Wealth Insignia

MONTHLY FINANCIAL NEWSLETTER **'FOR THE FAUJIS. BY THE FAUJIS.'**

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Financial Micro bytes from
Team Hum Fauji Initiatives

Do’s Are OK but Don’t Lose Out on Don’ts!!

What is yours today will be someone else’s tomorrow
A diabetic patient complained to his doctor about his deteriorating condition despite taking all the prescribed medicines. The Doctor was surprised and enquired further about the patient’s eating habits. It came out that the patient was very fond of ‘Motichoor ka laddoo’ and it was a part of his daily meal.

In Mutual Fund investments too, there are various ‘laddoos’ that need to be avoided to be a successful investor:

Timing the market: Investors’ urge to look for investing only when the market will go down and sell only when it’s high, often results in them postponing investments forever and thus losing out on the tremendous power of compounding. Be very clear that ‘No Financial Doctor aka Financial Advisor, can ever help you with that. You must approach an astrologer for that.

Underestimating the power of SIP: Small steps help you climb mountains. Just ask about the importance of a 2-3 Kg dumbbell from a weightlifter/bodybuilder who is now lifting 100 kg comfortably. Stay assured that disciplined regular contributions will indeed accumulate great wealth for you.

It’s a Mutual Fund, not a Magic Fund: You must have gone through this statement of Master Blaster – ‘Sachin Tendulkar’. If not please watch out video here. It’s part of an investor awareness campaign rather than any marketing campaign. Most investors often end up burning their fingers, if not complete hands, because they overestimate their capabilities and underestimate the role of a financial planner. You can’t be an expert in everything. Approach a capable financial advisor for your good financial health.

Goal-less Investing is directionless investing: Just imagine a football match without a goal post! It will be just full of chaos and nothing else. This is what happens with investments too. Always invest in accordance with your goals to be able to have your money work for you to fulfill your dreams.

Hiding your diagnosis reports from your financial doctors: Cashflow reports, asset-liabilities report, income-expenditure statement, etc must be disclosed to a financial advisor so that he/she selects the right investment product for you. If not done so, your financial advisor will forever do a mix-and-match while groping in the dark.

Jatin Uppal, Deputy Manager - Team Hum Fauji Initiatives

Relying on Investments Recommended by Finfluencers?

In the era of social media and digital influencers, the financial advisory world has expanded to include 'finfluencers' who have gained popularity by apparently simplifying financial concepts and engaging with audiences through social media platforms.These individuals share investment recommendations, promising high returns and financial success or claiming to possess insider knowledge. But the bigger question is: Can you rely on them to give you advice which is good for you?

Here are some factors to consider as an investor when it comes to 'Finfluencers':-

Red Flags:

Nowadays anyone with access to the internet may become a Finfluencer and begin advising about money management as there is no entry barrier. Looking around more carefully, you may easily avoid clickbait information and unreliable advice from social media influencers. Watch out for the red flags like Dubious Advice (Hacks), Free Offers, Booklets and Training Courses, Zero-to-Hero, etc.

Consider the Source

To provide investment advice, Registered Investment Advisers (RIAs) licensed by the Securities and Exchange Board of India (SEBI) must have a minimum academic qualification and experience (MBA, 5 years experience and passed the tough X-A & X-B certifications of NISM). You will rarely find any of the thousands of finfluencers having even two of these. Consider – do they have a solid understanding of the investment market or have they successfully managed their own investments? Most of these finfluencers are essentially marketing guys masquerading as financial experts now.

Beware of bias

Finfluencers often have affiliations or partnerships with financial companies or certain investment products – the fancier sounding they are, the more they are brandished about. While this doesn't discredit their advice, being aware of potential conflicts of interest is essential.

The self-proclaimed market experts or Finfluencers give generic financial advice

They give generic financial advice that may or may not be suitable for everyone. Remember – One size does not fit all. You should not follow such advice blindly because everyone's financial condition, approach to money, risk tolerance, investment horizon and goals, etc. are different.

Finfluencers can sometimes provide good financial education and insights, but it is essential to exercise caution and scepticism when considering their investment recommendations. Diversify your sources, verify information, and seek professional advice to make well-informed decisions that are aligned with your financial goals. It is your hard-earned money after all.

Manish Kumar, Relationship Manager - Team Vikrant 2

Should You Increase the Credit Limit on Your Credit Card?

You often get messages and calls from your bank asking you to increase the credit limit for free. Let's see if you should do so?

