Hum Fauji Initiatives
September 2026

WEALTH INSIGNIA

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

Dear Friends

Financial planning is not about getting every decision right. It is about regularly stepping back, reviewing where you stand, and asking whether your money is still aligned with the life you are planning for.

This edition of Wealth Insignia brings together some of the questions that often come up along the way. From managing return expectations and staying invested during volatile markets to creating regular income, protecting your assets and making informed tax decisions.

The important thing is not to react to every change, but to review, reassess and make decisions with clarity.

We are now more than halfway through the financial year, making this a good time to pause and take a fresh look at the financial journey you had set out on.

Are you still on track with your goals?
Have your circumstances changed?
Does your financial plan still reflect where you want to be?

In keeping with this approach, we have launched 'Portfolio Review' as the theme of this month where our planners are synced to schedule ***Financial Reviews and I am doing a video series (you can watch it on our social media spaces),*** *where I will be sharing what a comprehensive financial review should actually look like and why it needs to go beyond simply checking your portfolio returns.*

Do follow us for these insights and more perspectives on making your money work towards your goals.

At Hum Fauji Initiatives, we continue to believe that good financial planning is ultimately about clarity, discipline and staying aligned with what matters to you.

I hope you find this edition useful and insightful.

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

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Expecting 20% Returns? You May Be Setting Yourself Up for Disappointment

Every bull market creates a familiar expectation:
'If the market gave 20% this year, why shouldn't it do the same next year?' It's an understandable assumption - but history tells a different story.
Take a look at the chart below.

Over the past four decades, Indian equity markets have witnessed almost every major crisis imaginable - economic recessions, political uncertainty, scams, the Dot-com bubble, the Global Financial Crisis, COVID-19, inflation shocks and geopolitical tensions. At every stage, investors feared that 'this time is different.'

Yet despite these setbacks, the Sensex has compounded at around 13% CAGR, growing nearly 139 times over the last 40 years.

The chart highlights a powerful truth: **Markets don't deliver returns in a straight line - they deliver them over time.**

Some years generate exceptional gains. Others test investors with sharp declines. But long-term wealth has historically been created by those who remained invested through both.

The biggest mistake investors make is expecting markets to generate high returns every year. When those expectations aren't met, they often chase risky investments, switch funds frequently, or exit during temporary corrections.

Instead of asking, **'Can I earn 20% every year?'** ask yourself, '**Am I following a disciplined investment strategy that can help me achieve my long-term goals?'**

Because successful investing isn't about predicting the next market move. It's about staying invested through every market cycle, maintaining the right asset allocation, and allowing compounding to do its job.

(Contributed by Pratyush, Relationship Manager, HNI Desk, Hum Fauji Initiatives)

MARKET VOLATILITY IN 2026: STAY INVESTED OR WAIT FOR THE RIGHT TIME?

*The first half of **2026** has reminded investors of one timeless lesson: Markets are unpredictable.*

Global uncertainty, elevated interest rates, FII selling and profit booking have kept markets volatile. Yet history shows that investors often lose more by **trying to time the market** than by staying invested.

What does history tell us?

- Missing just the 10 best trading days can reduce long-term returns by nearly 50%.
- Around 76% of the market's strongest days occur during bear markets or shortly after recoveries, making market timing extremely difficult.
- Despite several crises, the Nifty 50 has delivered around 12% annualised returns over the past decade for investors who stayed invested.

What are savvy investors doing?

Despite the volatility, experienced investors continue to show confidence.

- Equity mutual funds received over ₹23,500 crore in inflows in June 2026.
- SIP contributions remained near an all-time high at ₹31,781 crore.

What should you do?

- Continue your SIPs.
- Rebalance if your asset allocation has drifted.
- Stay diversified.
- Maintain an emergency fund.

Remember: The biggest rewards rarely go to investors who perfectly time the market - they go to those who remain invested through every market cycle.

