A)	
Resident Indian	15%
Non-Resident Indian	15%
Long Term Capital Gains Tax (under section 112 (A)]	
Resident Indian	10% (Capital gains exceeding ₹ 1 Lakh)
Non-Resident Indian	10%(Capital gains exceeding ₹ 1 Lakh)
Dividend Distribution Tax	Nil (as per section 115R)

PERFORMANCE OF TOP 30 EQUITY FUNDS (LAST 10 YEARS)

Most of the diversified equity funds have beaten Nifty/Sensex with good margin, over long term

Funds	10 Yr Ret (%)
Nippon India Small Cap Fund	25.23
SBI Small Cap Fund	24.66
DSP Small Cap Fund - Regular Plan	21.89
Mirae Asset Emerging Bluechip Fund - Regular Plan	21.77
Quant Active Fund	20.31
Canara Robeco Emerging Equities Fund - Regular Plan	20.03
Kotak Emerging Equity Fund Regular Plan	19.81
Edelweiss Mid Cap Fund - Regular Plan	19.73
Franklin India Smaller Companies Fund	19.66
Kotak Small Cap Fund - Regular Plan	19.51
Aditya Birla Sun Life Digital India Fund	19.46
SBI Magnum Midcap Fund	19.22
Quant Flexi Cap Fund	19.16
HDFC Mid-Cap Opportunities Fund	19.12
UTI Mid Cap Fund - Regular Plan	18.98
Tata Midcap Growth Fund - Regular Plan	18.43
Quant Large and Mid Cap Fund	18.29
Invesco India Mid Cap Fund	18.28
Franklin Build India Fund	18.26
HDFC Small Cap Fund - Regular Plan	18.25
HSBC Midcap Fund	18.04
Sundaram Small Cap Fund - Regular Plan	18.03
Axis Midcap Fund	17.99
Nippon India Focused Equity Fund	17.82
HSBC Value Fund	17.77
ICICI Prudential Midcap Fund	17.58
ICICI Prudential Value Discovery Fund	17.57
ICICI Prudential Exports and Services Fund	17.43
Sundaram Large and Mid Cap Fund	17.27
Nippon India Growth Fund - Institutional Plan	17.08

NOTE: This is an average performance of all the funds in same category. However, performance may be different for different schemes under same category.

CHAPTER - 02 : MARKET INDICATOR

EQUITY MARKET SNAPSHOT - LAST ONE YEAR

Period	KEY INDIAN INDICES					
	SENSEX	NIFTY 50	Nifty Next 50	Nifty Midcap 150	Nifty Smallcap 250	Nifty 500
28th February 2023	58962.12	17303.95	37252.55	11411.25	8924.15	14518.75
1 Month	-0.99%	-2.03%	-4.97%	-1.60%	-3.64%	-2.79%
3 Months	-6.56%	-7.75%	-14.73%	-5.64%	-7.53%	-8.95%
6 Months	-0.97%	-2.56%	-14.77%	-3.84%	-3.89%	-5.26%
1 Year	4.83%	3.04%	-6.99%	7.44%	0.41%	1.47%
Current P/E	25.99	20.39	25.78	23.88	17.77	21.21
Current P/B	2.87	4.05	4.21	3.21	2.87	3.82

Period	KEY GLOBAL MARKET INDICIES					
	USA		UK	HONG KONG	JAPAN	GERMANY
	NASDAQ 100	S&P 500	FTSE 100	Hang Seng	Nikkei 225	DAX
28th February 2023	12042.12	3970.15	7876.28	19785.94	27445.56	15365.14
1 Month	-0.49%	-2.61%	1.35%	-9.41%	0.43%	1.57%
3 Months	0.10%	-2.70%	4.00%	6.39%	-1.87%	6.72%
6 Months	-1.87%	0.38%	8.13%	-0.84%	-2.30%	19.71%
1 Year	-15.42%	-9.23%	5.60%	-12.89%	3.46%	6.25%
Current P/E	24.87	28.30	11.90	12.20	13.87	12.40
Current P/B	4.45	3.78	1.60	1.34	1.70	3.08

