MONTHLY NEWSLETTER OCTOBER 2024

Kirit Nagda

Arth Nivesh - Financial Services

AMFI-Registered Mutual Fund Distributor

Phone : 9833442050

www.arthnivesh.in

MONTHLY NEWSLETTER

OCTOBER 2024

Monthly News Nugget :

SEBI Permits Mutual Funds to Trade Credit Default Swaps

The Securities and Exchange Board of India (SEBI) has allowed mutual funds to buy and sell credit default swaps (CDS) to enhance liquidity in the corporate bond market.

Economy Update: India's Exports Hit $374.33 Billion in April-August 2024

The Ministry of Commerce reported a 5.35% growth in cumulative exports during April-August 2024, reaching $374.33 billion compared to $350.11 billion during the same period in 2023.

HAL receives ₹26,000 Crore IAF Aero-Engine Deal

The Cabinet Committee on Security approved the procurement of 240 aero-engines for the Indian Air Force's Su-30 MKI aircraft from Hindustan Aeronautics Limited (HAL). The deal is valued at over ₹26,000 crore, with deliveries starting in one year and concluding in eight.

US Economy Grows 3% QoQ in Q2 2024

The US economy expanded by 3% in Q2, bolstered by a 2.8% rise in consumer spending and an 8.3% increase in business investment. The robust performance highlights sustained economic momentum despite global uncertainties.

UPI Transactions Surge to Rs 1,669 Lakh Crore in FY 2024-25

Digital payments in India, driven by UPI, soared to Rs 1,669 lakh crore in the first five months of FY 2024-25, with ₹8,659 crore transactions recorded, as per the Union Finance Ministry.

Kirit Nagda
Arth Nivesh - Financial Services
AMFI-Registered Mutual Fund Distributor
Mob: 9833442050 , Email: invest@arthnivesh.in , Web: www.arthnivesh.in

Financial Market Performance Snapshot					
Particulars	Open	High	Low	Close	Change %
Sensex	82,725.28	85,978.25	80,895.05	84,299.78	1.87%
Nifty	25,333.60	26,277.35	24,753.15	25,810.85	1.85%
Nasdaq	17,585.45	18,327.34	16,668.57	18,189.17	3.32%
Gold	$2,502.74	$2,685.96	$2,471.95	$2,634.49	5.00%
Crude	$72.77	$73.86	$64.78	$68.14	-6.79%

Financial Performance Trends Over Various Time Horizons					
Particulars	6M	1yr	3yr	5yr	10yr
Sensex	14.46%	28.06%	12.55%	16.87%	12.21%
Nifty	15.60%	31.43%	13.57%	17.60%	12.48%
Nasdaq	11.05%	37.60%	7.98%	17.86%	15.01%
Gold ($)	18.01%	42.54%	14.46%	12.34%	8.10%
Crude ($)	-18.34%	-25.28%	-3.34%	4.66%	-2.89%

* Source: Investing.com/wsj.com Market Data Period - 01/09/2024 to 30/09/2024

Timeless Financial Wisdom

Kirit Nagda
Arth Nivesh - Financial Services
AMFI-Registered Mutual Fund Distributor
Mob: 9833442050 , Email: invest@arthnivesh.in , Web: www.arthnivesh.in

Investor Success Story:

From Anxiety to Assurance: Barun's Discovery of Smart Retirement Planning

Barun, a hospital manager worried about his post-retirement finances, finds hope and a solution after learning from his retired neighbor, Mr. D'Souza, how systematic investments and withdrawals through mutual funds secured his comfortable retirement lifestyle.

Barun, a hospital manager in his mid-30s, had always been careful with his finances. He diligently saved a portion of his income, cutting unnecessary expenses and investing in traditional plans. However, with his son Rehan just starting high school and dreaming of becoming a doctor, Barun began to worry about the rising costs of education and maintaining his lifestyle during retirement, especially with inflation looming.

One evening, as he returned home, Barun noticed his neighbor, Mr. D'Souza, a retired accounts manager, getting into a brand-new SUV. Intrigued by how Mr. D'Souza managed such a lifestyle in retirement, Barun decided to find out more. A few days later, he ran into Mr. D'Souza at a local café and joined him for a chat. When the conversation turned to finances, Mr. D'Souza revealed that he, too, had once been concerned about retirement.

