

# INVESTMENT OUTLOOK

A MONTHLY WRAP-UP OF INDIAN FINANCIAL MARKET



## UDYAM

It's All About Mutual Fund  
Since 1991

## Investors and Insurance

The Psychological  
Dilemma of Risk  
Management

### How Overlooking Risk Management Impacts Investments

Buying any Insurance always hurts when no mishap occurs! Human psychology never wants to pay for Risk protection until it hits them! Why am I saying this in my editorial?

Because same thing happens in the investment world. Investors generally do not pose faith in Asset Allocation. They aim at garnering highest returns by taking highest Risk in pure Equity Schemes. A large size of investors is so involved in chasing investment returns that they have forgot all the Risk and lessons of Risk management.

In a recent study by AMFI, almost 50% of Equity AUM is currently parked in Sector or thematic Funds – which are said to be highest Risk products due to its high concentration on a single theme! But investors are not keen to talk about such Risk because they are attractive towards the high past returns.



**Mr. Uddhav  
Tulshibagwale**  
Founder  
**Udyam Investments**

### What's Inside:

**01. preserve wealth with descent growth?**

**02. Market Update**

**03. Inspiration Investment Story**

However, one should focus on diversifying their Assets properly between multiple Assets to manage the future Risk. There are some great Mutual Fund schemes like Balanced Advantage Funds or Dynamic Hybrid Funds which allocate your investments in Debt and Equity based upon their Risk management policy. Of course, such funds will show under performance against the trending Equity Funds during the rising market; but it will prove its worth during the falling market.

Please read our special section of the month – **How Affluent and knowledgeable investors preserve their wealth with descent growth?**

**Happy Investing !**

## Understanding Risk Tolerance - Balancing Risk & Return



Wealth accumulation and Wealth preservation are both equally important for an investor. That said, in a typical situation the first thing to do is to evaluate your capacity to take risk. You can do so by answering some key questions:

### What Is My Risk Tolerance?

There are many things to consider when determining the answer to a seemingly simple question; **“What is my risk tolerance?”** The answer will vary based on your age, experience, net worth, risk capital and the actual investment being considered. There are investments for every level of risk tolerance, from capital guaranteed investments to 100% equity funds. We help you complete a risk questionnaire with you prior to making any recommendation which will give an indication to your risk tolerance. Once this process has been completed, we will be able to apply the knowledge to a balanced and diversified investment portfolio to suit your risk profile.

### What’s my available Investment Amount?

How much money you have to invest will dictate how far you can spread your investments and how much you will need to retain as an emergency fund. What is the right term for me? What is the ideal timescale for the best return on your investment?

### When will I need to access my investment?

Is it likely that you might need access to some or all of your funds in the short term? Based on the answers to the above questions, we build a suitable portfolio based on your capacity; appetite for risk. Although wealth preservation does require some risk; the key is to also balance some of the volatility that is the nature of investments. Over time, the funds within your portfolio will perform differently. Proportions held in the different assets will change. Therefore, we work with you, taking action to rebalance your portfolio to maintain your risk level. Many people approach their maximum earning potential in their forties. This is when portfolios might begin to shift toward a mix of growth and preservation- oriented strategies and investments.

### What Is My Investment Goal?

The most important question to consider before making any investment is, “What am I trying to accomplish?” Your investments will differ vastly if, for example, you are trying to save money for retirement versus trying to save money for a vacation or home renovation.