Pros of Increasing Credit Card Limit:

Lower Credit Utilization Ratio: Increasing your credit limit can lower your credit utilization ratio, which is the percentage of your available credit that you're currently using. It has a positive impact on your credit score, as it demonstrates responsible credit management.

Financial Flexibility: Increasing your credit card limit can provide you with additional financial flexibility. It can act as a safety net for unexpected expenses or emergencies when you need extra funds.

Rewards and Benefits: Some credit cards offer attractive rewards programs, cashback incentives, or other benefits tied to increased spending. By increasing your credit limit, you can take advantage of these rewards and potentially earn more value from your card.

Cons of Increasing Credit Card Limit:

The temptation to Overspend: Having a higher credit limit may lead to an increased risk of accumulating debt that you may struggle to repay, especially if you have poor spending habits or lack financial discipline.

Potential Debt Burden: Increasing your credit card limit without a clear repayment plan can lead to increased debt burdens and financial strain. It's important to use credit responsibly and avoid accumulating excessive debt that you may struggle to repay.

Before deciding to increase your credit card limit, carefully consider your financial habits, spending discipline, and ability to manage debt responsibly. It's crucial to use credit cards as a tool for convenience and financial management rather than a means to live beyond your means.

Abhilash S Rana, Financial Planner - Team HNI Desk

Takeoff is Easy, but Landing Is Crucial: A Guide to Successful Investing

When it comes to tax-saving investments, most people are familiar with Section 80C of the Income Tax Act. However, there are several other options available that can help you save on taxes.

Takeoff: Choosing Wisely When you're planning a trip, you carefully choose your destination and consider factors like weather, activities, and of course, the budget. Similarly, in investing, you should define your financial goals and assess your risk tolerance. Once you know what you're working towards, you can diversify your investment portfolio with different assets, such as stocks, bonds, and real estate.

Flight: Monitoring and Adjusting During a trip, you stay informed about weather changes or unexpected events. Similarly, in investing, you should regularly evaluate the performance of your investments. Keep an eye on market trends, economic indicators, and company news that may affect your portfolio. If you notice any deviations from your goals or shifts in the market, consider rebalancing your portfolio.

Landing: Finally Achieving Goals – the most important part of the Journey
As your trip nears its end, it's time to enjoy the destination. Similarly, in investing, as you approach your financial goals, you should consider your time horizon. If you're close to retirement or achieving a short-term goal, gradually shift investments to more stable options. Plan your exit strategy, determining how and when to liquidate your investments to fund your goals. Seeking professional guidance can help you navigate any uncertainties and make informed decisions.

Conclusion

In the world of investing, takeoff is optional, but landing is compulsory. Choose investments wisely, monitor their performance, and make necessary adjustments. With the right mindset and informed decisions, you can achieve your financial goals and enjoy a prosperous investment journey.

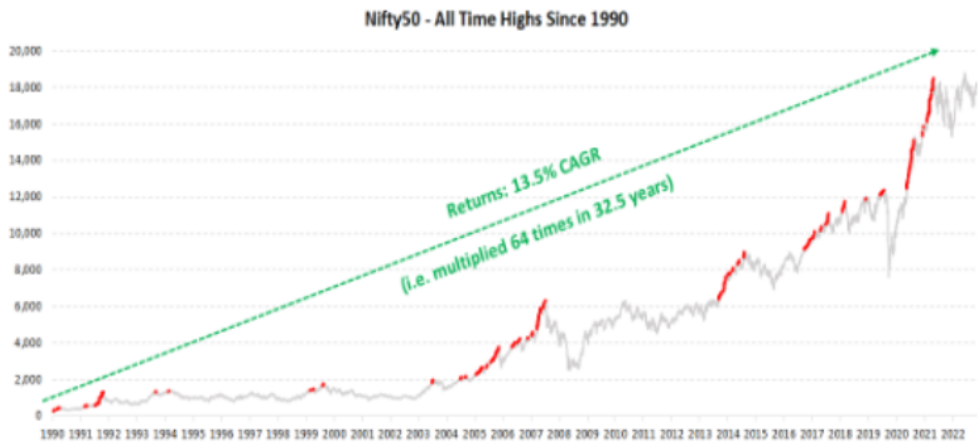
Ankit Kumar Singh, Associate Financial Planner - Team Sukhoi

It's an All-Time High for the Past, Not for the Future

The stock market is the device for transferring money from the impatient to the patient, said Warren Buffet. An investor often faces a dilemma in both trends of the market. When the market goes down, it creates anxiety to save capital from erosion, and during the upside, we are always in a hurry to book profit and exit from the market. There is a general perception in the market that whenever the equity market reaches a new high, the market will now correct itself and hence one should just get out without even a preliminary analysis of why the markets are acting in the way they are doing.

