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Coping with Covid

The stock market crash has hurt all investors. Find out what they plan to do now. **P2**



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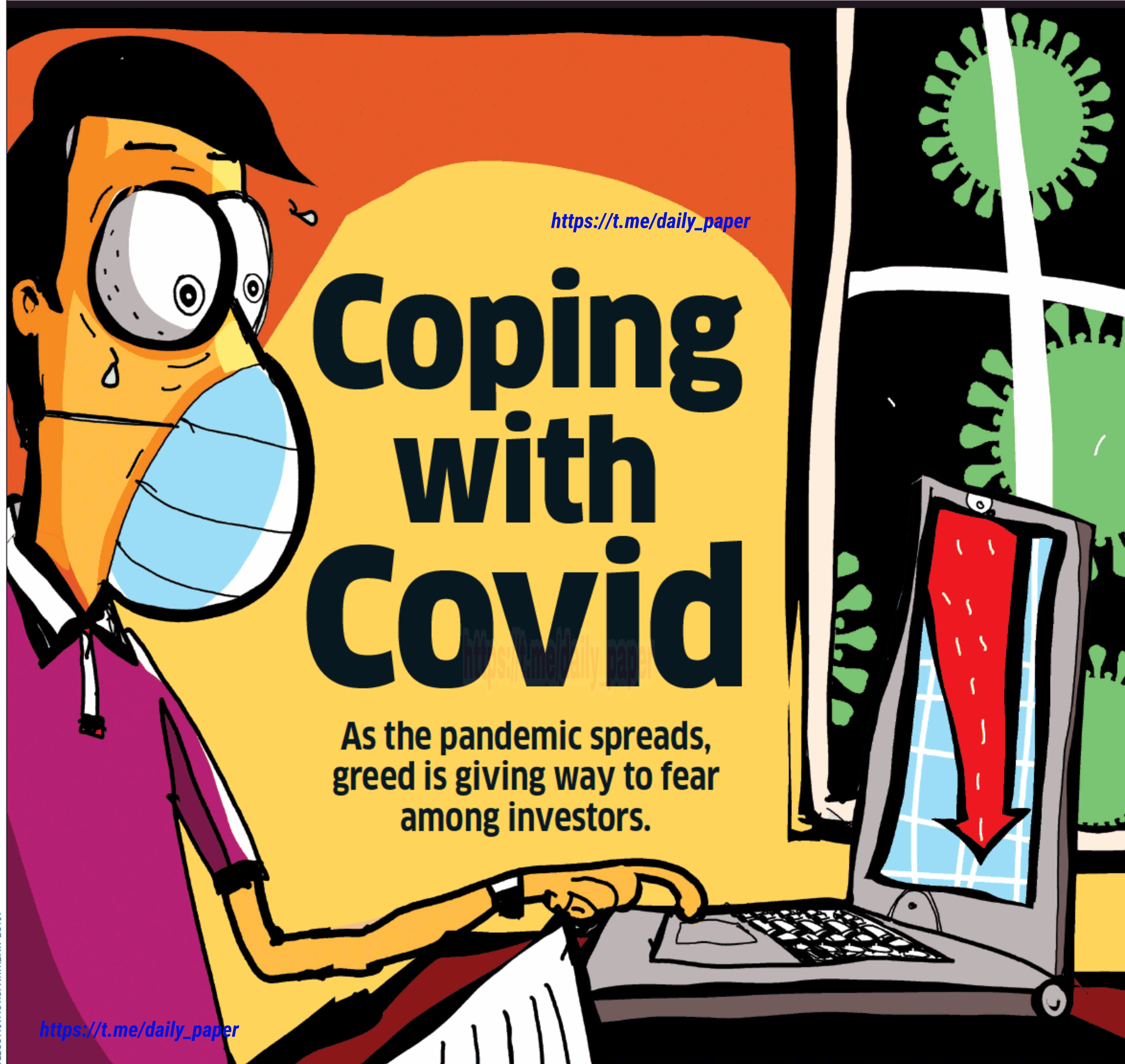


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Coping with Covid

As the pandemic spreads, greed is giving way to fear among investors.

ILLUSTRATIONS: ANIRBAN BORA

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By Narendra Nathan

If benchmark indices fall more than 20% from their peak, it is defined as a bear market. With the Sensex and Nifty down by more than 30%, we are deep in bear territory now. At the same time, experts say that bear markets are the best time to invest in stocks. Buy when there is blood on the streets, they say. However, very few Indians have the courage to do that right now. An online survey by *ET Wealth* reveals that only one out of six investors is planning to buy aggressively at this stage. The survey was conducted last week and received 3,306 responses from investors across age groups and geographies.

However, it is heartening to note that a large number of investors have not lost heart. They may have lost a big chunk of their investments in 2020, but they are not planning to go away. More than 50% of the respondents plan to buy slowly as markets recede. Only 3% want to exit completely while 7.5% are waiting for markets to recover so that they can get out. Another 3.5% is reducing exposure to equities because they expect things to worsen. Of course, there are also a serendipitous 18.5% who are not making any changes to their portfolios.

Nobody escaped the carnage
No stock investor has escaped the carnage in 2020, though some may have incurred

bigger losses, possibly due to over exposure to equities, wrong investment choices or faulty advice. We looked at respondents who managed their investments themselves and found there was only a marginal difference in their situation (51% of respondents in substantial losses) and that of people who took free (49%) or paid investment advice (48%). The narrow gap between the advised and non-advised groups shows that the quality of investment advice needs to improve. While the spread of Covid-19 is the main worry right now, investors are more worried about the economic impact of the lockdown (*see graphic*). Experts say these fears are not unfounded, because it is not a financial market problem that can

be addressed by monetary policies like rate cuts, quantitative easing or a fiscal stimulus. The real issue is the worldwide lockdown. "The economic pains triggered by Covid-19 and lockdowns are expected to last longer than the previous financial market crisis," says Sampath Reddy, CIO, Bajaj Allianz Life Insurance. This means the market could go down further in the coming months. "First leg of the fall has already happened. The next leg may happen over the next 3-6 months," says Dinesh Rohira, Founder & CEO, *5nance.com*. Some even fear that there will be bigger global repercussions. "The US administration has failed to handle the Covid-19 situation correctly. So, it may try to shift the blame to China by starting a new trade



“This is the time to increase equity allocation, not redeem equity funds. Investments in times like these make more money.”

G. PRADEEP KUMAR
CEO, UNION MUTUAL FUND

war,” says a survey respondent Alok Ranisati. As things stand, corporate earnings will be badly hit in the coming quarters. “It will take a few quarters for businesses to bounce back. By and large, the prices have factored in about a disturbance of one year,” says Vikaas Sachdeva, CEO, Emkay Investment Managers.

Exiting in panic

In the current phase, foreign investors are exiting the market. FIIs have withdrawn ₹65,816 crore from stocks in March. At the same time, domestic institutions have poured in ₹55,595 crore. But if the markets continue to fall, even domestic investors may start exiting. Our survey shows that investors are worried, but not so much that they will start packing up. However, some of them, especially new investors, are already panicking. Meet Ahmedabad-based Mihir Chaudhari, a 28-year old who started investing in stocks just three years ago and now wants to salvage whatever he can and get out. “Though my investments are in substantial losses, I want to exit because I am more worried about the recession triggered by lockdowns. The market may go down further from here,” he says.

For such first-time investors, the current mayhem is a double whammy. They have not only lost money, but might even lose faith in the market. Rookie investors seldom fathom the risks associated with equity markets and losing 30-35% of their principal can be a deal breaker, especially if it comes so suddenly. Even if their portfolios eventually come back into the black, many of these individuals may turn away from equities forever.

Even older investors like Maheshwar Singh also want to exit, but not at a loss. He is waiting for the markets to recover before he exits. “My mutual funds were down by ₹1 lakh last week. Now it must be even more. So, I will stop further SIPs and hold my investments. Once the market recovers and the value comes back to my principal, I will redeem,” he says.

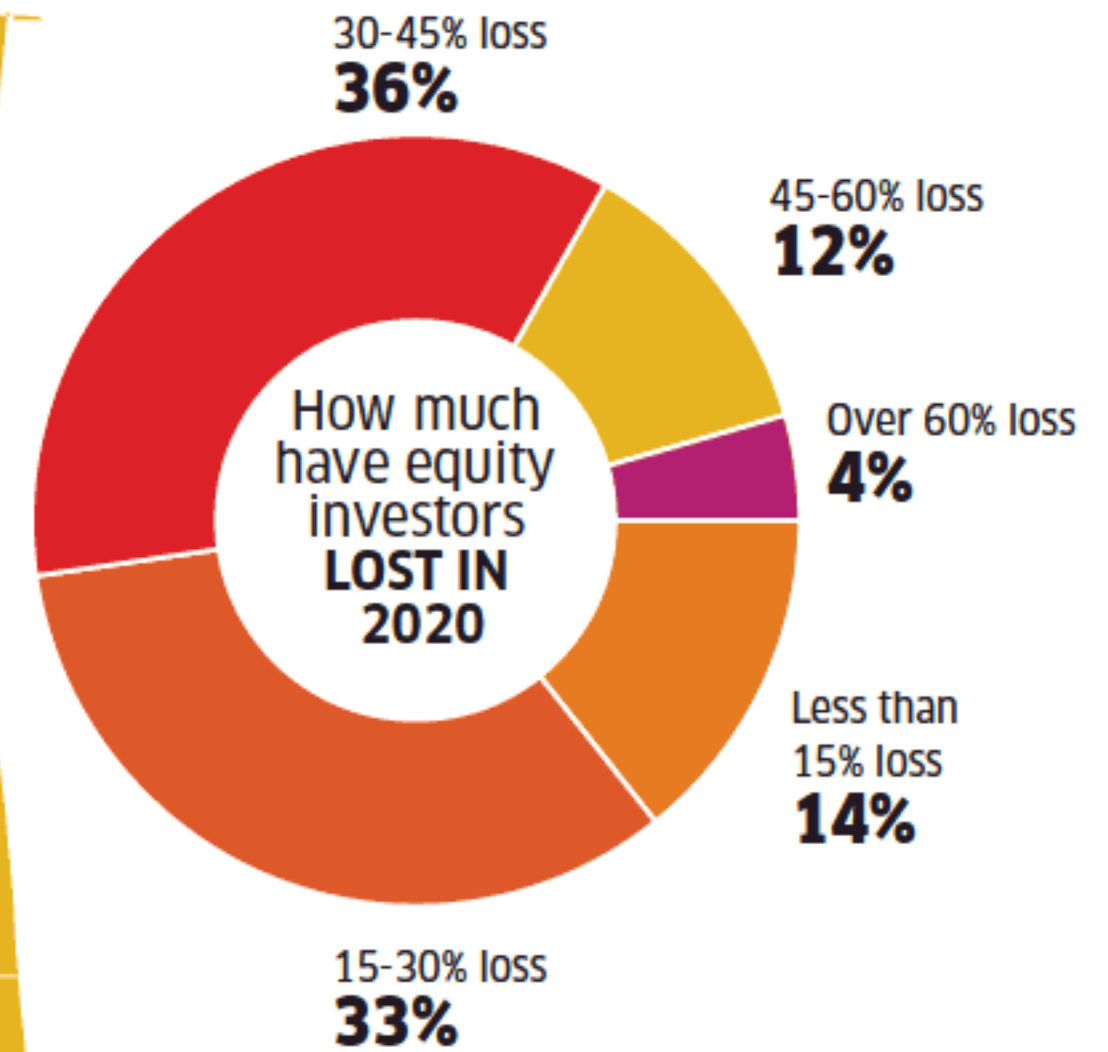
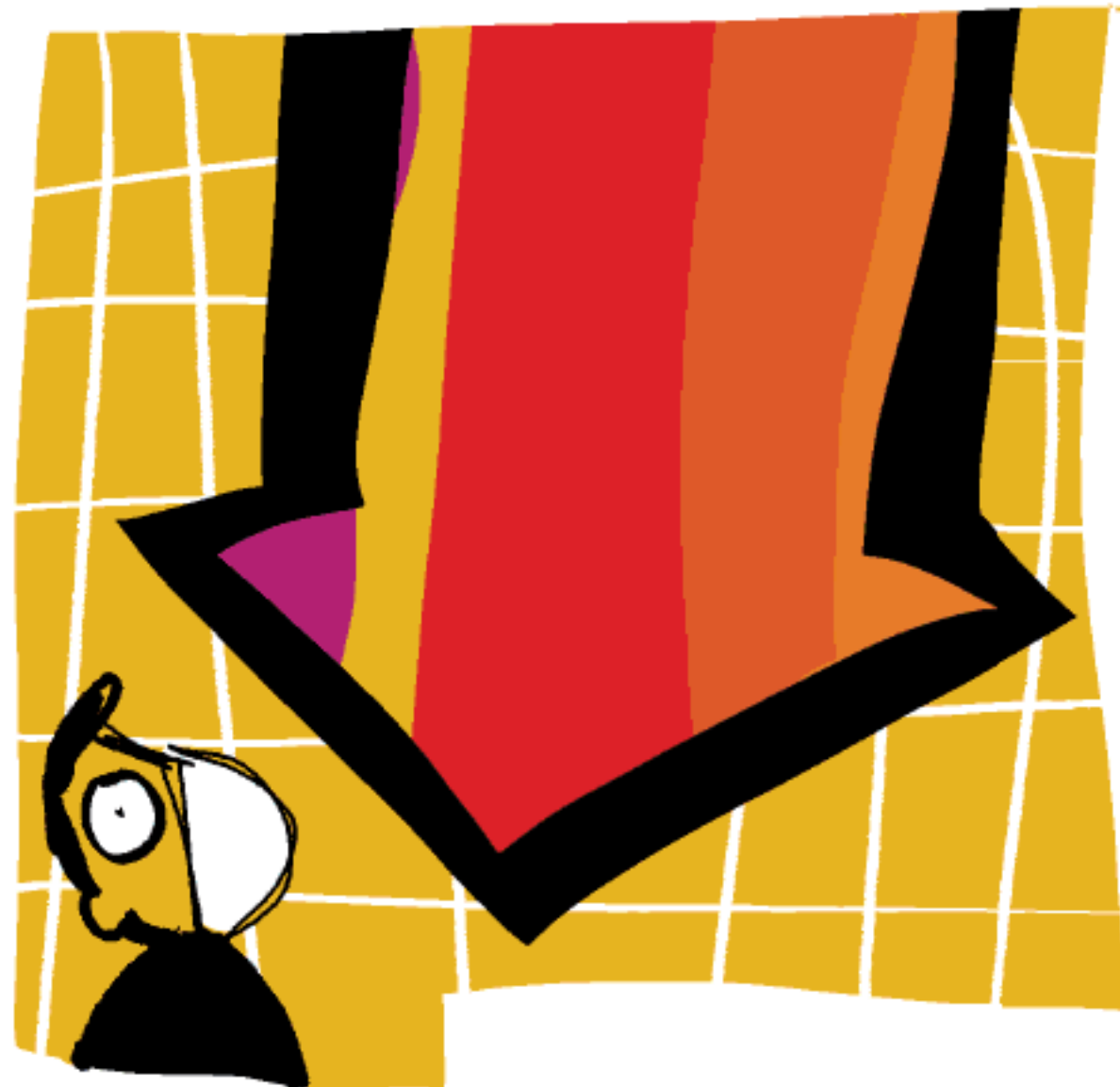
However, experts say that bear markets are not the right time to exit. “Since valuations have become attractive, this is the time to increase equity allocation, not stop SIPs or redeem from equity funds,” says G. Pradeep Kumar, CEO, Union Mutual Fund.

Waiting for recovery

Our survey shows that most investors are in

All investors have lost money in 2020

The sudden decline took everyone by surprise. But some investors lost more than others.

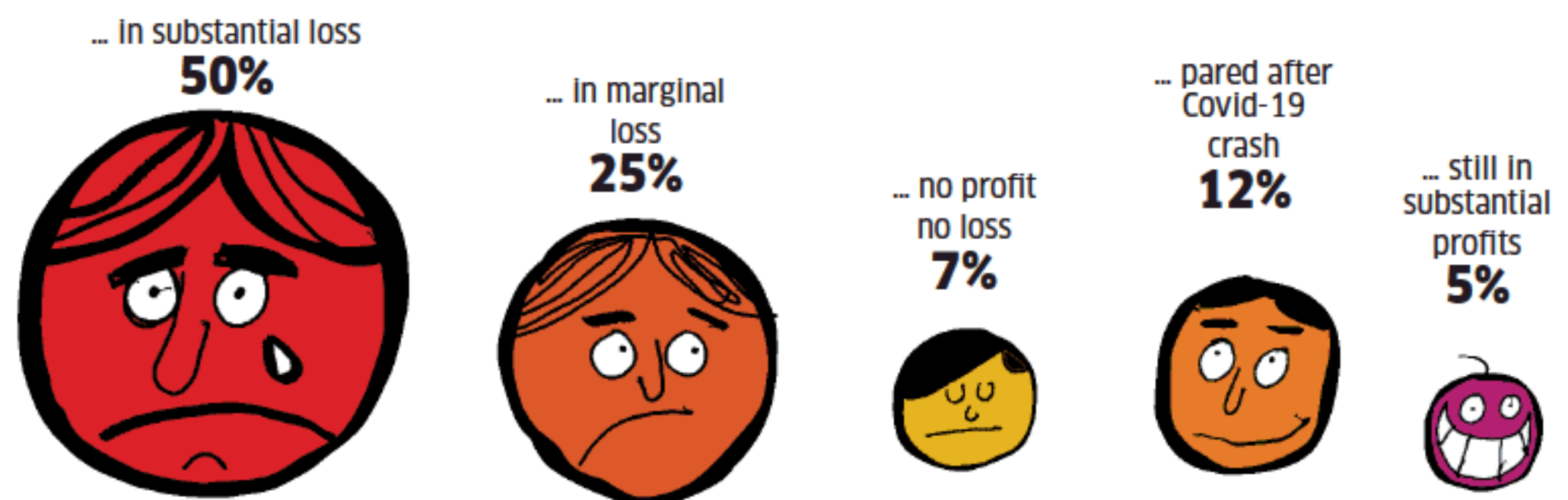


Figures in bold denote the % of respondents

The crash has wiped out gains made in past 4-5 years

Only a minuscule number of respondents are still holding substantial profits from equities.

Overall returns from equity portfolio are...



Figures denote the % of respondents

Whether self-managed or advised, all portfolios fell

There was a narrow gap in the percentage of advised and DIY investors who suffered substantial losses.



Figures denote the % of respondents who have suffered substantial losses in equities

the wait and watch mode. They are expecting the markets to fall further and will get in when it is down. Some of them have a clear plan. "I am in the market since 2005. I made money till 2008 and lost it in 2009 and that is why I am careful now. Instead of trying to catch a falling knife, I will invest only after the base formation and up move is confirmed," says Ranisati.

Some investors were lucky enough to exit in time. "I exited from stocks when the Nifty fell to around 11,000," says Anuj Gupta. He expects the Nifty to fall further and will start investing when it is around 6,000. Why 6,000? The Nifty peaked at 12,430 in 2020 and 6,215 is the 50% retracement of that peak. In previous bear markets (1992, 2000 and 2009) too, the benchmark indices had retraced 50% and therefore most respondents expect history to repeat itself in 2020.

