



## Market News

- The life insurance industry has added over 1 lakh new agents in just one year, shows data released by Life Insurance Council (LIC), a trade body of the life insurance industry.

As a result, the total number of insurance agents has increased from 24 lakh in September 2021 to 25 lakh in September 2022, a growth of 4%.

- PFRDA has put forward a "smart withdrawal facility," which allows an NPS subscriber to withdraw the amount either monthly, quarterly, half-yearly, or annually for up to 75 years. This facility can be availed of upon a one-time request through online or offline mode.

- AMFI at its recent board meeting has re-elected A Balasubramanian, MD and CEO of Aditya Birla Sunlife AMC as the Chairman and Radhika Gupta, MD and CEO of Edelweiss AMC as the Vice-chairperson.

- HSBC Asset Management (India) has received approval from the Securities and Exchange Board of India (SEBI) to fully acquire L&T Investment Management Limited (LTIM), subject to certain conditions and approval. LTIM is a wholly-owned subsidiary of L&T Finance Holdings Limited (LTFH) and the investment manager of L&T Mutual Fund. According to AMFI data, L&T MF has average assets under management (AAUM) of Rs 717.03 billion and over 2.2millionn active folios as of September 2022

- Net investments in gold exchange traded funds (ETFs) more than halved in the last one-year ending September 2022, a period when gold outperformed most other asset classes with over 9.5 per cent return.
- Data from the Association of Mutual Funds in India (Amfi) shows that investors infused a net of Rs 2,094 crore into gold ETFs between October 2021 and September 2022, as against Rs 4,188 crore during the same period a year ago.

## Investor Corner: Benefits of Daily SIP and how to make the most of it

In 2017, I realized that if I have compound my business, monthly sip is going to take much longer, daily sip was just started then, by HDFC, LIC mutual fund, after giving it a thought, I prepared myself for rigorous push towards daily sip. Now who should I pitch it, I focused only small business owners with current account, as



I made it a point to my client that it is business which will take care of your sip, current account if used properly can be a wealth creator.

So, the journey of daily sip started when my sip book was just rs 40-45 lakhs, which now stands at 1.4 crore a month...

Daily sip is such a beautiful tool to absorb volatility, as I just made my client believe that there is running away from volatility, lets become friends with volatility, result was exciting...

I have learned that oldest way of investing is most powerful technique, which is a piggy bank, daily sip is just a piggy bank, keep adding small amount everyday, ignore every negative voice, stay rest assured, it will deliver.



**Praveen Laxmi Narayan Bhadada (BCA – MBA-Finance), Jatan Prabhu Future, estd in July 2006 with mutual fund AUM of INR 84 cr and Direct Equity AUM of INR 95 cr. SIP Book – INR 1.4 cr Monthly**

*SIPs give investors a chance to adopt a disciplined way of investing with just a one time mandate. Through SIP, one can make investments every month or quarter. Investing in SIP will help the investors to generate significant returns in the long run. However, choosing the right kind of SIP is the key. This month let us look at the variation that SIP products come with. Following are the different types of SIP investments available in India:*

- **Regular SIP**

A regular SIP is the simplest type of investment plan. Under this SIP, the investor invests a fixed amount at regular intervals. The SIP frequency can be monthly, bi-monthly, quarterly or half-yearly. Furthermore, there are daily and weekly SIPs as well.

- **Top-up SIP**

Top-up SIP or Step-up SIP allows investors to increase their SIP amount periodically. Many asset management companies have a provision to step up SIPs. Choosing a step-up SIP adds more flexibility to the recurring contributions and helps investors in parking bigger amounts.

- **Flexible SIP**

As the name suggests, a flexible SIP gives its investors the opportunity to alter their investment amount. It is also known as Flexi SIP or Flex SIP. One can intimate the fund house with the changes in the SIP amount or contributions. However, the intimation has to be given at least a week before the deduction date of the SIP instalment.

- **Perpetual SIP**

While filling the SIP application form, the investor has to select the tenure of the SIP. If no tenure is specified, then the SIP becomes a perpetual SIP. In other words, the SIP will continue for a duration until the investor provides instructions to the fund house or the manager to stop the investments.

- **Trigger SIP**

Trigger SIP is suitable only to those investors who are well aware of the market dynamics and are sure of its movements. In this type of systematic investment plan, it is very important to know when to take the buy and sell positions.

## • SIP with Insurance

A few asset management companies offer insurance cover if an investor opts for long-duration investments. The initial cover for the insurance is usually ten times the first SIP amount, and it gradually increases with time. Also, this feature is available only for equity mutual funds. It is important to note that term insurance is just an add on feature and doesn't have any impact on the performance of the fund.

## • Multi SIP

A multi-SIP allows investors to start investing in multiple schemes of a fund house through a single instrument. This helps investors in diversifying their investment portfolio. Furthermore, it also reduces the number of paperwork.

## Expert Corner: How to build a strong and stable SIP Book?

Let us first understand how a strong & stable SIP book can help you. One can have a ready contingency fund for those who don't have one. Goals- short term & long term can be easily achieved with appropriate planning. One could create a fund for further investments. A large portfolio with asset allocation can be created. So when the wealth grows it is better to allocate assets to minimize risks.



Customized approach is key. One cannot apply 'one size fits all' approach in mutual fund distribution. For the distributor-SIP can scale up a distributor's AUM SIP can give you a fair idea of the future projection. Create visibility- The client can only see the present tense. You as a learned person have to create a long run picture for him/her. Stay updated- Keep yourself updated with the latest news, trends and happenings of the finance sector



***Dhondiba Ramu Mali, founder, Mount Kenya Associates - a Registered firm with Labour Commissioner. Udyog Mitra Licensed from Central Government. Provides Financial Services like GST registration, drafting of legal documents, Insurance products, Registration of Firms Retail loans, RBI bonds sale, trading of shares and Securities etc.***