COMMODITY MARKET SNAPSHOT - LAST ONE YEAR

Period	GOLD - 10 GRAM	%	SILVER - 1 KG	%	CRUDE OIL (USD)	%
28th February 2023	55990	-	64868	-	83.12	-
1 Month	56864	-1.54%	68831	-5.76%	84.49	-1.62%
3 Months	52434	6.78%	63570	2.04%	85.43	-2.70%
6 Months	50520	10.83%	53840	20.48%	96.49	-13.86%
1 Year	50530	10.81%	65595	-1.11%	100.99	-17.69%

NOTE : The above is MCX Price in INR

OTHER MARKET INDICATORS

Period	G-SEC Rate	Period	CURRENCY		Period	INFLATION
	10 YR G SEC		USD/INR	%		Rate %
28th February 2023	7.45	28th February 2023	82.65	-	Jan-2023	6.52%
1 Month	7.34	1 Month	81.74	1.11%	1 Month	5.72%
3 Months	7.28	3 Months	81.36	1.58%	3 Months	6.77%
6 Months	7.18	6 Months	79.49	3.97%	6 Months	6.71%
1 Year	6.77	1 Year	75.49	9.47%	1 Year	6.07%

NIFTY EQUITY BENCHMARK INDICIES 28th February 2023

INDEX	CURRENT	1 WEEK%	1 MONTH%	1 YEAR%	52W H	FALL FROM 52 WEEK HIGH
NIFTY BANK	40,269.05	0.68%	-0.19%	11.22%	44,151.80	-8.79%
NIFTY AUTO	12,731.80	-1.99%	-2.73%	17.66%	13,544.90	-6.00%
NIFTY FMCG	44,940.45	-1.04%	1.02%	26.54%	46,398.70	-3.14%
NIFTY IT	29,663.95	-3.08%	-0.34%	-12.36%	36,813.10	-19.42%
NIFTY METAL	5,269.10	-5.78%	-17.53%	-10.65%	6,919.60	-23.85%
NIFTY PHARMA	11,747.10	-2.04%	-6.08%	-9.13%	13,972.45	-15.93%
NIFTY REALTY	393.2	0.96%	-3.52%	-9.90%	483.55	-18.68%
NIFTY CONSUMER DURABLES	23,978.70	-0.72%	1.06%	-13.60%	30,892.40	-22.38%
NIFTY OIL & GAS	6,941.65	-1.20%	-12.75%	-4.49%	8,671.35	-19.95%
NIFTY COMMODITIES	5,372.20	-2.42%	-5.10%	-5.25%	6,458.45	-16.82%
NIFTY INDIA CONSUMPTION	7,116.35	-1.85%	-2.74%	4.95%	8,146.95	-12.65%
NIFTY ENERGY	21,682.25	-1.07%	-10.29%	-10.45%	29,304.05	-26.01%
NIFTY INFRASTRUCTURE	5,016.90	-0.96%	-0.07%	4.55%	5,482.80	-8.50%
NIFTY INDIA DIGITAL	5,199.10	-1.90%	1.88%	-15.45%	7,365.45	-29.41%
NIFTY100 ESG	3,206.35	-1.61%	-3.85%	-5.34%	-	-
NIFTY INDIA MANUFACTURING	7,943.60	-2.38%	-3.30%	3.20%	-	-

Ratio of total market cap over GDP

Recent 10 Year Maximum - 132%

Recent 10 Year Minimum - 48.29%

Current Market Cap / GDP- 95.4%

Current Market Cap of India as on 28th Febuary 2023 - INR 258.6 Lakh cr.