Start nibbling at value

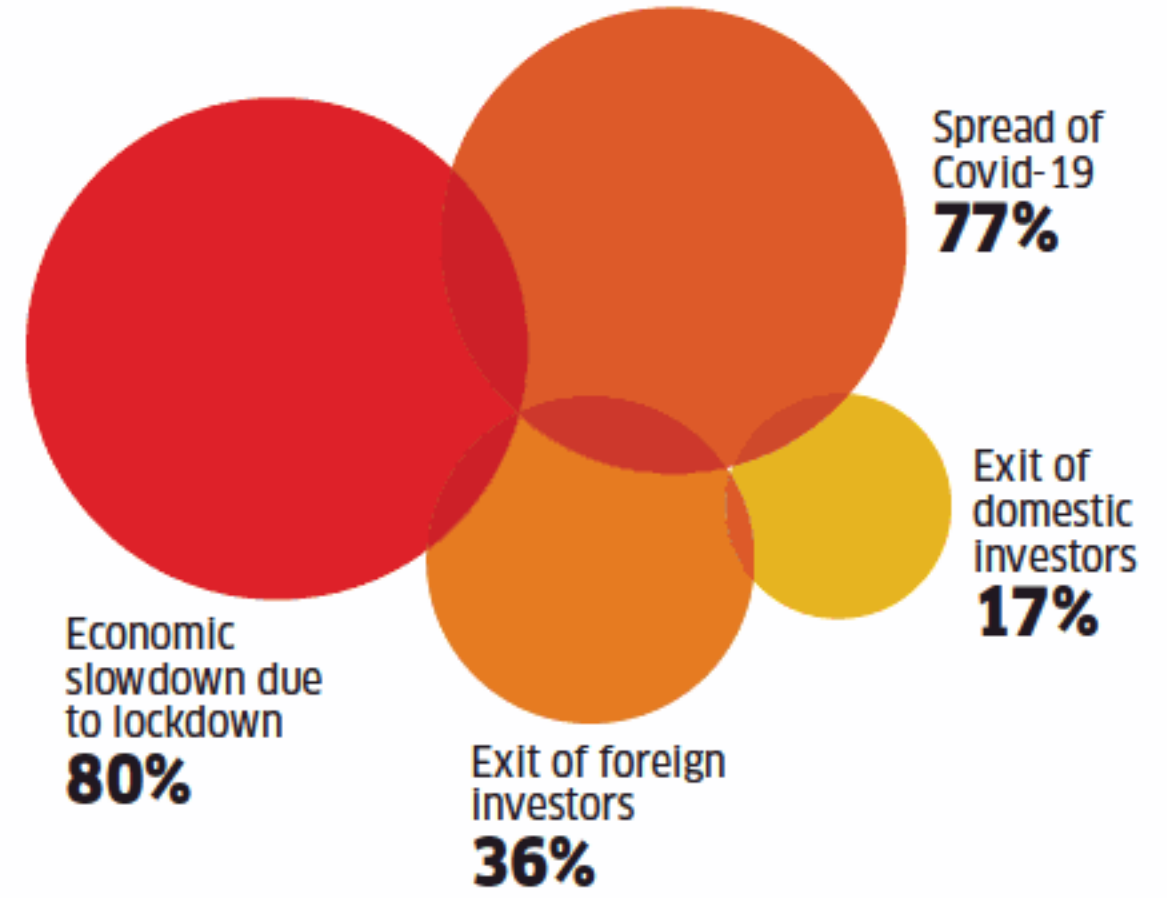
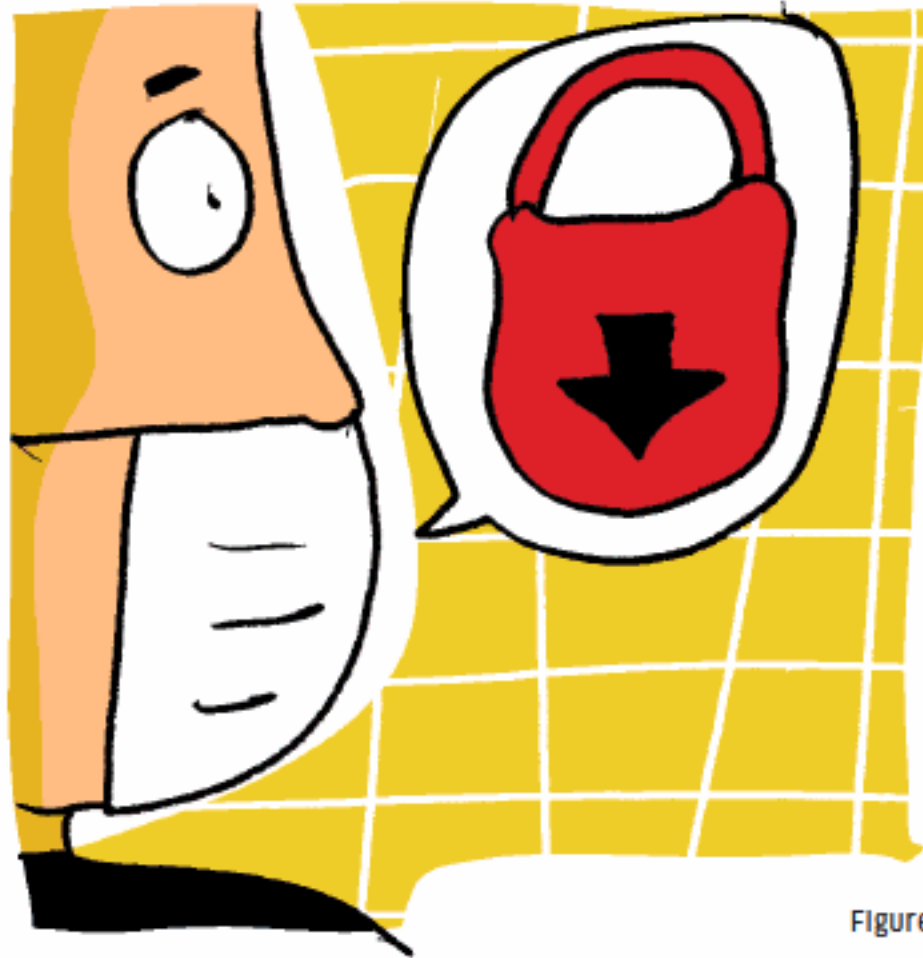
While some investors are driven by fear, others are moved by greed. Almost 53% of respondents want to start buying slowly (see chart). One of them is Mani Kanta, who thinks that this is an opportunity to buy equities at low prices. "Apart from increasing the amount of my long-term SIPs, I am also investing lumpsum whenever possible," he says.

This is what experts also recommend (see story page 6). "This is the time to start allocating fresh money to equity or shift money from debt to equity because investments in times like these make more money," says Kumar. But do this gradually - ideally by a weekly STP over the next 8-12 weeks. "If you have 3-year plus horizon, this is the best time to invest in a staggered manner. Invest your 25% now and invest

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Economic slowdown is the big worry now

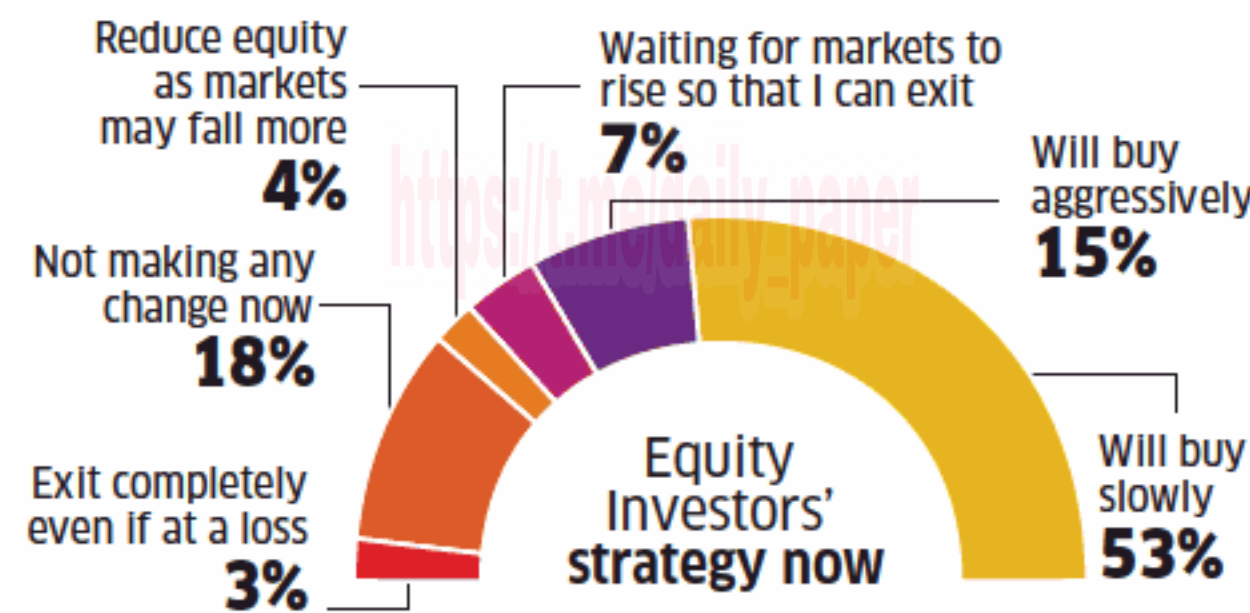
The disease is scaring investors, but the impending slowdown is more worrisome.



Figures denote the % of respondents. Percentages will not add up to 100 due to multiple responses.

What investors plan to do now

A large percentage of investors wants to start buying equities.



How advisers influence investment decisions

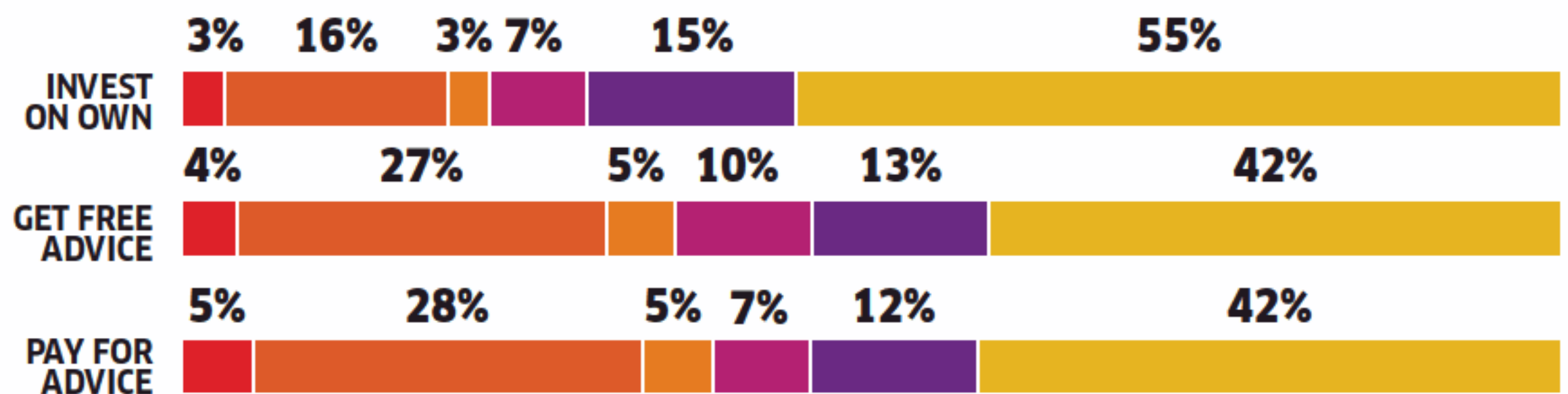
A larger chunk of DIY investors want to buy aggressively compared to those who get investment advice from brokers or paid consultants.



"This is the time to get overweight on equities, provided you don't need the money for the next five years."

VIKAAS SACHDEVA
CEO, EMKAY INVESTMENT MANAGERS

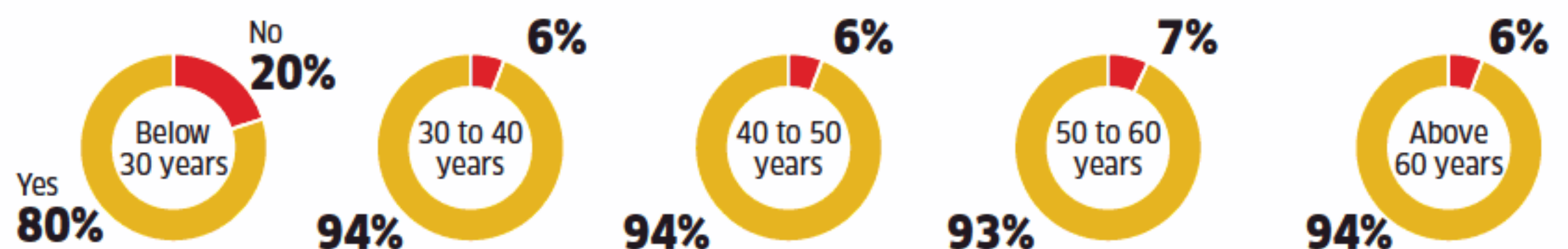
- Exit completely now (even if it means big losses)
- Waiting for markets to rise so that I can exit
- Will buy aggressively
- Will buy slowly
- Not making any change now
- Reduce equity holdings (expect markets to fall more)



Figures denote the % of respondents

Young people are staying away from equities

This is a worrying sign, because it is younger investors who can take higher risk.

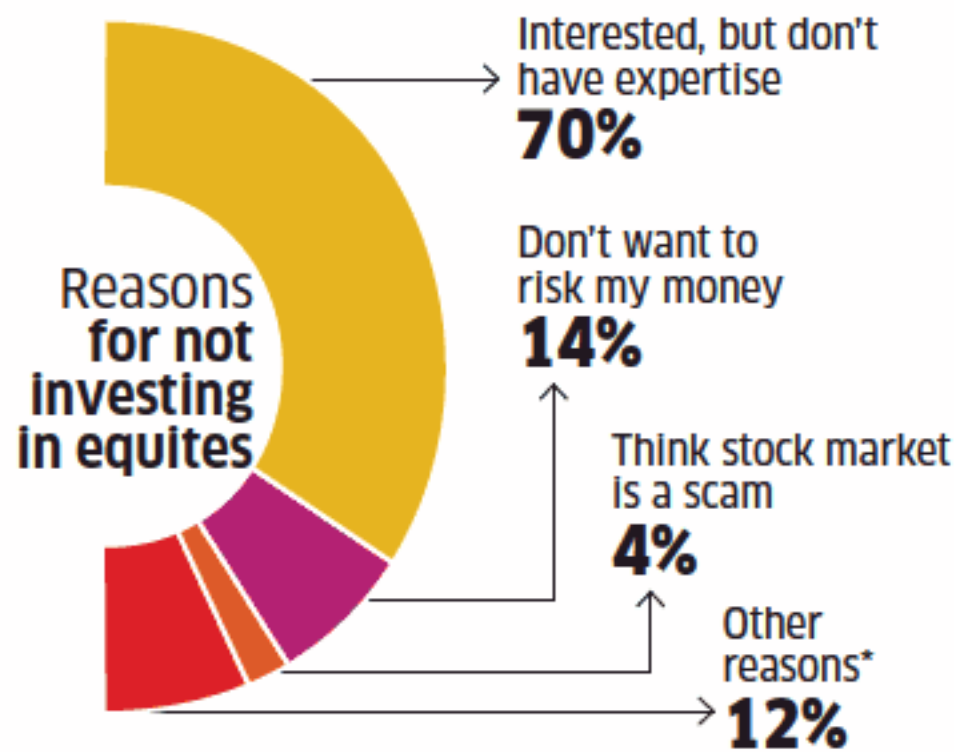


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Figures denote the % of respondents in various age groups who don't invest in equities

Why young people stay away from stocks

14% young investors comfortable with safe returns highlights need for investor education.



Figures denote the % of respondents below 30 years

*like no investible surplus, low income



“Invest in a staggered manner. Invest your 25% now and invest 25% more at every 500 points fall in the Nifty.”

DINESH ROHIRA
FOUNDER & CEO, 5NANCE.COM

25% each at every 500 points fall in Nifty,” says Rohira.

Some investors have started doing this already. “I am buying quality stocks gradually at lower levels. No one knows where the bottom will be or how many months this will continue. So, I have started buying on a weekly basis,” says Dnyaneshwar Nandgirikar.

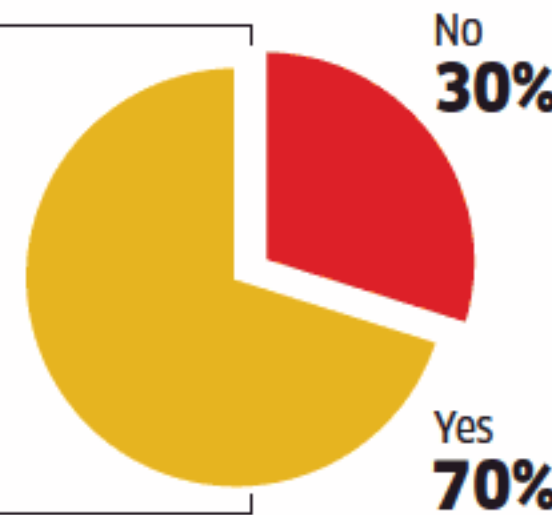


Crash attracting those who never invested before

If they invest in bear markets like this and hold, they could get good returns in long term.

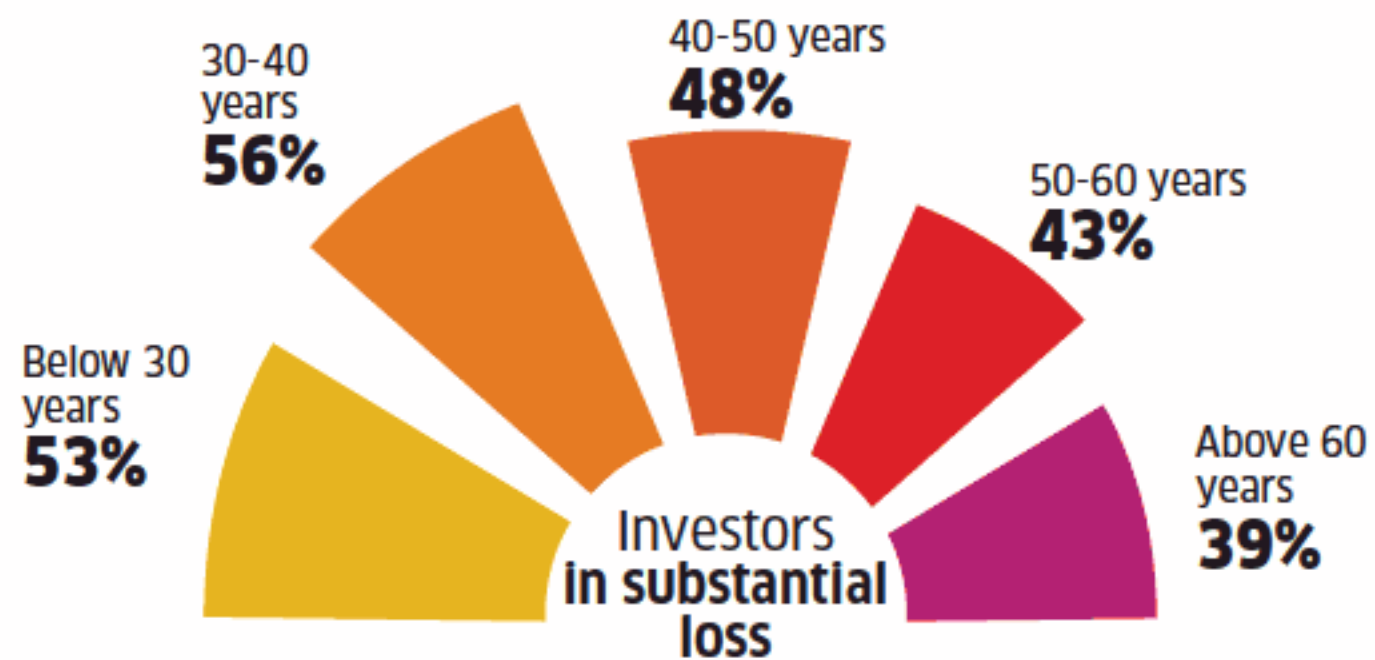
Figures denote the % of respondents who have never invested in stocks. Only 10% of respondents like that.

Will you consider investing in stocks now?

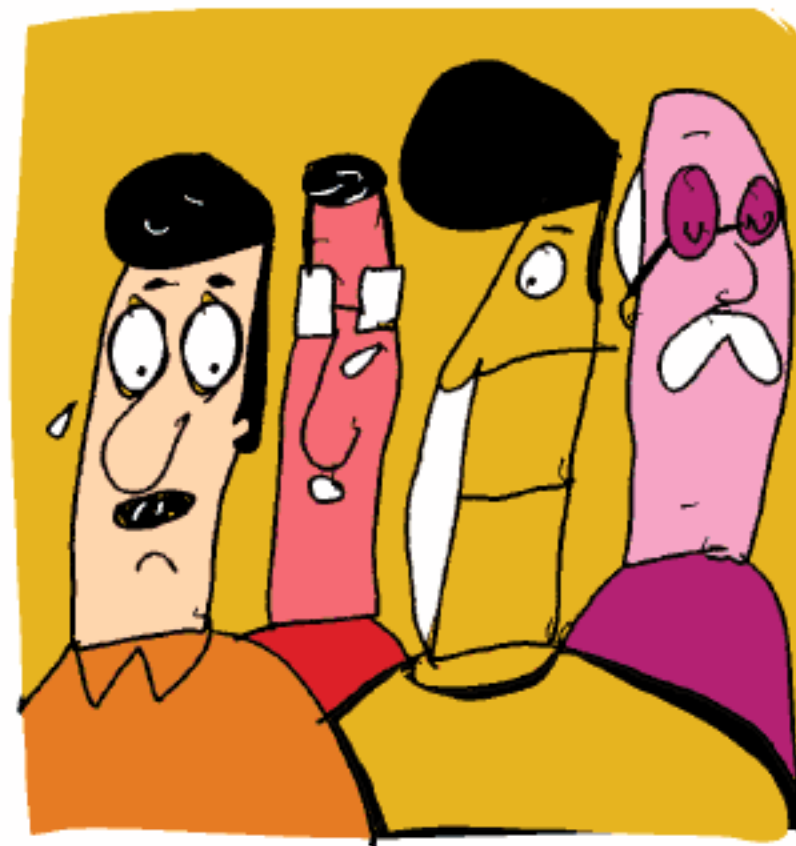


Older investors have suffered less

Older people tend to be more circumspect and cautious than the younger lot.



Figures denote % of respondents from each age group who made substantial losses in the current carnage.



Time to be aggressive

Then there are those who want to buy aggressively now, though they constitute only 15% of the respondents. Fuelling this optimism is the advice coming from the permabulls of the financial services industry. “Investors can go overweight in equities now because the market will be at a much higher level once we come out of Covid-19. Therefore, this is a great time to invest,” says Reddy. Others agree, but put in the necessary caveats. “This is the time to get overweight on equities, provided that money is not needed for the next five years. Also, do not go overboard,” says Sachdeva.

