

JOURNEY 2 MONEY

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Editorial



We are your MF Distributor... begin your Journey to Money with us.

SHOULD YOU BUY JUST BECAUSE THERE IS A DISCOUNT SEASON?

Flash sales are a rage around the world. Many major brands offer heavy discounts to lure customers to buy their products. Consumers have limited time to think. If they delay, chances are that the product may go out of shelf. In this mad rush, consumers can fail to distinguish between their 'want' and 'need'.

While it is wise to seal the deal when prices have dropped substantially, we need to ascertain if we truly need these products. It is best to avoid getting tempted to buy a product merely to put in your wardrobe and never to be used, which you got only because it seemed nice at the store. Spending a fortune just to regret it afterward can turn your household budget upside down. So make careful choices. Here are a few checklists before you swipe your card.

Summing up

Beware of discounts as not all deals on sale are excellent for you since during sales seasons retailers are generally aiming to clear old stock. Retailers frequently purchase things particularly to sell during end-of-season promotions in order to maximise foot traffic to their store or website. Even at the so-called reduced price, the store may make a good profit. This is especially true for products sold under the retailer's private label or under a new name. Therefore, buy only when there is need and not desire.



Keyur Desai
Editor

"One effective strategy to increase the chances of gaining financial independence is 'regular and disciplined savings combined with prudent investments.'"
- Brandon Juodikis

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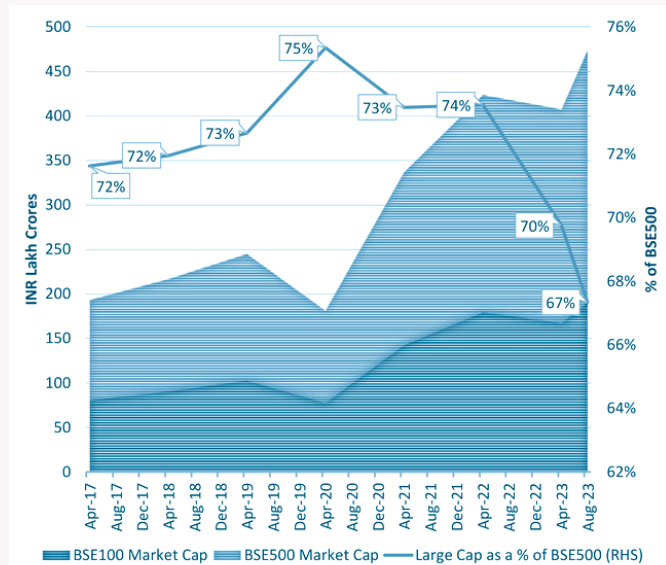
It's time to invest in ELSS

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WHY LARGE CAP FUNDS?

1. Can Investors afford to be under invested in Large Caps?



Large Caps are major part of India's growth story

Large Caps are

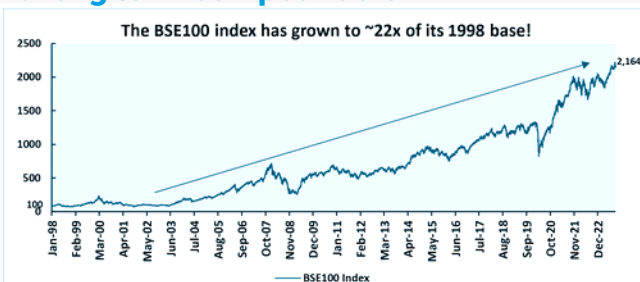
- 65-75% of India's Market Capitalization
- 63% to BSE 500's Revenues and
- 68% of the Net Profits

INR Lakh Crores	BSE500 Index	BSE100 Index	% of Overall
Total Profit	10.9	7.3	68%
Total Revenue	145.0	90.8	63%

Large caps are defined as India's top 100 listed companies by market cap. We take the BSE100 Index as a proxy for Large caps. Data as of 29th Sept 2023. Companies without data have been ignored. Consolidated Revenue and Profit is considered for the latest Fiscal or Annual Year of the company.

