MARIGOLD WEALTH
MONTHLY NEWSLETTER

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For Client Circulation Only

Investor Insights

Welcome to the February edition of Marigold Wealth Monthly Insights!

Our mission is to offer valuable insights that expand your understanding of investing and building long-term wealth. Each month, we deliver well-researched articles and data-driven strategies covering mutual funds, equity markets, and wealth creation.

Whether you're just starting out or refining your financial strategy, we aim to be your reliable guide, helping you make wise and informed decisions on your journey to financial success.

Happy investing!

Market Overview:

1. **Indices Performance:**
   - **The Sensex declined by 638.44 points (-0.81%) to close at 76,759.81, while the Nifty 50 dropped by 136.4 points (-0.57%) to end at 23,249.50.**
   - **Midcap and small-cap indices faced sharper losses, down by 6.90% and 8.47%, respectively.**
2. **Sector Highlights:**
   - **Some sectors showed resilience despite the market decline. FMCG gained 2.4%, and Auto saw a 0.7% rise. However, sectors like Pharma (-10%), Real Estate (-9%), Energy (-6.4%), PSU (-5%), and Metal (-4%) registered significant losses.**
3. **Market Sentiment:**
   - **Investor sentiment was influenced by anticipation of the Union Budget 2025 and the Economic Survey 2024-2025.**
   - **DIIs were net buyers, investing Rs 86,000 crores during the month.**
   - **FIIs recorded net sales of Rs 87,300 crores — the second-largest selling figure in history.**

Indian Equities Summary			
Benchmark	**31st January**	**1 Month Returns (%)**	**1 Year Returns (%)**
Sensex	77,500	-0.81	8.01
Nifty 50	23,508	-0.57	8.20
Nifty Small Cap	16,910	-9.90	5.50
Nifty Mid Cap	53,712	-6.09	10.59

Debt Watch	
	Rate % (31-Jan-25)
Indian 10 Years Gilt	6.74%
US 10 Year Yield	4.54%

Commodity Watch		
	31st Jan	**Monthly % Change**
Gold	84,600	9.80 %
Silver	93,328	6.93 %

Union Budget Key Highlights

1. **Personal Income Tax Cuts:**
   Individuals earning up to Rs 12 lakh annually are now exempt from income tax under the revised regime. Tax slabs and rates were restructured across income levels.
2. **Economic Growth Projections:**
   For FY2025-26, nominal GDP growth is estimated at 10.1%, with gross tax revenue growth projected at 10.8%.
3. **Fiscal Deficit Targets:**
   - Revised fiscal deficit for FY2024-25 stands at 4.8% of GDP.
   - The deficit target for FY2025-26 is set at 4.4% of GDP, part of a gradual plan to improve fiscal stability.
4. **Higher Exemption Limits:**
   - TDS on rent increased from ₹2.4 lakh to ₹6 lakh.
   - Senior citizens' tax-free interest limit raised from ₹50,000 to ₹1 lakh.
5. **TCS Limit Changes:**
   The threshold for TCS on remittances under the RBI's Liberalized Remittance Scheme (LRS) increased from ₹7 lakh to ₹10 lakh.
6. **FDI in Insurance:**
   The limit for Foreign Direct Investment (FDI) in the insurance sector was raised from 74% to 100%.

What are Flexi Cap and Multi Cap Funds?

Flexi-cap and **Multi-cap** funds are two types of **mutual funds** that offer investors the opportunity to diversify their portfolios across various market capitalizations. While both types of funds invest in a mix of **large-cap**, **mid-cap**, and **small-cap stocks**, they differ in their investment strategies and objectives.

Flexi-Cap Funds are mutual fund schemes that have the flexibility to invest in companies of any market capitalization. This means that the fund manager can allocate assets across large-cap, mid-cap, and small-cap stocks based on market conditions and investment opportunities. The primary objective of flexi-cap funds is to maximize returns by dynamically adjusting the portfolio to capitalize on market trends.

