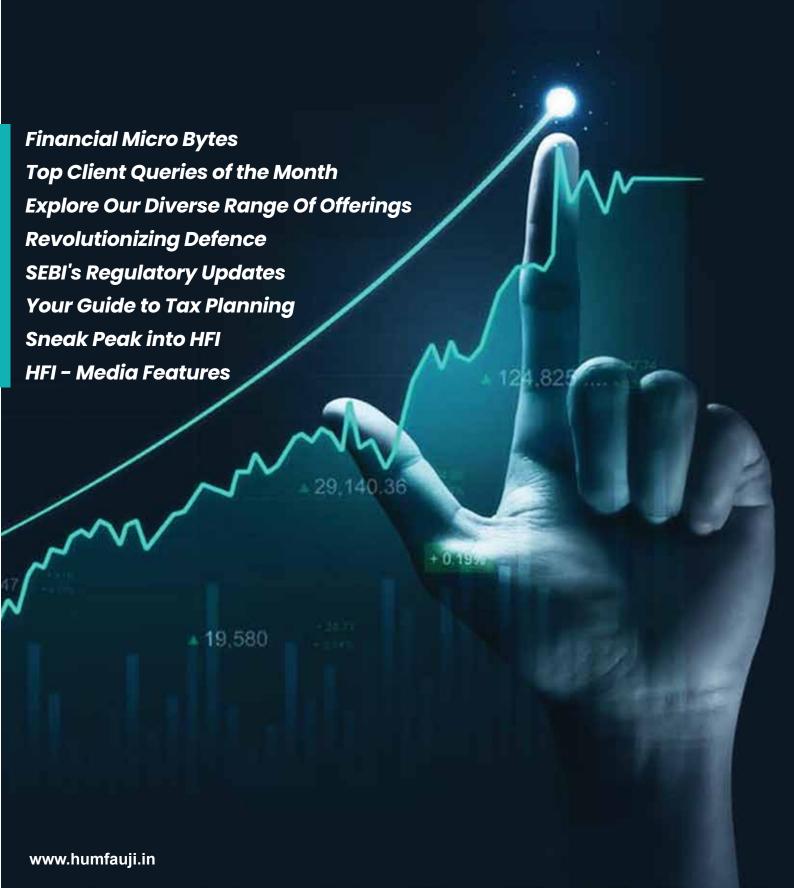


WEALTH INSIGNIA

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



Dear Friends



Bank FDs have long been a trusted choice for safe investments - familiar, secure, and predictable. But with the recent RBI rate cuts and several major banks already reducing their FD interest rates in tandem, it's important to ask: are they serving your financial goals anymore? Especially when inflation continues to erode returns.

At Hum Fauji Initiatives, we believe safe investing doesn't have to mean settling for stagnant growth. Today, options like Corporate Bonds, Government Securities (G-Secs), and PSU Tax-Free Bonds are offering returns up to 8.40% - often with similar or even greater levels of safety than traditional FDs. Those who moved early into our DOP-1 and DOP-2 strategies are already seeing consistent returns of 9–11% CAGR, with low volatility and high confidence, with expectations of even better returns to come with full safety.

What's clear is that the interest rate cycle has turned. Locking in better yields today could make a significant difference to your wealth over the coming years. With instruments like Long Term Bond offerings and G-Secs, you don't just earn interest, you also benefit from potential capital appreciation - something FDs simply can't offer. If you'd like to explore these options or simply understand them better, our team is always ready for a conversation.

Prosperity management and abundance is not about chasing high returns; it's about making informed choices to protect and grow your hard-earned money.

Warm regards,
Col Sanjeev Govila (retd)
CEO, Hum Fauji Initiatives



FINANCIAL MICRO BYTES FROM TEAM HUM FAUJI INITIATIVES COMMON MYTHS ABOUT WOMEN & LIFE INSURANCE WHAT YOU NEED TO KNOW

When it comes to life insurance, women often find themselves surrounded by myths that hold them back from securing the financial protection they truly deserve. Whether you're a professional, a homemaker, or somwhere in between, it's time to bust some outdated beliefs.



Myth 1: Only breadwinners need life insurance.

