MARIGOLD WEALTH

MONTHLY NEWSLETTER

ISSUE 9, July 2025

Welcome to the July Edition of *Marigold Wealth Monthly Insights*!

At Marigold Wealth, our mission is to empower you with smart, strategic guidance for every step of your financial journey.

This month's edition features fresh perspectives on evolving market trends, and actionable strategies to help you build lasting wealth.

Stay informed. Stay invested. Let's grow wealth together.

Market Overview

- Reserve Bank of India (RBI), cut the repo rate – the rate at which RBI lends to banks – by 50 basis points. This brings the current repo rate to 5.50%.
- The Reserve Bank of India (RBI) also announced a phased reduction of the Cash Reserve Ratio (CRR) for all banks by a total of 100 basis points. This strategic move aims to enhance liquidity in the banking system and support economic activity.
- In June'25, markets continued their upward journey, Nifty rising by 3.1% and Sensex closed higher by 2.7%. The Nifty Midcap index closed higher by 6.7%, whereas Nifty Small Cap index closed higher by 4%.
- FIIs were buyers for fourth consecutive month, investing Rs 20,423 crores ($2.4bn), whereas DIIs bought equities worth Rs 72,674 crores ($8.5bn)
- All major sectors ended in green, the top performing sectors were Telecom (+6%), Infrastructure (+5%), Technology (+4%), Metals (+4%).
- Indians working abroad sent home $135.46 billion in FY 2025 in foreign exchange remittances.

Indian Equities Summary

Benchmark	June 2025	1 Month Returns (%)	1 Year Returns (%)
Sensex	83,606	2.65	5.79
Nifty 50	25,517	3.10	6.27
Nifty Small Cap	19075	6.66	4.13
Nifty Mid Cap	59,741	4.04	7.18

Commodity and Debt Watch

	June 2025	Monthly % Change
Gold	96,111	0.02
Silver	1,06,325	9.61
Indian 10 Years Gilt	6.32%	-
US 10 Year Yield	4.24%	-

Should Investors Bet on IPOs? A Reality Check from India's IPO Markets

The allure of Initial Public Offerings (IPOs) has captivated investors for decades, promising the chance to invest in the "next big thing" at ground level. However, recent data from India’s IPO market paints a sobering picture—one that every investor should consider before diving into new listings. The hard data suggests they can often be a poor bet for retail investors.

Year	Mainboard IPOs	Mainboard Below Offer	(%) Below Offer Price	SME IPOs	SME Below Offer	(%) Below Offer Price
2023	60	26	43%	179	30	17%
2024	60	10	17%	106	57	54%
2025	25	4	16%	98	49	50%
Total	145	40	28%	383	136	36%

Behind the IPO Hype: What Most Investors Miss

1. **High Odds of Losing Money**
    - Nearly half of all IPOs deliver negative returns. Over the past decade, 45.9% of India’s 207 IPOs ended below their issue price, while just 21.3% turned into multi-baggers (100%+ gains).
    - In recent IPO wave, about 40% of listings trade below their offer price even weeks or months after listing

2. **No Historical Track Record**
    - Unlike established stocks, IPOs offer zero public history. You can’t analyze past earnings cycles, cash-flow consistency, or management performance under stress

3. **Stark Information Asymmetry**
    - Companies and underwriters craft polished “Red Herring” narratives; retail buyers must take these at face value. The selling syndicate invariably has far more insight than the average applicant—tilting the odds against you

4. Overpriced by Design

- IPO prices are set to maximize the promoters’ haul, not to leave meat on the table for new investors. That premium pricing often triggers sharp post-listing corrections once real supply and demand meet on the exchange.

5. Lottery-Like Allotment

- Retail demand routinely outstrips supply by multiples: in November 2023 alone, investors bid a staggering ₹5.41 lakh crore across 10 IPOs—equivalent to almost two years of monthly SIP inflows. Yet most applicants walk away empty-handed, turning IPO participation into little more than a raffle.

6. Hype Over Fundamentals

- IPO spurts follow bullish market phases. When sentiment sours, many new issues get crushed—regardless of how promising their businesses may be. You’re effectively betting on market timing and emotion, not durable enterprise value.