Key Features

- **Flexibility**: Fund managers can invest across any market cap. to capitalize on market opportunities.
- **Diversification**: Investments spread across large, mid, and small-cap stocks reduce risks.
- **Active Management**: Portfolios are actively monitored and adjusted to optimize performance.
- **Growth Potential**: The inclusion of mid- and small-cap stocks enables higher returns.

Benefits

- **Adaptability**: Adjusts dynamically to changing market conditions.
- **Risk Mitigation**: Diversification offsets underperformance in specific segments.
- **Professional Management**: Expertise-driven portfolio decisions.
- **Long-Term Growth**: Ideal for long-term investors seeking capital appreciation.
- Examples of Flexi-Cap Funds – Parag Parikh Flexi Cap, JM Flexi Cap, HDFC Flexi Cap.

Multi-Cap Funds are mutual funds that invest in a diversified portfolio of stocks across different market capitalizations. Unlike flexi-cap funds, multi-cap funds have a more balanced allocation strategy, typically maintaining a 25% allocation of **large-cap**, **mid-cap**, and **small-cap stocks**. The primary objective of multi-cap funds is to provide a balanced approach to investing, combining the stability of large-cap stocks with the growth potential of mid-cap and small-cap stocks.

Key Features

- **Balanced Allocation**: Maintains 25% allocation in large-cap, mid-cap, and small-cap stocks for a stable, diversified portfolio.
- **Diversification**: Reduces risk by investing across market capitalizations.
- **Growth Potential**: Mid- and small-cap stocks provide growth, while large-caps add stability.

Benefits

- **Stability and Growth**: Combines large-cap stability with mid- and small-cap growth.
- **Risk Mitigation**: Diversified portfolio offsets underperformance in specific segments.
- **Long-Term Growth**: Suitable for investors aiming for capital appreciation.
- **Examples**: Nippon India Multi Cap Fund, ICICI Pru Multi Cap Fund, Axis Multi Cap Fund.

Suitability

- **Flexi-Cap Funds**: Ideal for those seeking dynamic, flexible strategies with higher returns and volatility.
- **Multi-Cap Funds**: Best for investors preferring a stable, balanced approach with moderate risk.

Both Flexi-cap and Multi-cap funds offer diversification and growth potential. Choosing between them depends on your goals, risk tolerance, and time horizon.

10 Lessons Learned from Peter Lynch

Peter Lynch is one of the **greatest fund managers** ever. Though, it's been over two decades since he managed money, the lessons he learned are timeless.

Lynch ran the **Fidelity Magellan Fund** from 1977 to 1990. During that time, he beat the pants off the market. He outpaced the S&P 500, 11 out of 13 years, averaging a **29%** annual return. From start to finish, that's a **2700% return!**

Lynch documented his experience in two books: *One Up on Wall Street* and *Beating the Street*. The lessons you'll take away from both books far exceeds the ten below.

1. After a great run, don't be afraid to get out early.
Even at his peak, Lynch knew when to step away. Recognize when you've achieved your goals and don't let greed keep you in longer than necessary.

2. Trying to catch the bottom on a falling stock is like catching a falling knife.
Stocks fall for a reason. Find out why. Sometimes management fixes the problem and the stock recovers. Often times they don't.

3. Don't pigeonhole yourself into one investment style.
Lynch is best known for GARP, growth at a reasonable price. His real investment style was flexible enough to adapt to whatever was going on in the market. Sticking to one strategy can mean waiting years for it to come back in favor.

4. Know what you own.
Lynch's philosophy is invest in what you know. Never invest in any idea you can't illustrate with a crayon. Only invest in what you truly understand. If you can't explain a company in 30 seconds, don't invest.

5. The best stock to buy is the one you already own.
You bought it for a reason. If the story hasn't changed and the price is right, stick with it.

6. Go for a business that any idiot can run.
Great businesses can survive even under poor management, but bad businesses often don't recover.

7. If you spend more than 13 minutes analyzing economic and market forecasts, you've wasted 10 minutes.
The economy and stock market aren't the same. The economy is a complex machine with countless moving parts, making it unpredictable. A company, however, is a single part that's easier to measure. Instead of guessing where the economy is headed, focus on understanding businesses.