Truth: Whether you earn or manage the home, your role is priceless. If something happens to you, replacing childcare, household help, or emotional support can be costly. Insurance ensures your loved ones aren't left struggling.

Myth 2: It's too expensive.

Truth: Many affordable plans exist—especially if you're young and healthy. Term life insurance, for example, gives solid coverage at a surprisingly low cost.

Myth 3: I don't need it if I don't have kids.

Truth: Life insurance isn't just for parents. It covers loans, funeral costs, and ensures your loved ones aren't financially burdened.

Myth 4: Women with no income cannot get life insurance.

Truth: Insurers recognize a homemaker's financial value. If you run the house, your spouse can insure you, or you may qualify based on family assets.

What to do:

- Evaluate your financial needs.
- Compare policy options.
- Talk to a financial advisor.

Life insurance isn't about income—it's about security. No matter your role, you deserve protection!

Contributed by Gautam Arora, Relationship Manager, Team Vikrant, Hum Fauji Initiatives



CREDIT CARDS AS AN EMERGENCY FUND SMART STRATEGY OR RISKY MOVE?



"Swipe now, sort later" sounds tempting when emergencies strike—especially if your savings are low. But can credit cards really step in for an emergency fund?

Emergency Fund vs Credit Card

- An emergency fund is your financial safety net—cash, easily available, and stress-free.
- A credit card is borrowed money. Miss the 30–45 days repayment window, and you're hit with interest rates as high as 40% per year!

When Credit Cards Can Help

- The expense is clear—say, a medical bill or urgent car repair.
- You're confident about paying it off in full, on time.

When They Fall Short

- Job loss or unpredictable costs.
- No backup savings or insurance.
- Missed payments = debt trap.

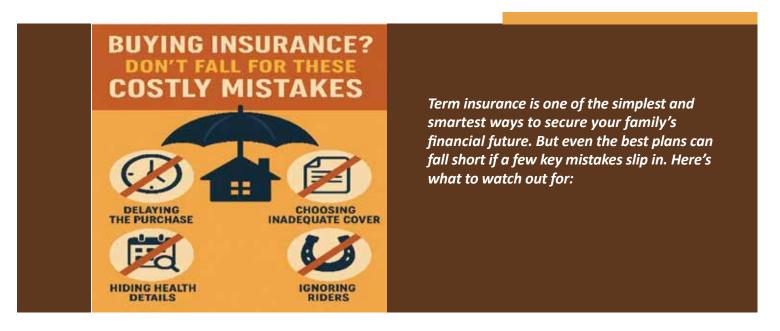
Bottom Line

Credit cards are helpful—but only if you will be able to pay the dues back in full at the earliest. They work best when you already have a strong financial base: emergency savings, insurance, and a repayment plan. They offer temporary support, not long-term financial stability. The right guidance can help you balance convenience with long-term security.

Contributed by Neeraj Kumar, Relationship Manager, HNI Desk 1, Hum Fauji Initiatives



BUYING TERM INSURANCE? DON'T FALL FOR THESE COSTLY MISTAKES!



■ Delaying the Purchase

you buy when required, the better the premium and coverage.

Choosing Inadequate Cover

If your life cover doesn't match your family's needs—like loans, education costs, or day-to-day expenses—there might be a struggle later. Always do a proper need analysis or consult a financial advisor.

Short Policy Tenure

Opting for a shorter policy term might leave your family vulnerable if something happens after the policy ends. Always choose a tenure that covers you at least until retirement.

⋈ Hiding Health Details

It might seem harmless, but not disclosing medical history or smoking habits can lead to claim rejection. Honesty here really pays off.

Add-ons like critical illness or accidental death cover can offer huge support at a small extra cost. Don't ignore them if you feel they are important in your case.

A well-planned term policy is more than just paperwork—it's peace of mind.

Choosing the right term insurance plan requires careful thought. Avoiding these mistakes ensures your family truly benefits when they need it the most.

Contributed by Bhawana Bhandari, Financial Planner, HNI Desk, Hum Fauji Initiatives



FALLING FD RATES

TIME TO RECONSIDER YOUR FIXED INCOME STRATEGY



Remember when Fixed Deposits (FDs) were the go-to choice for safe returns? That's changing.