The Investment Verdict: Tread with Caution

The data reveals a stark reality: IPO investing is a gamble for retail investors, with outcomes skewed toward losses. While some names have created wealth, many of the IPOs in recent years are trading below their issue price. Many that saw early surges have since given up their gains.

Unless you're prepared to research deeply, tolerate high volatility, and size your exposure carefully, IPO investing might not be worth the thrill.

In a market where hype often outpaces substance, the wisest strategy may be to wait and watch—then invest wisely once the dust settles.

"Be fearful when others are greedy and greedy only when others are fearful."

-Warren Buffet

Bursting the Myths on Investing: A Reality Check for Smart Investors

The world of investing is riddled with misconceptions that can derail even the most well-intentioned financial plans. From believing that investing is only for the wealthy to assuming that gold always protects against inflation, these myths persist across generations, often costing investors significant returns and opportunities. Let us separate fact from fiction, empowering investors to make informed decisions based on evidence rather than folklore.

Core Investment Myths That Sabotage Wealth Creation:

Myth 1: "You Need Substantial Capital to Start Investing"

Reality: This is perhaps the most pervasive and damaging myth in investing today.

The truth is that modern investment platforms have democratized access to markets. You can start investing in mutual funds with as little as ₹500 through Systematic Investment Plans (SIPs).

An investor starting a ₹2,000 monthly SIP in a diversified equity fund averaging 13% annual returns would accumulate approximately ₹21 lakh over 20 years—demonstrating how small, consistent investments compound into substantial wealth.

Myth 3: "Gold is Always a Safe Haven and Inflation

Reality: Academic research challenges this widely-held belief among Indian investors.

According to a comprehensive study by the Indian Journal of Finance covering 1971-2013, four popular Indian beliefs about gold were examined and largely debunked:

- Gold as an inflation hedge: Evidence shows mixed results over long periods
- Gold as superior to fixed income: Often underperforms diversified portfolios
- Gold as less risky than stocks: Shows significant volatility, especially in rupee terms.

Myth 2: "Investing in Stock Markets is Pure Gambling"

Reality: This myth fundamentally misunderstands the nature of investing versus speculation.

Investing involves making informed decisions based on research, analysis, and a company's financial health, while gambling relies purely on chance and luck. Professional fund managers conduct extensive research using fundamental and technical analysis to make investment decisions, quite different from rolling dice or playing cards.

The key distinction lies in time horizon and methodology. Successful investing requires:

- Fundamental analysis of company financials
- Understanding of market cycles
- Diversification across sectors and asset classes
- Long-term perspective (typically 5+ years)

Myth 4: "SIPs Eliminate All Investment Risks"

Reality: While SIPs are powerful tools for wealth creation, they don't eliminate risk entirely.

SIPs provide rupee cost averaging, which helps smooth out market volatility by purchasing more units when prices are low and fewer units when prices are high. However, they cannot eliminate

- Market risk during prolonged downturns
- Fund manager underperformance relative to benchmarks
- Sector-specific risks in concentrated portfolios

SIPs are designed for long-term wealth creation across market cycles. Research shows that SIP investors who stay invested through at least one complete market cycle (typically 5-7 years) significantly outperform those who exit during temporary downturns.

Myth 5: "Real Estate Prices Always Appreciate"

Reality: Property markets are cyclical and subject to numerous risk factors.

Real estate markets experience significant fluctuations based on economic conditions, interest rates, supply-demand dynamics, and regulatory changes. The myth of perpetual appreciation has led many investors to:

- Overleveraging on property purchases
- Ignoring liquidity constraints
- Underestimating maintenance and transaction costs
- Concentrating wealth in a single asset class

Real estate requires active management, significant capital commitment, and carries location-specific risks. Unlike stocks or mutual funds, property cannot be easily diversified or liquidated.

What Happens to Your SIP When You Miss a Month?

Systematic Investment Plans (SIPs) are a popular way to invest regularly in mutual funds. But what if you miss a SIP payment? **Missing one SIP doesn't have a major long-term impact** on your investment journey. If your bank account doesn’t have enough funds on the SIP date, the transaction simply fails. You don’t get charged by the mutual fund house, but your bank may levy a penalty for the failed auto-debit.