8. If you need the money, don't invest in stocks.
Lynch was straight forward about not taking chances in the short-term with money you can't afford to lose. Money needed in the next two or three years should be kept in low-risk investments.

9. Learn from your mistakes.
Every great investor I've come across owns their mistakes. They study their mistakes as much as their successes. Understand why an investment went wrong to avoid repeating it.

10. There is always something to worry about.
Every day brings something different to worry about, markets face inflation, recessions, disasters, and crashes. Stay invested, knowing markets always recover. In the last 100 years, the market has seen it all and recovered. You can wait for the sky to fall or you can invest knowing it will happen, you'll get through it, and the market will too.

How to admit your investing mistakes and how to correct them?

Admitting and **correcting investing** mistakes is a crucial part of becoming a successful investor. Here are some steps to help you acknowledge and rectify your investment errors:

Admitting Your Investing Mistakes

1. Self-Reflection: Take a step back and objectively analyze your investment decisions. Identify what went wrong and why. Was it due to lack of research, emotional decision-making, or external factors?

2. Accept Responsibility: Acknowledge that you made a mistake. Avoid blaming external factors or other people. Taking responsibility is the first step towards learning and improving.

3. Learn from the Mistake: Understand the lessons that can be learned from the mistake. What could you have done differently? How can you avoid making the same mistake in the future?

4. Stay Humble: Recognize that even the most experienced investors make mistakes. Stay humble and open to learning from your errors.

5. Correcting Your Investing Mistakes: Reevaluate Your Portfolio: Review your current investments and assess their performance. Identify any underperforming assets and determine whether they should be sold or held.

6. Set Clear Goals: Define your investment goals and create a clear plan to achieve them. This will help you stay focused and make informed decisions.

7. Diversify Your Investments: Diversification can help reduce risk and improve returns. Spread your investments across different asset classes, sectors, and geographies.

8. Conduct Thorough Research: Before making any investment, conduct thorough research and analysis. Understand the fundamentals of the investment and its potential risks and rewards.

9. Avoid Emotional Decision-Making: Emotions can cloud your judgment and lead to poor investment decisions. Stay disciplined and stick to your investment plan.

10. Seek Professional Advice: If you're unsure about your investment decisions, consider seeking advice from a financial advisor. They can provide valuable insights and help you make informed choices.

11. Monitor Your Investments: Regularly review and monitor your investments to ensure they align with your goals. Make adjustments as needed based on market conditions and performance.

12. Stay Informed: Keep yourself updated on market trends, economic developments, and investment opportunities. Staying informed will help you make better decisions.

Admitting and correcting investing mistakes is an essential part of the investment journey. By acknowledging your errors, learning from them, and taking corrective actions, you can improve your investment strategy and achieve your financial goals. Remember, investing is a continuous learning process, and every mistake is an opportunity to grow and become a better investor.

Securing Financial Future: A Guide for Defence Personnel

Serving in the **defence forces** comes with unique challenges, especially regarding financial planning. frequent relocations, prolonged postings, staying away from family during field postings and the inherent risks and uncertainties of the job can make it difficult for defence personnel to manage their financial health.

Here are some essential tips to help defence personnel secure their financial future:

1. Budgeting and Expense Management: The first step towards financial stability is creating a budget. Track all income sources, including salary and allowances, and list all monthly expenses. Aim to save at least 20% of your monthly income for future needs and emergencies.

2. Create an Emergency Fund: It's crucial to have a financial safety net. An emergency fund is essential to cover unforeseen circumstances. Set aside at least six months' worth of expenses, including loan repayments and regular investments. This fund should be easily accessible and can be allocated to a sweep-in fixed deposit or a liquid mutual fund. Emergency fund will provide peace of mind and prevent dipping into long-term investments.

3. Involve Your Spouse in Financial Decisions: Frequent postings can separate personnel from their families, making it essential to involve your spouse in financial decision-making. Consider opening a joint investment account that allows either partner to operate it, with survivorship benefits. This ensures continuity in financial decision-making and prepares them to handle finances independently when necessary.