(Contributed by Anjeeta, Relationship Manager, Team Prithvi, Hum Fauji Initiatives)

IDCW GIVES. SWP LETS YOU DECIDE

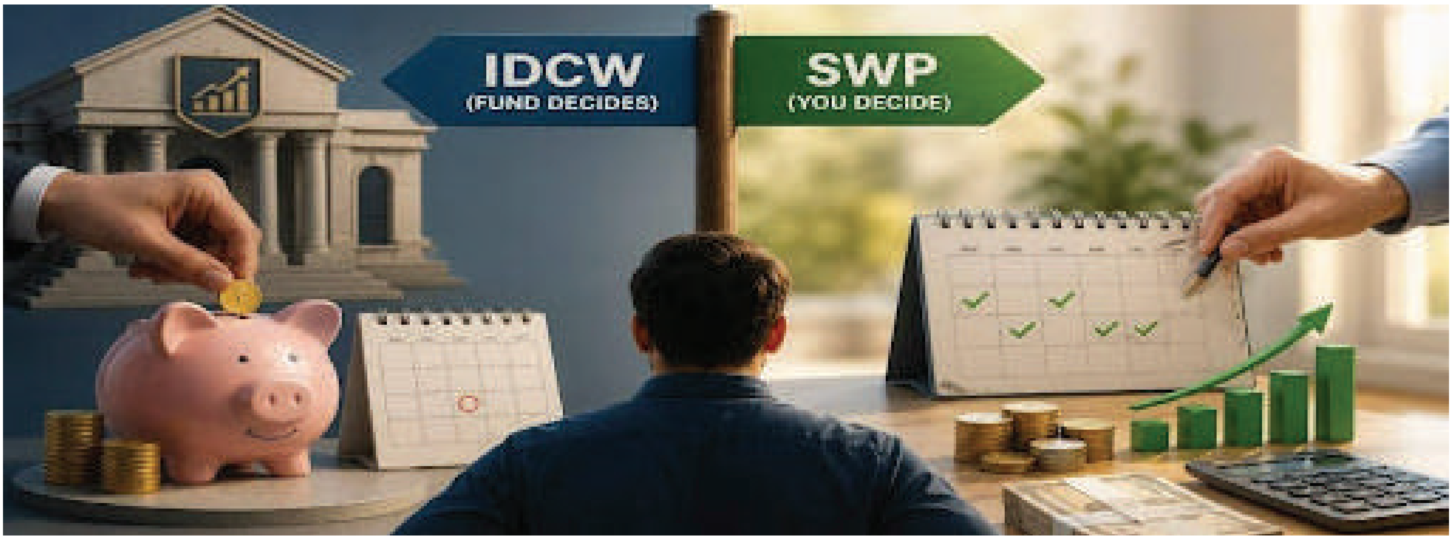
You have ₹10 lakh invested in a mutual fund and want a regular income.

You see two options: **IDCW** and **SWP**.

IDCW (Income Distribution cum Capital Withdrawal) is a payout made by a mutual fund to investors, if and when the fund decides to distribute it.

SWP (Systematic Withdrawal Plan) lets you withdraw a chosen amount at a chosen frequency.

They may look similar - but there's one big difference: Who decides when and how much money you receive? Can you decrease, increase, stop or restart it, or is it all pre-decided?



IDCW: The Fund Decides

With IDCW, the mutual fund decides whether to distribute money, when to distribute it and how much to distribute. The payout is neither fixed nor guaranteed. Also, IDCW is **not an additional return**. When IDCW is distributed, the fund's NAV (value per unit) reduces accordingly.

Let's take a real example.

Suppose ₹10 lakh is invested in HDFC Equity Savings Fund at a NAV of ₹12.481, giving approximately 80,122 units.

If the fund declares an IDCW of **₹0.22 per unit**, the investor receives approximately:
80,122 × ₹0.22 = ₹17,627

Based on the fund's IDCW history, it declared ₹0.22 per unit on 10 occasions between January 2024 and August 2026. Had the investor received all 10 distributions, she would've got **₹17,627 × 10 = ₹1.76 lakhs.**

But here's the catch: **the investor does not decide when or how much IDCW is declared.**

SWP: You Take Control

Now consider an **SWP of ₹10,000 per month,** which you have decided at a frequency of your choice, with start and stop date decided by you.