Editorial

Upside movement of the market is just an ongoing process. All-time highs are a normal and inevitable part of long-term equity investing. When the economy is expected to do well, markets will move up and breach its last high; there's nothing strange or unique about it. Also, when the market indexes move upward, it shows the confidence of investors in the prosperity and growth of the nation's economy in the long term, as is happening today.



As visible in the above graph (highlighted in red), the market has broken so many all-time highs that you would not be able to count them – after a previous high is broken and the market moves up, every day is an All-Time High (ATH)!

So, how do you deal with ATH? Find out why is it moving up and if you are convinced that it is due to solid fundamental factors, then do not see everyday movement, do not pay attention to negative noises or Whatsapp gyans – just stay invested, further looking for solid investment opportunities.

Ujjwal Dubey, Associate Financial Planner - Team Prithvi

Key Things to Know Before Filing Your Income Tax Returns

As the Income tax returns filing have been started, here are some key things to know before filing your Income Tax Return (ITR):-

Keeping Documents Ready

Keep all the documents ready related to your income, investments, and expenses such as Form 16, salary slips, bank statements, TDS certificates, investment proofs, and bills.

TAX Know your income and tax liability

You need to know your total income for the year, as well as any taxes that have already been deducted from your income (such as TDS).

Choosing the Correct ITR Form & Tax Regime

Choose the ITR form that is right for you based on your income and filing status. Also, there have been several changes in the new regime, choose the suitable regime for yourself considering all the deductions and exemptions available to you. If you are our existing investor, just get in touch with your financial advisor in the company and we will work out the best tax regime for you.

Check the Form 26AS and AIS

Form 26AS provides details of the taxes deducted, collected, and paid during the financial year, whereas AIS provides us the details of interest, dividends, securities transactions, mutual fund transactions, etc. One should check and reconcile the record with these forms as they help you in filing the ITR properly.

Form 26AS

Annual Tax Statement under Section 203AA of the Income Tax Act, 1961

- See Section 203AA and second provision to Section 206C (5) of the Income Tax Act, 1961 and Rule 31AB of Income Tax Rules, 1962

Permanent Account Number (PAN)	AI	N	Current Status of PAN	Active	Financial Year		Assessment Year	
Name of Assessee								
Address of Assessee								

- Above data / Status of PAN is as per PAN details. For any changes in data as mentioned above, you may submit request for corrections. Refer www.tin-nsdl.com / www.utiitsl.com for more details. In case of discrepancy in status of PAN please contact your Assessing Officer
- Communication details for TRACES can be updated in 'Profile' section. However, these changes will not be updated in PAN database as mentioned above

PART A - Details of Tax Deducted at Source

(All amount values are in INR)

Sr. No.	Name of Deductor	TAN of Deductor	Total Amount Paid / Credited	Total Tax Deducted*	Total TDS Deposited

Keep the deadline in mind

The deadline to file ITR for the financial year 2022-23 is 31 July 2023. Please file your ITR before the deadline to avoid last-minute hassles and a penalty.

Seeking Professional Help

If you find the process tedious or do not want to engage in this complicated process, consider seeking professional assistance. We have also started the ITR filing for our investors.

Yogesh Gola, Relationship Manager, Advisory Desk - Team Hum Fauji Initiatives

Why Do We Have To Look Beyond Traditional Fixed Income Investments?

Investing your money has many options today – fixed income instruments, mutual funds, stocks, real estate, P2P, and even bitcoin and the lowly bank FDs – deciding where to invest can be difficult. Each choice has its own role and rewards for investors, making direct comparison difficult

When we talk about the Fixed Income option in Mutual Funds, the only thing that is fixed about it is its unfixed character!

Fixed income (or Debt) MFs are frequently assumed to provide fixed returns. The truth is that Debt MFs generate returns that correspond to changes in interest rates and unless a Debt MF is purchased and held to maturity, investments are exposed to interest rate fluctuations.

Sometimes, Debt MFs that promise higher returns may contain riskier assets. This is because some issuers may include lower-grade instruments in the portfolio to try to achieve better returns. It's important to be cautious when considering these options.