4. Debt Management: Keep track of all your loans, Pay off high-interest loans first. Timely repayment of loans is crucial to avoid late fees and maintain a healthy credit score.

5. Planning for Children's Education: Planning for your children's college or university education is crucial, as education inflation can significantly erode your savings. Start early by regularly investing in equity mutual funds to ensure you have enough funds when the time comes. This proactive approach will help you stay ahead of rising costs and secure your child's future.

6. Retirement Planning: Though defence personnel receive pensions, they should not solely rely on them. Inflation can erode purchasing power. It is important to plan for additional income to cover expenses that may not be covered by pension. Start investing in a retirement corpus early, factoring in post-retirement expenses, to ensure a comfortable retirement.

7. Investment Strategies: Consider diversified investment portfolios, apart from investing in DSOP, allocate funds to various asset classes like equities, bonds, mutual funds, gold and real estate. Investing in different asset classes reduces risk and can potentially yield higher returns.

Seek the expertise of a financial advisor who can tailor strategies to meet your specific financial objectives.

What is a credit score and how it impacts a borrower

What is a Credit Score?

A credit score is a numerical representation of a borrower's credit worthiness, ranging from **300 to 900.** It is based on factors like loan repayment history, credit utilization, length of credit history, types of loans – secured or unsecured and recent credit inquiries.

Impact on Borrowers

Loan Approval: Higher scores increase the likelihood of loan approval.

Interest Rates: Higher scores lead to lower interest rates.

Credit Limits: Good scores result in higher credit limits.

Insurance Premiums: Higher scores can lower insurance premiums.

Rental Applications: Higher scores improve rental application chances.

Employment Opportunities: Some employers check credit scores for hiring.

A credit score significantly impacts a borrower's financial opportunities. By understanding its importance and maintaining good financial habits, borrowers can secure favourable loan terms, lower interest rates, and better financial opportunities. maintaining a good credit score requires consistent and responsible financial behaviour over time.

How to maintain a Good Credit Score.

Pay EMI's on Time: Consistently pay your EMI's and Credit Card bills on time.

Keep Credit Utilization Low: Keep your credit card usage low, pay full payment every month, do not revolve your credit card debt.

Monitor Your Credit Report: Check for errors and dispute inaccuracies.

Avoid Opening too Many Accounts: Borrow responsibly, do not take too many loan or credit cards.

Maintain a Mix of Credit Types: Having a mix of credit types, such as credit cards, installment loans, and mortgages, can positively impact your credit score. However, borrow responsibly**.**

Keep Old Accounts Open: Maintain a longer credit history which can help improve your credit score.

Limit Hard Inquiries: Avoid multiple credit applications simultaneously.

Use Credit Responsibly: Use credit cards responsibly. Make small purchases and pay them off monthly on or before due date.

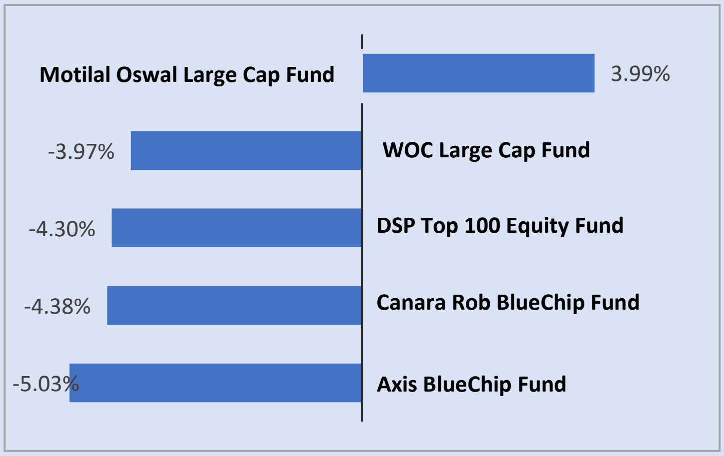
ELSS vs PPF Which One Wins for Tax Saving with Growth?