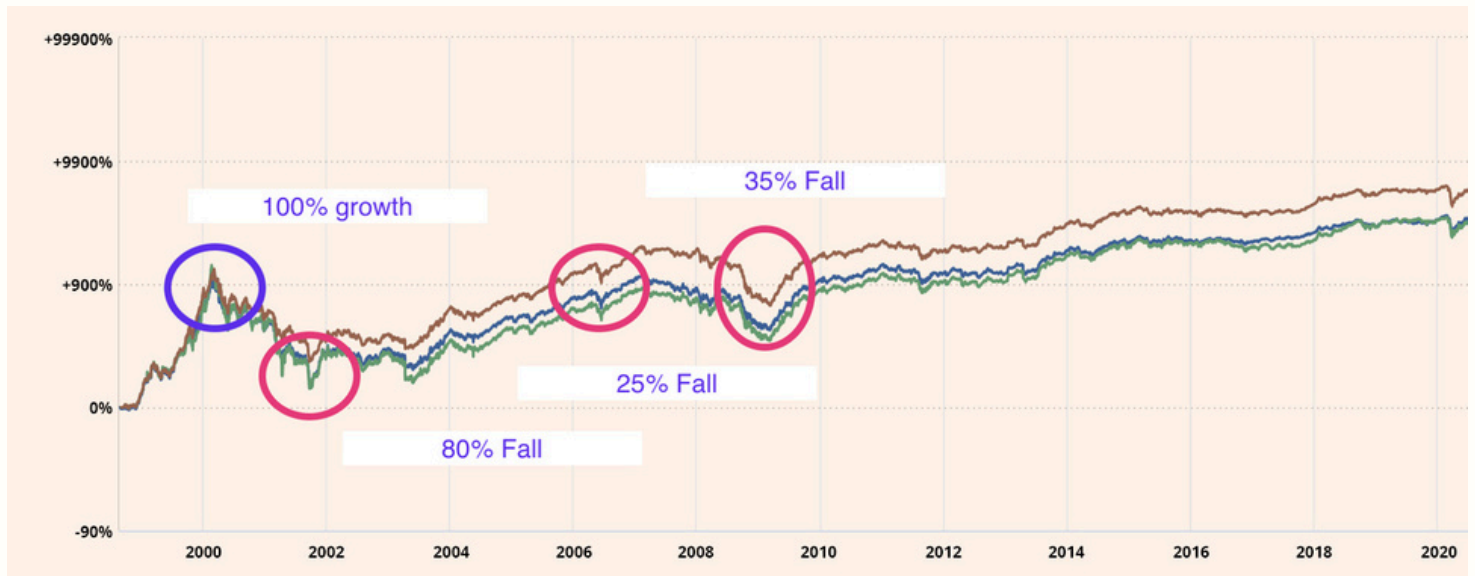
Risk is an important ingredient for Returns! I mean, a high return can only be achieved through a high-risk product. Let us see an example of a Sector Fund which is reflecting fantastic returns on the chart:

### Fund Name: **XYZ Technology Fund** (Name changed but data is real)

1 Year ▼	5 Year ▼	10 Year ▼	20 Year ▼
<b>48.59%</b>	<b>28.21%</b>	<b>18.06%</b>	<b>17.41%</b>

Every investor will love to invest in such fund and this will be a favourite pick and recommendation by every advisor and distributor.

## So what is the Risk ? Where is the Risk ?



The Risk is – volatility ! This is called as Market Risk . Investors who have long term horizon or who have high capacity and tolerance to take Risk, can invest in such funds.

## Which are the High Volatile and High-Risk Funds?

Please see the chart given below (as on 2nd Sept 2024) which presents the Top Return providing category and which has highest volatility or Very High-Risk assignment by SEBI:

Category	1 Day	YTD	1 Week	1 Month	3 Months	1 Year	3 Years	5 Years	10 Years
Equity: Thematic-PSU	-0.31	41.32	0.08	-1.37	7.65	84.12	44.37	32.53	15.50
Equity: Sectoral-Infrastructure	-0.40	35.06	0.12	-0.24	8.61	58.54	31.16	30.61	17.00
Equity: Sectoral-Pharma	-0.61	35.59	1.80	5.12	22.80	53.64	17.50	28.41	14.79
Equity: Value Oriented	-0.01	28.54	0.95	2.62	14.14	50.48	22.57	25.23	16.41
Equity: Thematic-Dividend Yield	-0.03	28.46	0.79	2.28	14.27	49.32	23.43	26.17	15.58
Equity: Mid Cap	-0.22	30.27	0.50	2.29	14.24	48.35	24.44	29.27	18.53
Equity: Small Cap	-0.19	28.09	0.35	2.91	16.30	46.68	25.19	33.50	19.76
Equity: Thematic	-0.17	28.78	0.33	2.07	13.11	46.14	20.69	24.47	15.28
Equity: Thematic-Energy	-0.14	26.22	0.28	0.89	8.37	45.96	19.92	27.97	18.21
Equity: Large & MidCap	-0.13	27.69	0.69	2.77	13.90	43.90	20.43	24.23	16.05

Data as on 2nd Sept 2024 :

Source – Valueresearchonline

## Summary of the Investment Gyan:

Past returns or reflected returns on the cart has hidden volatility Risk which needs to be properly understood by the investor. You must align your investment horizon as well as Risk profile before investing in such funds.