Source: Bloomberg, NIMF Research

2. Long term compounders



- Large Caps have delivered compounded returns of 13.7% (BSE100) over the last 25 years, across cycles.
- On a risk adjusted basis, large cap space has been least volatile among other equity asset classes.
- Rs. 100 invested in the BSE100 Index in Jan 1998 would have become ~ Rs. 2160 today! (~22x)

	25 Years	23 Years	20 Years	10 Years	5 years
CAGR Return Since	Oct-98	Oct-00	Oct-03	Oct-12	Oct-18
SENSEX Index	12.9%	12.7%	14.2%	12.6%	13.1%
NIFTY Index	13.0%	12.5%	13.8%	12.6%	12.8%
BSE100 Index	13.7%	12.9%	14.3%	12.9%	12.9%

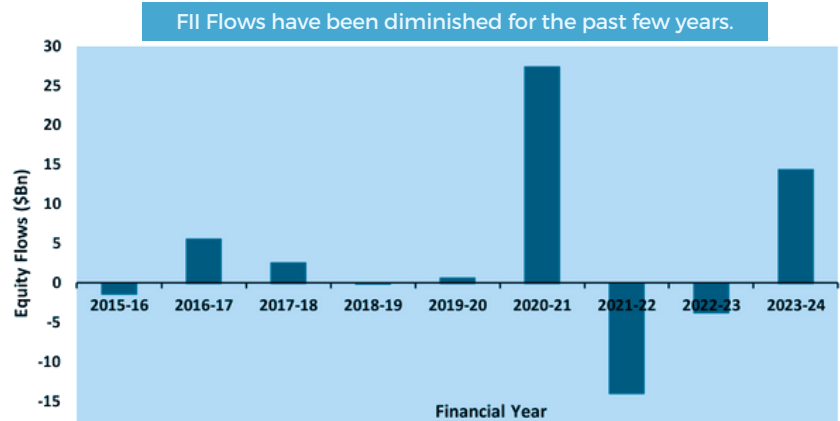
Source: Bloomberg, NIMF Research

Data for the BSE100 is taken from 1st Jan 1998 to 29th Sept 2023. Total returns are ignored. For CAGR, point to point data taken with 4th Oct 2023 as reference

Mutual fund investments are subject to market risks. Please read all scheme-related documents carefully before investing.

WHY LARGE CAPS NOW?

1. Recent underperformance improve relative attractiveness



Source: Bloomberg, NIMF Research

Performance vs Large Caps	1 Yr	2 Yr	YTD*
BSE 100	14.54%	6.09%	8.07%
BSE 150 Mid Cap	28.23%	13.66%	23.42%
BSE Small Cap 250	32.40%	14.60%	28.07%

Performance data as of 4th Oct 2023. FII Flows for September are as of 3rd Oct 2023. Weighted Avg PE considered for Index PE, as provided by Bloomberg. Consolidated data considered to calculate PE Ratio wherever possible. Companies without data are excluded.

- In the current scenario, Large Caps have underperformed the Mid Cap by ~15% YTD and small caps by ~20.3% YTD.
- FIIs have been net sellers over the past couple of years, which has been primarily biased towards Large Caps. Also valuations in some sectors was abnormally high, which has corrected considerably in the last 3 years. Eg. Consumer Staples, Retail Banks, etc.
- Reversal to the mean remains a big possibility and an opportunity for Large Caps.

2. Global Macro environment vulnerable

Global Risks	Local Risks
Interest Rates – “Higher for longer” – the US 10yr is at 4.7%	India interest rates may not ease early enough
China recovery remains below par	Weak rural growth – slower than expected recovery in low ticket spends
US – growth challenges can emerge	Oil Prices up 25% since June 2023
UK and other European economies continue to struggle	Election driven challenges
US – Challenges from rising debt levels and alternate narratives	Froth in small and tiny market cap companies
Risk appetite can come off sharply	Promoter selling at all time high
	Overall Revenue Growth is sub-par in India

Source: NIMF Research

Giving challenging global macros and near-term events in India, Large Caps appear better positioned than other sub-categories in Equities for the near term.