ELSS	PPF
Equity Market Exposure	Government Backed Securities
Potentially Higher Market Linked Returns	Fixed Returns Steady Growth
3 Years Lock-in	15 Years Lock-in
Best for Moderate to High Risk Seekers	Best for Risk Free Investment Seekers

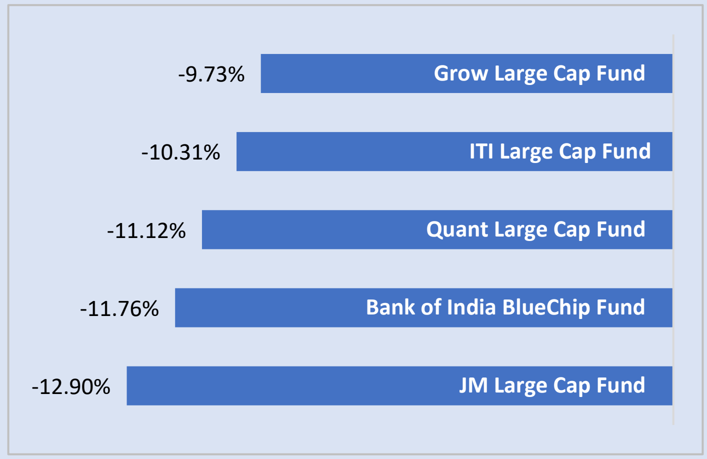
Best and Worst Performing Fund in last 6 Months

Large Cap Funds

Best Performers

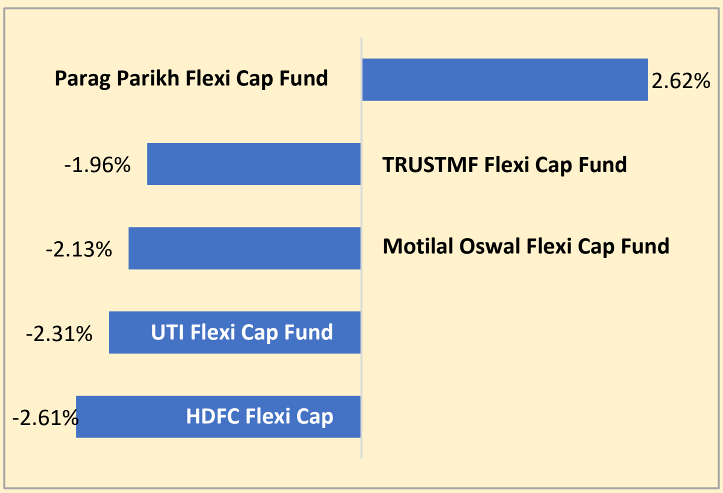


Worst Performers



Flexi Cap Funds

Best Performers



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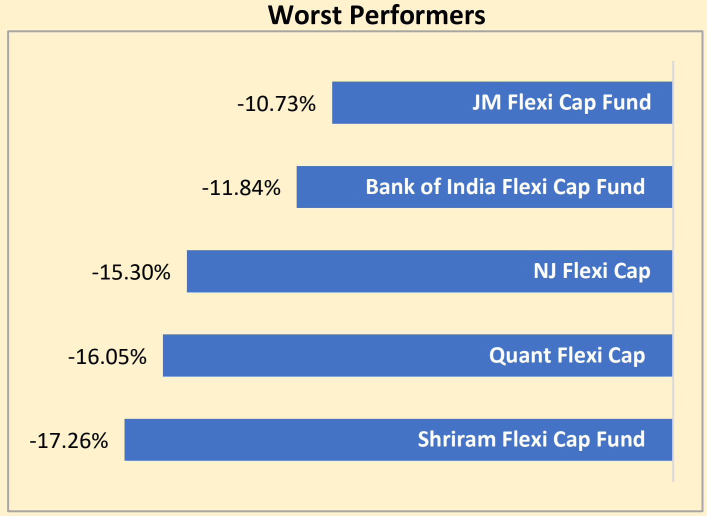
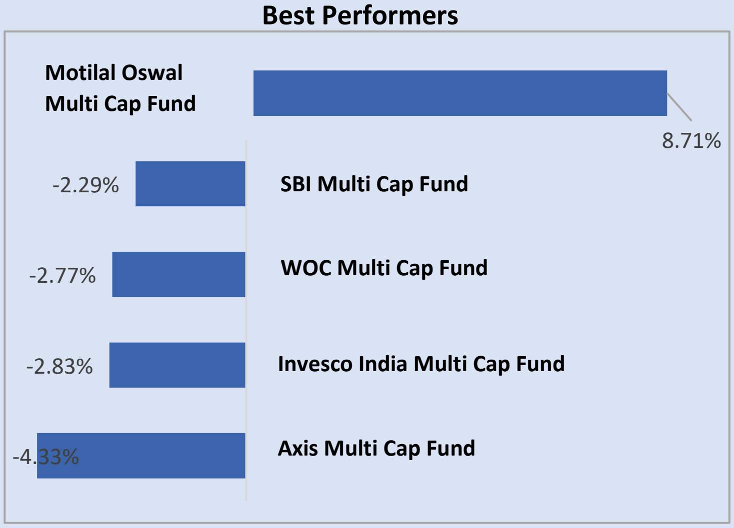