For a long time, other fixed-income investments have been popular among Indian investors. However, mutual funds offer an appealing alternative. Not only can they potentially generate higher returns while keeping similar safety, but they also have tax advantages like you don't have to pay taxes on your returns while your investment is growing and if you want a regular income, use the SWP (Systematic Withdrawal Plan) route to save about 70% tax. Additionally, mutual funds have a good track record of outpacing inflation, which helps protect your wealth.

As you embark on your investment journey, remember to make informed choices, seek guidance from professionals, and stay focused on your objectives. The world of investments is full of opportunities for those who are willing to explore and take smart risks.

Sweta Kumari, Financial Planner - Team Vikrant

Top Clients Queries of the Month

Q1: I started investments with you at the beginning of 2021. It's been almost 1.5 years and my returns are not even at par with bank FDs. I wish to route my investment to a suitable alternative that can earn me decent inflation-beating returns. What will you suggest?

It is quite obvious to have expectations when making any investments, and the expectations are always portfolio returns. However, one thing that we need to remember while investing is that time is of great essence. The way we experience a lot of emotions in life, investments too are a roller coaster that go through several ups and downs.

It is always prudent to classify your investments based on the time horizon in hand. Shorter term goals are always associated with safer debt investing while those with a time horizon of more than 5 years are mostly correlated to equity investing.

Equity investing is not an easy game to play. Patience is the only key to get it done right. It involves taking a long-term view of investments and resisting the urge to react quickly. Successful investors are those who tend to wait and watch, and analyze markets and trends over time before making a decision. Equity markets move in cycles and it often takes 5-7 years to go through a full cycle of a sharp rise, decline, stagnation and back. To get to optimum return levels, we need to go through an entire cycle which of course would not happen in a year or two. Such a period is too short a period for equity investing.

All you need to do is ride the wave and be patient with your investments. They will deliver what is required out of them!

Q2: I came to you for getting good returns on my portfolio. While you gave me a good amount of equity, some part of my portfolio was also allocated to debt instruments. Now when stock markets are rising, my returns are lower. What do you say to this?

We understand your concern about the allocation of your portfolio in debt instruments and the lower returns compared to the rising stock market. Your financial well-being and goals are crucial, and we want to address your concerns while considering the emotional and behavioral aspects of investing.

Investing involves managing risks and uncertainties apart from giving you good returns. Debt instruments provide stability during market volatility, acting as a safety net for your capital and offering peace of mind. Diversifying your portfolio with debt instruments creates a balanced and secure approach, preventing impulsive decisions driven by short-term market trends. It ensures a disciplined and rational investment strategy, shielding you from the emotional rollercoaster of the stock market.

During market downturns, debt instruments act as a buffer against significant losses, providing comforting reassurance for your financial future. Please remember, investing is a long-term journey. We're here to support you and provide guidance to ensure your portfolio reflects your goals, risk tolerance, and emotional well-being. Taking undue and unnecessary risks with your hard-earned money is never our agenda and never a wise way to manage your financial future by any financial advisor.

We are happy to answer any questions you may have about our services. Email us at: contactus@humfauji.in

HUM FAUJI INITIATIVES – MEDIA FEATURES

Five money mistakes to avoid after joining your first job

“In the early stages of your career, you can start with (putting away) around 10 percent of your monthly salary and gradually increase the amount as your income grows,” advices Sanjeev Govila, CEO, Hum Fauji Initiatives

Read the article here:
https://www.moneycontrol.com/news/business/personal-finance/five-money-mistakes-to-avoid-after-joining-your-first-job-10734941.html


Five money mistakes to avoid after joining your first job

Avoid impulse buying. Understand tax implications on income and do not take on too much debt. Build an emergency corpus and go for long-term investment planning.

How much health insurance should a fresher get? Is it wise to purchase a personal health insurance policy even if you have one through your employer?

“If the individual loses their job or decides to switch careers, they may lose access to employer-provided health insurance,” answers Sanjeev Govila, CEO of Hum Fauji Initiatives.

Read the article here:
https://www.moneycontrol.com/news/business/personal-finance/how-much-health-insurance-should-a-fresher-get-10786321.html


How much health insurance should a fresher get?

It is wise to purchase a personal health insurance policy even if you have one through your employer

SNEAK PEAK INTO HFI

HumFauji Initiatives has organized a UTI Knowledge Session – empowering employees with skills for exceptional customer service through interactive discussions and case studies. The emphasis on empathy and personalized solutions aims to foster a customer-centric culture, driving long-term loyalty and satisfaction.

