

## Market News

- As per a recent Sebi circular, any new investor subscribing to an MF scheme from 1 August will either have to specify a nominee or submit a signed declaration to opt out of nomination. Existing MF investors will also have to either specify a nominee or opt out of nomination. The deadline for this is 31 March 2023. Failure to do so will result in the MF folio getting frozen, implying that investments cannot be redeemed.
- SEBI has directed mutual funds (MFs) to stop providing insurance cover as an attraction for wooing systematic investment plan (SIP). In a direction to the Association of Mutual Funds in India, SEBI had told the industry body to notify its members to not bundle insurance facility with new MF schemes and also discontinue the option in existing schemes.
- AMFI had enabled an online facility for the MFDs to apply for and renew the ARN and EUIN online through AMFI Website. In July 2017 . It has been decided with the approval of AMFI Board, to make it mandatory for ARN/ EUIN holders to renew their ARN/ EUIN only through online mode through AMFI Website w.e.f. 01-Jul-2022.
- Kotak Mahindra is now the fourth largest fund house in India with an average AUM of Rs. 2.80 lakh crore in the first quarter (Q1) of FY 2023, shows latest AMFI data. In the previous quarter, the fund house was fifth in mutual fund rankings
- The equity-linked savings scheme (ELSS), which helps save tax under Section 80C of the Income-tax Act, will soon be available in a passive version as well. In a major development, the Securities and Exchange Board of India (Sebi) has allowed fund houses to launch passive ELSS. This was part of a circular Sebi issued on May 23 on key development changes related to

passive funds, including exchange-traded funds (ETFs) and index funds. The provisions of this circular will be effective from July 1, 2022, and shall be applicable to all existing ETFs and index funds.

- Capital markets regulator Sebi has permitted mutual funds to again invest in foreign stocks within the aggregate mandated limit of USD 7 billion for the industry. In January, Sebi had asked mutual fund houses to stop taking fresh subscriptions in schemes investing in overseas stocks. The directive to stop subscription was mainly on account of the mutual fund industry crossing the mandated limit of USD 7 billion for overseas investments

## Expert Corner: What is a top-up SIP & benefits of top-up SIP

STP- Systematic Transfer Plan is an effective tool to enter the volatile market with getting interest rate like bank fixed deposit at that amount not deployed in equity market. Under STP there are two types of plans. One is the 'Feeder Plan'. This type takes lump-sum, it may be a debt fund, liquid fund or arbitrage fund depending on the investor tax profile. The other plan is master plan which is for long term fund, this will be selected as per investor risk-profile. Investors should note few things while investing into this.



- Lump-sum invested amount gain will be taxed as per investors tax profile if invested in liquid or debt fund switched before 3 year feeder fund to master fund later, tax indexation benefits

- Lump-sum invested in arbitrage fund for STP, there will be flat 15% tax at that amount switched before 1 year, later 10% of gain if rupees 1 lakh mutual fund profit is booked within 1 year

- Crucial points that usually investors tend to overlook are whenever market valuation is low, switching more amount in master plan as per schedule

Overall we can say STP is such type of product where investors can take tactical as well as strategic investment decision with reducing downside capital risk

SIP TOP UP- Systematic investment plan is an investment tool by which investor can invest in market by taking benefits of market fluctuation and rupee cost wavering. SIP is more helpful for such an investor who can't take tactical investment call. Apart from this there are more inventions done by few fintech companies like Finlabs India, recommendations are provided keeping the client's appetite in mind. Investors can increase his investment amount in percentage or fixed after a time interval, for example suppose if any investor has started SIP of 10000 for 20 year with top-up of 5% every year, total corpus may be approx 12700000 while investors without top value will be 920000, investors can set their top-up amount as per their yearly salary increment or income growth. They can even cancel this SIP-STEP UP any time



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## Investor's Corner: How to organise and keep a record of financial investments

Nowadays it is little difficult to manage or keep track record of all investments in one place due to increasing number of online investment platforms. They have varied investment assets class. During Covid 19 pandemic many lost their near & dear ones. But the loss of the family was much more. Not only were they left in grief by the loss of the family member but also in agony due to no record of investments maintained by the deceased member. Advisors received many calls from their clients asking how they can find out the deceased family member's investment holding. Because mostly people invest online and receive soft copy on their personal email addresses no physical documents are found as reference or clue. Online platform provides generally transaction facility no personal touch with investors. Hence in the case of the investor's death, there is no claim thus increasing unclaimed



amount. If they have advisor or agent they generally keep investor's track record of all investments and personally know investor's family members too and in case of the investor's demise they help family members to claim.

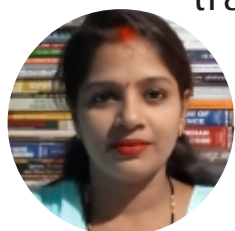
But as an advisor, I urge every investor to keep a record of all his investments Apart from this NSDL provides consolidated investments over email if investor's KYC is updated with his email ID. They capture investor's bank FDs, shares, mutual funds etc. For mutual fund holdings investors open common account number "CAN" by own self or distributor. These capture all mutual fund holdings irrespective of AMC and type plan. MF-central is also one initiative by mutual fund industries by which investors can do financial and non-financial transactions with all AMCs.

Apart from these the investor can maintain record at his level too.

- Make separate physical file to maintain receipts/ photo copies of important investment related documents. Scanned copies of the same can be maintained in folders of your personal computer.
- Documents such as Life Insurance policy bond which are important but are not used often can be kept in the bank locker
- Mediclaim policy should always be kept handy for if details are not provided during admission your claim could get rejected.
- Demat account book should be kept in a safe place as these are required at the time of selling shares
- All bank passbooks and cheque books must be kept in one place. Do not store signed blank cheques
- Maintain a Google sheet/Excel sheet with all records of insurance premium

When you are done recording your asset & investments' information on one single platform ensure you involve your family member / spouse or adult children you confide into by taking them through it.

After all, we work hard for our family hence why leave them in financial trauma in our absence.



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*Helping Clients achieve financial stability through diverse investment options*