For Moderate Risk profile, you should consider investing through – “Asset Allocation Funds” or “Hybrid Funds”. Explore more about Hybrids funds by connecting with us through phone or E mail.

## Not yet completed your Risk profiling?


Just Send us message or E mail to get avail our special Risk profiling Session and choose the most appropriate investment product for you.








# MARKET UPDATE

## Data & Reports

### EQUITY MARKET SNAPSHOT - LAST ONE YEAR







Period	KEY INDIAN INDICES 					
	SENSEX	NIFTY 50	Nifty Next 50	Nifty Midcap 150	Nifty Smallcap 250	Nifty 500
31st August 2024	82365.77	25235.90	75279.80	21925.45	18170.25	23734.55
1 Month	0.76%	1.14%	0.66%	0.30%	1.24%	0.87%
3 Months	11.36%	12.01%	11.48%	13.55%	16.28%	12.47%
6 Months	11.83%	13.03%	24.17%	23.41%	26.79%	17.18%
1 Year	27.05%	31.07%	69.49%	49.22%	52.29%	40.24%
Current P/E	24.16	23.47	26.79	44.22	31.58	27.19
Current P/B	4.17	4.26	5.12	5.60	4.57	4.6

Period	KEY INTERNATIONAL INDICIES					
	USA 	UK 	HONG KONG 	JAPAN 	GERMANY 	
	NASDAQ 100	S&P 500	FTSE 100	Hang Seng	Nikkei 225	DAX
31st August 2024	19574.64	5648.40	8376.63	17989.07	38647.75	18906.92
1 Month	1.10%	2.28%	0.10%	3.72%	-1.16%	2.15%
3 Months	5.60%	7.03%	1.22%	-0.50%	0.42%	2.21%
6 Months	7.23%	7.50%	5.33%	8.75%	-4.26%	2.24%
1 Year	26.28%	25.31%	12.60%	-2.14%	18.48%	18.56%
Current P/E	22.7	25.4	11.6	10.9	15.7	16.6
Current P/B	3.3	2.8	1.6	1.2	1.1	1.3



### COMMODITY MARKET SNAPSHOT - LAST ONE YEAR

Period	GOLD - MCX INR 10 GRAMS	%	SILVER - MCX INR 1 KG	%	CRUDE OIL USD / BRL	%
31st August 2024	71195	-	84519	-	78.80	-
1 Month	69083	3.06%	83659	1.03%	80.72	-2.38%
3 Months	71703	-0.71%	91537	-7.67%	81.62	-3.46%
6 Months	67592	5.33%	75040	12.63%	87.48	-9.92%
1 Year	59113	20.44%	74287	13.77%	86.86	-9.28%

### OTHER MARKET INDICATORS

Country	India 	USA 	China 	Japan 	Germany 	UK 
GDP (USD Bil.)	USD 3730 Bn	USD 27361 Bn	USD 17795 Bn	USD 4213 Bn	USD 4456 Bn	USD 3340 Bn
10 yr Govt. Bond Yield	6.86%	3.91%	2.17%	0.91%	2.29%	4.01%
Global Currencies vs. INR	1.00	USD 1 / INR 83.88	Yuan 1 / INR 11.85	Yen 1 / INR 0.57	Euro 1 / INR 92.91	GBP 1 / INR 110.16
Latest Inflation Rate	3.54%	2.90%	0.50%	2.80%	1.90%	2.20%