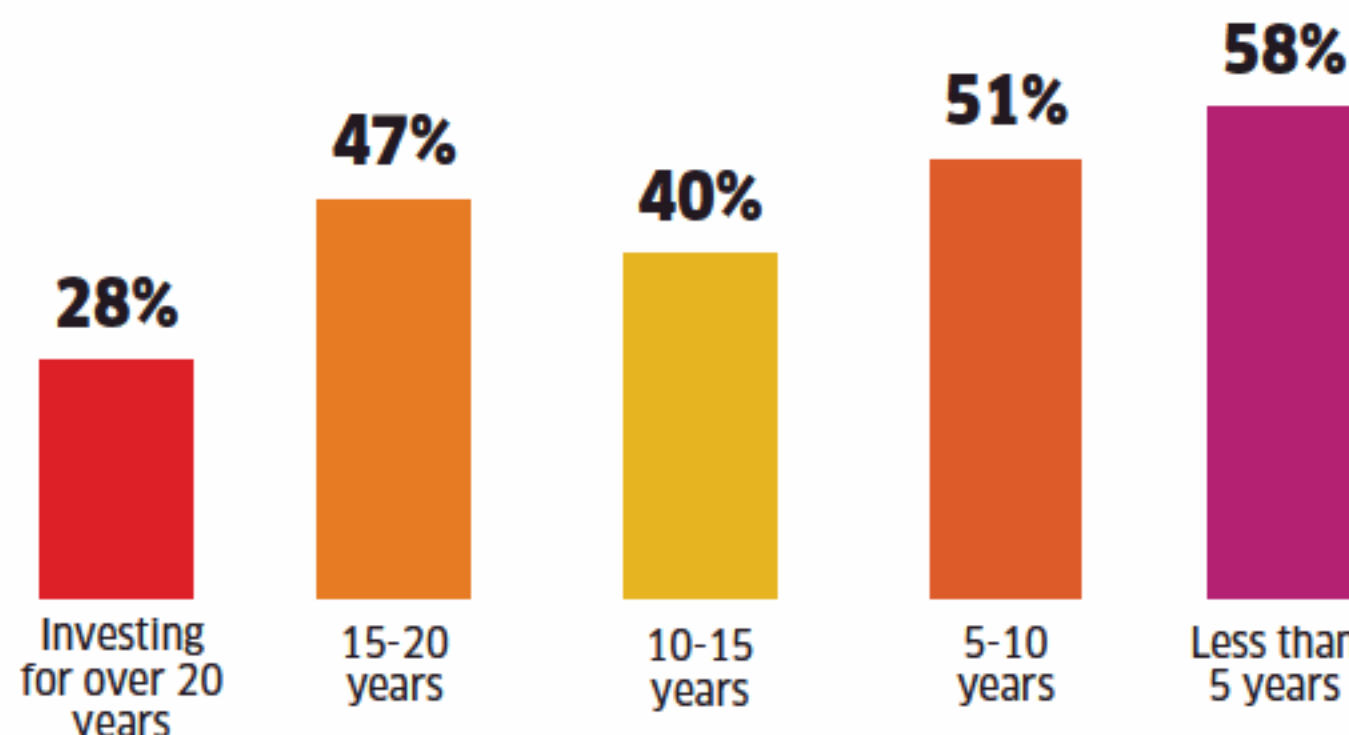
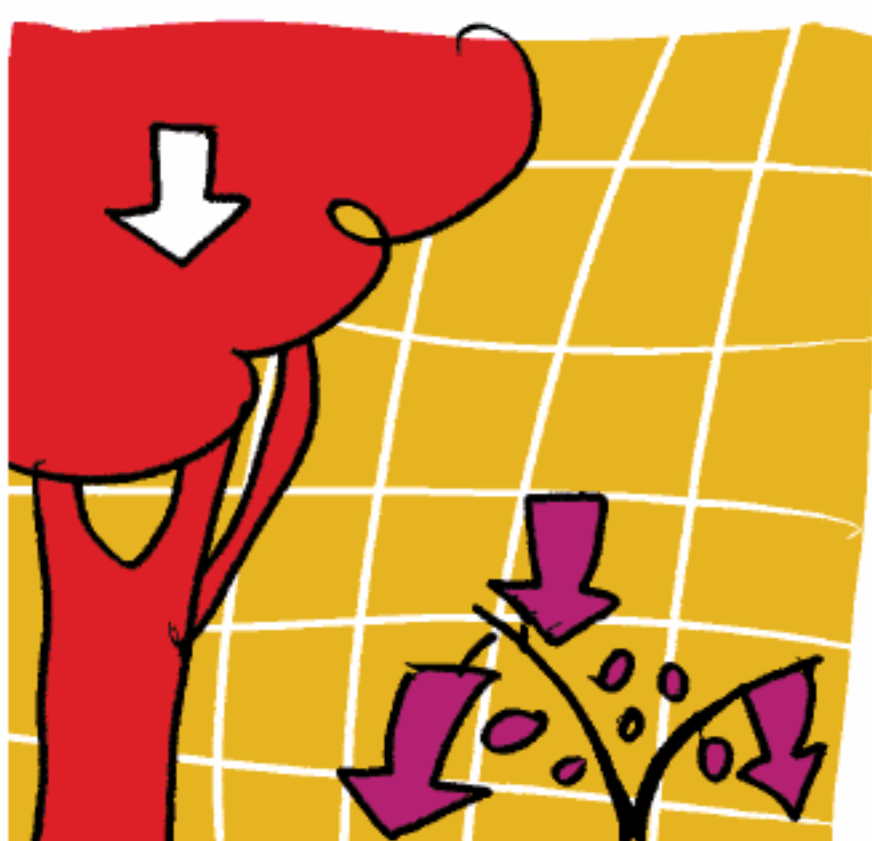
Some investors are also changing their strategy between stocks and equity funds. Veera Swamy plans to discontinue his mutual fund SIPs and start buying direct stocks. “It makes sense to be in direct stocks now because several stocks are available at throwaway prices. I will restart SIPs once this crisis is over,” he says.

However, experts warn investors who want to invest in stocks directly. “Focus on quality stocks because they will be the first ones to bounce back,” says Rohira. Second, it's not a good idea to average down on all stocks. “The structure of businesses is going to change, so this is not a right time to average down on all stocks,” says Sachdeva. Third, they must be more careful in using historical valuation models. Several stocks look as if they are cheaply valued based on historical EPS. But this may change once the earnings fall.

—With inputs from Sameer Bhardwaj

Experience in market also makes a difference

Investors who have been in the market for a very long time understand the risks better.



Figures denote % of respondents from each experience group who made substantial losses in the current carnage.

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Rejig your SIP strategy now

Experts advise increasing SIP amount or deploying lumpsum in staggered manner to make most of slump.

By Sanket Dhanorkar

The poor performance of your SIPs in the current market slump can be disheartening. But we all know how it works. By investing a fixed sum every month, you buy units in funds irrespective of how the market moves. At higher market prices, your outgo fetches lesser units while at lower prices, the same amount fetches more units. The intermittent downswings are thus crucial for the SIP to deliver healthy returns. As you accumulate more units in weak market phases, its benefits become apparent when markets start to move up again.

Investors who persist with ongoing commitments benefit in the long run. However, merely continuing may not be enough. To truly benefit from a severe crash, you should consider ramping up your SIP investments. You have two choices here: Either you simply top up existing SIPs or put in lumpsums in a staggered manner.

If you top up your SIP, you would be deploying a larger amount into the fund on predefined dates. If the downturn persists, the higher SIP outgo will fetch a higher number of units at prevailing low prices. Eventually, when the market rebounds, those few instalments deployed with higher sums will make a material difference to your return.

Let us assume an investor had initiated a monthly SIP of ₹5,000 in Aditya Birla Sun Life Equity at the start of 2007 (see graphic). If he persisted with the pre-defined outgo through the subsequent 60% market crash and the eventual rebound by December 2010, the SIP would have fetched ₹3.44 lakh at a healthy annualised return of 18.2%. Now assume the investor doubled the SIP outgo to ₹10,000 during the 12 month period—July 2008 to June 2009—when the frontline BSE Sensex had dipped more than 30%. If the investor stuck around till December 2010, the SIP would have fetched 22.2% returns—an additional corpus of ₹1.2 lakh.

While it looks great, this approach worked at the time because the steep market decline occurred over several months. It took a little under six months for the Sensex to lose the initial 30% of its value in 2008. It shed another 30% over the next eight months. The current market slump is not playing out in a similar manner. The index value has eroded 30% in just under two months over February and March.

At monthly intervals, your ongoing SIP is not nimble enough to benefit from the market lows. Vidya Bala, Founding Partner & Head, Research and Product, *Primeinvestor.in*, says, “Unless your SIP frequency is weekly or you have multiple SIPs spread out over a month, it will be hard to capture the market decline through SIP mode alone.” This approach will work only if the current slump lasts a long time.

How then can you approach your SIP? To truly benefit from the current phase, you should quickly deploy lumpsums into chosen equity funds in a staggered manner. Instead of being tied to specific SIP dates and a predefined amount, you invest separately, over and above the ongoing SIP commitments. Experts believe that given the ferocity of the cuts, merely hiking the SIP amount will not let you capture the downside effectively. If the market rebounds quickly, you will have missed locking into the lower prices by the time your SIP instalments hit.

Bala argues strongly in favour of taking control of SIPs for the next few months. “An element of market timing is required now to boost your fund returns,” she adds.

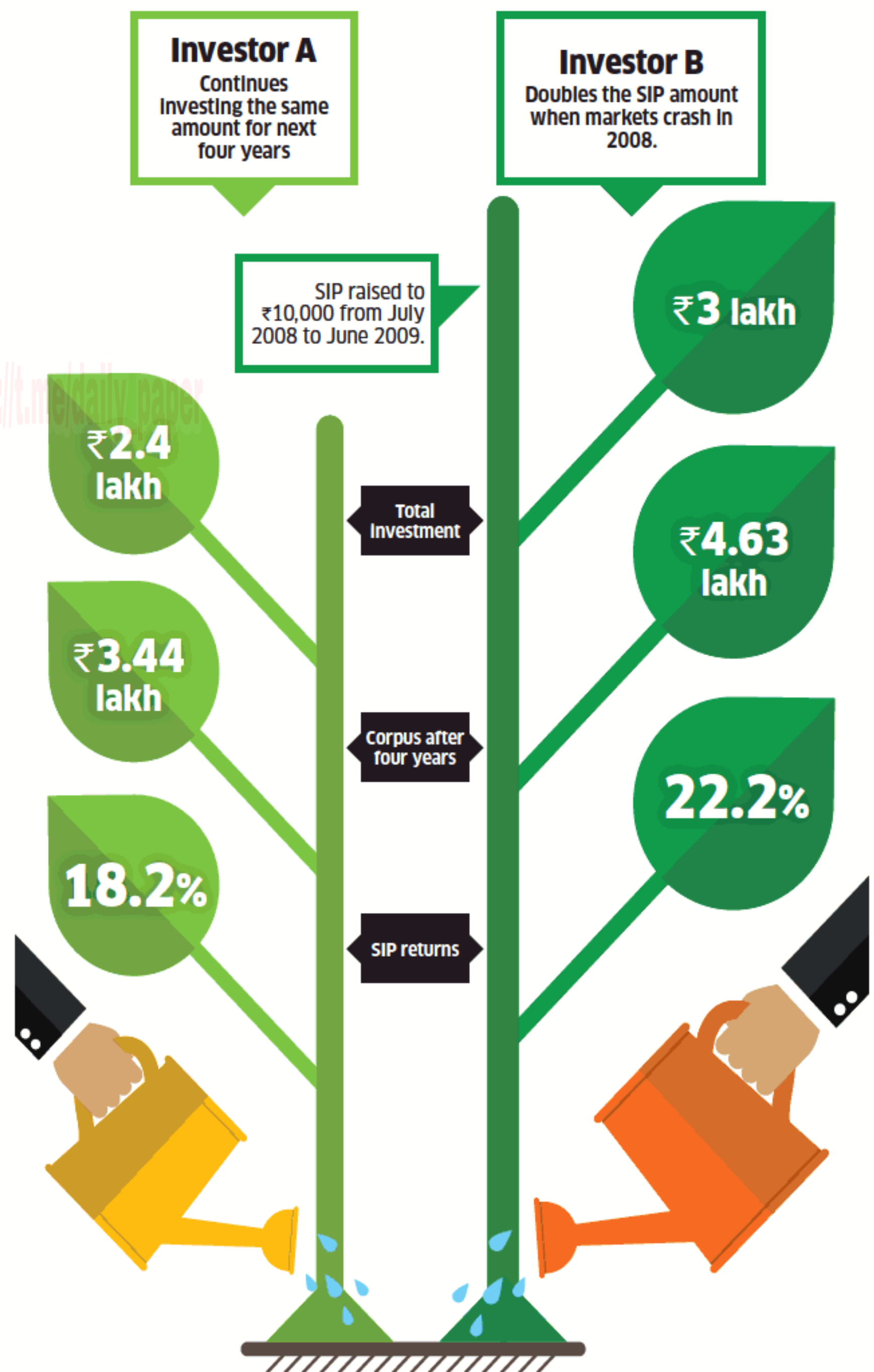
Experts recommend deploying a lumpsum amount through 4-6 tranches. Ankur Maheshwari, CEO, Wealth Management, Equirus Capital, suggests investors divide the investible surplus into 4-6 tranches and deploy at every sharp dip in the market. “The equity market is already in a zone that has yielded high return in the past. While nobody can predict exactly when the market will bottom out, it tends to bounce back much before the economy recovers,” he adds. In the absence of adequate investible surplus, investors may consider taking some money out of debt funds or other liquid fixed income avenues.

Adding money beyond existing SIPs will help investors make up lost ground in terms of corpus accumulated towards goals. In particular, investors who started SIPs only 3-5 years ago would take much longer to make up accumulated loss if they stick with the current outgo. They should use this window to hike outgo to make the most of low NAVs. This should eventually translate into healthy returns from investments, and put you firmly on the path towards meeting financial targets.

Betting on growth

Topping up SIPs during market lows yield big rewards later.

Monthly SIP* of ₹5,000 started in Jan 2007



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Special measures needed to save small savings schemes

Monetary policy measures to tackle the Covid crisis will result in lower income for many retirees. These people need a special deal, says **Dhirendra Kumar**.



DHIRENDRA KUMAR
CEO, VALUE RESEARCH

MONEY MYSTERIES

Even though the monetary policy logic of lowering these rates sounds fine, some special provision is needed in the current situation for small savings schemes, especially in those for senior citizens and the girl child. These schemes after all have a specific social purpose and utility.

The interest rates on small sovereign savings products have been reduced sharply. This is a result of the sharp reduction in the repo rate that the Monetary Policy Committee decided in its meeting on 26 March. The way savings rates are determined now, this linkage is more or less automatic as the rates on such savings schemes are fixed every quarter based on yields on government bonds. The sharp reduction is a result of the RBI's move to cut interest rates by 0.75%, taking the repo rate to 4.4%.

So, in effect, the action taken by the RBI to provide a monetary cushion to the looming Covid recession, has caused a reduction in the interest earnings of those who have money in sovereign deposit schemes. Even though each step of this chain of causes and their effects is logical, the end result is disastrous for those who depend on these schemes for post-retirement income. The reduction in earning of such people is enormous. What looks like a 1% drop in the interest rate could actually be a 15% reduction in the income of the saver. For example, if you have a ₹20 lakh in your Monthly Income Account, you were getting an annual interest of ₹1.52 lakh. Now, this comes down to ₹1.32 lakh, a reduction of 13.2%. The worst impact is on one-year term

These interest payments are a key income source for a vulnerable section and the packages that are to come must keep this fact in mind.

deposit, where the amount you earn has gone down by more than 20%.

Even though the monetary policy logic of lowering these rates sounds fine, some special provision is needed in the current situation for small savings schemes, especially in those for senior citizens and the girl child. These schemes have a specific social purpose and utility. The government spends a lot of money on a lot of things, many of them useless. A small extra outgo of interest on such schemes should be seen as a social expenditure rather than some great anomaly in the monetary policy being followed.

At this point of time, we are entering a period of great uncertainty. Governments—both states and Centre—will look after their own employees, with DAs and salaries getting bigger as they always do. In the private sector, many of those who are still in their working life will also cope, as the economy eventually recovers. People



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will earn less, face hardships but have a future to work for. None of this stands true for retirees. They are out of the economy now. An economic recovery will not mean more earnings for them. In fact, in one way or the other, it will only mean higher costs for them. On the other hand, lower interest rates will mean lower income. Except for the prosperous few who may have some inflation-linked means of earning like house rent or a pension, this is an accelerating crisis for them.

The process for handling the economic fallout has just begun. Even the inputs that will drive these measures are not in place yet so one can hardly predict what

will happen. No doubt there will be many rounds of economic packages. There is no doubt that every country is looking at massively reduced tax revenues and increased government expenditure. This is uncharted territory for everyone. However, mechanically following set formulae for determining small savings interest rates should not be done. These interest payments are a key income source for a vulnerable section and the packages that are to come must keep this fact in mind.



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Do you benefit from the moratorium?

The repayment relief that banks are offering may seem appealing. Find out how much it will cost you.

By Babar Zaidi

Banks are reaching out to customers to know if they want to avail of the loan repayment moratorium announced by the RBI. Before we go further, readers should know that this is only a grace period, not a waiver of the loan. If you do not pay the next two EMIs of your loan, you will not be blacklisted. But the bank will charge interest for the unpaid amount. Missing two instalments could extend your loan by 6-10 months or increase EMI amount by 1.5%.

Though the specifics will vary across banks, borrowers are likely to be given three options by lenders.

- **Option I:** The borrower can make a one-time payment in June of the interest that accrues in April and May.
- **Option II:** The interest is added to the outstanding loan which will increase the EMI for the remaining months.
- **Option III:** The EMI is kept unchanged but the loan tenure is extended. The number of additional EMIs will depend on the age of the loan.

Let us assume a borrower took a home loan of ₹50 lakh at 9% for 20 years. The EMI comes to ₹44,986. If he wants to skip the next two EMIs (April and May), here's how the moratorium will impact his repayment schedule.

Clearly, the longer the remaining tenure, the bigger is the impact. This is because the interest accounts for a larger



Non-payment will bloat up your credit card bill

Interest is 2-4% a month on unpaid bill.

1. April bill	₹50,000
2. Additional purchases in April	₹42,000
3. Interest @4% on 1+2	₹3,680
4. May bill (1+2+3)	₹95,680
5. Additional purchases in May	₹38,000
6. Interest@4% on (4+5)	₹5,347
7. June bill (4+5+6)	₹1,39,027
Total interest (3+6) adds up to	₹9,027

Skipping EMIs can extend loan by few months

Banks will continue to charge interest and add it to the total outstanding.

Remaining tenure	OPTION I: Pay Interest of two months	OPTION II: Increase the EMI	OPTION III: Extend the loan tenure* by
19 years	73,534	The EMI will increase by ₹674 to ₹45,660	10 months
15 years	66,442		6 months
10 years	53,131		3 months
5 years	32,291		1 month

*Extended tenure does not include the two deferred EMIs

portion of the EMI in the early years and progressively comes down. Even after the first year, the interest accounts for almost 80% of the EMI. But in the 19th year, the interest portion is less than 10% in the EMI.

So, people with older loans taken 10-15 years ago will not feel the burden as much as someone with a new loan taken 2-3 years ago. Ironically, people with older loans may not really need the moratorium as much as those with younger loans.

Go for the deferment plan only if there is a dire need. Otherwise, if you have sufficient resources and can pay the EMI, don't opt for the moratorium.

Don't avoid credit card bill

While your home and car loan can be deferred in case of a cash crunch, don't even think of taking a moratorium for your credit card bill. The impact of

deferment would be significantly bigger in case of credit cards because they charge a prohibitive 3-4% a month for rolling over the balance. If a cardholder doesn't pay for two months, the cumulative interest could add up to more than 6-8%. The additional expenses charged to the card over the next two months will also attract interest. Worse, you will be charged interest on the interest not paid in the previous month.

If you have a fat credit card bill and don't have enough liquidity, get the amount converted into easy EMIs. Card companies are willing to turn the outstanding amount into easy EMIs of 6-24 months. They will charge 12-18% on this, but that will still be lower than the 36-48% annualised cost of rolling over the credit card balance. You can also avail of a personal loan to settle the bill. At 18-24%, personal loans are not cheap but not as costly as rolling over the credit card bill.

Small savings rate cut might hurt your goals

Investments made prior to the announcement would be shielded from the cut.

By Sanket Dhanorkar

Interest rates on popular small savings schemes have been cut drastically for the April-June 2020 quarter. Investors utilising these avenues predominantly should be prepared to earn a lot less than what they are used to.

Investors in PPF and Sukanya Samriddhi Yojana will see the impact immediately with the lower rates also applicable on accumulated balance in their account. PPF investors will fetch 7.1% compared to 7.9% earlier while those putting money in Sukanya Yojana will earn 7.6% compared to 8.4% earlier.