Importantly, **your SIP doesn’t get cancelled automatically** unless you miss multiple consecutive payments. Most fund houses allow a few missed SIPs before they consider termination. Also, missing a month doesn’t affect your existing investments — they stay safe and continue to grow.

To stay on track, you can consider:

- **Manually investing for the missed month**
- **Increasing your future SIP** slightly to cover the gap
- **Setting up alerts** to avoid future misses

Remember, SIPs work best when they're consistent — but missing once in a while isn’t the end of the world.

10 Habits to Pave Your Way to Financial Freedom

Financial freedom means having **sufficient savings, investments**, and **readily available cash** to support the lifestyle you and your family desire. It also involves smart budgeting to build a growing nest egg that lets you retire on your terms or pursue your dreams.

Financial freedom isn't a lucky break—it's the product of intentional, consistent habits.

Adopt these ten practices and watch your wealth—and peace of mind—grow:

1. **Automate Your Savings:** Set up monthly SIPs the day your salary arrives. Out of sight, out of mind and you'll never forget to save.
2. **Live on a Budget**: Track income and expenses with a simple framework (50/30/20 or zero-based). Spend 50% on your basic expenses, 30% on wants and invest the balance 20%. A clear budget keeps leaks in check and spending aligned with your goals.
3. **Build and Preserve an Emergency Fund:** Aim for 3–6 months of living expenses parked in a high-yield savings account or liquid fund. This safety net stops surprises from derailing your long-term plan.
4. **Pay Off High-Cost Debt:** First Prioritize credit cards and high-interest loans. Every rupee saved on interest is a rupee you can redirect into investments.
5. **Invest Early and Let Compounding Work:** The sooner you start, the more time you have to compound and multiply your wealth. Even small monthly contributions can snowball over decades.
6. **Diversify Income Streams:** Don't rely solely on your 9-to-5 job. Side hustles, rental income, dividends or royalties add resilience and accelerate goal-achievement.
7. **Keep Learning and Adapting:** Read books, attend webinars, follow market trends. Financial education is the multiplier that turns disciplined habits into real wealth.
8. **Automate Bill Payments Avoid late-fees and penalties:** Timely bill settlements protect your credit score and energy for higher-impact financial moves.
9. **Review and Rebalance:** Regularly review your investments, keep your asset allocation on track. Rebalancing ensures you're not over-exposed to market swings or a single sector.
10. **Celebrate Milestones and Reset Goals:** Recognize when you hit 25%, 50% or 100% of a target. Small wins fuel motivation. Then raise the bar for your next horizon.

Choosing the right ITR Form

Filing income tax returns (ITR) correctly is one of the most important financial responsibilities for every taxpayer. Selecting the appropriate ITR form is the first—and arguably the most crucial—step in ensuring accurate returns, avoiding penalties, and preventing refund delays. For the Assessment Year 2025-26, the Income Tax Department has released updated ITR forms tailored to different taxpayer categories and income sources.

ITR 1 (Sahaj)

This form is for resident individuals (excluding HUFs, NRIs, and RNORs) whose total income does not exceed ₹50 lakh. It includes income from salary or pension, one house property (without any carry-forward loss), interest, and agricultural income up to ₹5,000.

New for this year: You can now report long-term capital gains up to ₹1.25 lakh from listed shares or mutual funds under ITR 1 itself—no need to switch to ITR 2 or 3.

You cannot use this form if: You are a director in a company, hold unlisted shares or ESOPs, have foreign income/assets, more than one house, business income, or capital losses to carry forward.

ITR 4 (Sugam)

This is meant for resident individuals, HUFs, or partnership firms (not LLPs) opting for presumptive taxation. Your total income must be under ₹50 lakh, and turnover under ₹2 crore. Income can include salary, pension, one house property, and LTCG under ₹1.25 lakh (without loss set-off).

ITR 2

Use ITR 2 if you're an individual or HUF with income from salary, multiple house properties, capital gains (any amount), foreign income or assets, or agricultural income over ₹5,000. It's also for NRIs, RNORs, directors in unlisted companies, or those with clubbed income (like spouse's).