But everything changed when a Mutual Fund Distributor introduced him to Systematic Investment Plans (SIPs). By regularly investing small portions of his income and gradually increasing them, Mr. D'Souza built a significant retirement corpus. Now, he enjoys a comfortable retirement, supplementing his income with a Systematic Withdrawal Plan (SWP), allowing him to live life on his own terms.

Hearing this, Barun felt a sense of relief. He realized that with proper guidance and disciplined investing, his financial future could be secure.

Encouraged, he asked Mr. D'Souza for the contact information of his Mutual Fund Distributor, eager to take the first step toward securing his retirement and ensuring his family's future.

Kirit Nagda
Arth Nivesh - Financial Services
AMFI-Registered Mutual Fund Distributor
Mob: 9833442050 , Email: invest@arthnivesh.in , Web: www.arthnivesh.in

EDITORIAL:

Current Capital Gain Tax Laws for Investors of Mutual Funds : A Brief Overview

As of July 23, 2024, significant changes have been made to the capital gain tax laws affecting mutual fund investors in India. The new regulations have altered the tax rates and the periods of holding required to qualify for long-term and short-term capital gains across various asset classes, including mutual funds. Here's a summary of the key changes:

Type	Asset Class	On or After 23rd July 2024			Before 23rd July 2024		
		Period of Holding	Long-term	Short-term	Period of Holding	Long-term	Short-term
Listed Indian Securities	**Equity Shares**	>12 months	12.50%	20%	>12 months	10%	15%
	Sale of Bonds / Debentures	>12 months	12.50%	As per Slab	>12 months	10%	As per Slab
	REIT / InvIT	>12 months	12.50%	20%	>36 months	10%	15%
Unlisted Indian Securities	**Equity Shares**	>24 months	12.50%	Slab rate	>24 months	20% with indexation	Slab Rate
	Transfer / Maturity of Bonds / Debentures / ZCBs / MLDs	No period of holding	Slab rate	Slab rate	>36 months	Slab Rate	Slab Rate
	REIT / InvIT	>24 months	12.50%	Slab rate	>36 months	Slab Rate	Slab Rate
Other Assets	**Real Estate, Gold and other precious metal, International Funds**	>24 months	12.50%	Slab rate	>36 months	20% with indexation	Slab Rate
Equity Mutual Funds	**Equity Mutual & Hybrid Mutual Fund (>= 65% Indian Equity)**	>12 months	12.50%	20%	>12 months	10%	15%
Debt Mutual Fund	**Debt Oriented MF (>= 65% SEBI Regulated Debt and Money Market)**						
	Acquired prior to 1st April 2023 Sold between 1st April 2024 and 22nd July 2024				>36 months	20% with indexation	Slab Rate
	Acquired prior to 1st April 2023 Sold on or after 23rd July 2024	>24 months	12.50%	Slab rate			
	Acquired post 1st April 2023 and sold on any date	No period of holding	Slab rate	Slab rate	No period of holding	Slab rate	Slab rate
Other Hybrid Mutual Fund	**Hybrid MF (>35% and < 65% Indian equity)**						
	Sold between 1st April 2024 and 22nd July 2024				>36 months	20% with indexation	Slab Rate
	Sold from 23rd July 2024 and onwards	>24 months	12.50%	Slab rate			
Other Mutual Fund	**Other MFs (Gold, Silver, International Equity / Debt Fund - FOF)**						
	Acquired prior to 1st April 2023 Sold between 1st April 2024 and 22nd July 2024				>36 months	20% with indexation	Slab Rate
	Acquired prior to 1st April 2023 Sold on or after 23rd July 2024	>24 months	12.50%	Slab rate			
	Acquired post 1st April 2023 and Sold between 1st April 2024 and 22nd July 2024				No period of holding	Slab rate	Slab rate
	Acquired post 1st April 2023 and Sold on or after 23rd July 2024	>24 months	12.50%	Slab rate			

Here are the key takeaways from the changes in Capital Gains Tax Laws for Mutual Fund Investors, effective from July 23, 2024:

Kirit Nagda
Arth Nivesh - Financial Services
AMFI-Registered Mutual Fund Distributor
Mob: 9833442050 , Email: invest@arthnivesh.in , Web: www.arthnivesh.in

1. Increased Long-Term Capital Gains (LTCG) Tax Rate :

- The LTCG tax rate on equity-oriented mutual funds(≥65% Indian equity) has been raised to **12.5%**, up from the previous rate of **10%.**

2. Revised Holding Periods for LTCG :

- The holding period for LTCG on equity-oriented mutual funds (≥65% Indian equity) remains at **12 months.** However, for debt-oriented funds (≥ 65% debt and money market), other hybrid funds (>35% and <65% Indian equity), and other funds (gold, silver, international, FoF), the required holding period has been reduced from **36 months to 24 months** to qualify for LTCG treatment.

