

Wealth Insignia

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

Financial Micro Bytes

Top Clients Queries of the Month

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FINANCIAL MICRO BYTES

FROM TEAM HUM FAUJI INITIATIVES



HOW TO CLAIM YOUR LOST MONEY?

As per RBI, a staggering Rs.42,272 crores (as of March 2023) are lying idle in unclaimed bank deposits, i.e., savings and current accounts that have been lying dormant for 10 years. Tracking down misplaced or forgotten investments was, till now, akin to searching for a needle in a haystack. But thanks to modern systems like the IEPF (Investor Education and Protection Fund) and the recently launched UDGM (Unclaimed Deposits Gateway to access information), reclaiming these investments has become more streamlined.

How to claim investments from UDGM?

- 1 Visit the UDGM portal: <https://udgm.rbi.org.in/unclaimed-deposits/#login> and register yourself.
- 2 Enter the name of the account holder (along with his / her respective valid ID proof details) whose unclaimed deposits are to be tracked.
- 3 As the details of the account holder get reflected on the platform, click export PDF. An unclaimed Deposit Reference number (UDRN) will be generated and it will also guide you on how to proceed with the claim process, depending upon the bank to which the account belongs.

While UDGM helps reclaim the lost money from bank accounts, IEPF comes to the rescue in case of an investors' unclaimed market-linked investments:

- a. Shares of Public Companies
- b. Unclaimed Dividends
- c. Matured Debentures

After 7 years of remaining unclaimed, the abandoned money gets transferred to IEPF.

How to claim your forgotten market-linked investments through IEPF?

- 1 Visit: <https://www.iepf.gov.in/IEPFWebProject/SearchInvestorAction.do?met hod=gotoSearchInvestor>
- 2 Input your family members' details whose investments are to be tracked.
- 3 Follow up with account creation at mca.gov.in and the IEPF -5 Application form.
- 4 Send the physical documents (as specified therein) to the nodal officer of the company whose shares you are claiming.
- 5 The company will initiate the claim verification process and do the necessary transfers to your demat/bank account on successful verification.

Hope, the above was helpful. Do your bit by forwarding the above to more people so that it can be helpful to all.

Jatin Uppal, Deputy Manager - Team Hum Fauji Initiatives



COMMON EXCUSES FOR NOT INVESTING AND HOW TO OVERCOME THEM

Investing is like the secret sauce that can spice up your financial future. The recent COVID crisis made all of us realize the importance of investing. However, many people, including retired and older individuals, still often shy away from it due to a range of common excuses.

"I'm too old or it's too early to start investing ": Age is just a number when it comes to investing. Starting investments at an early stage is good and it's never too late to begin your investment journey.

I don't have enough money for investing": You can start saving even with Rs 500 per month. But a large number of people have a preset notion of starting investing only when they have a particular amount or at a certain life stage like retirement. Such notions do nothing else than make one lose a lot of time when fruitful investment could have compounded into something big.

"I'm afraid of losing money": Investing always carries some level of risk, but not investing is riskier! To mitigate the fear of losing money, diversify your investments across different asset classes, such as stocks, bonds, and safer FDs. This can help spread risk and make your portfolio more resilient to market fluctuations.

"I don't understand where to invest": The truth is you don't need hours each day to manage your investments. You don't have to be a financial expert as well. Start by educating yourself through beginner-friendly resources like books, and online courses, or seeking advice from a trusted financial advisor. Understanding the basics can boost your confidence.

"I'll invest when I have more time" With the help of technology, opening investment accounts, selecting avenues, etc. are just one click away. You can automate your investments and let them grow passively. Set it and forget it, allowing your money to work for you.

Investing is a crucial step toward securing your financial future, and it's never too late to start. By addressing common excuses like age, initial capital, fear of loss, lack of understanding, time constraints, and expenses, you can overcome the barriers to investing.

So, don't delay; start investing today and build your pot of gold carefully.

Manish Kumar, Relationship Manager - Team Arjun, Hum Fauji Initiatives

WHY ACTIVE MUTUAL FUNDS ARE STILL THE BEST BET FOR INVESTORS?

Why Active Mutual Funds Are Still the Best Bet for Investors.

Indian stock market is a wild place. It's also one of the most rewarding, with some of the highest growth potentials in the world. But that growth comes with a price:

Volatility. Of course, most of people confuse Volatility with Risk – Risk is merely your reaction to volatility!

So, how can investors navigate this unpredictable market? One way is to invest in index funds. This means that you're essentially investing in a basket of well-established companies in India and this basket is chosen by somebody else. They're a good option for investors who are new to the market and don't want to get their hands dirty.

What if you're willing to take on a little more risk in exchange for the potential for higher returns?

That's where active funds come in. Active funds are managed by professionals who try to pick stocks that can outperform the market. Active funds can be a good option for investors who want to take a more active approach to investing.

There are a few reasons why active funds tend to outperform index funds in India:



Less efficient market: The Indian market is relatively less efficient than developed markets, which means that there are more opportunities for active fund managers to find mispriced stocks.