Not for you if: You earn any business or professional income.

ITR 3

If your income comes from business or professional work (proprietorship), or you're a partner in a firm (not LLP), you must file ITR 3. This form also covers capital gains (including with carry-forward loss), F&O trading, and unlisted equity shares. It includes salary, rent, and other income linked to your business activity.

ITR 5: For LLPs, AOPs, BOIs, and Others

File ITR 5 if you're an LLP, Association of Persons (AOP), Body of Individuals (BOI), business trust, or certain co-operative societies. It's also used by estates of deceased/insolvent persons or investment funds.

Cannot be used by: Individuals, HUFs, companies, or entities that are required to file ITR 7.

NAV Doesn't Matter — Or Does It?

If you've ever hesitated between two mutual funds just because *"yeh wala NAV thoda kam hai"* — you're not alone. It's one of the most common misconceptions among investors.

Most people believe a lower NAV means a cheaper fund, while a higher NAV feels like you're entering at the top.
That logic definitely works in stocks, not mutual funds. Let's break it down.

NAV = (Total Value of Assets – Liabilities) / Number of Units Outstanding

Think of it as the **per-unit value** of all the investments a mutual fund holds. It's calculated **daily**.

But here's the kicker: **NAV is just a number.** It doesn't tell you anything about how cheap or expensive a fund is — because mutual fund units are **not shares**.

Why NAV Doesn't Matter

Let's take two funds, both investing ₹100 each in the exact same stocks:

- **Fund A** has a NAV of ₹10 (10 units)
- **Fund B** has a NAV of ₹100 (1 unit)

After one year, both portfolios grow to ₹120.

- Fund A's NAV = ₹12
- Fund B's NAV = ₹120

Both grew by 20% — no difference in returns.

So, What Should You Look At Instead?

1. **Fund Strategy & Holdings**
2. **Past Rolling Returns**
3. **Risk Analysis**
4. **Fund Manager's Track Record**
5. **Volatility & Drawdowns**

These factors tell you what really matters: how your money will grow over time.

NAV doesn't reflect value. Returns do.
Don't fall for the ₹10 vs ₹100 trap — focus on the fund's substance, not its sticker price

What Is the Value of an Advisor?

Advisors do more than pick stocks—they deliver a blend of **financial planning**, **behavioral coaching**, and **portfolio engineering** that can materially boost client outcomes. By guiding discipline, optimizing costs and tailoring strategies, they unlock value beyond market returns.

How Advisors Add Value

Thoughtful **Asset Allocation Crafting portfolios** aligned to goals, risk tolerance and time horizon helps capture market upside while managing drawdowns.

Cost and Tax Management Minimizing fees through low-cost vehicles, tax-loss harvesting and smart asset location preserves returns that would otherwise leak away.

Behavioral Coaching Steering clients through market turbulence prevents costly mistakes—staying invested during downturns and trimming excess risk in euphoria.

Dynamic Rebalancing Systematic rebalancing captures "sell-high, buy-low" discipline, locking in gains and maintaining target risk levels.

Comprehensive Financial Planning Integrating retirement, estate, insurance and legacy planning ensures portfolios serve broader life goals, not just investment returns.

Vanguard pioneered the **"Advisor's Alpha"** framework to estimate how relationship-oriented services drive net returns. Their research finds that by combining best practices—such as rebalancing, tax management and behavior coaching—advisors can collectively add up to 3% in net returns for clients.

Key Takeaways

An advisor's impact transcends markets: it's equally about cost savings, tax efficiency and emotional discipline.

Rigorous studies show advisors can add up to **3% of net portfolio returns**—enough to offset advisory fees and enhance long-term wealth.

Value is client-specific: deeper planning and behavioral guidance can push that benefit even higher.

By focusing on these holistic, relationship-driven services, advisors justify their fees and help clients achieve financial goals with greater confidence.

Book Summary: The Five Rules for Successful Stock Investing

Pat Dorsey, condenses decades of stock analysis into five clear, actionable principles. He opens by stressing that picking great stocks starts with understanding the business itself, not just its share price. From there, each rule builds a layer of discipline:

1. Do Your Homework: Learn the language of finance—how revenue, profit, cash flow and balance sheets inter-relate. Dorsey walks you through interpreting financial statements, spotting red flags in accounting and assessing true cash-generation.