### NIFTY EQUITY SECTORAL INDICIES 31st August 2024

INDEX 	CURRENT	1 WEEK%	1 MONTH%	1 YEAR%	52W H 	FALL FROM 52 WEEK HIGH
NIFTY REALTY	1,053.40	3.47%	-2.02%	86.89%	1,157.35	-8.98%
NIFTY OIL & GAS	13,456.90	2.41%	1.17%	71.44%	13,562.40	-0.78%
NIFTY ENERGY	43,757.40	0.97%	-2.66%	66.17%	45,022.15	-2.81%
NIFTY AUTO	26,172.80	1.25%	-1.19%	64.32%	26,934.05	-2.83%
NIFTY INFRASTRUCTURE	9,425.75	1.66%	-1.11%	56.68%	9,547.60	-1.28%
NIFTY PHARMA	23,217.60	3.06%	6.55%	54.66%	23,275.50	-0.25%
NIFTY HEALTHCARE INDEX	14,506.85	2.88%	5.22%	53.98%	14,554.20	-0.33%
NIFTY INDIA DIGITAL	9,566.10	2.86%	6.55%	50.80%	9,582.35	-0.17%
NIFTY COMMODITIES	9,484.20	0.81%	-2.41%	49.28%	9,742.50	-2.65%
NIFTY INDIA CONSUMPTION	12,077.70	0.75%	2.07%	44.49%	12,118.55	-0.34%
NIFTY CONSUMER DURABLES	41,312.85	0.94%	4.41%	43.65%	41,817.45	-1.21%
NIFTY100 ESG	5,079.00	2.13%	1.65%	38.10%	-	-
NIFTY METAL	9,405.25	1.24%	-1.75%	37.28%	10,195.60	-7.75%
NIFTY IT	42,787.80	4.13%	5.11%	35.77%	42,913.95	-0.29%
NIFTY FMCG	63,059.75	-0.55%	1.43%	23.07%	63,805.95	-1.17%
NIFTY BANK	51,351.00	0.82%	-0.41%	15.56%	53,357.70	-3.76%

**Ratio of total market cap over GDP**

Recent 10 Year Maximum - 155%

Recent 10 Year Minimum - 48.29%

**Current Market Cap / GDP- 150.18%**

Current Market Cap of India as on 31st August 2024 - INR 465.57 LAKH CR.

Current GDP: \$3.73 TRLN US dollars or INR 310 LAKHS CR.

**GDP Growth Figures****% of Growth**

LATEST QUARTER (AMJ 2024)

6.70%

PREVIOUS QUARTER(JFM 2024)

7.80%

YEAR AGO (AMJ 2023)

8.20%

**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
Aug-24	-21368.51	48278.65
Jul-24	5407.83	23486.02
Jun-24	2037.47	28633.15
May-24	-42214.28	55733.04
Apr-24	-35692.19	44186.28
Mar-24	3314.47	56311.60
Feb-24	-15962.72	25379.30
Jan-24	-35977.87	26743.63
Dec-23	31959.78	12942.25
Nov-23	5795.05	12762.14
Oct-23	-29056.61	25105.86
Sep-23	-26692.16	20312.65
Last 12 Months	-158449.74	379874.57

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

Country Wise AUC (in cr.)	As on July 31, 2024	% of Holdings
UNITED STATES OF AMERICA	3150075	42.2%
SINGAPORE	555551	7.4%
LUXEMBOURG	545449	7.3%
IRELAND	440727	5.9%
MAURITIUS	389586	5.2%
UNITED KINGDOM	374290	5.0%
NORWAY	266701	3.6%
CANADA	217624	2.9%
JAPAN	189259	2.5%
FRANCE	151000	2.0%
Other	1179018	15.8%
Total	7459280	100.0%

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

Sector Wise AUC (in cr.)	As on July 31, 2024	% FPI Holdings
Financial Services	2049902	27.5%
Information Technology	690232	9.3%
Oil, Gas & Consumable Fuels	636462	8.5%
Automobile and Auto Components	604398	8.1%
Fast Moving Consumer Goods	455970	6.1%
Healthcare	436667	5.9%
Capital Goods	416645	5.6%
Power	334459	4.5%
Consumer Services	305138	4.1%
Telecommunication	277007	3.7%
Top 10 Sector Holdings	6206880	83.2%
OTHERS	1252400	16.8%
FPI HOLDING IN INDIAN EQ MARKET	7459280	100.0%

**Mutual Fund CATEGORY AVG Performance across Industry - 31st August 2024**

<b>Equity Funds Category - AVG Performance across Industry</b>				
<b>Category Type</b>	<b>1 Month</b>	<b>3 Months</b>	<b>6 Months</b>	<b>1 year</b>
Equity- Infrastructure	-0.94	9.74	24.85	61.81
Sector - Healthcare	7.57	23.14	23.5	55.04
Contra	2.51	15.52	24.62	54.54
Dividend Yield	1.48	14.85	21.66	51.37
Value	1.64	14.63	20.73	50.97
Mid-Cap	1.35	15.29	25.27	50.83
Small-Cap	1.79	17.16	23.75	47.39
Large & Mid- Cap	2.07	14.46	22.68	46.35
Multi-Cap	2.14	14.74	22.04	46.17
Flexi Cap	1.87	13.83	20.38	42.30
Sector - Technology	4.81	30	16.1	42.23
Focused Fund	2.57	14.68	20.58	42.02
ELSS (Tax Savings)	1.69	13.59	19.61	41.68
Large-Cap	1.58	12.6	17.94	38.85
Equity - ESG	1.92	14.8	17.79	37.20
Sector - Financial Services	0.09	6.96	11.76	23.40
Sector - FMCG	4.18	7.86	2.8	19.46