However, investments made in NSC, SCSS, Kisan Vikas Patra and others prior to the announcement would be shielded from the cut. Only investments starting 1 April 2020, would fetch lower rates. Those retiring now will particularly feel the pinch of the cut with interest rate for

Small savings schemes see sharp cut for the quarter

NAME OF INSTRUMENT	OLD RATE (%)	NEW RATE (%)	REAL RATE OF RETURN* (%)
1, 2 & 3 year time deposit	6.9	5.5	1.1
5 year time deposit	7.7	6.7	2.3
5 year recurring deposit	7.2	5.8	1.4
Senior Citizen Savings Scheme	8.6	7.4	3
Monthly Income Account	7.6	6.6	2.2
National Savings Certificate	7.9	6.8	2.4
Public Provident Fund	7.9	7.1	2.7
Kisan Vikas Patra	7.6	6.9	2.5
Sukanya Samriddhi Yojana	8.4	7.6	3.2

* Real rate of return based on average 4.4% CPI over past one year

Senior Citizens' Savings Scheme falling from 8.6% to 7.4%. The NSC too will see rates slide from 7.9% to 6.8%.

While this sharp cut may seem unfair to most, it is pertinent to note that it has been expected for some time now. Since 2015, small savings schemes have been moved to a market-linked regime, where interest rates are supposed to be revised quarterly in line with corresponding change in yields on the government securities. However, in recent years, the government had not responded with rate cuts in proportion to the decline in yields on relevant government securities. This time, however, a sharp downward revision of interest rates by the central bank has prompted the government into finally biting the bullet.

However, experts reckon that investors should continue investing in these instruments. With inflation also remaining benign, the real rate of return (adjusted for inflation) from these instruments continues to remain high.

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Tips to grow as you WFH

Invest in eight eternal skills in lockdown time, says **Devashish Chakravarty**.

You will spend a lot of time at home in the coming days through lockdown and extended Work-From-Home (WFH) while the virus battle rages. Use this opportunity to invest in life-changing skills to forever accelerate growth. Here are eight skills to invest in—two each from learning, execution, communication and mental leverage.

Learning speed

Learning to learn is the foremost skill. It accelerates growth in your career, wealth, health, personality and time efficiency. To learn fast, leverage the working of your brain. Use chunking or breaking down information into small pieces, which can be retained by your short-term memory. To chunk, organise information into subjects, modules and sub-topics. Spend no more than 30 minutes in focused, undisturbed learning at a time. This makes it manageable and gives your mind rest thereafter, thus improving retention. Finally, shift learning from short-term memory to long-term recall by summarising what you learnt, asking yourself questions on the topic and practising problem solving. To learn more about this skill, complete the world's most popular online course—Learning how to learn by Drs Oakley and Sejnowski, on Coursera.

Speed reading

A reading novice has a reading speed of about 200 words per minute while a master averages 2,000 words. Speed-reading is a skill you can learn and dramatically reduce the time you spend on reading emails, work material and learning topics. The three main concepts are pointing, jumping and chunking. Firstly, sweep your finger across a line as you read by focusing on the tip of your finger. Increase speed over pages even though comprehension may be low initially. Pointing focuses attention and prevents back tracking. Secondly, move your eyes from one 4 to 8-word block to another, training your eyes to read in jumps. Finally,

move your finger down the centre of a page slowly, capturing each line as one chunk of information, increasing your peripheral vision. You can use a speed-reading app.

Action skill

While the first two skills dealt with absorbing information, they are useless unless you apply your learning. To overcome procrastination, put down an execution plan with deadlines in your calendar. Planning and goal setting increase mental engagement with the learning. Noting and executing as per your calendar ensures action without having to remember commitments.

Behaviour change

To make all round progress, act on multiple skills simultaneously. This will be exhausting when you expend some willpower to execute each task in a day. To avoid taxing your willpower, incorporate these activities as habits into your daily routine. So, if you go for a jog everyday at the same time, it is no more a decision to be taken. Now to convert an activity into a routine, use the motivation from the power of accountability. Thus, involve another person for going jogging together. Since you are accountable, you will soon slip into the routine of a daily run.

Speaking

WFH is the best time to improve a key professional skill—verbal communication. With online meetings becoming the default mode, most of your on-to-one discussions are now being done in the presence of the entire team either on call or video. Recognise it as a public speaking opportunity and target how you can improve this skill. First, pre-plan your communication—what you want to convey, in how much time and how you will say it for quick acceptance. Second, watch your tone, the reactions you get and experiment with words for greater impact.

Writing

The other equally important professional

skill is written communication. WFH has also increased the flow of emails. To improve writing and the art of written storytelling, start by publishing 250-500 words per day in a blog or a forum. You will struggle initially to find a subject or topic. As you continue for 3-4 weeks you will discover new structures, language and a style of your own. Thereafter with feedback from readers, you will develop a strong story-telling technique which will serve you well.

Meditation or focus power

Don't dismiss meditation as a spiritual gimmick. It is a powerful mental tool that increases your focus and output in tasks, enhances quality of decision making and increases productivity through efficient task switching. Start by as low as 10 minutes a day and move up to 30 minutes but do it daily to see results in 2-3 weeks. You can use any meditation app or simply close your eyes and focus on the tip of your nose, mentally observing each breath going in and coming out. The biggest short-term impact is a drop in stress levels.

Reducing ANT

ANT or Automatic Negative Thoughts are random negative thoughts about yourself that cross your mind multiple times a day. These contribute to stress, social anxiety and even depression, thus reducing happiness and effectiveness. Avoidance and confrontation are two techniques you can practice right away. Being fully occupied in the current moment or mindfulness practice leaves no space for ANT. In the opposite technique, pause whenever you have a negative thought, question it and reframe it positively to break its flow and to reclaim your life.

TEACH TO LEARN BETTER

1 USE TEACHING NOTES

"We teach best what we most need to learn," says the author Richard Bach. During learning, your retention capacity is as low as 5% when you attend a lecture, about 75% when you implement your knowledge and as high as 90% when you teach it. Start teaching colleagues by writing teaching notes first, thereby thinking deeply about the subject.

2 SUMMARISE

What are the three main takeaways from each teaching session? Summarise your proposed lecture to highlight takeaways and share them at the beginning and end of your session. Use the same method when you are attending a lecture. Reflecting and writing a summary immediately after learning anchors your understanding.

3 FILL IN THE BLANKS

Peter Drucker, the management guru, said: "No one learns as much about a subject as one who is forced to teach it." Your students will struggle, ask questions and expose logical flaws in your thinking and understanding. To fill in the blanks, you will discover connections with universal principles thus integrating your learning with existing knowledge.

4 INCREASED APPLICATION OF KNOWLEDGE

When you teach you tend to live up to the learning. A student will listen to tips on marathon running from an athlete and not from a couch potato. As a teacher, you feel accountable to your students and have the motivation to set a personal example by implementing the learnings in your own life.

5 IMPROVED COMMUNICATION

There is nothing more frustrating for a teacher than a learner who is endlessly struggling to grasp the content. When you teach, you get constant feedback on your communication skills from the learners whose absorption capacity depends on your ability to convey information. Your communication improves and spills over into your career.



THE WRITER IS FOUNDER AND CEO AT QUEZX.COM AND HEADHONCHOS.COM.

What should be your debt fund strategy now?

Credit risk funds, which have taken huge hits to NAVs amid a string of credit events, likely to face more heat.



GETTY IMAGES

by Sanket Dhanorkar

The central bank took some unconventional measures a week ago to address liquidity and growth challenges to the economy in the wake of the coronavirus pandemic. These actions have sought to calm the nerves of a frayed bond market. Here is what it means for bond investors.

RBI's policy arsenal comprised steep, asymmetrical rate cuts and dramatic liquidity injection. But the most significant was the announcement of Long Term Repo Operation for commercial papers and corporate bonds. Under this window, banks will be allowed to borrow from the central bank for three years at the prevailing repo rate. However, this comes with a condition that banks invest part of the proceeds into commercial papers or corporate bonds for up to three years.

This provides immediate relief to corporate bonds and money markets that were under immense stress owing to increased risk aversion and heavy redemptions from foreign investors and mutual funds. This step will plough back liquidity into the starving corporate bond markets. R Sivakumar, Head - Fixed Income, Axis AMC, points out, "There was undue stress in the debt markets which led to spike in yields over the last month. This has now been corrected by the RBI."

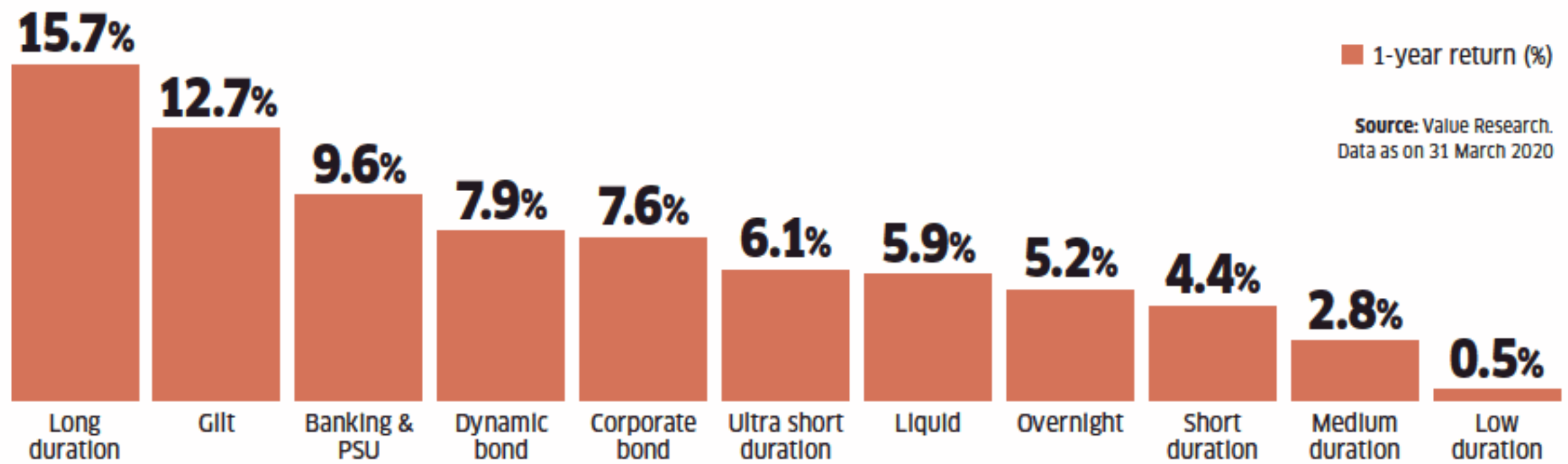
This is positive for the corporate bond funds as well as Banking & PSU debt funds. It has already led to a fall in short-term bond yields of AAA rated entities. Yield on five-year AAA rated PSUs dropped by 125 basis points from 7.5% to 6.25% and yield on 2-3 months PSU papers fell by 270 basis points from 7.7% to below 5%. Bond yields and prices move in opposite directions.

Fund managers believe this is the segment which will thrive going forward. Suyash Choudhary, Head - Fixed Income, IDFC AMC, insists, "Quality bonds especially in the front end (up to five years)

https://t.me/daily_paper

Long duration and gilt funds have gained sharply over the past 1 year

Fund managers favour corporate bond funds and banking & PSU funds because they are safer than credit risk funds



Source: Value Research. Data as on 31 March 2020

offer immense value. Spreads over repo are substantially higher than the average of the past few years, and argue for immediate action from investors." HDFC AMC offers similar perspective. "The short to medium end of the yield curve offers better risk adjusted returns. Further, the spread between three years AAA corporate bond index and Gsec, which had widened significantly over the past one month is likely to normalise soon." Banking & PSU debt funds have clocked 9.55% return over the past one year while corporate bond funds have yielded 7.6%.

The prospects of instruments at shortest end of yield curve have already improved after the losses few weeks ago. Liquid funds and ultra-short term bond funds have recouped much of their losses after facing a wave of redemptions owing to increased risk aversion. Several investors had shifted money to overnight funds as a flight to safety. Fund managers maintain that investors are better off in liquid funds. Arvind Chari, Head - Fixed Income and Alternatives, Quantum Advisors, says,

"Returns on overnight funds will remain very low given the surplus liquidity in this segment. Conservative investors would be better off in a liquid fund or even a bank fixed deposit." Overnight funds have yielded 5.15% return over the past year while liquid and ultra short term funds have averaged 5.9% and 6.1% respectively.

In a major policy action, the RBI cut the repo rate by a massive 75bps, taking it to a historical low of 4.4%. At the same time, it hinted at further cuts. This would normally bode well for funds playing duration strategy. However, bond markets don't seem too enthused about rate cuts. While yield on the benchmark 10-year government bond initially dropped sharply, it quickly reverted to levels before the rate cut. Fund managers reckon bond markets are more concerned about the fiscal math in the wake of the pandemic. Chari argues against a duration play till more clarity emerges on this front, "It is likely that fiscal slippage will be a lot bigger than anticipated, which will force the government to borrow heavily leading to increased supply

of government bonds." Gilt and long duration funds have already delivered big gains over the past year, clocking 12.7% and 15.7% respectively during this period.

Meanwhile, the prospects for credit strategies have only worsened with the heavy toll likely to be paid by already stressed companies. Credit risk funds, which have taken huge hits to NAV amid a string of credit events over the past year, are likely to face more heat. Interestingly, returns for many low and medium duration funds also suffered because these ventured into lower quality bonds. Fund managers suggest investors stay away from credit funds for the time being. Sivakumar says, "We continue to favour high quality short term strategies at this juncture." Chari argues, "The credit crisis in the bond market is far from over. The pandemic will only exacerbate issues in existing stressed balance sheets so it will be prudent to avoid taking risks."

Please send your feedback to etwealth@timesgroup.com

Understand confidence interval for better investment planning

The function predicts the range within which the probable value of a variable is expected to appear.

by Sameer Bhardwaj

An idea about the future movement or co-movement of financial and economic variables is critical for devising investment strategies. Most of the statistical tools that are applied for studying variables aim at a single point output. For example, regression analysis between a stock return and index return helps to determine how much return a stock will generate for a given level of index return. A linear trend forecast will determine the sales revenue of a company for a particular year.

Such single point outputs may not prove effective at times, specially when market dynamics are changing. The coronavirus pandemic is threatening the prospects of world economic growth. Under such conditions, a range of outputs will be more useful than a single point output. For example, it is more rational to define that an asset is expected to generate a return between 2-5% next month (or any other period) instead of a single point forecast like say 4%. Defining a range of probable values helps in creating different scenarios that result in better portfolio management.

Statistically, such a range of outputs is termed as a confidence interval. It is calculated with respect to the unknown parameter (which can be average/mean, variance or proportions) and defines the lower and upper bounds with a stated level of confidence, where such parameter is expected to lie. The confidence level is expressed in percentage and 90%, 95% and 99% limits are commonly used in the data analysis. A 90% confidence interval implies that there is a 90% probability that the true value of the unknown parameter will fall within the lower and upper limits of the interval. Such unknown parameter can be Sensex return or gold/silver prices, oil prices, USD-INR values, bond prices, etc.

For constructing confidence intervals of financial market variables, two statistical distributions are often used, namely, the normal distribution and the t-distribution. The normal distribution is well known and heavily used in modeling stock markets. On the other hand, the t-distribution is used when the population standard deviation is unknown. If the last 12 months' returns of BSE Sensex data are used, the standard deviation may

not truly represent the actual risk. For the calculation of actual risk, the data should include different market phases. The past one-year data may not capture all market cycles. Therefore, for small samples the t-distribution is appropriate. However, as the sample size goes up, the t-distribution converges to the normal distribution.

If one is interested in finding the range of an average value of a financial asset (like the average gold price or average USD-INR rate), it implies calculation of the confidence interval of a mean. For such computations, a term called the margin of error needs to be added and subtracted from the mean. The margin of error takes into account the above mentioned statistical distributions and standard error.

Such computations are tedious but the same can be easily managed with MS Excel's inbuilt functions: CONFIDENCE.NORM and CONFIDENCE.T. The former is used for normal distribution or large sample data, whereas the latter is used for small samples or with data with unknown standard deviation. Both functions require only three inputs: the first input 'alpha' is the confidence level or the probability that takes a value between zero and 1. However, the extreme values are not allowed and if one attempts to use any of the two values it will lead to an error. The second input is the standard deviation, which can be managed using STDEV.S function. The final input is sample size or the number of observations used in the calculation and can be managed using 'count' function.

CONFIDENCE.NORM function is demonstrated in Screenshot 1. Last 10 years' BSE Sensex annual return data is used. The average returns and standard deviations are worked out. Inputting the required values in the function at a 95% confidence level, the margin of error is calculated as 0.416. Adding and subtracting the same from the average returns gives the upper and lower limits of 5.82% and 4.98%. This implies that there is a 95% certainty that next year's Sensex return will lie between 4.9% and 5.8%. One can observe how the interval changes by increasing or decreasing the sample size or changing the confidence percentages. For example, changing the confidence level to 90% (keeping other things constant) will change the interval to 4.56% to 6.2%.

Excel's computation requires three inputs

The first visual shows normal distribution, while the second deals with t-distribution.

Screenshot 1

Year	Sensex return (%)
Dec-11	-24.64
Dec-12	25.7
Dec-13	8.98
Dec-14	29.89
Dec-15	-5.03
Dec-16	1.95
Dec-17	27.91
Dec-18	5.91
Dec-19	14.38
Mar-20	-31.06

Average returns (%)	Standard deviation	Margin of error
5.399	20.989	0.416195828

CONFIDENCE.NORM Function Arguments:
 Alpha: 0.95 = 0.95
 Standard_dev: B14 = 20.9858867
 Size: 10 = 10
 Formula result = 0.416195828

Screenshot 2

Month	Gold price (Rs/10 gram)
Oct-19	38,257.26
Nov-19	38,124.55
Dec-19	38,084.67
Jan-20	39,991.57
Feb-20	41,196.75
Mar-20	42,029.72

Average Price	Standard deviation	Margin of error
39614.086	1725.191	93.09181658

CONFIDENCE.T Function Arguments:
 Alpha: 0.9 = 0.9
 Standard_dev: B10 = 1725.191205
 Size: 6 = 6
 Formula result = 93.09181658

'CONFIDENCE.T' is demonstrated in Screenshot 2 using a small sample of gold average prices for the past 6 months. The 90% confidence interval of the gold prices for the next month is ₹39,520 to ₹39,707, which is obtained by adding and subtracting the margin of error from the average price. The confidence interval states that there is a 90% probability that the average price of gold will be between the stated lower and upper limit next month.

The confidence intervals discussed above provide a rudimentary introduction to statistical intervals. In conjunction with the confi-

dence intervals, experts also create prediction intervals that provide a range of the predicted value for the given level of an independent variable. For example, if one is studying the impact on household expenditures due to inflation, a prediction interval will provide lower and upper limits of the future households' expenditure for a given level of inflation rate. The prediction interval is beyond the scope of the article.



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How to start investing in mutual funds

The falling markets may be a good cue to start putting your money in mutual funds. Riju Mehta provides a step-by-step guide to starting the online process.

HOW TO GET KYC DONE...



If you are a new investor, you will be required to carry out KYC or know your customer/client compliance through a Sebi-registered intermediary—mutual fund houses, distributors or online platforms—via the KRAs (KYC registration agencies). This is a one-time process mandated by Sebi to prevent fraud. It involves verifying your identity as a mutual fund investor.

The first step and prerequisite to start investing in mutual funds is to become KYC (know your customer) compliant. Only after this can you invest in mutual funds, as mandated by the Securities and Exchange Board of India (Sebi).

OFFLINE Download the KYC form from any Intermediary website.

- Fill up the form
- Attach self-attested hard copies of identity and address proofs (see Documents). Paste a passport-size photo on the form and sign across it.
- Visit the branch of a fund house, RTA or investor service centre for an in-person verification.
- Show the original documents for verification.

ONLINE OR E-KYC

This is a paperless version of KYC and can be done in three ways. You can either complete the entire process online, use the OTP-based system via your phone, or the biometric system.

- In the first case, you go online to any fund house website or KRA site and enter the personal details to register.
- Upload/submit scanned images of documents required.
- Complete in-person verification through a video call.
- Digitally sign the document.
- In the biometric option, the investor will be able to complete the KYC on a registered or whitelisted device operated by the intermediary using biometric details.
- In the second case, you can get only PAN/Aadhaar-based KYC through a Sebi-registered mutual fund distributor or adviser (if they have registered with a KYC user agency (KUA) as a sub-KUA), as per a provision introduced by Sebi on 5 November 2019.
- You will get a one-time password (OTP) on your phone. Enter it and you will be verified.

Documents and information you need to keep ready

You will need to keep handy a set of documents for KYC verification and while investing.

Identity proof

- PAN card
- Any one document from passport, Aadhaar card, driving license, voter ID card.
- Latest photograph.

Address proof (Any one)

- Aadhaar
- Passport
- Driving license
- Ration card
- Voters identity card
- Utility bills (gas, telephone, electricity)
- Bank account statement or passbook

While Investing

- Bank account number & type
- IFSC code
- E-mail and phone number

WHERE TO START INVESTING...



https://t.me/daily_paper

MUTUAL FUND HOUSES (online, offline, mobile apps)

You can physically visit an AMC office or the fund house website and start investing if your KYC is done. Some AMCs also have apps to invest in funds. The advantage of investing directly through the fund house is that you don't have to pay the agent/broker charges. However, you will be able to invest only in the schemes of that particular fund house.