With the RBI cutting its key interest rate from 6.25% to 6%, banks are likely to lower FD rates too. So, what does this mean for you?

Let's say your FD earns around 6% currently. Sounds decent—until you factor in inflation (which is also around 5–6%) and taxes. Suddenly, your 'safe' return doesn't feel so rewarding, especially if you're in a higher tax bracket.

But don't worry — you've got options.

Here are some smart alternatives

Debt Mutual Funds: Handled by experts, and can give better post-tax returns over time.

RBI Floating Rate Bonds: Safe, government-backed, and returns go up if interest rates rise.

Corporate FDs: Offer higher returns than banks — just stick to trusted companies.

SWPs from Debt Funds: Lets you withdraw money regularly, like an interest paying FD with better tax perks.

At Hum Fauji Initiatives, we introduced the Debt Opportunity Portfolio (DOP) to take advantage of declining interest rates. DOP-1, launched in February 2023, delivered 9% annual returns, while DOP-2, launched in June 2024, is already on track for 11% returns. These results are not just projections; they're actual returns that our investors are seeing. With careful planning and strategic positioning, we've been able to help our clients earn more, even in a challenging market.

And these returns are only getting better as interest rates are going down!

Although subscriptions for DOPs are now closed, our strategic foresight continues to create new opportunities for our clients.

As our CEO always says, "True financial planning is about designing timeless strategies that work—regardless of market conditions." We're committed to helping you make your money work smarter, not harder.

The world of saving is shifting. If your FD isn't doing enough for your money, maybe it's time to mix things up a little.

Contributed by Prerna Pattanayak, Relationship Manager, Team Sukhoi, Hum Faujl Initiatives



TOP CLIENT QUERIES OF THE MONTH

WHAT DID OUR CLIENTS ASK US?



Why Home Insurance Matters

- Protection from unexpected Covers damages from storms, fires, theft, and vandalism.
- Financial Security Prevents out-of-pocket expenses for repairs and replacements.
- Temporary Living Costs Covers accommodation expenses if your home becomes uninhabitable due to damage.

More Than Just Your House

- Home Contents Coverage Protects furniture, electronics, and valuables from loss or damage.
- Liability Coverage Shields you financially if someone gets injured on your property.
- Theft and Burglary Protection Ensures reimbursement for stolen items and break-in damages.

Making the Right Choice

- Assess Risks Consider threats like floods, earthquakes, or fire hazards in your area.
- Choose the Right Coverage Ensure your policy protects both your home's structure and contents.
- Compare Policies Look at different insurers, coverage options, and premium costs.
- ✓ Read the Fine Print Understand exclusions to avoid surprises during claims.

QUESTION

Is Buying Home Insurance Really Necessary If I Live in a Safe Neighborhood and My Home Is Well-Built? What factors should I consider before deciding?

OUR REPLY

It's natural to feel secure in a well-built home located in a safe neighborhood. But disasters—both natural and man-made—don't check addresses before striking. That's why home insurance isn't just an extra expense; it's a safeguard for your biggest investment.

Final Thought

Your home is your biggest investment—protect it. Even in the safest neighborhood, unforeseen events can happen. Home insurance isn't just about covering losses; it's about securing your future and ensuring peace of mind. Protect your home today, because safety is never absolute.

Contributed by Team Dhruv, Hum Fauji Initiatives



QUESTION

I'm a serving officer with multiple loans—home loan, credit card debt, and a car loan—totaling around ₹60,000 in monthly EMIs. Could you guide me on an effective strategy to clear these debts efficiently?



OUR REPLY

Absolutely. Many serving officers juggle multiple EMIs which might have been taken on in a hurry but start pinching later, including affecting their quality of life. Here's a strategic approach to help you clear your debts efficiently:

1. Know Your Debt

List all loans with their balances, EMIs, and interest rates. Credit cards usually charge the highest interest—clear them first. Home loans tend to have the lowest.

2. Pick a Repayment Strategy

- Avalanche Method: Pay off the highest interest loan first (usually credit cards). It saves the most money over time.
- Snowball Method: Pay off the smallest loan first. It's motivating and builds momentum for paying off the bigger loans as you optically see number of loans decreasing.