2. Find Economic Moats: Identify companies with sustainable competitive advantages—brands, cost leadership, high switching costs or network effects—that protect profits from rivals over decades.

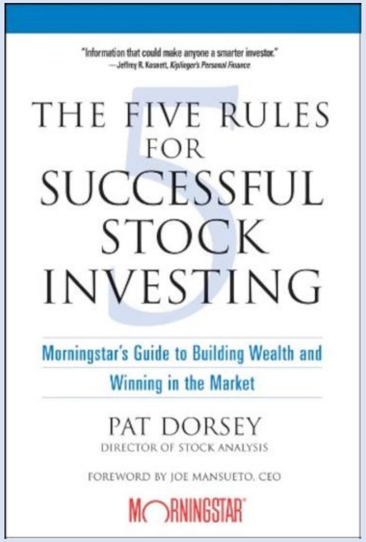
3. Have a Margin of Safety: Even superior businesses become poor investments if bought at the wrong price. Dorsey outlines valuation tools (P/E, P/B, free cash flow yield and discounted cash flow) to ensure you pay well below intrinsic value.

4. Hold for the Long Haul: Patience compounds returns. By resisting the urge to trade around short-term market noise, investors benefit from business growth, dividend reinvestment and tax efficiency.

5. Know When to Sell: Exiting is as critical as entering. Dorsey provides a checklist—has the moat eroded? Are earnings quality or management incentives changing? —to trigger disciplined sell decisions.

He supplements these rules with common mistakes - swinging for the fences, timing the market, falling in love with gimmicks.

Top 5 Key Learnings



1. Fundamentals First: Stock prices bounce around, but long-term returns align with underlying business performance. Mastering financial statements is non-negotiable.

2. Quality Endures: Economic moats—not hot sectors or market timing—drive lasting outperformance. Companies with defensible positions weather cycles and compound capital.

3. Valuation Matters: A great business can be a terrible investment if you overpay. A disciplined margin of safety cushions against forecasting errors and unexpected setbacks.

4. Behaviour Wins: Emotional discipline—sticking to your research and avoiding panic selling—can add more to returns than any stock pick.

5. Exit Strategy: Predefined sell rules protect gains and limit losses. Regularly revisit your investment thesis and act when key assumptions no longer hold.

Get Your Mutual Fund Portfolio Reviewed for Free!

Are you looking to optimize your mutual fund investment portfolio?

Take advantage of a free portfolio review by expert **Arvind Datta**, a mutual fund distributor registered with AMFI.

☑ Why choose this review?

- **Comprehensive Analysis:** Understand how your investments align with your financial goals.
- **Personalized Guidance**: Receive tailored strategies for better returns and risk management.
- **Professional Expertise:** Benefit from insights backed by years of industry experience.

Don't miss this opportunity to get expert guidance—absolutely free! Email us at **marigoldwealth@gmail.com** to book your review today.

Know Your Distributor: Arvind Datta

Your financial journey is in **trusted hands**. Here's a brief about your distributor's qualifications and experience:

- **Training:** 16 months of rigorous training at the **Indian Military Academy, Dehradun**.
- **Education: MBA in Finance** from the prestigious **FMS, University of Delhi.**
- **Banking Expertise**: **24 years** in **banking and financial services**, including senior roles at HDFC Bank, Citibank, a Abu Dhabi Bank, and Noor Bank in the UAE.
- **Global Perspective**: In-depth exposure **to Indian and international financial markets**, ensuring a holistic appr wealth creation. With this unique blend of **discipline, academic rigor, and industry expertise**, your investme managed with unmatched professionalism and insight.

Linkedin: Arvind Datta **X: Arvind Datta**

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 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.

Arvind Datta

AMFI Registered Mutual Fund Distributor ARN-243605
Email: marigoldwealth@gmail.com

Address : 2-B, Pritam Road, Near DIS, Dalanwala, Dehradun

Phone no. : +91 81260 52802

Email: marigoldwealth@gmail.com

Linkedin: Marigold Wealth