Another month, another round of joyous birthdays - The monthly cake cutting birthday celebration is a symbol of the caring and supportive community we've created, making our workplace more than just a job; it's a place we're proud to call our second home.

A *'FAUJI'* INVESTOR STORY

From Friends to partners in Financial Success: Brig K P Rajan's Journey with Hum Fauji Initiatives – A Case Study

Once upon a time, in the spirited days of their NDA Khadakwasla cadet training, a strong bond of friendship was forged between K P Rajan and Sanjeev Govila. Little did they know that their camaraderie would extend beyond the military training grounds, military service and pave the way for a remarkable financial journey together much later in life.

Discovering Hum Fauji Initiatives (HFI): A Trusted Friend's Recommendation

As retired life approached, Brig K P Rajan found himself pondering over the uncertainties of the future. It was during one of their friendly conversations that Col Sanjeev Govila, now the CEO of HFI, shared with him the concept and vision behind his company. Fauji friends are known for their trustworthiness within the community, and Brig K P Rajan instinctively felt that exploring HFI's offerings could be the key to securing a strong financial future.

Friendship and Financial Abundance: The Power of Advice

What sets HFI apart is not just their expertise in financial planning but also their ability to be lifelong friends. They understood Brig K P Rajan's risk profile and navigated the ever changing market fluctuations with strategic precision. HFI's valuable advice, tailored to his unique circumstances, played a pivotal role in steering him towards financial abundance. With their guidance, he achieved a level of success that not only adequately met but exceeded his expectations.

The Unwavering Support: Overcoming Challenges Together

Like any journey, there were challenges along the way. During the management transition between HFI, iFast, and HFI again in the year 2022, delays in portfolio monitoring caused frustration and hindered effective management. Brig K P Rajan, however, remained steadfast in his belief in HFI. Through open discussions and clarifications, the team at HFI addressed his concerns and reinforced their commitment to his financial well-being. Together, they overcame the hurdles, strengthening the bond of trust even further.

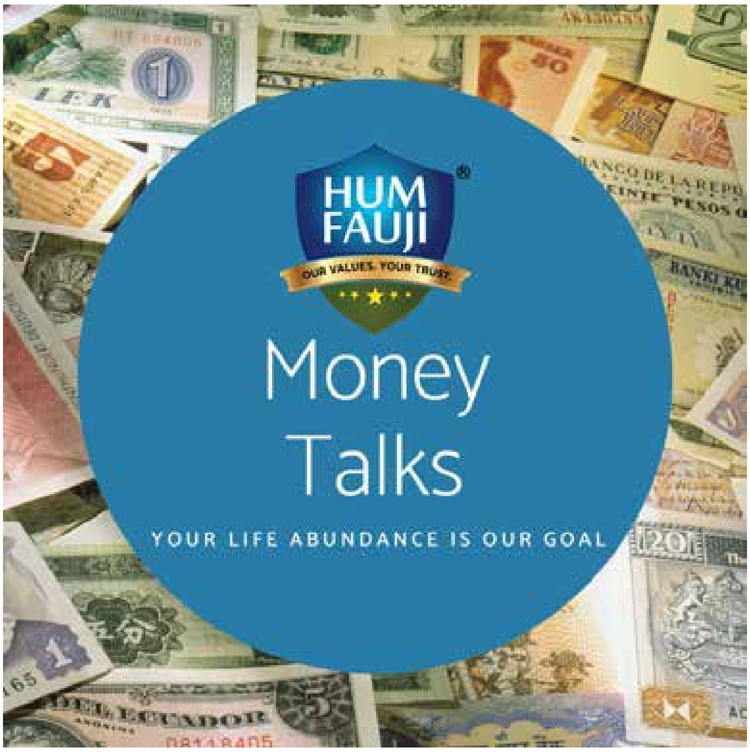
A Partnership for Success: The Positive Aspects of HFI

When asked about the positives of his journey with HFI, Brig K P Rajan's face lights up with enthusiasm. He commends HFI's exceptional professionalism, praising their ability to make well-informed investment decisions. The promptness with which HFI addresses his concerns and takes swift action impresses him greatly. But above all, it is the invaluable advice he received that guided him towards his financial goals, making HFI an invaluable partner in his pursuit of success.