3. Changed Tax Treatment for Debt Mutual Funds :

- Debt mutual funds acquired before April 1, 2023, and sold on or after July 23, 2024, will now be subject to a **12.5% LTCG tax** if held for more than 24 months, compared to the previous **20% with indexation** for holdings over 36 months.

4. Higher Short-Term Capital Gains (STCG) Tax Rate :

- The STCG tax rate for equity mutual funds has been increased to **20%,** up from **15%**, making short-term gains less advantageous. For other asset classes, including debt and hybrid funds, the STCG will be taxed at the individual's income tax slab rate.

5. More Uniform Tax Structure :

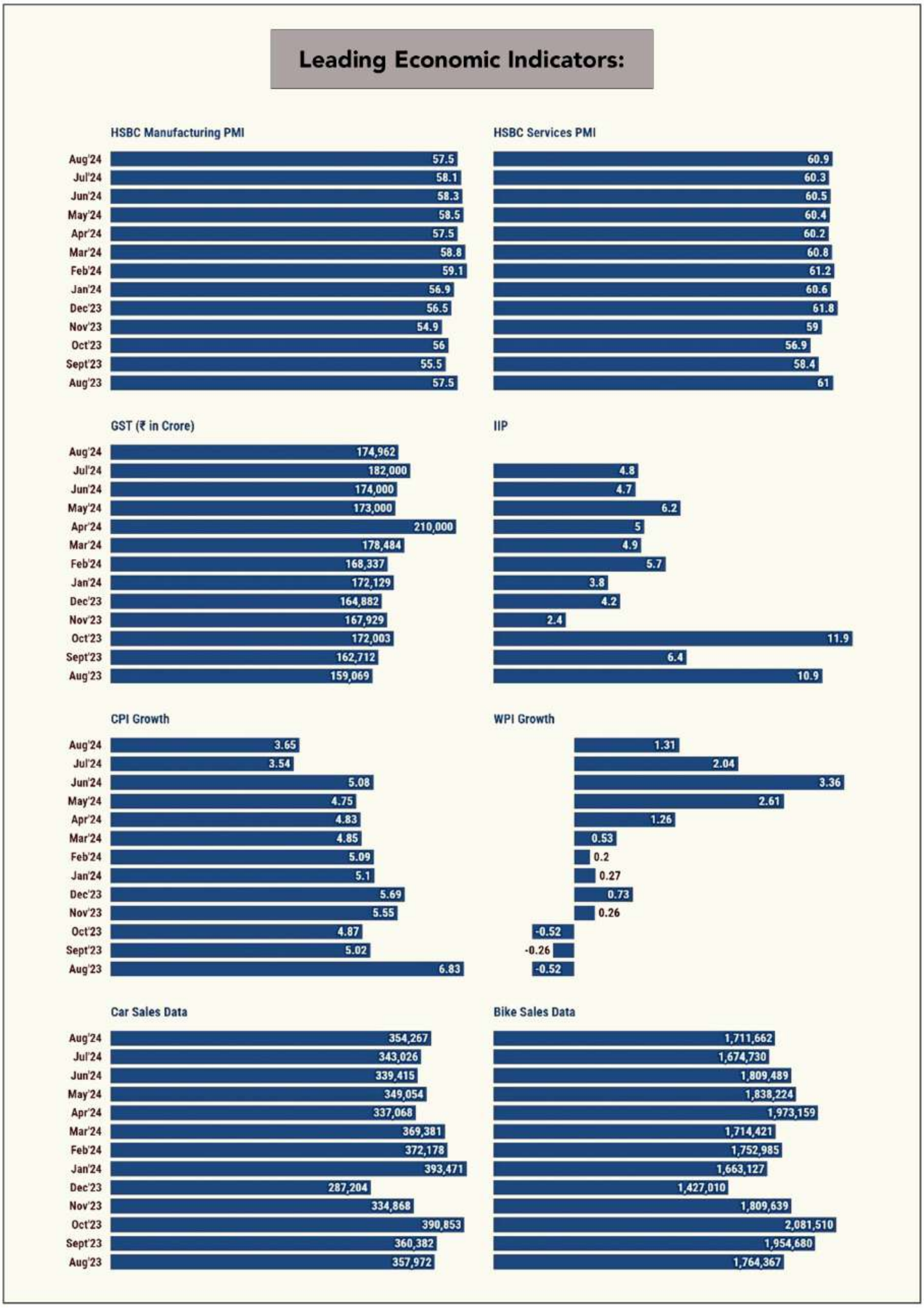
- The changes bring a more consistent approach to capital gains taxation across various asset classes, with many now subject to the same **12.5% LTCG** rate and similar holding periods, streamlining the tax regime for investors.