REGISTRAR & TRANSFER AGENTS (RTAs)

You can go to any of the Sebi-registered RTAs and start investing by completing the application form and submitting a cheque or bank draft at the branch office. CAMS and Karvy are among the more well-known RTAs. The benefit of investing via RTAs is that you can pick and choose schemes across fund houses, instead of that from a single fund house.

INVESTOR SERVICE CENTRES (ISC)

These are basically the physical branch offices of mutual funds or RTAs in various parts of the country. You can conduct all transactions, be it investment or redemption, at these centres.

FINTECH INVESTMENT PLATFORMS

Online mutual fund aggregators or third-party platforms like Groww, Scripbox and FundsIndia are like RTAs and offer the facility of investing and conducting all transactions through their sites.

DEMAT ACCOUNT

You can invest in funds directly through the demat account, which holds all securities—stocks, mutual funds, bonds, exchange-traded funds, government securities—at one place. You will, however, have to pay annual charges to the broker, in addition to the expense ratio.

MF UTILITIES

One can also invest either online or offline through MF Utilities (MFU), a shared service platform promoted by the mutual fund industry and owned by several AMCs for fund transactions. For more information, visit www.mfuindia.com.

STOCK EXCHANGES https://t.me/daily_paper

Since February this year, Sebi has allowed investors to invest in mutual funds directly through recognised stock exchanges, allowing them to bypass brokers or intermediaries. To avail of this facility, you will need to complete one-time online registration with NSE or BSE.

HOW TO INVEST ONLINE...

While the online format for investing in mutual funds varies slightly among AMCs and intermediary sites, here are the common steps you are likely to come across on a mutual fund website.



STEP 1 Register on fund site

Open the fund website. First-time investors will first have to register by providing their name, date of birth, mobile number, e-mail and PAN. The site will ask whether you are KYC compliant or not. If you are not, it will provide the option to get it done. If you are, you just need to put in your PAN to verify compliance before starting investment.

STEP 2 Give personal details

In the next step, you will be asked to furnish your personal details like nationality, profession, income, and whether you pay tax in any other country. After this you need to tick the boxes for terms and conditions before moving to the next step. You can also add an applicant in this step, if you want.

STEP 3 Fill nominee details

Here you will be asked to fill in the nominee details, including name, date of birth and the percentage of allocation you want for the nominee. If you don't want to appoint a nominee, move to the next step.

STEP 4 Provide bank details

In this step you will need to fill in your bank details, which will include providing the IFSC Code, your account number and type of account. After this you check a box confirming that the investment and redemption will take place through the account you have filled in and then proceed to the next step.

STEP 5 Investment details

Type of Investment: Select from one-time lump sum or periodic systematic investment plans (SIPs). Some sites offer ELSS and SIPs with insurance.
Scheme and plan: Next, pick if you are investing directly or through an agent/distributor. Since you are doing it yourself, click 'directly'.
 For the type of 'scheme' you want, pick from Equity, Debt, Hybrid and others. If you click on 'Equity', you will have to choose between 'Growth' and 'Dividend' options. The former option is better.
SIP period & amount: In SIP option, decide how much amount you can invest, with what frequency, and on which date of the month you want to do so. You can also decide the duration or the number of instalments. For the latter, you also have the option of continuing indefinitely.

STEP 6 Make the payment

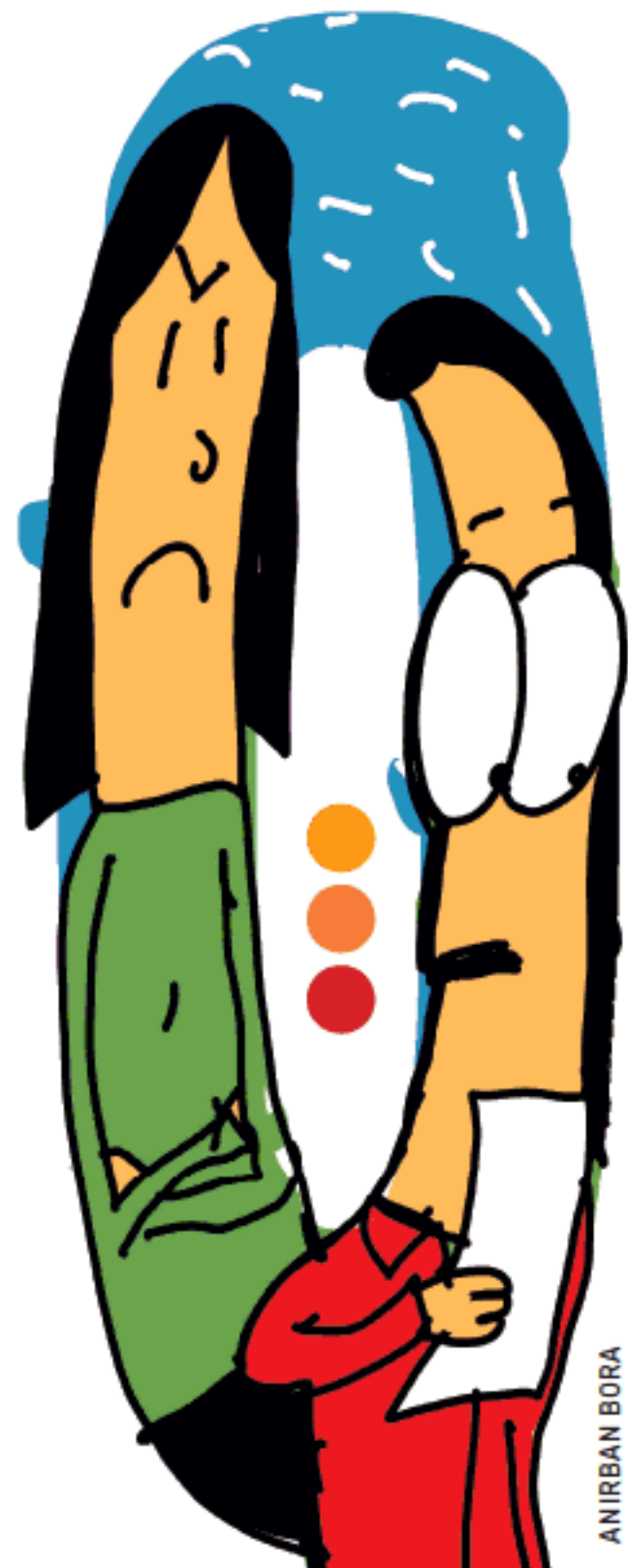
This is the last stage of investment process and you can make the payment online or offline. If you are making the payment online, do so and check the box for the final confirmation. To register for automatic bill payment with your bank through Net banking, you will receive a SIP Registration Reference Number, which you will need to provide to the bank.

Screenshots have been taken from an actual fund house website.



Why is your spouse hiding financial information?

Find out the reasons your husband is not sharing money-related information with you and what you can do about it to protect yourself, says **Riju Mehta**.



Given the manner in which Covid-19 has impacted the economy, many people have suffered heavy losses, rendering their financial plans askew. An unlikely fallout of this development could be that the men, who have taken the onus of investing and handling finances, may be unwilling to share the financial details with their wives, leading to a strained relationship. Even without the stress of bad investments, many men are reluctant to share financial information with their partners for various reasons. Is your husband also silent about financial affairs? If yes, it is important to know the reason because only then can you protect your own financial interests.

1 Your lack of interest
Did you, at the start of the relationship or marriage, fail to show any interest in financial matters or refuse to take on any money-related responsibility? If yes, you can't blame your spouse for not sharing the financial details. If he feels you won't understand or appreciate how he manages money or invests, he will not tell you much about it. To rectify this, you need to

become proactive in taking on some financial responsibility, whether it is saving or spending, making the household budget or framing goals and investing. You have to be an equal financial partner to have access to all the information.

2 Bid to retain control
In many marriages, power struggle is often centred on money. If husband is the sole earner, he retains control over how the money is spent and saved, leaving the woman completely dependent on him. Similarly, retaining all financial information about how he manages it gives him the upper hand. So before you decide to give up your job after marriage, understand your spouse's attitude and know that your financial future and independence might depend on this decision.

3 Bad money manager
A common and mostly unknown reason men do not tell their wives about money is that they feel pressured to handle it even though they are not adept at it. Under social pressure to provide and plan for the family's future, they make investing

mistakes, losing money in the procedure. This insecurity is often hidden behind a wall of silence. If you feel your spouse is not too comfortable handling money, but you are, talk to him about it. If required, you could even hire a financial adviser so that both of you are in the know and the burden of managing doesn't rest on either of you.

4 Poor habits or debt
If your spouse is addicted to gambling or spending and, as a result, has taken a large number of loans or is in a debt trap, it is likely that he will not talk to you about money at all. He even might resent or become angry with your constant enquiries about spending and investing. In such a case, it is better to seek the help of a counsellor to get to the root of the problem. If not, you are likely to end up with an insecure future.

5 To avoid fights
If you and your spouse have different financial values or goals and can't find a way to reconcile, it is likely that every financial discussion ends in a fight. This is probably the reason your husband avoids talking about money with you. If you want to share a financial future, you will have to reconcile your differences, either by seeking counselling or going to a financial planner. If not, you are likely to end up with unmet goals.

IF YOU HAVE A WEALTH WHINE, WRITE TO US...

All of us have been in a financial dilemma when it comes to relationships. How do you say no to a friend who wants you to invest in his new business venture? Should you take a loan from your married brother? Are you concerned about your wife's impulse buying? If you have any such concerns that are hard to resolve, write in to us at etwealth@timesgroup.com with 'Wealth Whines' as the subject.

Disclaimer: The advice in this column is not from a licensed healthcare professional and should not be construed as psychological counselling, therapy or medical advice. ET Wealth and the writer will not be responsible for the outcome of the suggestions made in the column.

READERS' QUERIES

Q My father died in 1995. My brother and mother, who is scared of him, have sold my share of ancestral property. How can I get my share?
— Vanya Kapoor

It is not clear whether the ancestral property is divided or not. If your share has been sold from the ancestral property or undivided ancestral property without taking your prior consent, you can claim it through legal action. If the ancestral property is divided, you can file a title suit against the registry of the deed by virtue of which your share was sold out. If the ancestral property is undivided, you can file a suit to claim your share in consideration received from the sale of property and also a stay application for preventing your brother from selling more. You can also consider filing a partition suit for rest of the undivided ancestral property.

Q I live with my husband in Delhi. My father lived in Kolkata and died intestate. In 1993, I had accompanied my husband overseas. On the request of my older brother in Kolkata, I had executed a general power of attorney regarding my share of property. After return from overseas, I have been asking for my share, but he does not want to give it. One of the two properties has already been sold. Is it possible for me to get my share?
— Waheeda Singh

Subject to the power given by you to the attorney holder by way of execution of power of attorney, you can take the

following action. Revoke the power of attorney so that the attorney holder can't continue selling the property. Assuming that the power of attorney includes the sale of property, you can file a suit under the Specific Relief Act, 1963, to claim a share in consideration of the amount received from the sale of this property. You can also file a case against your brother for criminal breach of trust for the sold property.

Q I am a divorcee with a son. I work outside India and don't have any financial support from my ex-partner. My father has a

business in partnership with my brothers. He says that the commercial property is shared among sons and father and that I don't have any rights. My father also has a self-acquired house, which is going to be sold. He says the sons will get a higher share of the sale proceeds and I will get a lesser share because I might settle abroad. This is not true as I will return to India. How can I get my share of the property?
— Vindhya Sharma

If your father dies intestate, being a legal heir, you have the right to claim your share from your father's partnership firm subject to anything contrary

agreed upon in the partnership deed executed, and provided your father has not bequeathed or transferred his share to anyone.

A person is free to distribute his self-acquired property in any manner as per his own discretion. If he dies intestate, the legal heir can claim an equal share in the property of the deceased.



Raj Lakhota
Founder, Dilsewill

Help the migrant find a home

Much needs to be done to protect the millions of labourers who work in our cities, says **Uma Shashikant**.



We are not talking of a few. Millions of migrant labourers, living in abominable conditions in our cities, contributing to its economic growth, but never able to call it home. They have to pick up their bundles and leave when a pandemic strikes because it is not their home.

We will argue about the unfair H1B process; the long line for green cards; the unfairness of spousal employment under H4; and about how the Indian immigrant is an important contributor to the Western economy. But the migrant worker who cannot afford to bring his wife to the city; the daily wage earner who hasn't met his family in months; or the worker who only rents a bed and shares a bathroom with 10 roommates do not evoke our collective consciousness.

Thus we have the economic system that uses hands and legs, backs and bodies to build, clean, cart and drive, and feels it is a fair deal to pay humans for the actual hours they work. We don't see the denial of the basic right to call the place they work in home, to a fellow human being like us, as an act of gross social injustice. We do fight for stray dogs and we do become vegans to save cattle, but we let these fellow humans remain homeless in our large cities.

We got here because we stopped caring. We limited our focus to ourselves—our job, our income, our wealth and our family. We forgot to give, to include, to empathise, to enable, and to take our communities along. We have no stake in our communities, the places we live in and work. We are all nomads occupying slots of economic value that pays us money. We don't know how every other piece fits in that collage of our lives—every human being that contributes to make our life what it is.

If not for those hundreds of faceless contributors, who would we be? How would we work, eat, commute, live, love and thrive? We have turned into societies that grab, take, and behave with an entitlement mindset. Thus we don't see those who walk home in hunger and sorrow as people like us. People we abandoned.

To donate money is to take the easy and lazy way out of the problem. Dignified humans do not stand and wait for charity. Into our everyday lives, we have to include our community. We have to take it upon ourselves the responsibility for every single person who enables our lives. We cannot see urban migration as a policy problem that offers pavements as homes and streets as toilets to millions of our fellow humans.

There is no difference between the coveted NRI and the construction worker. The former has nudged his way into the community he lives in and found his voice and power. The latter remains on the fringe, powerless and alone. Let us not stop at merely donating to feed the misplaced. Let us find a way to integrate these people into the places they have come for a better life, so they can call it home. So they won't be asked to pick up and leave ever again.

Please send your feedback to etwealth@timesgroup.com



UMA SHASHIKANT
IS CHAIRPERSON, CENTRE
FOR INVESTMENT
EDUCATION AND LEARNING

What would a migrant labourer do in an alien city? He would try and stay close to others from his village. But he cannot make the new city his home. The city is a place that pays for labour. But there is no place to stay. Every square foot is expensive. Cost of living is high.

How does one define home? The place one was born in? Where one works? Or is it where one lives with the family? Our need to be economic units that earn an income has made nomads of us, displacing us from our homes.

Consider the children of well-heeled parents who go abroad to study. They find jobs and settle in foreign locations and raise a family there. They are the proud achievers their parents and society brag about. Many middle class households crave for that possibility of a dollar income earning offspring.

Then consider those workers, walking home with children on their hips, belongings bundled on their head. They also moved to the big city in search of a better life and better income. How is it that we have nothing but pity and disdain for them? How are they different from the first lot?

How cruel is that economic reality that our earnings are in one place and our homes are in another, and we live a life torn between the two. What we call home is where we think we belong; a place that accepts and supports us. We give that warmth up for earning an income.

Except we do not see everyone out on this pursuit as equals. For one class we host an investment mela in a five star location; the other, we let them walk for miles without food or water, because we failed to account for how they could get home, safely and with dignity. Even while they bear the burden of having lost their livelihood.

It is not easy to work in an alien land. If Indians abroad complain of racial discrimination, north eastern Indians in Bengaluru suffer bullying too. The differences in our cultures, looks, food, language and habits show us up as outsiders. We suffer the ignominy because we need the job.

Those who already live there see us as desolate people who have to leave home to earn money. The parochial mindsets recognise locals as 'us', and outsiders as 'them'. Those who have willingly uprooted themselves from the comfort of home, must be desperate. There is no acceptance or respect, and it comes grudgingly even if it does.

What does one do when there are no economic opportunities near home? How does one cope with poor quality education and mindless entrance exams? How does one get a place in the rat race for favours? One sets out into the big bad world, to find a place. To learn, to upskill, to work, to earn and to live.

The new place can become home. If one feels safe, secure, and knows someone will have their back when they are in trouble. Indians abroad gather into communities, lobby with local politicians, find their voices and carve out homes in a foreign land.

What would a migrant labourer do in a large alien city? He would try and stay close to others from his village. But he cannot make the new city his home. The city is a place that pays for labour, and has consistent work to offer. But there is no place to stay. Every square foot is expensive. Cost of living is high.

Managing risk in a volatile environment

Do not liquidate or accumulate more until the market settles down.

Atul is 42 and has worked hard to build a portfolio of equity shares to create a retirement corpus. However, the dramatic swing in the markets has made him question his investment strategy. Should he take the risk with his funds, earmarked for his retirement approximately 15 years away? Should he stay invested in this volatile environment or change his asset allocation in favour of less volatile asset classes such as debt or real estate? Is this a good time to make the switch, he wonders.

Long-term investors such as Atul must remain calm through periods of volatility. Making dramatic changes to his portfolio at times of extreme market volatility could prove detrimental to his wealth. Since he has invested with a certain investment horizon and plan in mind, he must have been fully aware of the inherent risks of equity and the potential long-term returns. His equity investment provides him the best opportunity to meet his retirement goal which is a long time away. If he quits at this time out of panic, he will not only miss out on the possibility of an uptick when he is away, but will also be hurt in terms of an overall fall in return on his investment.

A better choice is to hold back from investing more in equity. Let us assume that he had 70% of his money in equity. His equity exposure would naturally come down as his existing holding would have moved down, and he is not putting in fresh money. The only downside to this is the lost opportunity of investing in a falling market, but that call is tough to take for most investors. Staying invested is a tough decision when the money continues to lose value in a falling market and the future is unpredictable in a rapidly evolving global situation.

Equity markets are subject to cycles of volatility. Market volatility is a reminder for Atul to review his investments regularly and make sure he has a well-diversified portfolio. It may be natural to react emotionally, but at such times it is extremely important to not get carried away and liquidate or accumulate more until the situation settles down.



Content on this page is courtesy Centre for Investment Education and Learning (CIEL). Contributions by Girija Gadre, Arti Bhargava and Labdhi Mehta.

PAPER WORK

⚡ Stop SIP instruction

Once a desired financial goal is reached, an investor may choose to stop the systematic investment plan (SIP) instruction. This may also be needed in case the investor is not in a position to continue with the SIP instalment for the designated period. The process to cancel or stop an SIP is a simple one and can be done by the investor himself or with the help of his financial adviser.

Online procedure

The investor can login to the mutual fund website using login credentials or folio details. Else, the investor can also login to the online transaction platform of the R&T agent or the distributor and click on ongoing SIP instructions. The investor then needs to select the SIP instruction that needs to be stopped and click on 'Cancel/Stop' SIP.

Offline procedure

Alternatively, the investor can fill up a 'Stop SIP' form available on the mutual fund website for download. He must fill up the SIP details, folio number, PAN and sign the form. It should then be submitted to the financial adviser or the AMC office or investor service centre. An acknowledgement counterfoil shall be given to the investor on the submission of cancellation request.

Process

Once the instruction is submitted, the request takes about 15-20 days to be processed. Hence, it is important to keep a sufficient number of days in hand after submission of the cancellation instruction. If this duration is less, the chances are there that the next SIP instalment may get debited before the cancellation of SIP.

⚡ Points to note

- If the investor wishes to pause the SIP for a short duration, he can use the 'Pause SIP' option instead of discontinuing.
- Though the SIP mandate stops, the existing investment which has already accumulated will remain invested.

SMART THINGS TO KNOW

Short selling

1 Short selling is selling equity shares that are not owned by a seller and is not in his demat account.

2 These shares are lent to the seller by the broker with a promise that they will be delivered back to the broker at the time of settlement.

3 Retail and institutional investors are permitted to short sell.

4 If the price of a stock that the seller has shorted falls, he can buy back the stock at the lower price and make a profit. However, if the price of the stock rises, he has to buy it back at the higher price, and will incur a loss.

5 Short selling happens when there is a bearish trend in the market and investors expect the prices of shares to fall.



I have a 40-year-old specially-abled brother. He has no source of income. Can I open a PPF account in his name? Can I also save some money for him and buy insurance policies that might help in his old age?

A PPF account can be opened in his name, with your assistance.

If he is unable to sign the form, you will require a Power of Attorney, authorising you to act on his behalf. The same procedure will apply in case of other investments too. You could make him a nominee in a few of your investments. This will help him in case you pre-decease him. You can buy a life insurance policy for your brother only if you have an 'insurable interest' in it. You must prove that the loss of your brother's life will affect you financially. You can make him a nominee for a new / existing non-term policy so that he can receive the maturity proceeds or the death benefit in due course.



Jayant R. Pal
 CFP and Head - Products,
 PPFAS Mutual Fund

I bought the HDFC Unit Linked Pension Plan in 2006 for an annual premium of ₹50,000. I paid ₹7 lakh before I had to surrender the policy recently. I received ₹10.54 lakh. What will be the tax implication? I am in the 30% bracket.