3. Tighten Your Budget

Track expenses. Cut non-essentials. Redirect those savings toward loan repayment.

4. Consolidate Smartly

Consider a low-interest personal loan to clear high-intrest debts. One EMI is easier to manage. Also, talk to lenders for better terms.

5. Be Patient and Consistent

Debt reduction is a journey. Celebrate small wins, and most importantly—avoid taking on new debt.

You've mastered discipline in uniform—now channel it into your finances. We'll walk with you, step by step, till you cross that debt-free finish line. Ready when you are.

Contributed by Team Prithvi, Hum Fauji Initiatives

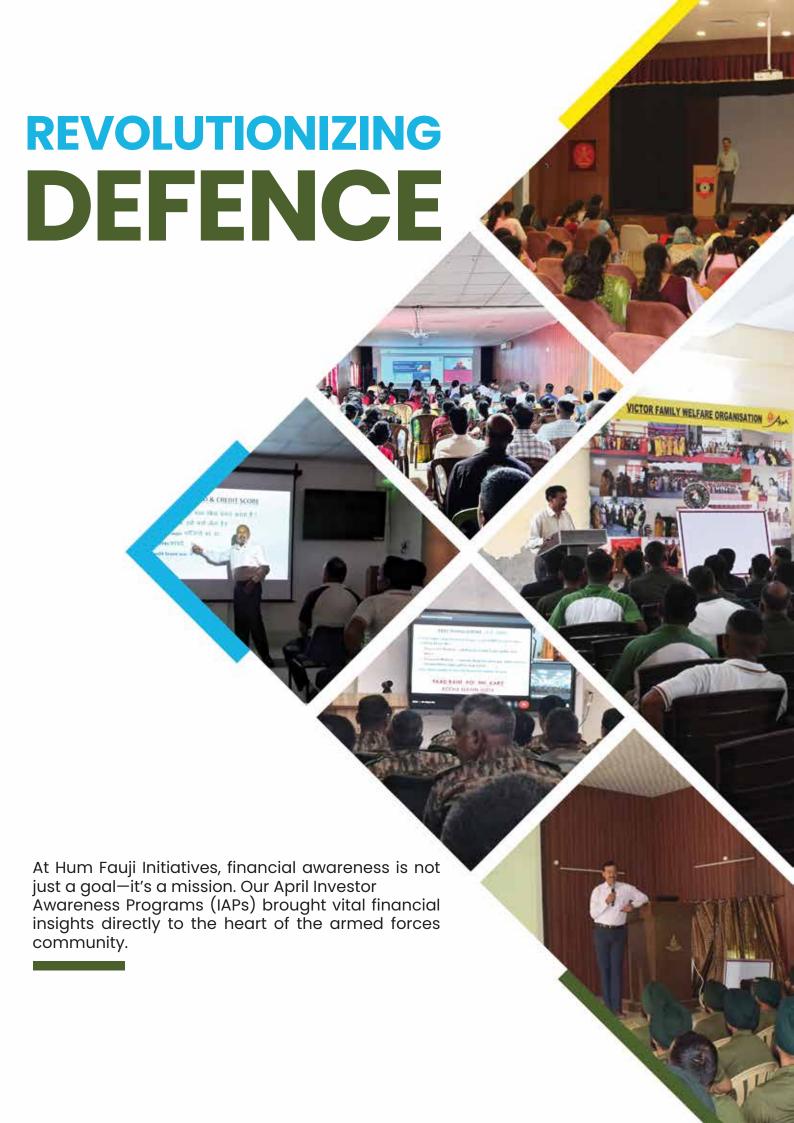


EXPLORE OUR DIVERSE RANGE OF OFFERINGS



CALL NOW







PLOCATIONS COVERED & IMPACT

LOCATION	NO OF LECTURES CONDUCTED	TOTAL STRENGTH
MUMBAI	1	79
PATHANKOT	6	765
SHILLONG	1	136
JABALPUR	Ţ	150

► Total Sessions: 9

▶ Personnel Reached: 1,130

Your Financial Readiness Matters!

These sessions helped personnel understand key financial principles, enabling them to plan better, invest smarter, and build lasting financial security.