Multi Cap Funds

Best Performers



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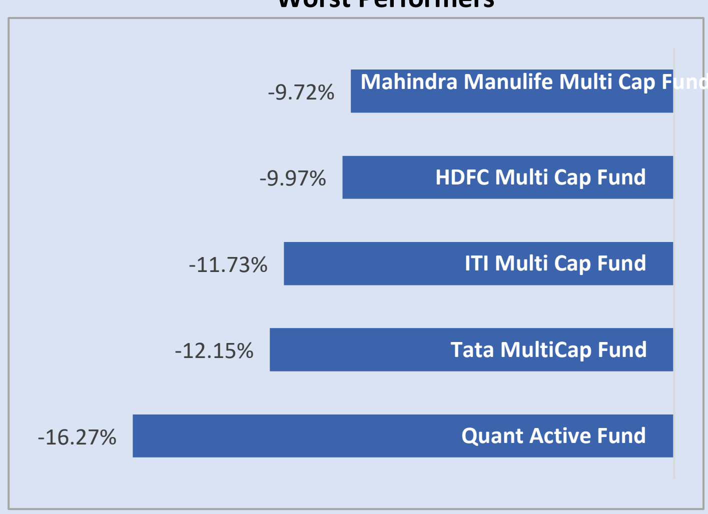
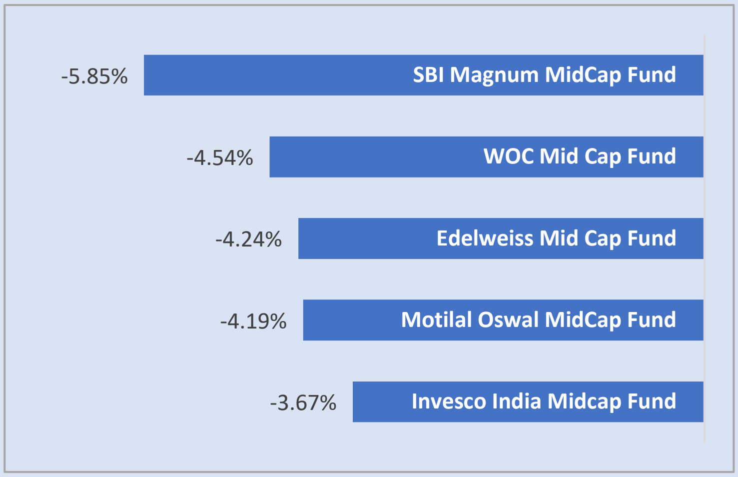