Current GDP: \$3.3 TRLN US dollars or INR 271 LAKHS CR

GDP Growth Figures**% of Growth**

LATEST QUARTER (OND 2022)

4.40%

PREVIOUS QUARTER (JAS 2022)

6.30%

YEAR AGO (OND 2021)

5.20%

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

Month- Year	FII (Rs Crores)	DII (Rs Crores)
	Net Purchase / Sale	Net Purchase / Sale
Feb-23	-11,090.64	19,239.28
Jan-23	-41,464.73	33,411.85
Dec-22	-14,231.09	24159.13
Nov-22	22546.34	-6301.32
Oct-22	-489.06	9276.97
Sep-22	-18308.3	14119.75
Aug-22	22025.62	-7068.63
Jul-22	-6567.71	10546.02
Jun-22	-58112.37	46599.23
May-22	-54292.47	50835.54
Apr-22	-40,652.71	29,869.52
Mar-22	-43,281.31	39,677.03
Last 12 Months	-243,918.43	264,364.37

COUNTRY WISE FPI AUC (Asset Under Custody) IN INDIAN MARKET

Country Wise AUC (in cr.)	As on January 31, 2023	% of Holdings
UNITED STATES OF AMERICA	1916906	41.65%
OTHER	734393	15.96%
MAURITIUS	318778	6.93%
SINGAPORE	351906	7.65%
LUXEMBOURG	331246	7.20%
UNITED KINGDOM	254567	5.53%
IRELAND	226496	4.92%
NORWAY	146436	3.18%
CANADA	130188	2.83%
JAPAN	107679	2.34%
NETHERLANDS	84294	1.83%
Total	4602889	100%

SECTOR WISE FPI AUC (Asset Under Custody) IN INDIAN MARKET

Sector Wise AUC (in cr.)	As on Feb 15, 2023	% FPI Holdings
Financial Services	1551087.00	33.77%
Information Technology	539204.00	11.74%
Oil, Gas & Consumable Fuels	472425.00	10.28%
Fast Moving Consumer Goods	329163.00	7.17%
Automobile and Auto Components	271579.00	5.91%
Healthcare	226636.00	4.93%
Consumer Durables	152506.00	3.32%
Capital Goods	135436.00	2.95%
Metals & Mining	133633.00	2.91%
Power	132716.00	2.89%
Top 10 Sector Holdings	3944385.00	85.87%
OTHERS	649090.00	14.13%
FPI HOLDING IN INDIAN EQ MARKET	4593475.00	100.00%

Mutual Fund CATEGORY AVG Performance across Industry - 28th February 2023

Equity Funds Category - AVG Performance across Industry

Category Type	1 Month	3 Months	6 Months	1 year
Sector - FMCG	0.69	-1.27	2.58	21.53
Sector - Financial Services	-1.98	-7.09	1.72	12.16
Contra	-1.22	-5.07	0.53	10.48
Equity- Infrastructure	-1.09	-5.28	-1.17	10.40
Small-Cap	-1.46	-4.32	-1.43	7.40
Dividend Yield	-1.24	-3.69	0.70	6.49
Value	-2.21	-5.58	0.34	6.43
Mid-Cap	-1.26	-5.30	-3.62	5.65
Multi-Cap	-1.65	-6.74	-3.04	5.40
Large & Mid- Cap	-1.22	-6.29	-2.97	4.44
ELSS (Tax Savings)	-1.25	-6.80	-2.73	3.37
Large-Cap	-2.07	-8.41	-4.30	2.49
Focused Fund	-1.56	-7.30	-3.56	1.94
Flexi Cap	-1.32	-6.61	-3.39	1.59
Equity - ESG	-1.27	-6.52	-3.50	0.57
Sector - Healthcare	-3.59	-9.08	-4.42	-5.08
Sector - Technology	-0.42	-3.01	3.74	-9.39

Fixed Income Category- AVG Performance across Industry

Morningstar Category	1 MONTH	3 MONTHS	6 MONTHS	1 YEAR
Credit Risk	3.60	4.28	4.48	12.56
Liquid	4.80	5.52	5.60	4.85
Money Market	4.68	5.40	5.18	4.68
Ultra Short Duration	4.80	5.44	5.32	4.68
Floating Rate	5.28	5.72	5.60	4.62
Low Duration	4.80	5.20	5.12	4.39
Arbitrage Fund	7.80	6.72	5.66	4.35
Short Duration	2.64	3.76	4.70	4.28
Dynamic Bond	0.60	3.16	3.86	3.51
Medium Duration	1.44	3.28	3.60	3.42
Banking & PSU	2.40	3.72	3.92	3.08
Medium to Long Duration	-0.12	2.28	3.00	2.95
Corporate Bond	2.88	3.84	3.88	2.87
Government Bond	0.00	2.56	3.50	2.73
Long Duration	4.56	2.48	3.84	2.22
10 yr Government Bond	-0.72	1.92	2.72	1.85