The surrender value or maturity proceeds are tax-exempt if the following conditions are satisfied: The policy

was taken between 1 April 2003 and 31 March 2012 and the premium paid for any of the years does not exceed 20% of the sum assured. In case of surrender of the policy, the sum received would form the sum assured. In your case, the policy was taken in 2006. Hence, the condition of premium payment not exceeding 20% will apply to you. Your annual premium payments work out to 4.74%, which is less than 20% of the surrender value. Hence, the maturity proceeds are tax-

exempt. You have to report the ₹10.54 lakh received as tax-exempt income while filing your income tax return.



Archit Gupta
 CEO, ClearTax

I am 44 and have a 6-year old daughter. I plan to work for the next 14-15 years. Which funds should I invest in for my child's education and marriage and my retirement? I have a family floater policy of ₹5 lakh, mutual fund investments worth a few lakhs and some FDs.

Your quantum of investment will depend on your surplus every month and a ballpark figure of how much you want for each goal. Use any online calculator to arrive at this figure with 4-5% inflation assumption. Since you already have some mutual funds, pick the ones that have been consistently performing well and make sure you allocate each fund to a specific goal. Go with a 60-75% allocation for your retirement and about 60-70% for your daughter. Use a combination of multi-cap, mid-cap and index funds for equity and some short duration funds and FDs for debt. Up your medical cover by at least 3 times.



Vidya Bala, Co-Founder, PrimeInvestor.in

Our panel of experts will answer questions related to any aspect of personal finance. If you have a query, mail it to us right away.

QUESTION OF THE WEEK

I have accumulated 31,598.052 units of HDFC Balanced Advantage Fund and earn a monthly dividend of ₹9,795.40. I will need my investment of ₹9 lakh only after 5-6 years. Now that the NAV is falling, what should I do?

The balanced advantage or dynamic asset allocation category allows a fund to invest freely across equity and debt. HDFC Mutual Fund continues to maintain this fund in its classic style, and this reflects in its low turnover ratio and higher equity allocations vis-à-vis other schemes from this category. Further, the fund's equity exposure is in a mix of growth and value stocks, and thus the performance lag can persist. The other aspect is the choice of dividend option which results in the fall in NAV with every dividend payout. Dividends are now taxable in the hands of investors. If you fall in the 30% slab, then dividends received will be taxed at the same rate. Thus, 2020-21 onwards, dividend option should only be used if you are in the lowest tax slab. If not, move to the growth option and do

monthly SWP for cash flow needs. Take a call once markets stabilise.



Prableen Bajpal
 Founder, Managing Partner,
 FinFix Research & Analytics

After my wife died in July 2019, all her investments were transferred in my name. As a result, my annual income is ₹16 lakh. I am 88 years old and the basic exemption is ₹5 lakh. How can I reduce my tax burden?

Assuming your income is in the form of interest

earned, you can reduce taxes by claiming deductions for medical expenses, if any, and tax saving investments such as deduction for interest up to ₹50,000 (Section 80TTB), deduction under Section 80D for medical insurance, medical expenses and preventive health check-up up to ₹50,000, deduction under Section 80C up to ₹1.5 lakh for investments in Senior Citizens' Savings Scheme, ELSS funds, PPF, etc and deduction in respect of expenses on medical treatment of certain diseases up to ₹1 lakh under Section 80DDB. If you do not intend to claim any such deductions, or the total of all such deductions you claim does not exceed ₹2,08,333, then the new regime will be beneficial to you. However, while a taxpayer can avail various deductions under the old regime, the new regime does not allow deductions, except a few, which may not be applicable in your case. The new regime can help you save up to a maximum of ₹65,000 in taxes. You may refer to

https://www.incometaxindiaefiling.gov.in/Tax_Calculator/index.html?lang=eng for a comparative analysis.



Homi Mistry
 Partner, Deloitte Haskins & Sells

My father-in-law is a retired central government employee. His only source of income is his pension. Is he supposed to pay TDS at periodic intervals or only once a year?

Pension is taxable under the head 'income from salaries' and hence TDS is

deductible on the same. Any amount of commuted pension, if received by employees of civil services of central or state government, defence or any local authority, is exempt from tax. In case of non-commuted pension, the employer is liable to deduct TDS at the slab rates applicable to the pensioner. Ordinarily, the employer in this case will deposit TDS on a monthly basis. Any individual, whose tax payable (after deducting TDS) exceeds ₹10,000 in a financial year, has to pay advance tax. However, a resident senior citizen not having any income from business or profession is not liable to pay advance tax and can pay all due taxes while filing the income tax return. Your father in law will pay any tax due while filing his income tax return by 31 July.



Amit Maheshwari
 Partner, AKM Global

Ask our experts

Have a question for the experts?
etwealth@timesgroup.com

ETW FUNDS 100

BEST FUNDS TO BUILD YOUR PORTFOLIO

ET Wealth collaborates with Value Research to identify the top-performing funds across categories. Equity funds and equity-oriented hybrid funds are ranked on 3-year returns while debt-oriented hybrid and income funds are ranked on 1-year returns.

	Value Research Fund Rating	Net Assets (₹ Cr)	RETURNS (%)					Expense Ratio (%)
			3-Month	6-Month	1-Year	3-Year	5-Year	
EQUITY: LARGE CAP								
Axis Bluechip Fund	*****	11,823.95	-21.7	-18.91	-11.66	6.24	4.95	1.71
Canara Robeco Bluechip Equity Fund	*****	352.87	-23.62	-18.31	-16.2	1.62	2.81	2.56
Tata Index Sensex Fund	****	14.89	-30.73	-25.4	-26.01	-0.63	0.7	0.46
Sundaram Select Focus Fund	****	1,046.48	-29.04	-23.98	-23.47	-0.69	1.3	2.25
HDFC Index Fund	****	803.31	-31.62	-26.3	-26.92	-0.88	0.93	0.3
Motilal Oswal Focused 25 Fund	*****	1,236.79	-25.84	-21.58	-16.05	-1.12	1.95	2.2
Edelweiss Large Cap Fund	****	174.32	-28.42	-24.25	-24.06	-1.63	0.54	2.07
Mirae Asset Large Cap Fund	*****	16,733.83	-30.88	-25.36	-26.9	-2	2.69	1.67
UTI Nifty Index Fund	****	1,855.78	-32.27	-27.26	-28.67	-2.52	0.11	0.17
HDFC Index Fund Nifty 50 Plan	****	1,059.45	-32.3	-27.36	-28.83	-2.65	0.05	0.3
Indiabulls Bluechip Fund	****	148.38	-30.47	-25.27	-26.26	-3.36	0.77	2.43
ICICI Prudential Bluechip Fund	****	23,608.74	-31.4	-27.09	-27.9	-3.8	0.54	1.77
EQUITY: LARGE & MIDCAP								
Invesco India Growth Opportunities Fund	****	2,498.42	-27.71	-23.69	-24.15	-0.4	1.77	1.98
Mirae Asset Emerging Bluechip Fund	*****	9,613.59	-28.91	-21.84	-23.15	-1.15	6.65	1.84
LIC MF Large & Mid Cap Fund	****	656.93	-27.28	-22.7	-20.43	-2.43	3.41	2.61
Canara Robeco Emerging Equities Fund	*****	5,597.35	-24.98	-19.2	-23.15	-2.47	4.13	1.93
Kotak Equity Opportunities Fund	****	3,167.85	-27.74	-21.42	-23.35	-3.18	2.06	2.1
Sundaram Large and Mid Cap Fund	****	1,167.45	-31.75	-27.82	-27.59	-3.57	1.84	2.18
Principal Emerging Bluechip Fund	****	2,116.72	-26.77	-21.56	-24.29	-4.38	2.54	2.11
DSP Equity Opportunities Fund	****	5,279.30	-30.22	-25.96	-26.59	-4.94	1.71	1.96
EQUITY: MULTI CAP								
SBI Focused Equity Fund	*****	8,263.77	-23.51	-18.39	-16.95	3.03	4.91	1.88
Axis Focused 25 Fund	*****	9,764.08	-26.61	-22.82	-17.03	2.15	4.37	1.83
Parag Parikh Long Term Equity Fund	*****	2,794.86	-22.75	-18.3	-16.96	1.89	4.72	1.99
Canara Robeco Equity Diversified Fund	****	1,771.87	-23.1	-18.53	-19.37	1.33	1.86	2.26
IIFL Focused Equity Fund	*****	756.12	-27.33	-21.15	-16.42	0.06	3.78	2.32
Tata Retirement Savings Fund	*****	742.53	-25.77	-21.91	-20.9	-0.71	3.49	2.43
DSP Equity Fund	****	3,522.61	-26.07	-22.57	-19.24	-0.92	2.12	2.05
JM Multicap Fund	****	138.75	-27.81	-25.27	-18.97	-2.19	2.67	-
Edelweiss Multi Cap Fund	****	544.52	-28.48	-25.02	-26.66	-2.38	1.12	2.42
Kotak Standard Multicap Fund	****	29,459.53	-30.25	-25.93	-26.65	-3.18	2.5	1.66
SBI Magnum Multicap Fund	****	8,491.77	-29.77	-27.25	-26.44	-3.94	1.94	1.84
Motilal Oswal Multicap 35 Fund	****	12,371.55	-30.47	-28.08	-27.34	-6.1	1.79	1.8
EQUITY: MID CAP								
Axis Midcap Fund	*****	5,192.94	-19.2	-14.27	-12.02	4.86	4.78	1.94
DSP Midcap Fund	****	7,458.11	-24.18	-18.57	-20.66	-4.07	3.57	1.93
Kotak Emerging Equity Fund	*****	6,850.82	-28.67	-22.91	-25.6	-6.23	1.99	1.88
L&T Midcap Fund	****	6,212.86	-27.58	-22.99	-29	-6.25	2.02	1.95
EQUITY: SMALL CAP								
Axis Small Cap Fund	****	2,506.67	-25.42	-20.51	-14.41	-0.25	4.09	2.01
SBI Small Cap Fund	*****	3,475.83	-24.6	-21.83	-23.01	-0.4	6.67	2.19
Nippon India Small Cap Fund	****	8,566.82	-31.3	-27.53	-34.1	-8.16	1.82	1.81
HDFC Small Cap Fund	****	9,154.08	-33.45	-32.77	-42.29	-8.41	0.02	1.94
L&T Emerging Businesses Fund	****	5,606.21	-34.67	-32.69	-40.32	-10.67	0.37	1.98
EQUITY: VALUE ORIENTED								
Kotak India EQ Contra Fund	****	866.17	-31.02	-27.21	-27.99	-2.11	0.86	2.39
Invesco India Contra Fund	*****	4,668.45	-28.38	-23.8	-27.91	-2.45	2.15	1.93
Tata Equity PE Fund	****	4,567.21	-31.11	-27.58	-29.81	-6.68	0.87	1.92
L&T India Value Fund	****	7,040.66	-33.52	-28.93	-33.72	-9.21	0	1.88
EQUITY: ELSS								
Axis Long Term Equity Fund	*****	21,658.58	-24.53	-20.33	-15.38	2.51	3.42	1.7
Canara Robeco Equity Tax Saver Fund	****	1,036.37	-22.92	-18.74	-19.71	1.05	1.83	2.3
Mirae Asset Tax Saver Fund	*****	3,281.58	-30.36	-23.92	-24.88	-0.42	-	1.97
Invesco India Tax Plan	****	1,028.18	-26.46	-21.88	-23.53	-1.2	1.66	2.39
Aditya Birla Sun Life Tax Relief 96	****	10,072.72	-25.01	-19.6	-23.99	-2.13	1.95	1.71
JM Tax Gain Fund	*****	37.72	-29.35	-27.16	-23.34	-2.43	1.93	-
Tata India Tax Savings Fund	*****	2,060.38	-30.56	-26	-26.62	-3.28	1.98	2.11
Kotak Tax Saver	****	1,135.45	-28.76	-23.47	-23.9	-3.77	1.03	2.48
Motilal Oswal Long Term Equity Fund	****	1,685.97	-30.44	-25.79	-23.74	-4.04	3.8	2.1
DSP Tax Saver Fund	****	6,096.28	-30.72	-26.79	-26.05	-4.38	1.94	1.97
Quant Tax Plan	****	9.54	-27.91	-25.15	-28.34	-4.87	3.17	2.48

LAGGARDS & LEADERS

Taking a long-term view of fund returns, here is a list of 10 funds in each category—five leaders (worth investing) and five laggards (that may be a drag on your portfolio).

LAGGARDS LEADERS

Equity: Large-cap 5-year returns

-3.45	Principal Nifty 100 Equal Weight	4.95	Axis Bluechip
-3.27	Taurus Largecap Equity	2.81	Canara Robeco Bluechip Equity
-1.92	Franklin India Bluechip	2.69	Mirae Asset Large Cap
-1.87	Baroda Large Cap	2.49	Nippon India ETF Shariah BeES
-1.72	DSP Top 100 Equity	2.19	SBI ETF Nifty Next 50

6.2%
THE 3-YEAR RETURN OF AXIS BLUECHIP IS THE HIGHEST IN ITS CATEGORY.

Equity: Multi-cap 5-year returns

-4.21	Taurus Starshare Multi Cap	4.91	SBI Focused Equity
-3.89	Nippon India Multi Cap	4.72	Parag Parikh Long Term Equity
-3.61	Nippon India Retirement	4.37	Axis Focused 25
-2.53	HDFC Focused 30	3.78	IIFL Focused Equity
-2.22	Franklin India Equity	3.49	Tata Retirement Savings

-0.4%
THE 3-YEAR RETURN OF INVESCO INDIA GROWTH OPPORTUNITIES FUND IS THE HIGHEST IN ITS CATEGORY.

Equity: Mid-cap 3-year returns

-12.2	Motilal Oswal Midcap 100 ET	4.86	Axis Midcap
-11.56	Aditya Birla Sun Life Mid Cap	-4.06	Quant Mid Cap
-10.99	SBI Magnum Midcap	-4.07	DSP Midcap
-10.49	IDBI Midcap	-4.96	Edelweiss Mid Cap
-10.02	ICICI Prudential Midcap	-5.67	Nippon India Growth

4.9%
THE 3-YEAR RETURN OF AXIS MID-CAP FUND IS THE HIGHEST IN ITS CATEGORY.

Equity: Small-cap 3-year returns

-16.75	Aditya Birla Sun Life	-0.25	Axis Small Cap
-15.85	Sundaram Small Cap	-0.4	SBI Small Cap
-14.69	Quant Small Cap	-8.16	Nippon India Small Cap
-14.19	HSBC Small Cap Equity	-8.41	HDFC Small Cap
-13.61	Franklin India Smaller Companies	-8.43	Union Small Cap

Hybrid: Aggressive 5-year returns

-3.65	JM Equity Hybrid	4.26	Canara Robeco Equity Hybrid
-2.7	Nippon India Equity Hybrid	3.83	DSP Equity & Bond
-1.65	PGIM India Hybrid Equity	3.83	SBI Equity Hybrid
-0.6	Tata Hybrid Equity	3.68	Principal Hybrid Equity
-0.53	UTI Hybrid Equity	3.62	Tata Retirement Savings

2.5%
THE 3-YEAR RETURN OF AXIS LONG TERM EQUITY FUND IS THE HIGHEST IN ITS CATEGORY.

ETW FUNDS 100

	Value Research Fund Rating	Net Assets (₹ Cr)	RETURNS (%)					Expense Ratio
			3-Month	6-Month	1-Year	3-Year	5-Year	
HYBRID: EQUITY SAVINGS								
Edelweiss Equity Savings Fund	★★★★	114.70	-6	-3.09	-1.45	4.68	5.03	1.74
Kotak Equity Savings Fund	★★★★	1,712.30	-11.93	-8.8	-7.41	2.59	4.28	2.12
Axis Equity Saver Fund	★★★★★	792.93	-12.34	-10.21	-7.89	2.58	-	2.35
ICICI Prudential Equity Savings Fund	★★★★	1,473.63	-15.08	-11.35	-9.29	1.09	4.02	1.36
HYBRID: AGGRESSIVE (EQUITY-ORIENTED)								
Canara Robeco Equity Hybrid Fund	★★★★	3,071.18	-16.82	-12.29	-11.99	2.21	4.26	2.05
SBI Equity Hybrid Fund	★★★★★	32,469.68	-20.6	-16.65	-14.12	1.98	3.83	1.62
Mirae Asset Hybrid Equity Fund	★★★★★	3,423.88	-23.22	-17.4	-18.65	0.09	-	1.94
DSP Equity & Bond Fund	★★★★	6,464.64	-20.22	-16.9	-13.92	-0.17	3.83	1.92
Tata Retirement Savings Fund	★★★★★	1,141.67	-21.71	-18	-18.38	-0.33	3.62	2.23
HDFC Retirement Savings Fund	★★★★	387.69	-21.5	-18.36	-20.22	-0.89	-	2.73
Principal Hybrid Equity Fund	★★★★	1,265.62	-21.23	-17.36	-22.37	-0.96	3.68	2.07
HDFC Children's Gift Fund	★★★★	3,082.53	-23.1	-19.8	-21.72	-1.44	2.63	2.12
ICICI Prudential Equity & Debt Fund	★★★★	20,611.45	-26.32	-20.31	-23.54	-3.3	2.27	1.73
HYBRID: CONSERVATIVE (DEBT-ORIENTED)								
Baroda Conservative Hybrid Fund	★★★★	25.36	0.69	2.37	9.2	6.85	6.74	2.07
ICICI Prudential Regular Savings Fund	★★★★★	1,746.10	-4.12	-0.83	2.15	6.03	7.27	1.98
Indiabulls Savings Income Fund	★★★★★	26.30	-4.36	-1.84	0.04	6.94	-	2
Tata Retirement Savings Fund	★★★★	136.63	-4.92	-2.92	-0.18	4	6.09	2.22
DEBT: MEDIUM- TO LONG-TERM								
SBI Magnum Income Fund	★★★★	1,301.28	3.17	6.89	12.6	7.84	8.39	1.47
Nippon India Income Fund	★★★★	299.46	3.41	5.07	12.57	7.84	7.93	1.62
IDFC Bond Fund Income Plan	★★★★	683.35	3.4	4.96	11.76	7.19	7.82	1.9
ICICI Prudential Bond Fund	★★★★	3,437.89	2.93	5.5	11.06	7.52	8.02	1.08
DEBT: MEDIUM-TERM								
SBI Magnum Fund	★★★★★	3,099.90	2.84	5.7	11.31	8.41	9.01	1.13
IDFC Bond Fund	★★★★★	3,065.60	2.68	4.15	9.35	7.18	7.7	1.44
HDFC Debt Fund	★★★★	1,416.65	2.6	4.92	9.32	7.2	7.86	1.29
Indiabulls Income Fund	★★★★	30.90	2.31	3.62	7.73	7.88	7.58	0.9
DEBT: SHORT-TERM								
HDFC Short Term Debt Fund	★★★★★	12,216.31	2.35	4.83	9.61	7.96	8.23	0.39
Axis Short Term Fund	★★★★	5,398.22	2.25	4.55	9.43	7.58	7.94	0.95
Baroda Short Term Bond Fund	★★★★	417.49	2.52	4.63	9.21	7.88	8.35	1.29
L&T Short Term Bond Fund	★★★★	5,189.52	2.46	4.53	9.13	7.56	7.76	0.73
IDFC Bond Fund Short Term Plan	★★★★★	12,340.94	2.21	4.37	9.09	7.57	7.8	0.8
Kotak Bond - Short Term Regular Fund	★★★★	11,559.57	2.17	4.29	9.08	7.32	7.79	1.13
DEBT: DYNAMIC BOND								
SBI Dynamic Bond Fund	★★★★★	1,308.83	3.54	5.9	13.87	8.11	8.67	1.67
IDFC Dynamic Bond Fund	★★★★	2,077.51	3.84	5.65	12.7	7.68	8.21	1.79
Axis Dynamic Bond Fund	★★★★	420.49	3.84	6.25	12.64	7.99	8.35	0.65
Quantum Dynamic Bond Fund	★★★★	60.30	3.7	6	11.97	7.87	-	0.68
Edelweiss Dynamic Bond Fund	★★★★★	43.30	2.97	4.56	11.11	7.94	7.57	1.04
ICICI Prudential All Seasons Bond Fund	★★★★	3,188.69	3.01	5.89	10.94	7.94	8.77	1.32
PGIM India Dynamic Bond Fund	★★★★	46.89	2.52	4.57	10.85	7.9	8.3	1.75
Kotak Dynamic Bond Fund	★★★★★	1,204.89	2.72	4.82	10.73	8.58	9.05	1.08
DEBT: CORPORATE BOND								
HDFC Corporate Bond Fund	★★★★	13,389.16	2.73	4.8	10.02	8.16	8.56	0.5
Aditya Birla Sun Life Corporate Bond Fund	★★★★	17,605.87	2.19	4.23	9.17	7.91	8.37	0.45
ICICI Prudential Corporate Bond Fund	★★★★	13,243.33	1.92	4.24	9.03	7.58	8.14	0.56
Kotak Corporate Bond Fund	★★★★★	4,839.91	1.9	3.99	8.92	7.99	8.21	0.6
Franklin India Corporate Debt Fund	★★★★	1,512.27	1.71	4.4	8.02	7.98	8.12	0.85

All equity funds ranked on 3-year returns. Debt funds ranked on 1-year returns.