Higher growth potential: The Indian economy is growing faster than most developed economies, which provides more opportunities for companies to grow their earnings. This gives active fund managers more opportunities to identify potential winners especially away from well-discovered and analyzed large-cap stocks.

Greater stock-picking flexibility: Active fund managers have more flexibility in their stock-picking decisions than index fund managers. This means that they can choose to invest in stocks that they believe have the potential to outperform the market, even if those stocks are not part of the benchmark index.

However, it is important to note that not all active funds are able to beat the market. Therefore, investors should carefully select active funds before investing or taking guidance from professionals.

Aman Goyal, Financial Planner - Team Arjun

FINANCIAL RESILIENCE FOR TIMES OF UNCERTAINTY



Financial resilience is the ability to withstand and recover from financial shocks. It is especially important in times of uncertainty when the economy is volatile and there is a risk of job loss, income reductions, and other financial challenges. There are a number of things that individuals and families can do to build financial resilience:

- **Create an emergency fund-** This is the money that you can use to cover unexpected expenses, such as a job loss, or medical emergency. It should be typically 3 – 6 months of living expenses.
- **Pay down debt-** High-interest debt, such as credit card dues, can make it difficult to save money and recover from financial setbacks. Make a plan to pay down your debt as quickly as possible.
- **Invest for the future-** Investing can help you grow your wealth over time and reach your financial goals. Start investing early and invest regularly, even if it is just a small amount each month.
- **Have a budget and track your spending-** This will help you understand where your money is going and make sure that you are not living beyond your means.
- **Insurance Coverage-** Evaluate your coverage insurance, together with health, home, vehicle and lifestyle coverage. Ensure that you have good enough insurance primarily based totally on your wishes and situations.
- **Get professional financial advice-** A financial advisor can help you create a financial plan that is tailored to your individual needs and goals.

Financial resilience is not just about having money in the bank. It's also about having the knowledge and skills to manage your money wisely and make sound financial decisions. By building your financial resilience, you can create a more stable and secure future for yourself and your loved ones.

Sweta Kumari, Financial Planner - Team Vikrant Hum Fauji Initiatives



HOW TO INVEST FOR RETIREMENT DURING RECESSIONARY TIMES?

Investing for retirement during financial recession times can be challenging, but it is possible to protect your portfolio and even take advantage of market downturns.

Here are some key strategies to consider:

Diversify your investments: This means spreading your money across different asset classes, such as stocks bonds, and real estate, as well as different sectors of the stock market. By diversifying your portfolio, you can reduce your overall risk during recession times.

Don't panic: It is important to stay calm and avoid making emotional decisions during a recession. The stock market has always rebounded smartly from all recessions in the past, so it is important to stay invested for the long term.

Continue contributing to your retirement plan: Even during a recession, it is important to continue contributing to your retirement plan. This will help you build a larger nest egg over time since you're buying at discount-sale rates. Consider guaranteed plans and annuities: Guaranteed plans, such as annuities. Annuities give low returns but also offer assurance of income for life, and peace of mind, regardless of market conditions. This can be a valuable asset during a recession, when your portfolio may be down.

Think carefully before rebalancing: Rebalancing your portfolio, which involves selling investments that have outperformed and buying investments that have underperformed, can be a good idea during a recession. However, it is important to think carefully before making any changes. You don't want to sell all of your investments just because the market is down.

Investing for retirement during a recession requires a long-term perspective and a diversified portfolio. By following these strategies, you can help protect your investments and take advantage of market downturns. Remember, the key is to stay calm and avoid making fear-based decisions.

Abhinandan Singh, Relationship Manager - Team Arjun

NEW KID ON THE BLOCK: PEER-TO-PEER LENDING

In the rapidly evolving landscape of personal finance, traditional banking is no longer the only option for borrowers and investors alike. Peer-to-Peer (P2P) lending platforms have emerged as innovations that connect people seeking loans or investment opportunities with those willing to lend or invest.

P2P lending platforms have gained popularity for their user-friendly interfaces and competitive interest rates which offer several potential benefits for retail investors:



Diversification with Higher Returns:

P2P lending allows retail investors to diversify their investment portfolios. They have low minimum investment requirements and provide the opportunity for potentially higher returns beyond traditional stocks and bonds. By lending to multiple borrowers across various loan listings, investors can spread their risk.

2 Regular Income:

Investors can receive regular interest payments as borrowers repay their loans. This can provide a steady income stream, especially for retirees or those seeking passive income.

3 Access to Borrower Profiles:

P2P platforms typically provide detailed information about borrowers, including credit history and loan purpose. Investors can use this information to make informed lending decisions.

4 Portfolio Management Tools:

P2P lending platforms often provide tools and features to help investors manage their portfolios efficiently, including automated reinvestment options.

There are many RBI-Registered P2P lending platforms operating in India like Liquiloans, LendingClub, LenDenClub, i2ifunding, RupeeCircle, and Faircent.

However, there are risks associated with these platforms that must be clearly understood before you decide to take this route, attracted by their high returns. The risks involved could be default risk, lack of liquidity, platform trustworthiness, interest rate fluctuations, and credit risk. Due diligence, background research, and diversification are absolutely crucial for managing these risks.