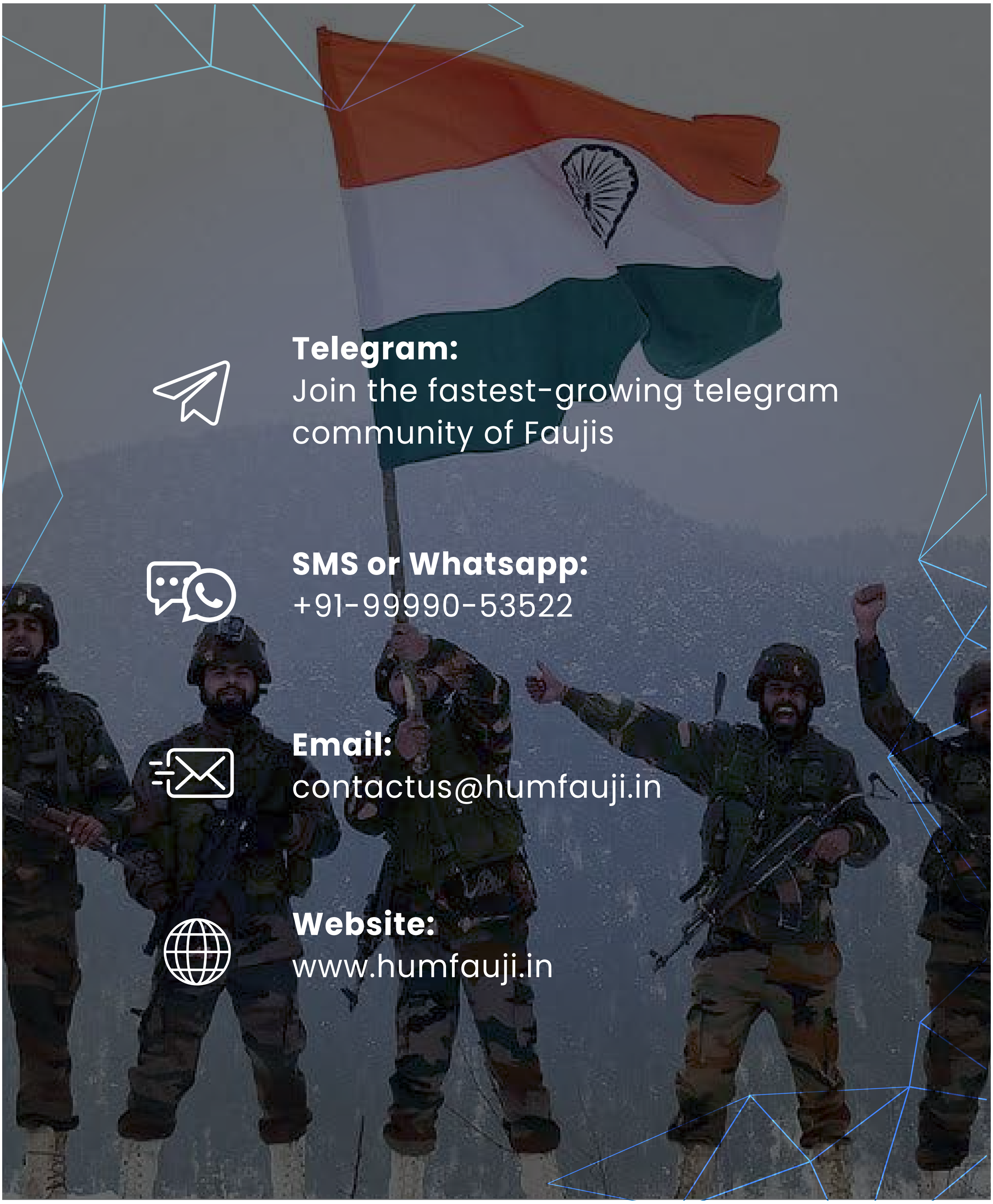
The trust continues:

Brig K P Rajan's financial journey with HFI is a testament to the power of friendship, trust, and personalized service. From the early days of their friendship at NDA Khadakwasla to the present, HFI has been there for him, not only as financial planners but also as lifelong friends. By entrusting his financial planning to HFI, Brig K P Rajan found reassurance and support on his path to a secure and prosperous future. Together, they have built a strong bridge from camaraderie to financial success, forever intertwining their stories.

Financial empowerment and abundance through discussions and sharing



Telegram:
Joining Link - https://t.me/joinchat/UsAn1KhhudsfFPMb



Financial Planning, Retirement Planning, Corporate Bonds & FDs Central and State Govt Bonds, Insurance - Life & General, Wealth Creation, Tax Planning, Mutual Funds and much more...

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