At a NAV of ₹12.481, the first withdrawal would require redemption of approximately 801 units. The remaining units stay invested and continue to participate in market movements.

For investors seeking regular cash flow, SWP offers greater control and flexibility.

IDCW gives what the fund decides. SWP lets you decide what you need.

(Contributed by Anjali Tomar, Relationship Manager, Team Arjun, Hum Fauji Initiatives)

TOP CLIENT QUERIES OF THE MONTH

WHAT DID OUR CLIENTS ASK US?

QUESTION

With gold prices reaching record highs, the value of the jewellery kept in my bank locker has increased significantly. Is it adequately protected? What steps can I take to safeguard it? Can jewellery stored in a bank locker be insured?

OUR REPLY

For most Indian families, jewellery is more than an ornament - it's an asset built over generations.

But as gold prices continue to scale new highs, here's a question worth asking:

Is your jewellery only physically secure, or is it financially protected as well?

Many people assume that jewellery kept in a bank locker is automatically insured. That's a common misconception.

A bank locker offers secure storage, but the contents of the locker are generally not insured by the bank. In fact, under RBI guidelines, a bank's liability is limited to 100 times the annual locker rent in certain situations, which could be far lower than the actual value of your jewellery.

To enhance protection, consider the following:

- ☑ **Keep proper records of the jewellery –** Preserve purchase invoices, photographs, and valuation certificates.
- ☑ **Review the value regularly –** With gold prices rising sharply over the last few years, jewellery purchased years ago could be worth substantially more today.
- ☑ **Consider insurance –** Many home insurance policies offer an All-Risk Jewellery Cover (or a jewellery add-on cover for jewellery kept in a locker), which can provide protection against risks such as theft, burglary and accidental loss, subject to the policy's terms and conditions.

A bank locker protects where your jewellery is kept. Insurance protects what your jewellery is worth.

With gold prices at record highs, reviewing your jewellery protection today could prevent a significant financial loss tomorrow.

(Contributed by Team Vikrant, Hum Fauji Initiatives)

QUESTION

I am an NRI living in the UAE and am planning to sell my residential property in India for around ₹2.5 crores. I have heard that a large amount of TDS may be deducted. I also want to take the sale proceeds back to the UAE. What are the key things I should keep in mind before selling the property?

OUR REPLY

Selling a property in India as an NRI is not just about agreeing on the sale price. The tax you pay, the TDS deducted and the amount you can finally take back to the UAE all need to be planned together.

First, understand your actual capital gain. It is not simply the ₹2.5 crore sale value; the calculation should consider your purchase cost, eligible improvement expenses and certain selling expenses.

Next, don't assume that TDS will be only 1%. The 1% rule for resident sellers does not apply to NRIs. The buyer needs to deduct TDS under the applicable provisions of Section 195. If the expected deduction is significantly higher than your eventual tax liability, explore a lower/nil deduction certificate before the transaction.

Keep your PAN, purchase deed, purchase-cost records, improvement bills and inheritance documents, if applicable, ready.

Finally, plan the repatriation route. Eligible sale proceeds can be remitted through the NRO route subject to FEMA conditions and the USD 1 million per financial year limit, as per applicable rules. Different rules may apply depending on how the property was originally acquired.

Before remitting, the required tax and bank formalities, including **Form 15CA and Form 15CB where applicable,** should also be completed.

The key takeaway: Don't sell first and plan later. Plan the tax, TDS and repatriation before you sign the deal.

(Contributed by Team Prithvi, Hum Fauji Initiatives)

REVOLUTIONIZING DEFENCE

Financial decisions made today can shape a family's financial security for years to come. Our **Investor Awareness Programs (IAPs)** continue to bring practical financial knowledge closer to soldiers and their families, helping them approach money, investments and long-term goals with greater clarity.

In **August**, we continued this outreach across four military stations, engaging personnel through interactive and practical financial awareness sessions.