<b>Fixed Income Category- AVG Performance across Industry</b>				
<b>Morningstar Category</b>	<b>1 MONTH</b>	<b>3 MONTHS</b>	<b>6 MONTHS</b>	<b>1 YEAR</b>
Long Duration	1.13	2.76	4.33	9.52
10 yr Government Bond	0.96	2.67	4.64	8.77
Government Bond	1	2.55	4.26	8.54
Dynamic Bond	0.85	2.31	3.95	8.03
Credit Risk	0.64	1.95	3.68	7.96
Medium to Long Duration	0.85	2.37	4.06	7.96
Arbitrage Fund	0.51	1.72	3.62	7.44
Medium Duration	0.63	1.97	3.71	7.25
Corporate Bond	0.63	1.87	3.64	7.21
Floating Rate	0.6	1.99	3.79	7.17
Short Duration	0.54	1.81	3.44	6.92
Banking & PSU	0.49	1.57	3.14	6.65
Low Duration	0.38	1.39	3.07	6.4
Money Market	0.37	1.33	3.05	6.38
Ultra Short Duration	0.33	1.29	2.95	6.35
Liquid	0.32	1.17	2.77	6.04

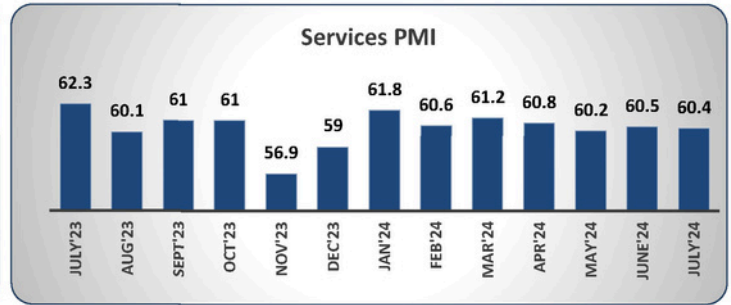