Did not find your fund here? Log on to www.wealth.economicstimes.com for an exhaustive list.

Methodology

The Top 100 includes only those funds that have a 5- or 4-star rating from Value Research. The rating is determined by subtracting a fund's risk score from its return score. The result is assigned stars according to the following distribution:

- ★★★★★ Top 10%
 - ★★★★ Next 22.5%
 - ★★★ Middle 35%
 - ★★ Next 22.5%
 - ★ Bottom 10%
- (Not covered in ETW Funds 100 listing)

Fixed-income funds less than 18 months old and equity funds less than three years old have been excluded. This ensures that all the funds have existed long enough to be tracked for consistency of performance. Given the focus on long-term investing, liquid funds, short-term funds and FMPs are not part of the list. For the same reason, we have considered only the growth option of funds that reinvest returns instead of offering dividends that increase the NAV of funds.

Despite these rigorous filters, the list includes 2/3 funds of each category to maximise choice from the best funds. The fund categories are:

EQUITIES (figures over the past one year)

- Large-cap:** Mostly invested in large-cap companies.
- Multi-cap:** Mostly invested in large- and mid-cap companies.
- Mid-cap:** Mostly invested in mid-cap companies.
- Small-cap:** Mostly invested in small-cap companies.
- Tax planning:** Offer tax rebate under Section 80C.
- International:** More than 65% of assets invested abroad.
- Income:** Average maturity varies according to objective.
- Glit:** Medium- and long-term; invest in gilt securities.
- Equity-oriented:** Average equity exposure more than 60%.
- Debt-oriented aggressive:** Average equity exposure between 25-60%.
- Debt-oriented conservative:** Average equity exposure less than 25%.
- Arbitrage:** Seek arbitrage opportunities between equity and derivatives.
- Asset allocation:** Invest fully in equity or debt as per market conditions.

2.2%
THE 3-YEAR RETURN OF CANARA ROBECO EQUITY HYBRID FUND IS THE HIGHEST IN ITS CATEGORY.

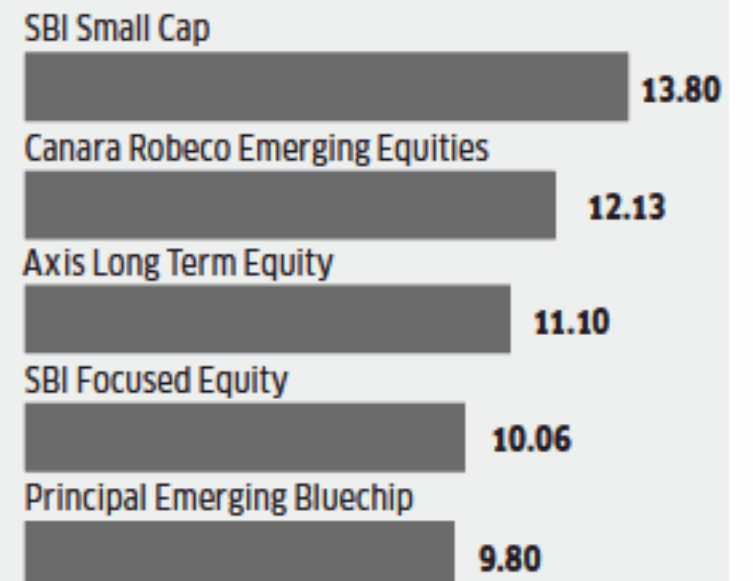
12.6%
THE 1-YEAR RETURN OF SBI MAGNUM INCOME FUND IS THE HIGHEST IN ITS CATEGORY.

13.9%
THE 1-YEAR RETURN OF SBI DYNAMIC BOND FUND IS THE HIGHEST IN ITS CATEGORY.

Expense as on 29 February 2020
Returns as on 1 April 2020
Assets as on 29 February 2020
Rating as on 31 March 2020

1 Top 5 SIPs

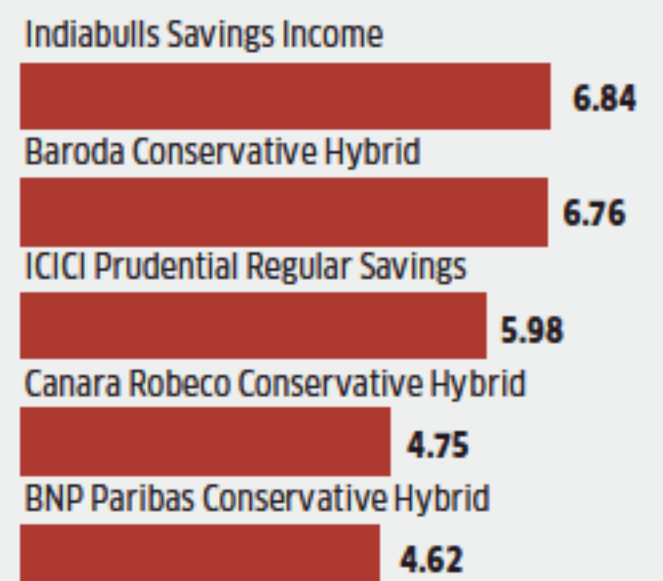
Top 5 equity schemes based on 10-year SIP returns



SIP: SYSTEMATIC INVESTMENT PLAN % ANNUALISED RETURNS AS ON 1 APRIL 2020

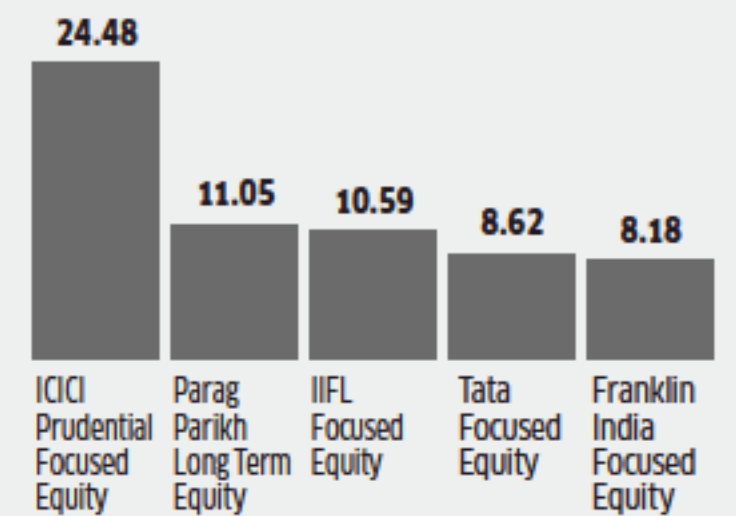
2 Top 5 MIPs

Top 5 MIP schemes based on 3-year SWP returns



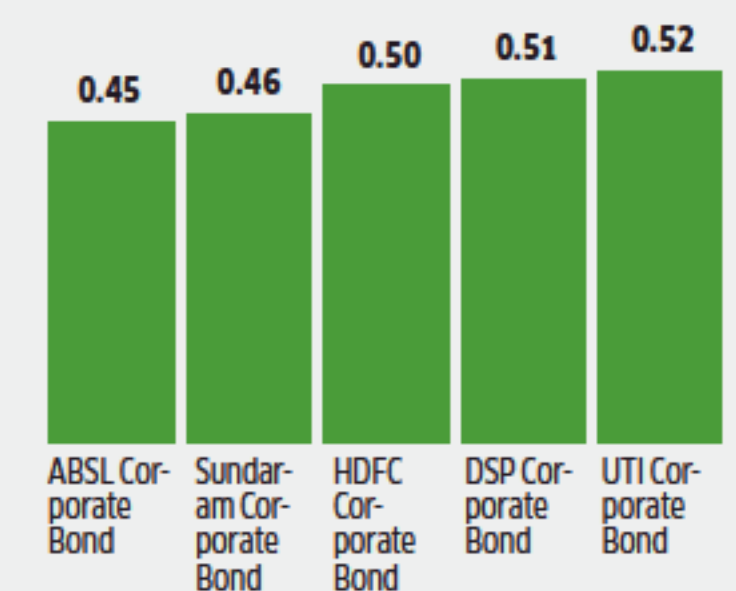
SWP: SYSTEMATIC WITHDRAWAL PLAN % ANNUALISED RETURNS AS ON 31 MARCH 2020

3 Multi Cap cash holdings



% OF ASSETS AS ON 29 FEBRUARY 2020

4 Debt: Corporate Bond



% AS ON 29 FEB 2020
% EXPENSE RATIO IS CHARGED ANNUALLY.
METHODOLOGY OF TOP 100 FUNDS ON WWW.WEALTH.ECONOMICTIMES.COM

FUND RAISER

69.2%

of the Industry AUM (as % of GDP) belonged to Maharashtra in February 2020. This was the highest among all states.

LOANS & DEPOSITS

ET WEALTH collaborates with **ETIG** to provide a comprehensive ready reckoner of loans and fixed-income instruments. Don't miss the information on investments for senior citizens and a simplified EMI calculator.

Top five bank FDs

TENURE: 1 YEAR	Interest rate (%) compounded qtrly	What ₹10,000 will grow to
Ujjivan Small Finance Bank	8.00	10,824
IDFC First Bank	7.25	10,745
RBL Bank	7.20	10,740
IndusInd Bank	7.00	10,719
AU Small Finance Bank	7.00	10,719
TENURE: 2 YEARS		
Ujjivan Small Finance Bank	8.00	11,717
AU Small Finance Bank	7.50	11,602
DCB Bank	7.30	11,557
IDFC First Bank	7.25	11,545
RBL Bank	7.25	11,545
TENURE: 3 YEARS		
AU Small Finance Bank	7.77	12,597
DCB Bank	7.60	12,534
Ujjivan Small Finance Bank	7.50	12,497
IDFC First Bank	7.25	12,405
RBL Bank	7.00	12,314
TENURE: 5 YEARS		
DCB Bank	7.50	14,499
AU Small Finance Bank	7.50	14,499
IDFC First Bank	7.25	14,323
RBL Bank	7.15	14,252
Ujjivan Small Finance Bank	7.00	14,148

Top five senior citizen bank FDs

TENURE: 1 YEAR	Interest rate (%) compounded qtrly	What ₹10,000 will grow to
Ujjivan Small Finance Bank	8.50	10,877
RBL Bank	7.90	10,814
IDFC First Bank	7.75	10,798
DCB Bank	7.55	10,777
IndusInd Bank	7.50	10,771
TENURE: 2 YEARS		
Ujjivan Small Finance Bank	8.50	11,832
AU Small Finance Bank	8.00	11,717
RBL Bank	7.95	11,705
DCB Bank	7.80	11,671
IDFC First Bank	7.75	11,659
TENURE: 3 YEARS		
AU Small Finance Bank	8.27	12,784
DCB Bank	8.10	12,720
Ujjivan Small Finance Bank	8.00	12,682
IDFC First Bank	7.75	12,589
RBL Bank	7.70	12,571
TENURE: 5 YEARS		
DCB Bank	8.00	14,859
AU Small Finance Bank	8.00	14,859
RBL Bank	7.85	14,751
IDFC First Bank	7.75	14,678
Ujjivan Small Finance Bank	7.50	14,499

Top five tax-saving bank FDs

TENURE: 5 YEARS AND ABOVE	Interest rate (%)	What ₹10,000 will grow to
DCB Bank	7.50	14,499
AU Small Finance Bank	7.50	14,499
IDFC First Bank	7.25	14,323
RBL Bank	7.15	14,252
Ujjivan Small Finance Bank	7.00	14,148

ALL DATA SOURCED FROM ECONOMIC TIMES INTELLIGENCE GROUP (ETIGDB@TIMESGROUP.COM)



HOME LOAN RATES

With effect from 1 October, all banks have made the transition to external benchmarks for pricing new home loans. Most banks have picked the RBI repo rate as the external benchmark.

REPO RATE: 4.40%

BANK	RLLR (%)	FOR SALARIED		FOR SELF EMPLOYED (%)		WEF
		FROM (%)	TO (%)	FROM (%)	TO (%)	
SBI Term Loan	7.05	7.20	7.55	7.35	7.70	1 Apr 20
Bank of India	7.25	7.25	7.55	7.25	8.15	1 Apr 20
Central Bank of India	7.25	7.25	7.35	7.25	7.35	1 Apr 20
SBI Max Gain	7.05	7.45	7.80	7.60	7.95	1 Apr 20
Indian Bank	7.20	7.55	7.85	7.60	7.90	1 Apr 20
Union Bank of India	7.20	8.05	8.35	8.05	8.35	1 Apr 20
Karur Vysya Bank	7.60	8.20	10.05	8.20	10.05	1 Apr 20
Bank of Baroda	7.25	8.25	8.50	8.25	8.50	28 Mar 20
UCO Bank	8.05	8.05	8.15	8.05	8.15	5 Oct 19
Indian Overseas Bank	8.00	8.20	8.45	8.20	8.45	7 Feb 20
IDBI Bank	8.25	8.25	8.60	8.45	9.00	16 Jan 20
Federal Bank	8.55	8.55	8.65	8.60	8.70	16 Dec 19
Punjab National Bank	7.80	7.90	8.70	7.90	8.70	5 Oct 19
Bank of Maharashtra	8.20	8.20	9.00	8.45	9.35	12 Feb 20
Kotak Mahindra Bank	8.60	8.20	9.15	8.30	9.25	16 Jan 20
Axis Bank	8.55	8.55	9.20	8.65	9.40	2 Nov 19
ICICI Bank	8.25	8.25	9.25	8.50	9.35	4 Oct 19
Lakshmi Vilas Bank	7.85	9.70	9.70	9.70	9.70	16 Jan 20
Dhanlaxmi Bank	7.93	8.85	9.95	8.85	9.95	1 Mar 20
Canara Bank	8.05	8.05	10.05	8.05	10.05	7 Jan 20
South Indian Bank	8.80	8.80	10.05	8.80	10.05	1 Jan 20

Your EMI for a loan of ₹1 lakh

TENURE	5 YEARS	10 YEARS	15 YEARS	20 YEARS	25 YEARS
@ 8%	2,028	1,213	956	836	772
@ 10%	2,125	1,322	1,075	965	909
@ 12%	2,224	1,435	1,200	1,101	1,053
@ 15%	2,379	1,613	1,400	1,317	1,281

FIGURES ARE IN ₹. USE THIS CALCULATOR TO CHECK YOUR LOAN AFFORDABILITY. FOR EXAMPLE, A ₹5 LAKH LOAN AT 12% FOR 10 YEARS WILL TRANSLATE INTO AN EMI OF ₹1,435 X 5 = ₹7,175

Post office deposits



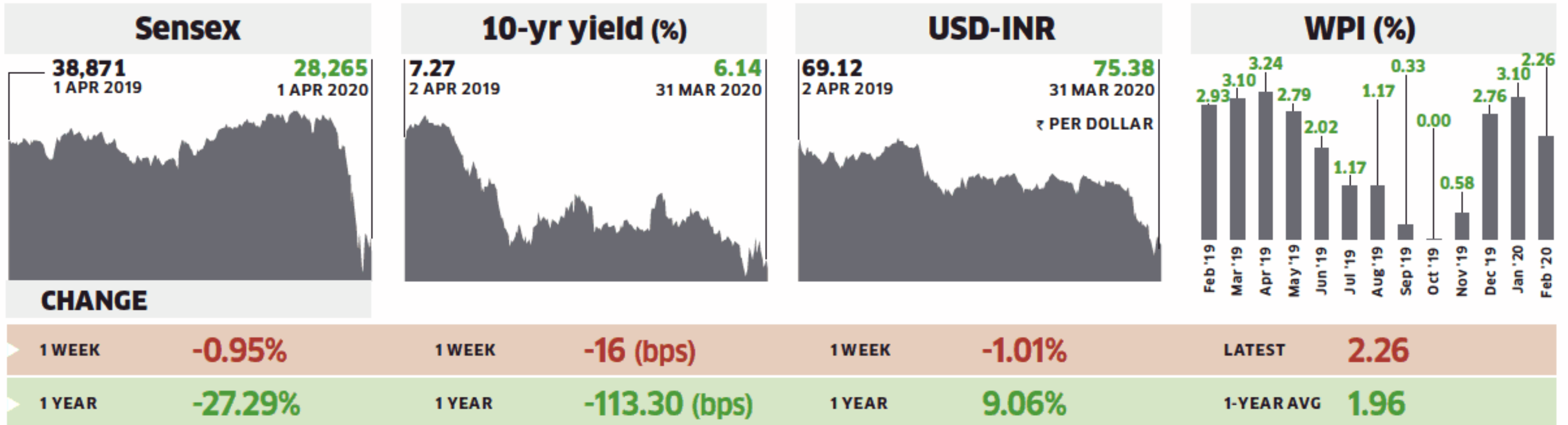
	Interest (%)	Minimum Investment (₹)	Maximum Investment (₹)	Features	Tax benefits
Sukanya Samriddhi Yojana	7.60	250	1.50 lakh	One account per girl child	80C
Senior Citizens' Savings Scheme	7.40	1,000	15 lakh	5-year tenure, minimum age 60 yrs	80C
Public Provident Fund	7.10	500	1.50 lakh p.a.	15-year tenure, tax-free returns	80C
Kisan Vikas Patra	6.90	1,000	No limit	Can be encashed after 2.5 years	NII
5-year NSC VIII Issue	6.80	100	No limit	No TDS	80C
Time deposit	5.50-6.70	200	No limit	Available in 1, 2, 3, 5 year tenures	80C*
Post Office Monthly Income Scheme	6.60	1,500	Single 4.5 lakh	5-year tenure, monthly returns	NII
			Joint 9 lakh	5-year tenure, monthly returns	NII
Recurring deposits	5.80	10	No limit	5-year tenure	NII
Savings account	4.00	20	No limit	₹10,000 interest tax-free	NII

Data as on 02 April 2020. [daily_paper](https://t.me/daily_paper)

* Benefit available only for 5-year deposit

HOW YOUR INVESTMENTS PERFORMED THIS WEEK

This weekly tracker keeps you updated on the benchmark stock index, bond yields, forex movements and WPI inflation. It also tracks the changes in the past one year to give investors an idea how their investments performed over a longer period.



Equity markets continued to remain volatile due to the rising coronavirus cases in India and apprehensions regarding the sharp slowdown in GDP growth.

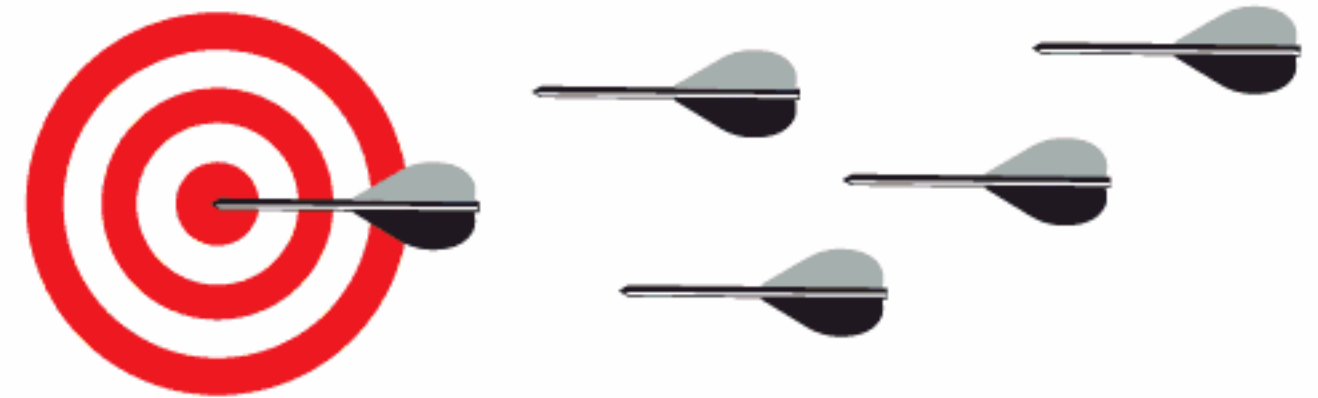
Bond yields fell after RBI took measures to boost liquidity including a cut in the repo rate by 75 basis points and cash reserve ratio (CRR) by 100 basis points.

Rupee movements are turning erratic due to a mix of factors like lower oil prices, increased demand of the US dollars and foreign fund outflows from the equity and debt market.

WPI Inflation eased to 2.26% in February 2020 due to a decline in food articles that include fruits and vegetables.

PENNY STOCKS UPDATE

Penny stocks as a recommended non-traditional investment? Not exactly. ET WEALTH neither has the expertise nor does it recommend investing in such stocks. But since the relatively 'low' cost of investment attracts some investors to penny stocks, we provide a weekly snapshot of this most volatile and uncertain type of stock investing.