As we continue taking financial education to more units, our aim remains simple: **make financial planning easier to understand, easier to act on, and more relevant to the lives of our soldiers and their families.**

August Outreach at a Glance

- **Locations:** Ahmednagar, Kamptee, Jabalpur & Wellington
- **IAP Sessions Conducted:** 7 lecture
- **Jawans Reached in August:** 500
- **Cumulative Impact: 94,919 jawans educated through 769 IAPs** conducted so far.

Behind every number is a soldier gaining greater confidence to make informed financial decisions—and a family that stands to benefit from that awareness.

Planning an IAP for your unit?

Partner with us to conduct practical, need-based financial awareness sessions tailored specifically for armed forces personnel and their families.

EXPLORE OUR DIVERSE RANGE OF OFFERINGS

YOUR GUIDE TO TAX PLANNING

HOME LOAN IN THE NEW TAX REGIME? YOUR ₹2 LAKH INTEREST DEDUCTION MAY NOT BE WHAT YOU THINK!

There is a common misconception:

"I have opted for the New Tax Regime, so I cannot claim any deduction for home-loan interest."

Not quite true.

The tax treatment of home-loan interest under Section 24(b) depends on whether the property is self-occupied or let out.

Property	Section 24(b) under New Regime
Self-occupied property	✕ Interest deduction not available
Let-out property	✅ Interest deduction available
Deemed let-out property	✅ Interest deduction available

Suppose you own a let-out property:

- Annual rent: ₹4,80,000
- Municipal taxes: ₹30,000
- Standard deduction u/s 24(a): ₹1,35,000
- Home-loan interest u/s 24(b): ₹3,50,000

Your taxable house-property income would be:
₹4,80,000 – ₹30,000 – ₹1,35,000 – ₹3,50,000 = ₹ (35,000)
So, you have a ₹35,000 loss from house property.

But there is an important catch:

The loss cannot be used to reduce your salary income
Under the New Tax Regime, the ₹35,000 house-property loss cannot be set off against salary or income under other heads, nor carried forward.

What if the house is self-occupied?

Suppose the same taxpayer has a self-occupied house and pays ₹2,00,000 as home-loan interest.

Under the New Tax Regime:
Section 24(b) deduction = ₹0
So, the ₹2 lakh interest does not reduce taxable income.

THE TAKEAWAY

New Regime does NOT mean **"no Section 24(b)".**
For a self-occupied property, home-loan interest deduction is not available.
For a let-out property, interest remains deductible but a resulting house-property loss cannot be set off against your other income.

Think beyond the home loan. Think about the nature of the property.

(Contributed by Gagandeep Kaur, Deputy Manager, Financial Planner, Hum Fauji Initiatives)

SNEAK PEEK
INTO HUM FAUJI INITIATIVES

AUGUST CALLED FOR A CELEBRATION

Birthdays are always a good excuse to pause, gather around, and share a little cheer. Here's a glimpse of the birthday moments that made August at Hum Fauji Initiatives a little more special.

CELEBRATING OUR PEOPLE, THE HUM FAUJI WAY

Gifting, games, a gang dress code and loads of cheer; we at Hum Fauji Initiatives know how to turn our monthly office celebration into a memorable affair.

This August celebration brought the team together for **fun, camaraderie and plenty of shared moments.**

Here's a glimpse of the team, the energy and the celebrations that made the evening special.

MEDIA FEATURES

How To Create A Family Financial Safety Net In 30 Days

Financial security isn't built only by earning more or investing better. It is built by ensuring that one unexpected event doesn't throw your family's finances off course.

As **Col. (Retd.) Sanjeev Govila, our CEO** explains, a 30-day financial reset can help families strengthen their foundation, starting with an adequate emergency fund, reviewing health insurance and ensuring sufficient term insurance to protect important goals and liabilities.

Because building wealth is important, but **protecting your family from financial uncertainty is equally essential.**

Read the full article:
https://shorturl.at/Q0x02

Outlook MONEY

COL SANJEEV GOVILA (RETD.)

CEO,
Hum Fauji Initiatives

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