📩 Bring Financial Clarity to Your Unit

To organize an IAP at your station, reach out today. Let's work together to create financially confident and future-ready soldiers!

SEBI'S REGULATORY UPDATES



The main point of the circular is to announce a change in the cut-off timings for selling back (repurchasing) units in overnight mutual fund schemes.

This change is happening because of an earlier rule from December 12, 2023, which requires Stock Brokers and Clearing Members to send clients' clear credit balances to Clearing Corporations at the end of each day ("upstreaming"). These client funds can be sent as cash, liens on Fixed Deposits, or by **pledging units** of Mutual Fund Overnight Schemes (MFOS) created out of clients' funds.

To make it easier to use pledged units of MFOS for this upstreaming, SEBI has modified its Master Circular for Mutual Funds

The new cut-off timings for repurchasing units in liquid and overnight fund schemes are:

- If your request is received by 3:00 pm, you will get the value (NAV) based on the closing price of the day before the next business day.
- If your request is received after 3:00 pm, you will get the value (NAV) based on the closing price of the next business day.

However, there's a special rule **specifically for overnight fund schemes**: if you submit your repurchase request **online, the cut-off time is extended to 7:00 pm.** A "Business Day" doesn't include days when the Money Markets are closed or inaccessible.

These new rules will start from June 01, 2025.

SEBI is making this change using its powers to **protect investors** and help develop and regulate the securities market.



YOUR GUIDE TO TAX PLANNING



Are you an NRI or OCI living abroad?

If yes, and your country has a tax treaty (DTAA) with India—this tip could save you a lot on taxes. Let's break it down simply.

What is DTAA?

DTAA = Double Taxation Avoidance Agreement It's a tax treaty between India and your country of residence that stops the same income from being taxed twice— once in India and once in your country of residence.

The Hidden Hero: Residual Clause

Most treaties decide who gets to tax which income—India or your country.

But some income types don't clearly fit into usual categories like salary or interest.

Here's the trick: If the income isn't listed, the residual clause says only your country can tax it.

So What About Mutual Funds?

Indian mutual funds are issued by **trusts**, not companies. In some countries' DTAAs (like UAE, Singapore, Mauritius), selling these mutual fund units falls under the **residual clause**.

What that means:

- India doesn't tax the gain
- Your country might—but some (like UAE) don't have personal income tax
- 👉 End result? ZERÖ tax.





Who Can Benefit?

If you live in one of these countries, this applies to you:

- Singapore
- United Arab Emirates (UAE)
- Mauritius
- Netherlands
- Spain
- Portugal
- If you're in the USA, though, Indian capital gains tax does apply.

How to Claim This Benefit

- ◆ To make it work, you'll need: A **Tax Residency Certificate (TRC)** from your current country.
- Form 10F submitted in India.
- ◆ A simple declaration that you don't have a business presence in India.

Example Time!

Say you live in the UAE and invest in Indian mutual funds. Because the treaty doesn't tax this income type in India, and UAE doesn't tax it either...

You pay ZERO tax.

Key Takeaways

- Living in UAE, Singapore, etc.? You might avoid Indian capital gains tax entirely
- Just make sure the paperwork is perfect
- This won't work for US-based NRIs
- Always check with a tax expert before acting

Smart tax planning can mean more money in your pocket. Know the rules, use them wisely—and invest tax-efficiently!