Large Cap Fund Performance (Return %) as on 30th Oct 2023					
Scheme Name	1 Year	3 Years	5 Years	7 Years	10 Years
Baroda BNP Paribas Large Cap Fund	9.98	17.26	15.56	12.15	14.07
Canara Robeco Bluechip Equity Fund	8.41	16.45	16.01	13.29	13.82
Edelweiss Large Cap Fund	11.99	17.95	14.79	12.54	13.82
Invesco India Largecap Fund	10.64	17.37	14.01	11.55	13.50
Kotak Bluechip Fund	9.12	17.77	15.50	12.11	13.91
Nippon India Large Cap Fund	16.79	27.31	15.96	13.90	16.45
SBI Bluechip Fund	10.67	20.02	15.26	11.66	15.03

- Mutual Funds
- Health Insurance (Mediclaim)
- Life Insurance (Term Plan)

Kotak Consumption Fund



An open-ended equity scheme following Consumption theme.

Aim to grow with the nation's growing lifecycle

The investment objective of the scheme is to generate long-term capital appreciation from a portfolio that is invested predominantly in equity and equity related securities of companies engaged in consumption and consumption related activities. However, there is no assurance that the objective of the scheme will be achieved.

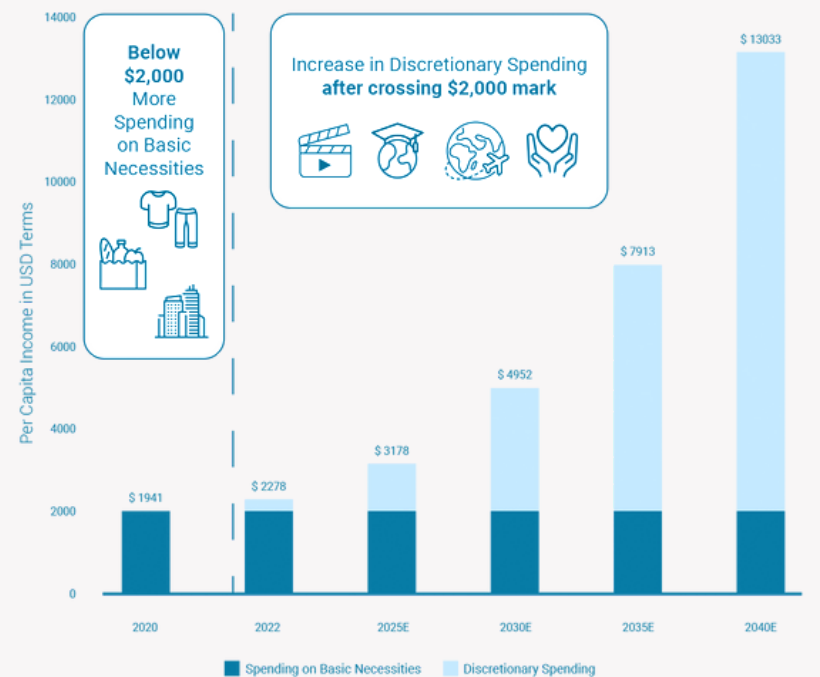


5 Reasons To Invest In This Fund

- Structural Growth:**
The movement from unorganized to organized markets as a result of urbanization and increased incomes.*
- Cultural Influence:**
Rising discretionary spending as the number of nuclear and aspirational families grows.*
- Digital Impact:**
An increase in online shopping, transactions and internet usage has pushed consumption to new heights.*
*Source: Euromonitor, RedSeer, World Ban
- Nifty India Consumption Index has better ROE:**
(Return on Equity) than most indices.
Source: Bloomberg. Past Performance is not a guarantee for future return. Data as on 30th Sep'23. The performance of the index shown does not in any manner indicate the performance of the Scheme. Kotak Mahindra Asset Management Company Limited (KAMAMC) is not guaranteeing or promising any returns/futuristic returns.
- Nifty India Consumption Index has outperformed the Nifty 50 TRI:**
Since 2006, the Nifty India Consumption Index, with a 14.1% CAGR, has outperformed the Nifty 50 TRI which had 12.8% CAGR returns.