Akash Singh, Associate Financial Planner- Team Vikrant

WHAT DID OUR CLIENTS ASK US LAST MONTH



Client:

I came across the concept of Step-up SIP. How does this mechanism work and how will it help me achieve my goals better?

Team Hum Fauji Initiatives:

SIPs are a terrific way to begin investing in mutual funds. They allow you to invest a small amount of money on a monthly basis, enabling you to accumulate a significant corpus over time.

But what if there was an approach to further boost the effectiveness of your SIPs? Consider a Step SIP as an enhanced version of SIP that allows you to steadily increase the amount of your investment over time. Depending on your preferences, this can be done on a monthly, quarterly, or annual basis.

Here are some advantages of a Step-Up SIP and how it is a very practical approach in our investment journey:

As you earn more, it automatically invests more for you which is very logical. It inculcates an automatic discipline of investing more when you are earning more. That money may have been otherwise spent on unproductive purchases.



A practical comparison of corpus created by a regular SIP and a Step-UP SIP will clarify this point further.

Wg Cdr SK Mishra increases his SIP by 10% every year as his salary generally increases by a 10% component each year. But his friend Wg Cdr Anukul Singh has kept it stagnant over the year. See below where they both reach the same starting SIP:

Particulars	Wg Cdr SK Mishra	Wg Cdr Anukul Singh
Monthly SIP	10,000	10,000
Rate of Return	12%	12%
Step-up %	10% step-up every year over the previous year	No Step-up
Years	15	15
Invested Amount	38,12,698	18,00,000
Gains	48,71,152	32,45,760
Total Value	86,83,849	50,45,760

Step-up SIP makes investing very convenient and can help build substantial wealth over the same period of time through convenient small step-ups of SIP.

Associated Manager - Team Arjun



Question by our Client:

Is it the right time to invest in government securities and locking-in high yields?

Government securities are safe instruments issued by the government to raise money for their expenses. They are considered to be one of the safest investments available, as they are backed by the full faith and credit of the government.

However, in recent months, effective interest rates on government securities have risen significantly. This is due to a number of factors, including rising interest rates and inflation. As a result, government securities now offer investors the potential to lock in higher rates than they have in the recent past.

Here are some of the benefits of investing in government securities:

Safety:

Government securities are the safest investments available, as the government is legally obligated to repay the principal and interest on its securities.

Liquidity:

Government securities are highly liquid, meaning that they can be easily bought and sold. This is important for investors who need to access their money quickly.

Predictable returns:

They offer predictable returns, as they typically pay a fixed interest rate. This can be helpful for investors who are planning for retirement or who need a steady stream of income.

Diversification:

Government securities can help to diversify an investment portfolio. This means that they can help to reduce the overall risk of an investor's portfolio. Overall, government securities can be a good investment for investors who are looking for a safe investment with predictable returns.

Is it the right time to invest in government securities?

If you are looking for a safe investment with guaranteed returns, then government securities may be a good option for you, especially now when their effective interest rates are very high. However, it is important to keep in mind that government securities should be bought for keeping till their maturity as their prices can fluctuate in-between. So they are essentially buy-and-hold-till-maturity kind of safe and predictable investments.



Associate Manager - Team HNI

HUM FAUJI INITIATIVES

MEDIA FEATURES



As we commemorate 14 years at HFI, our founders Col Sanjeev Govila (Retd) and Bindu Govila have conveyed their sentiments about this significant milestone. They've highlighted how the diverse range of experiences, moments of triumph, and unwavering support from our team, coupled with the trust of our clients, have acted as the crucible where we've nurtured strength, adaptability, and an unyielding commitment to achieving excellence. Their heartfelt thanks extended to clients, stakeholders, and every individual involved in this remarkable journey.

Here's to celebrating 14 illustrious years of empowering our community, and here's to the promising years that lie ahead.

<https://lnkd.in/dfZy6uiZ>



Our commitment to **'Empowering Faujis'** has always been at the core of our mission, and today, we are excited to share a significant milestone with you.



On completing this milestone and as a token of our appreciation for our clients' continued trust and support, we have launched an exclusive E-book packed with valuable financial knowledge and insights. We believe that this resource will empower our clients to make informed financial decisions and help them achieve their financial goals.

This Ebook is our FIRST EDITION of the 'HFI Money Talks', an exclusive Telegram group that is open only to the Fauji community and welcomes all sorts of financial and investment-related discussions from officers and their spouses of the Indian Armed Forces, located far and wide.

To claim your complimentary ebook, simply click on the link below:

<https://shorturl.at/yLQ59>

SNEAK PEAK INTO HUM FAUJI INITIATIVES



Celebrating 14 Years of Unity and Triumph at Hum Fauji Initiatives!

In marking this significant milestone, we take a moment to proudly reflect on the extraordinary journey of Hum Fauji Initiatives over the past 14 years. It stands as a testament to the collective strength, unwavering dedication, and undeniable success that defines our exceptional team.





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