SNEAK PEAK INTO HUM FAUJI INITIATIVES







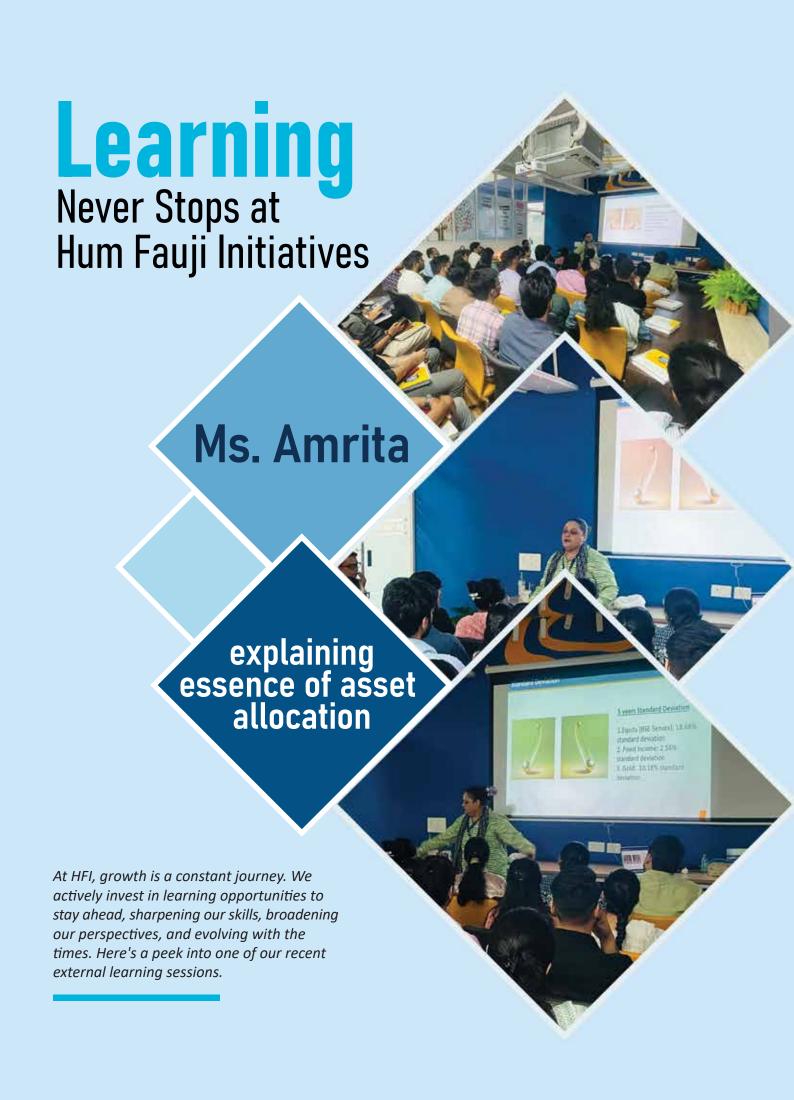






Work Hard, Party Monthly!

Our monthly celebrations are all about unwinding, recharging, and rejoicing the wins — with games, laughter, food, and a whole lot of team spirit! Take a glimpse into the good times.



Referral Champs in the Spotlight!

The HNI team emerged as winners of our Referral Competition, with Prithvi and Arjun securing a proud second place. From top performance to team spirit, all our achievers truly lit up the moment. We love the josh, the drive, and the winning mindset you bring to Hum Fauji Initiatives.













2ND POSITION - PRITHVI 2

HUM FAUJI INITIATIVES MEDIA FEATURES

Buying a home is more than just securing an EMI that fits your budget, it's a long-term financial responsibility that needs careful planning.

As Col Sanjeev Govila (Retd), our CEO explains: your EMI should ideally stay within 30–35% of your monthly take-home income. But that's not all, don't overlook the added costs like property tax, maintenance, registration charges, GST (which can add 15–20% to the price for under-construction homes), and interiors, which may cost another 10–25% of your property's value.

Home ownership should offer peace of mind, not financial strain.

Read the full article here:

https://tinyurl.com/ypn47rbp





When asked how a 25-year-old earning professional should invest ₹25,000 a month, our CEO, Col Sanjeev Govila (Retd) laid out a clear and practical approach:

- ◆ 70% in equity mutual funds for long-term growth (a mix of index, large-cap, flexi-cap, multi-asset, and mid-cap)
- ◆ 20% in debt instruments to balance the risk, alongside EPF
- ◆ 10% in liquid savings to build an emergency fund
- Insurance tip Increase your health cover to ₹10–15L and term plan to ₹1 Cr for better protection

His advice? Define your goals early and review SIPs regularly to stay on track.

Read the full article here:

https://tinyurl.com/yve3hys4







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Hum Fauji Financial Services Private Limited

Visit at: 1st & 2nd Floor, Bimla Plaza, Sector-11, Dwarka, New Delhi-110075