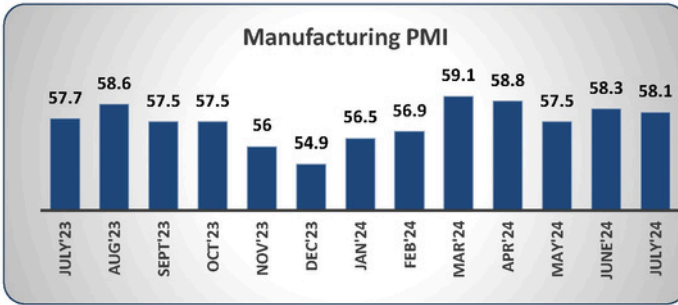
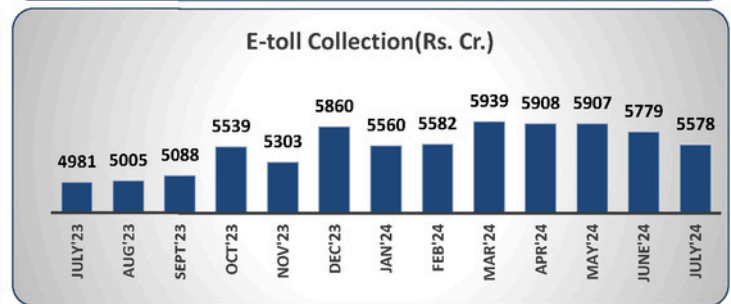
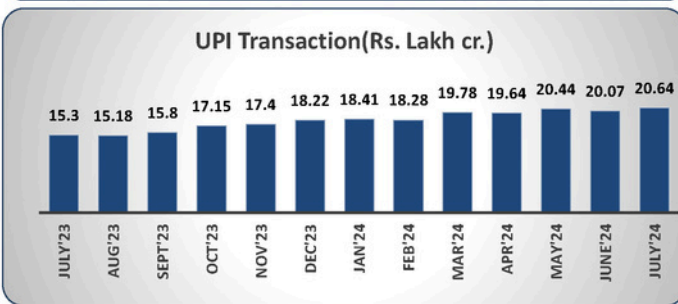
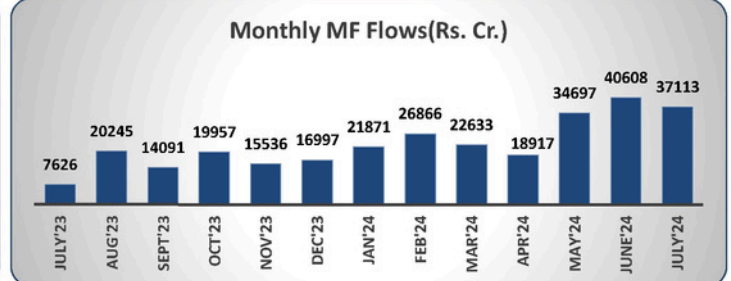
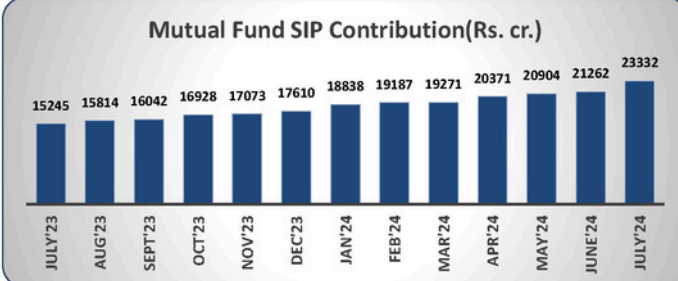
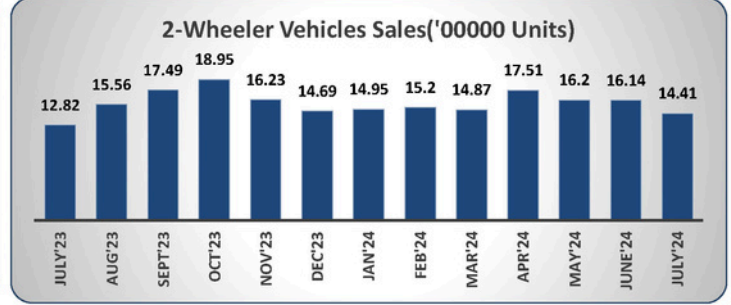
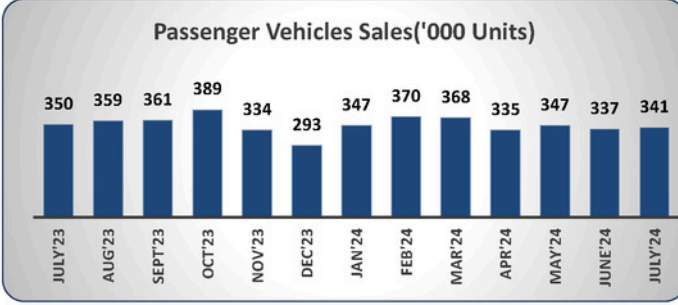
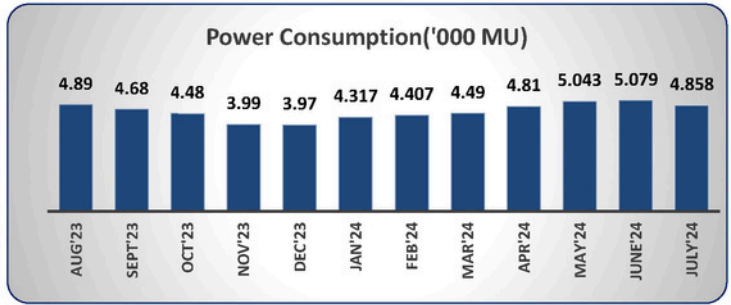
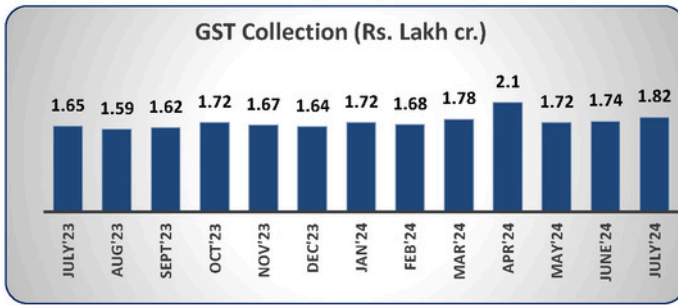
<b>Balance Fund Category- AVG Performance across Industry</b>				
<b>Category Type</b>	<b>1 Month</b>	<b>3 Months</b>	<b>6 Months</b>	<b>1 year</b>
Aggressive Allocation	1.59	11.14	16.51	33.52
Dynamic Asset Allocation	1.34	8.35	11.56	26.37
Balanced Allocation	1.67	9.18	13.44	20.30
Equity Savings	0.95	5.37	8.13	16.46
Conservative Allocation	0.88	4.30	6.61	13.37