Note: The above mentioned performance are in XIRR

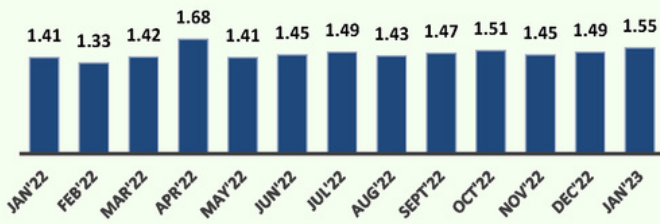
Balance Fund Category- AVG Performance across Industry

Category Type	1 Month	3 Months	6 Months	1 year
Dynamic Asset Allocation	-0.55	-3.12	-0.38	4.98
Conservative Allocation	-0.30	-1.12	0.61	4.12
Equity Savings	-0.34	-1.63	0.51	3.39
Aggressive Allocation	-1.10	-4.97	-1.45	3.36
Balanced Allocation	-0.22	-4.42	-3.69	-0.79

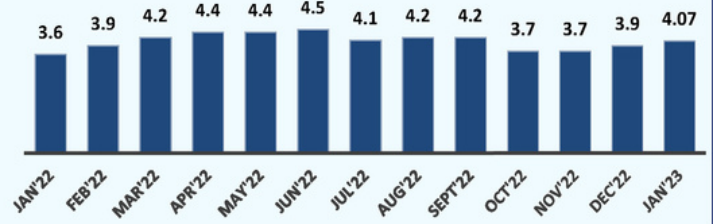
NOTE: This is an Average performance of all the funds in same category. However, performance may be different for different schemes under same category.

MACRO ECONOMIC INDICATORS

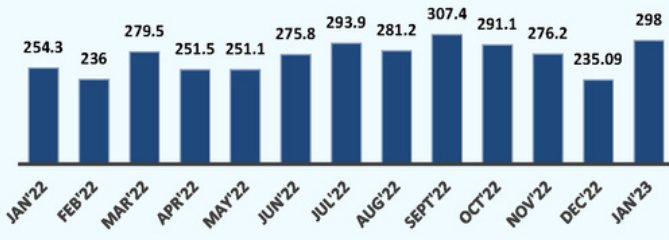
GST Collection (Rs. Lakh cr.)



Power Consumption('000 MU)



Passenger Vehicles Sales('000 Units)



2-Wheeler Vehicles Sales('00000 Units)



Electric Vehicles Sales('000 units)



E-way bills(Mn.)



UPI Transaction(Rs. Lakh cr.)



E-toll Collection(Rs. Cr.)



Manufacturing PMI



Services PMI



Disclaimer: The information contained in this page is for general information purposes only. While we endeavour to keep the information up to date and correct, we make no representations or warranties of any kind, express or implied, about the completeness, accuracy, reliability, suitability or availability with respect to the website or the information, products, services, or related graphics contained on the website for any purpose. Any reliance you place on such information is therefore strictly at your own risk.

CHAPTER - 3 : INPIRING INVESTMENT STORY

STORY OF

**Mr. Ramchandra
Murthy**

Age : 64 Years



This is another inspiring story of a retired investor who preferred mutual funds over fixed deposits, for his monthly income needs. Generally, when it comes to investing in mutual funds for monthly income, retired investor prefers to get a guaranteed return product like, Bank FDs, Govt. Bonds, Postal Deposits etc. Here, we educate our retired investors on the tax efficiency, liquidity and scope of capital appreciation under mutual funds route. Our emphasis is on a special category under mutual Funds - Dynamic Asset Allocation Fund. This category has become popular due to its well managed risk reward proposition. Last 10 years average return of this category is more than 10% per annum as compared to 7% of guaranteed income products. Moreover, the taxation feature makes it furthermore attractive because all the gains under this category are treated as equity capital gains. However, in guaranteed income products, all the gains are added in your income tax slab.