Top price gainers

STOCK	MARKET PRICE (₹)	1-WEEK (%) CHANGE	1-MTH (%) CHANGE	1-MONTH AVG VOL (LAKH)	1-MONTH AVG VOL CHG (%)	MKT CAP (₹ CR)
Welcon International	7.84	27.07	92.63	0.07	2,297.66	15.92
Gujarat State Fin. Corp.	1.44	14.29	69.41	0.04	258.71	12.83
Angel Fibers	7.30	-0.82	38.78	0.08	-91.59	18.25
JCT	0.94	70.91	32.39	2.16	69.07	78.81
Gold Line Int. Finvest	0.25	19.05	31.58	0.11	-3.59	13.03
BAG Films & Media	1.81	3.43	21.48	0.25	44.16	35.82
Parvati Sweetners	1.46	4.29	17.74	0.02	-15.15	10.35
Syncom Formulations	0.74	21.31	13.85	16.73	172.74	57.77
Anubhav Infrastructure	8.85	7.40	12.74	0.22	97,989.09	18.95
Reliance Naval & Engln.	1.51	-9.58	11.85	6.24	-17.05	111.38

Top volume gainers

STOCK	MARKET PRICE (₹)	1-WEEK (%) CHANGE	1-MTH (%) CHANGE	1-MTH AVG VOL (LAKH)	1-MONTH AVG VOL CHG (%)	MKT CAP (₹ CR)
Anubhav Infrastructure	8.85	7.40	12.74	0.22	97,989.09	18.95
Orient Green Power Co.	1.52	16.92	-20.00	12.59	8,021.07	114.11
Rollatainers	1.07	-17.05	-37.06	2.79	4,860.04	26.76
Welcon International	7.84	27.07	92.63	0.07	2,297.66	15.92
Shree Global Tradefin	1.24	4.20	8.77	0.07	1,169.89	141.30
Vascon Engineers	8.22	22.32	-39.11	4.34	1,067.61	146.43
KSS	0.19	0.00	0.00	0.27	888.88	39.51
Siti Networks	0.55	1.85	-30.38	8.03	852.07	47.97
Manaksla Coated Metals	3.80	2.70	-8.43	0.08	838.99	24.89
Lancor Holdings	3.02	17.05	-29.44	0.50	782.92	12.23

Top price losers

STOCK	MARKET PRICE (₹)	1-WEEK (%) CHANGE	1-MTH (%) CHANGE	1-MONTH AVG VOL (LAKH)	1-MONTH AVG VOL CHG (%)	MKT CAP (₹ CR)
Alok Industries	4.11	-14.02	-67.48	8.49	163.14	566.07
Unitech	1.21	-9.02	-58.13	5.80	-90.44	316.57
Dish TV (I)	3.98	-16.03	-50.86	11.62	34.58	732.84
Hindustan Const. Co.	3.95	4.50	-49.75	5.86	252.26	597.64
SREI Infra. Finance	3.93	-5.98	-48.83	3.81	435.02	197.71
Vikas Multicorp	1.09	-20.44	-46.83	2.60	11.84	72.32
Subex	3.15	2.94	-46.34	7.23	-45.07	177.03
Future Consumer	6.66	-22.29	-46.29	3.20	86.39	1,279.46
Vikas Ecotech	1.06	-4.50	-43.92	1.61	100.19	32.39
Dewan Housing Fin. Corp	8.62	-5.17	-43.36	1.73	-55.27	270.51

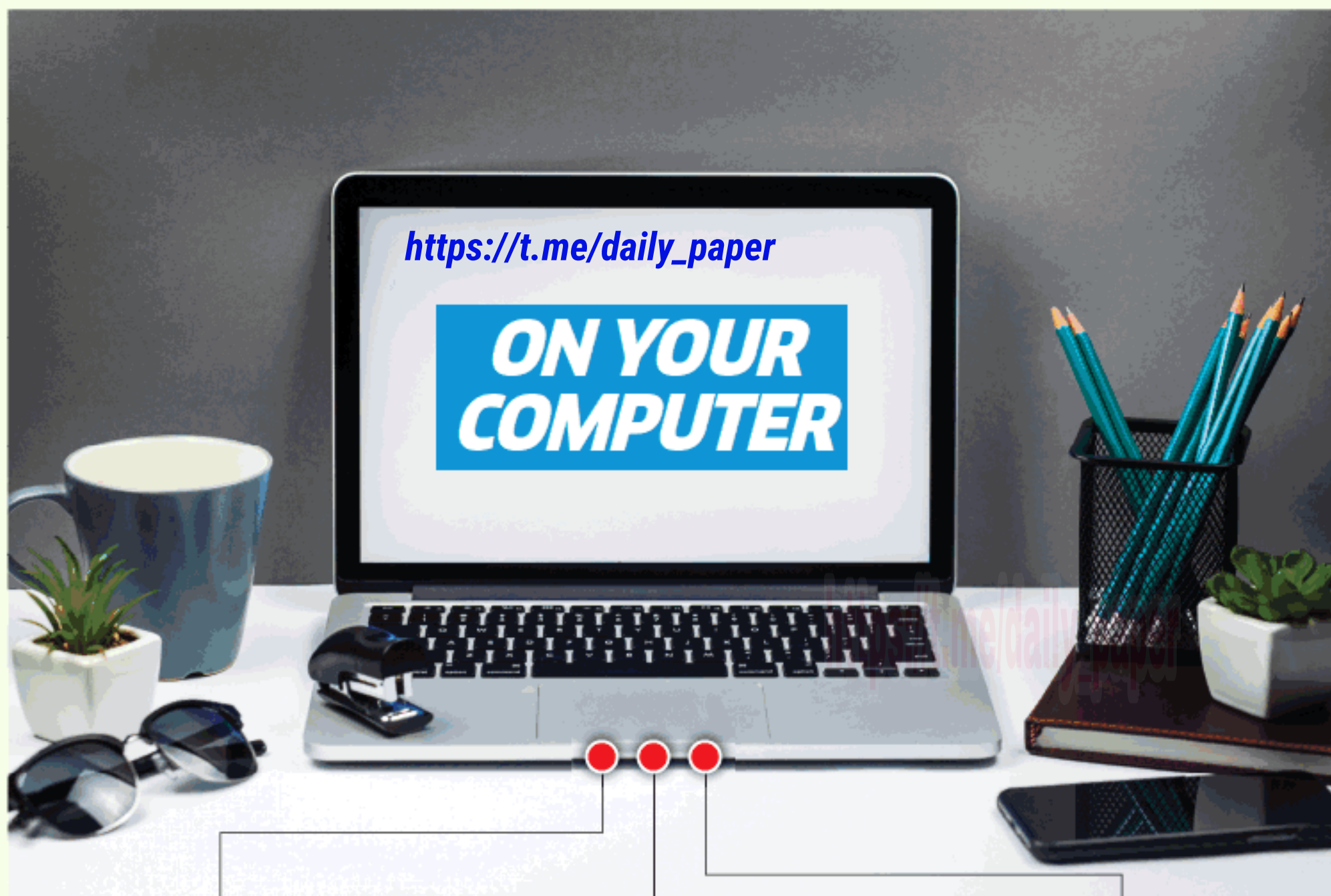
Top volume losers

STOCK	MARKET PRICE (₹)	1-WEEK (%) CHANGE	1-MTH (%) CHANGE	1-MTH AVG VOL (LAKH)	1-MONTH AVG VOL CHG (%)	MKT CAP (₹ CR)
Unitech	1.21	-9.02	-58.13	5.80	-90.44	316.57
Reliance Home Finance	0.74	-7.50	-42.64	2.17	-85.95	35.89
Tata Teleservices	1.88	3.30	-25.40	1.96	-71.29	367.53
BII Energy Systems	0.51	10.87	-5.56	1.45	-61.15	10.78
Dewan Housing Fin. Corp	8.62	-5.17	-43.36	1.73	-55.27	270.51
GTL Infrastructure	0.23	0.00	-36.11	10.31	-53.11	283.34
Jalprakash Associates	1.12	-0.88	-38.12	13.33	-52.21	272.43
Sanwarla Consumer	1.08	17.39	-18.80	4.16	-52.10	79.50
Mercator	0.54	22.73	-19.40	1.76	-49.80	16.34
Vikas WSP	4.27	-3.39	-38.38	1.66	-49.54	87.28

THE STOCKS HAVE BEEN SELECTED USING THE FOLLOWING FILTERS: PRICE LESS THAN ₹10, ONE-MONTH AVERAGE VOLUME GREATER THAN OR EQUAL TO 1 LAKH AND MARKET CAPITALISATION GREATER THAN OR EQUAL TO ₹10 CRORE. DATA AS ON 02 APRIL 2020. SOURCE: ETIG DATABASE AND BLOOMBERG.

GET DEVICES READY FOR LIFE AFTER LOCKDOWN

In the midst of the lockdown, you are probably using your computer and smartphone much more than usual, loading them with random data. **Karan Bajaj** tells you how to clean up your devices for more efficiency.



ON YOUR SMARTPHONE



SORT YOUR GALLERY

Your phone gallery comprises not just photos shot using the camera but also photos shared via apps such as WhatsApp, Telegram, etc., screenshots as well as any other image files stored by third-party apps. To quickly sort out your photos, we recommend trying out Google Photos or A+ Gallery. These apps are great at sorting pictures in albums as well as for search, which in turn makes it easy to delete unwanted photos and videos.



SORT YOUR MEDIA

Most of us tend to copy a lot of content on our computers and then forget about it. Your computer might be holding videos, photos and audio in various folders, and you would not even know that it's there. We recommend using free analyzing WinDirStat (<https://windirstat.net>) to scan your computer hard-drive and find out which folders are taking the most space. You can even view files by their extension to help find the type of content you are looking for easily. Once you know their location, you can easily find relevant data under the video, photos or audio tags and move them to a folder of your choice for sorting.



CLEAN HARD DRIVES

When one is sitting at home and trying to pass time on the Internet, one tends to download various things or install apps to try out. This leads to the hard-drive space being used up, which in turn can be a reason for slow computer performance. To clean the hard-drive, you can either choose to do it manually that is a time-consuming process or use softwares like CCleaner (www.ccleaner.com) or BleachBit (www.bleachbit.org).



GET TO INBOX ZERO

If you have been too lazy to clean up the clutter that is your inbox, then now is an excellent time to start. Start by assessing your inbox quickly. The first thing you should get rid of are the social media notifications. Second, get rid of unwanted subscriptions/newsletter using tools such as CleanFox (www.cleanfox.io) or Subscription Zero (<https://subscriptionzero.com>). After doing these steps, you should be left with essential emails only, and you can quickly sort them by creating labels and marking them. In case you want to use an app to sort out emails, you can try our Sortd (www.sortd.com).



MESSAGE INBOX CLEANING

Other than photos and videos, the other thing cluttering up your smartphone are chats and groups in various instant messaging apps such as WhatsApp. We recommend that you give some time to your commonly used apps, especially WhatsApp. Delete your old chats (any chat older than two months should be deleted ideally) and exit plus delete all WhatsApp groups that are inactive or not relevant for you. This will make it easier to browse through or search anything in the app as well as get rid of images/videos from the chat/group instantly.

Don't invest in equity funds for short-term goals

Sundeep Madan invests in equity funds for multiple goals. Here's what the doctor has advised him:

PORTFOLIO DOCTOR



Not many investors know whether they have invested in the right funds and if their fund portfolio is on track. The Portfolio Doctor assesses the health of the fund portfolio, examines the schemes and their suitability with regard to the goals and, if required, recommends corrective measures. The advice given is based on the performance of the funds, the risk profile of the investor as well as his financial goals.

GOALS	1	2	3	4
	FIRST SON'S EDUCATION: 1 year PRESENT COST: ₹20 lakh FUTURE COST: ₹22 lakh	SECOND SON'S EDUCATION: 5 years PRESENT COST: ₹20 lakh TOTAL COST: ₹32 lakh	BUY NEW CAR: 2 years PRESENT COST: ₹16 lakh FUTURE COST: ₹18.3 lakh	FOREIGN HOLIDAY: 1 year PRESENT COST: ₹8 lakh FUTURE COST: ₹8.6 lakh

PORTFOLIO CHECK-UP

- Investing in equity funds for the past 3-4 years.
- Most goals are very near. But money locked up in equity funds.
- Take loans for goals as redeeming funds now will be a mistake.
- Started SIPs in four new funds last month. All in deep losses.

Note from the doctor

- Invest in equities only if goal is more than 5-6 years away.
- Use debt funds and bank deposits to save for short-term goals.
- Review investments and rebalance at least once in a year.

FUND NAME	AMOUNT INVESTED (₹)	EXISTING SIP (₹)	RECOMMENDED ACTION	NEW SIP (₹)
Recurring deposit	0	0	Start recurring deposit or SIP in debt fund of ₹40,000 per month. Take a loan for the balance requirement.	40,000
HDFC Children's Gift	4,69,371	16,000	If this hybrid fund recovers by next year, use for son's education. Else hold for second son's goal.	16,000
SBI Multicap	1,10,853	0	Hold this stable multi-cap fund.	0
Kotak Standard Multicap	1,79,000	2,500	Continue SIPs in this stable multi-cap fund. Hike amount by 10% every year.	2,500
Canara Robeco Emerging Equities	1,50,500	5,000	Continue SIPs in this outstanding large and mid-cap fund. Hike amount by 10% every year.	5,000
HDFC Children's Gift	4,52,978	16,000	Continue SIPs in this hybrid fund. Hike amount by 10% every year.	16,000
Mirae Asset Large Cap	4,600	5,000	These are good funds but not suitable for short term goals. Stop SIPs and switch to a short-term debt fund or start a recurring deposit of ₹20,000 for two years. Take loan for the shortfall.	0
Axis Focused 25	3,200	4,000		0
L&T Midcap	2,600	3,000		0
SBI Small Cap	4,560	5,000		0
Nippon India Retirement	2,75,600	10,000	This multi-cap fund has underperformed. In any case, don't invest in equity instruments for short-term goals.	0
TOTAL	₹16,53,262	₹66,500	The goals can be reached using the mutual funds marked in the same colour.	₹79,500

Scale down goals or hike monthly investments

Varun Gupta is saving for his child's education and retirement. Here's what the doctor has advised:

GOALS	1	2	3
	PAY OFF HOME LOAN: 10 yrs PRESENT COST: ₹75 lakh FUTURE COST: NA	CHILD'S EDUCATION: 12 yrs CURRENT COST: ₹24 lakh FUTURE COST: ₹75 lakh	RETIREMENT INCOME: 22 yrs CURRENT COST: ₹95 lakh (₹30,000 per month) CORPUS REQUIRED: ₹4.2 cr

PORTFOLIO CHECK-UP

- Investing in equity funds for past two years.
- Goals are very ambitious and require big increase in monthly investments.
- SIPs will also have to be increased by 10% every year.
- Also invests in equities to pay off home loan. Should increase EMI amount instead.
- Review investments and rebalance at least once in a year.
- Reduce risk when goal is near so that you don't miss the target.

FUND NAME	AMOUNT INVESTED (₹)	EXISTING SIP (₹)	RECOMMENDED ACTION
Kotak Standard Multicap	1,11,810	4,000	Continue SIPs in this stable multi-cap fund and hike by 10% every year.
Mirae Asset Large Cap	75,507	3,000	Increase SIPs to ₹5,000 in this outperforming large-cap fund and hike by 10% every year.
HDFC Hybrid Equity	66,045	2,500	Fund has slipped but holds promise. Increase SIPs to ₹4,000 and hike by 10% every year.
Nippon Small Cap	24,939	1,000	Increase SIPs to ₹5,000 in this stable small-cap fund and hike by 10% every year.
Mirae Asset Emerging Bluechip	0	0	Start SIPs of ₹6,000 in this outperforming large and mid-cap fund. Hike amount by 10% every year.
NPS	1,48,830	4,000	Keep contributing and hike amount by 5% every year. Do not withdraw before retirement.
Provident Fund	1,35,000	5,000	
TOTAL	₹5,62,131	₹19,500	

Assumptions used in the calculations

INFLATION	For all other goals
Education expenses	7%
	10%

RETURNS	Debt options
Equity funds	8%
	12%



PORTFOLIOS ANALYSED BY
RAJ KHOSLA,
Managing Director and Founder,
MyMoneyMantra



WRITE TO US FOR HELP

If you want your portfolio examined, write to etwealth@timesgroup.com with "Portfolio Doctor" as the subject. Mention the following information:

- Names of the funds you hold.
- Current value of the investment.
- If you have SIPs running in any of them.
- The financial goals for which you invested.
- How much you need for each financial goal.
- How far away is each goal.

Readers' response, online and in print, to ET Wealth stories has been enlightening. We pick some that add information and perspective to our articles from previous issues.

The story, 'Are your balanced advantage fund living up to their promise', was timely. However, the story could have given more concrete advice as to whether one should opt for such funds now or not. A new investor like me will need more guidance about these things.

Ratna Mirchandani

This refers to the story, 'Despite hiccups, don't ditch NPS'. As this is a long-term investment, one should not exit it because of the current crisis. With interest rates of fixed return products like PPF also shaved off, there is more reason to stay invested in the NPS now.

Atul Bhandari

Enjoyed Uma Shashikant's column, 'Do your bit to help others now'. Exactly what each income group can do to help the less privileged is very well explained. My request to all households would be to not cut pay of their helps who could not come to work because of the lockdown. It is

Nothing is without risks

This refers to the cover story, 'The best debt funds'. All investments are risky. Your investment strategy should be guided by your risk appetite. If you invest in mutual funds, remember the fund manager will take the risk he wants to take and not what you would want for your money. And you will be charged for this too.

Jyoti Narang

not their fault that they could not make it, so it would not be fair to punish them by withholding pay. If anything, they need the money now more than ever now. So go out of your way to help the poor once the lockdown is over.

Rukmini Vasu

The story, 'Current slump a good window to



the market crash work for you'. If the fixed deposit rates keep falling, nobody will spend or invest. Indians should be made to feel financially secure. There is no social security like in developed countries here. After all, the fundamental of business is sales and consumption of products.

Rudra

I was shocked to read the story, 'Covid 19 online scams'. What kind of people would think of cheating and conning others at times like these? However, now that we know such people are around, we too need to be wary and not be gullible enough to fall for such plots.

Paras Bora

Clarification

In the Wealth Whines page dated 30 March, answers to all queries have been inadvertently attributed to Raj Lakhota, Founder, Dil Se Will. Only the first query has been answered by Lakhota, while the other two have been answered by Riju Mehta. The error is regretted.

shop for quality stocks', only reinforced the idea that quality never goes out of fashion. No matter how badly markets fall, quality stocks will always the weather the storm better and bounce back steadily because these are fundamentally strong companies.

Giriraj Sharma

This is in reference to the article, 'Make

REALTY HOT SPOT

Thriving micro market in the capital

Good social infrastructure and connectivity to key commercial areas add to value.

LOCALITY SNAPSHOT ROHINI, DELHI

- Big and established micro-market largely comprising builder floors, group housing societies, DDA flats, etc
- Situated in North-West Delhi, it is home to good social infra and shares proximity with key commercial hubs
- Well-connected to key job and retail hubs of Netaji Subhash Place and Connaught Place, among others
- Excellent infra namely DPS, GD Goenka, Dr. Baba Saheb Ambedkar Hospital, Metro Walk, Kings Mall, etc
- Extensive connectivity through Bhagwan Mahavir Marg, Outer Ring Road, Red & Yellow Metro Lines



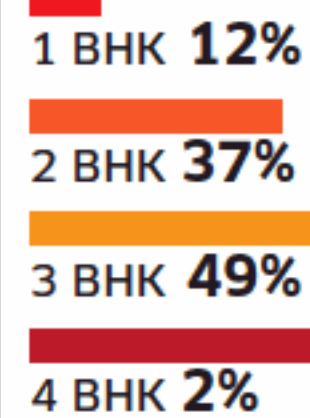
LOCALITY VALUES

Rohini Sector-9
Price (₹/sqft): 10,400-17,500
Rent (₹/month): 22,500-35,000

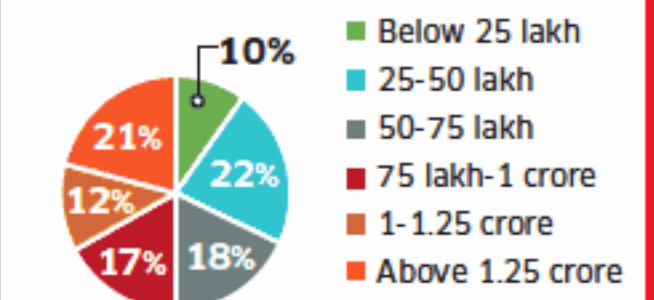
Rohini Sector-13
Price (₹/sqft): 10,200-16,400
Rent (₹/month): 21,000-31,000

Rohini Sector-24
Price (₹/sqft): 6,500-10,600
Rent (₹/month): 20,000-31,000

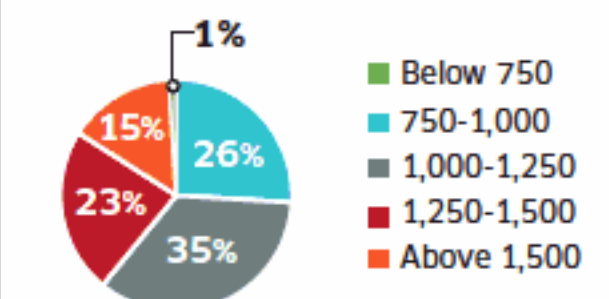
SUPPLY BY BHK



Consumer preference by budget segment (₹)



Consumer preference by covered area (sq ft)



Schools 12+ Hospitals 10+ Restaurants 14+ Banks 10+ Grocery Stores 12+ Petrol Pumps 10+ **magicbricks** India's No.1 Property Site

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