Mid Cap Funds

Best Performers



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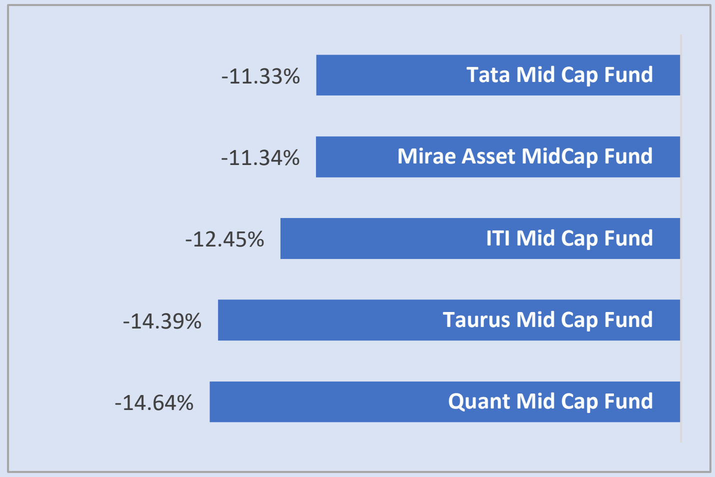
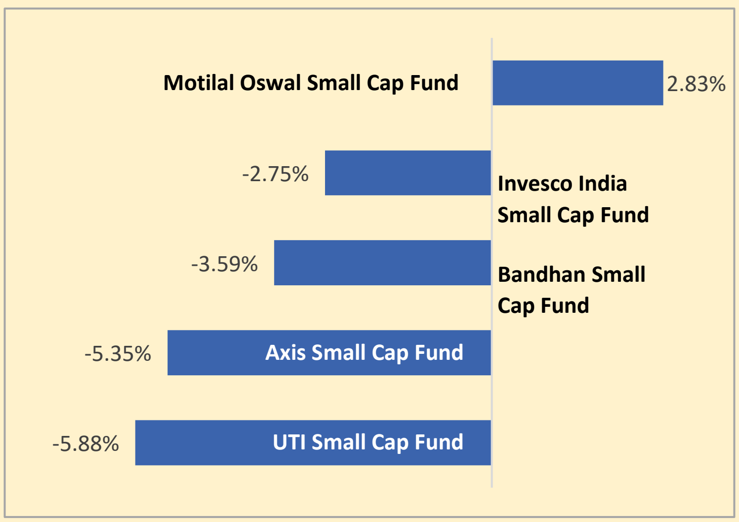


Small Cap Funds

Best Performers



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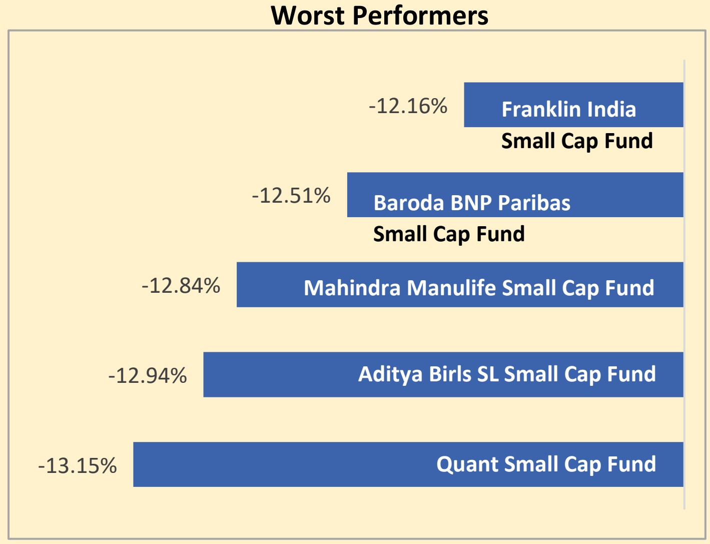

"The intelligent investor is a realist who sells to optimists and buys from pessimists..."

- Benjamin Graham

Ready to Take Charge of Your Financial Future?

Welcome to Marigold Wealth!

At Marigold Wealth, we excel in assisting individuals and families in creating lasting wealth through smart and personalized investments. Whether you are at the beginning of your financial journey or seeking to optimize your portfolio, we are here to guide you every step of the way.

What We Offer:

Tailored Investment Strategies: Customized plans to meet your unique financial goals.

Expert Insights: In-depth knowledge of mutual funds, equities, and wealth-building products.

Comprehensive Support: Ongoing assistance to ensure your investments are on the right track.

Contact Us Today: Let's discuss how we can help you achieve your financial aspirations. Reach out to us to schedule a consultation.

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