**Source** - Morning Star as on 31st Aug 2024

**NOTE:** This is not a single scheme fund performance. This is an average performance of all the funds in same category across the mutual fund industry. However, performance may be different for different scheme under same category. Please check with your advisor for the top performing funds in above category for last one year.



## MACRO ECONOMIC INDICATORS



**Source** - Morning Star as on 31st Aug 2024

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# INSPIRING INVESTMENT STORY

## A Journey to Financial Security of Naveen Rao

This is an inspiring story of Mr. Naveen Rao and his Journey to create a good retirement corpus. At 57, Naveen Rao was on the cusp of retirement, with just 8 to 10 years left in his professional journey. Having worked diligently in a private company, he had already secured a comfortable home and accumulated a substantial pension fund. With these foundational elements in place, Naveen turned his attention to building a significant retirement corpus. He had a sum of Rs. 30 lakhs ready to invest for the long term, and he sought a strategy that could deliver a return of more than 12% annually.

Faced with a variety of investment options—fixed deposits (FDs), bonds, shares, and mutual funds—Naveen was determined to make an informed choice. However, navigating these options proved challenging, especially with a decade-long investment horizon. To guide his decision-making, he underwent a comprehensive risk profiling assessment. The results indicated that Naveen was a Moderately Aggressive investor, willing to accept some degree of risk for the potential of higher returns.

With this insight, Naveen meticulously evaluated his options. Fixed deposits and bonds, while safe, did not offer the growth potential he sought. Shares could provide substantial returns but came with higher volatility. Mutual funds presented a middle ground, but within this category, Naveen found hybrid funds particularly appealing.

Hybrid funds, which blend equity and debt instruments, seemed to strike the right balance between risk and reward. They offered the potential for higher returns while mitigating some of the volatility associated with pure equity investments. After careful analysis and consultation with financial advisors, Naveen decided to allocate his funds into a diversified selection of high-quality hybrid funds.

His decision was not made lightly; it was the result of thorough research and careful consideration. Today, Naveen looks back with satisfaction and confidence. His choice to invest in hybrid funds has paid off, providing him with the growth he anticipated while managing risk effectively. As he approaches retirement, Naveen can enjoy the peace of mind that comes from knowing he made a sound investment choice that aligns with his financial goals and retirement plans.

The table below illustrates the impressive performance of his portfolio as of today (the data presented here are real but clients name is hypothetical) :

Fund Name	Category	Investment Date	Amount Invested	Value as on 30-08-2024	CAGR Returns (%)	Absolute Returns (%)
HDFC Balanced Advtg Gr	Dynamic Asset Allocation	17-07-2017	1000000	2811922	15.61	181.19
ICICI Pru Multi Asset Fund Gr	Multi Asset Allocation	17-07-2017	1000000	2942756	16.35	194.28
Mirae Asset Aggressive Hybrid Reg Gr	Hybrid Aggressive	17-07-2017	1000000	2478497	13.58	147.85
Total			3000000	8233176	15.18	174.44

Naveen Rao's journey underscores the importance of aligning investment strategies with personal risk tolerance and long-term objectives. His story is a testament to the value of thoughtful planning and informed decision-making in securing a comfortable and financially secure retirement.

**Note:** The above story is a real story of an investor. However, names and figures are calculated for the purpose of presentation. The schemes shown here are not to be treated as our recommendation. Investor should check their own risk return appetite before choosing any plan for investments.

**Disclaimer:** 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.






**UDYAM**  
It's All About Mutual Fund  
Since 1991

AMFI Registered Mutual Fund Distributor  
Refer to SID/SAI/KIM link:  
[sebi.gov.in/filings/mutual-funds.html](http://sebi.gov.in/filings/mutual-funds.html)


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# 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.