6. Elimination of Indexation Benefit :

- The indexation benefit will no longer be available for debt funds purchased before April 1, 2023, and for other hybrid funds.

These changes encourage longer-term investments and require investors to reconsider their investment strategies to optimize tax efficiency.

Kirit Nagda
Arth Nivesh - Financial Services
AMFI-Registered Mutual Fund Distributor
Mob: 9833442050 , Email: invest@arthnivesh.in , Web: www.arthnivesh.in



Kirit Nagda
Arth Nivesh - Financial Services
AMFI-Registered Mutual Fund Distributor
Mob: 9833442050 , Email: invest@arthnivesh.in , Web: www.arthnivesh.in

Financial Quiz:

What is the primary purpose of a Multi Asset Allocation Fund?

A) To maximize returns by focusing on a single asset class.

B) To minimize investment costs by choosing low-fee assets.

C) To balance risk and return by diversifying across multiple asset classes within a single fund.

D) To avoid paying taxes by investing in tax-efficient assets.

Answer to the previous edition's quiz.

Which of the following best describes a "Growth Fund" within mutual funds?

A) A fund that invests in a mix of large-cap, mid-cap, and small-cap stocks to balance risk and reward.

B) A fund that primarily invests in high-dividend-paying stocks for steady income.

C) A fund that focuses on stocks expected to grow at an above-average rate compared to other companies.

D) A fund that invests in bonds and other fixed-income securities for stable returns.

The correct answer is **C) A fund that focuses on stocks expected to grow at an above-average rate compared to other companies.**

Explanation: Growth funds target companies with strong potential for growth, often at the expense of current income, which makes this option the most accurate. The other options describe different types of funds (balanced fund, income fund, and bond fund).

Kirit Nagda
Arth Nivesh - Financial Services
AMFI-Registered Mutual Fund Distributor
Mob: 9833442050 , Email: invest@arthnivesh.in , Web: www.arthnivesh.in

MF CATEGORY-WISE PERFORMANCE AT A GLANCE

Category	1 Year	3 Year	5 Year	10 Year
Equity - Contra	50.42	24.47	26.92	17.67
Equity - Dividend Yield Fund	48.44	23.12	25.64	15.72
Equity - ELSS	41.54	18.58	21.60	15.26
Equity - Flexi Cap Fund	42.18	18.12	21.20	15.43
Equity - Focused Fund	41.66	17.80	20.53	15.06
Equity - Large & Mid Cap Fund	45.52	20.34	23.38	16.45
Equity - Large Cap Fund	38.25	15.83	18.77	13.68
Equity - Mid Cap Fund	50.45	23.96	28.35	18.59
Equity - Multi Cap Fund	45.41	21.90	25.29	16.99
Equity - Small cap Fund	46.45	24.81	32.63	19.83
Equity - Value Fund	47.12	22.32	24.46	16.51

*** All Sectoral, Thematic, Index & ETF Funds excluded in the above list. Returns are not guaranteed.**

*** Disclaimer: This report has been prepared based on data available to us and we have taken all precautions so that there are no errors and lapses. However, we do not assume any liability for actions taken, based on this report. Past performance may or may not be sustained in the future. Mutual fund investments are subject to market risks, read all scheme related documents carefully. Contact us for scheme-specific risk. The 'Investor Success Story' narrative involves creative liberties taken for storytelling purposes. It does not reflect real events or individuals.**

*** Report as of 01/10/2024**

Kirit Nagda
Arth Nivesh - Financial Services
AMFI-Registered Mutual Fund Distributor
Mob: 9833442050 , Email: invest@arthnivesh.in , Web: www.arthnivesh.in