In our current example, Mr. Ramchandra Murthy (aged 64 years), came to know about Dynamic Asset Allocation fund in 2018, from his advisor, when he just received his retirement benefits. He was supposed to invest all his retirement proceeds in guaranteed income products like, Bank FDs, Post Office etc., to create his monthly income. After discussing with his advisor several times, he understood the concept of mutual funds and various categories available under mutual funds. Once he got convinced about this special category, he took his step confidently. He invested a total amount of Rs 40 lacs via 4 different schemes under the dynamic asset allocation category: after withdrawing Rs. 25,000/- per month, his fund value is still close to Rs. 45 lacs as on date

He started a fixed withdrawal of Rs. 25,000/- per month from his investment amount (approximately 7.5% per annum). Please look at the latest valuation table of Mr. Ramchandra Murthy (as on 1st March 2023):

"He invested a total amount of Rs 40 lacs in 4 different schemes under the asset allocation category: after withdrawing Rs. 25,000 per month, his fund value is close to Rs. 45 lacs as on date "

Scheme	Investment Date	Investment Amount	Monthly SWP Amount	Percentage of Income Payout	Toal Income (SWP) Received till date	Current Fund Value	CAGR Return (%)	Absolute Growth including Income
ICICI Pru Balanced Advtg Gr	10/05/2018	1000000	6250	7.50%	350000	1117165	9.73	47%
HDFC Balanced Advtg Gr	10/05/2018	1000000	6250	7.50%	350000	1239382	11.78	59%
ABSL Balanced Advtg Reg Gr	10/05/2018	1000000	6250	7.50%	350000	1056743	8.65	41%
Mirae Asset Hybrid Equity Reg Gr	10/05/2018	1000000	6250	7.50%	350000	1,178,814	10.78	53%
TOTAL		4000000	25000	7.50%	1400000	4592104	10.24	50%

This inspiring story of Mr. Ramachandra (a retired customer) will surely inspire many others who are looking for a fixed annuity with lower taxation and higher returns. Although, this decision was very difficult for majority of investors, due to their conservative mind-set to get fixed returns, but a small learning on Inflation, taxations and other advantages of mutual funds are changing the mindset of retired investors. This is clearly reflected in the fast-growing asset size of dynamic asset allocation funds - it has crossed more than 2 Trillion as on 1st March 2023.

Note: These schemes shown here are a real story of an investor and the scheme shown here are not to be treated as our recommendation. Investor should check their own risk return appetite before choosing any plan for investments.



H A P P Y
WOMEN'S DAY

*You are inspiring, strong, loving,
& a warrior. You are everything
that this world needs.*

**Call at our helpline
number or write us mail.**

We are happy to help you in
planning your investments.



UDYAM
It's All About Mutual Fund
Since 1991

Udyam Investments

We provide complete support to you in terms of fulfilling all your investment objectives or financial plans, by way of motivation - correct calculations and more !

Disclaimer: Mutual Fund investments are subject to market risks. Read all scheme related documents carefully. The NAVs of the schemes may go up or down depending upon the factors and forces affecting the securities market including the fluctuations in the interest rates. The past performance of the mutual funds is not necessarily indicative of future performance of the schemes. The Mutual Fund is not guaranteeing or assuring any dividend under any of the schemes and the same is subject to the availability and adequacy of distributable surplus.

Contact us today



+91-9822672235, +91-8448440734



www.udyaminvestments.com



mutualfunds@udyaminvestments.in



Ground floor, Shop No. 1,
Shantideep, Tulshibagwale colony,
Pune, Maharashtra - 411009

**"An investment in knowledge
pays the best interest."**