Source: Bloomberg. Internal Calculations. Past Performance is not a guarantee for future return. The performance of the index shown does not in any manner indicate the performance of the Scheme. Kotak Mahindra Asset Management Company Limited (KAMAMC) is not guaranteeing or promising any returns/futuristic returns. Data as on 30th Sep'23.

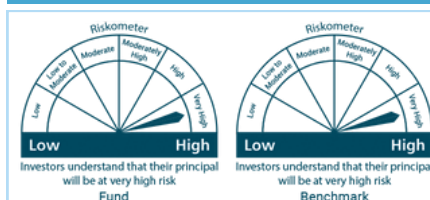
Have you wondered about the change in spending pattern of a person as income rises ?



At \$2,000 per capita income level the basic needs of a person are met and above \$2,000 a persons discretionary spending tends to rise*

Source: PWC Research | World Bank Data | Ministry of Statistics and Program Implementation, GOI | Financial Benchmark India Pvt. Ltd. | * FortuneIndia.com (As per latest available data)

NFO from 25th October 2023 to 8th November 2023



KOTAK CONSUMPTION FUND

An open ended equity scheme following Consumption theme

This product is suitable for investors who are seeking:*

- Long term capital growth
- Investment in portfolio of predominantly equity & equity related securities of companies engaged in Consumption & consumption related activities

*Investors should consult their financial advisors if in doubt about whether the product is suitable for them.

(The product labelling assigned during the New Fund Offer is based on internal assessment of the Scheme Characteristics or the model portfolio and same may vary post NFO when actual investments are made)

Mutual fund investments are subject to market risks. Please read all scheme-related documents carefully before investing.

It's time to invest in ELSS

JOURNEY2 MONEY

ELSS AND WHY IT IS GOOD FOR YOU?







Equity Linked Savings Scheme (ELSS) gives you the dual benefit of tax saving together with the opportunity to build wealth through the growth potential of equities. And unlike other tax saving investments, ELSS has the shortest lock-in of just 3 years.

HOW TO INVEST

Just like any other mutual fund, you can choose to invest in ELSS through lumpsum or Systematic Investment Plan (SIP). Investing through an SIP gives you the benefit of rupee-cost-averaging and compounding that can also help you smooth over market volatility.

For further details or assistance, kindly contact us.

Benefits of ELSS

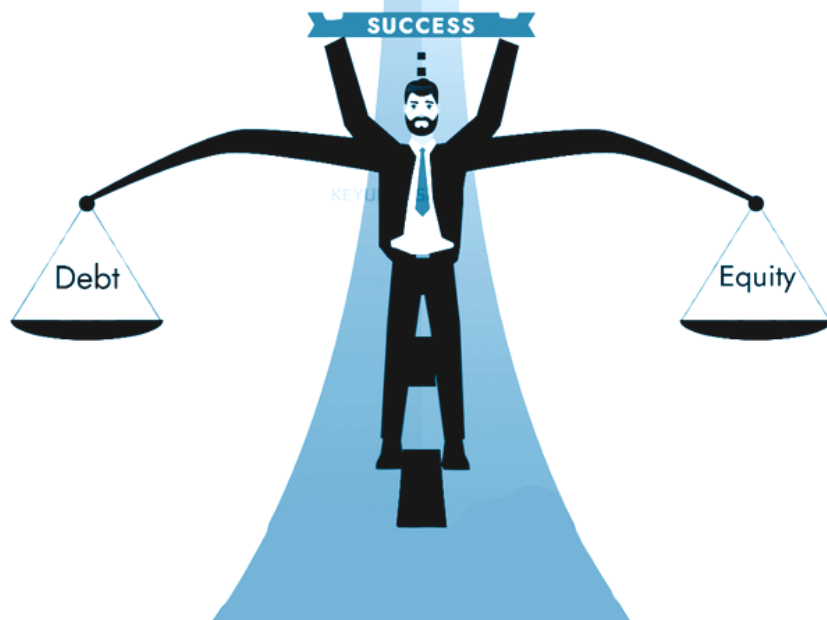
-  **Income Tax deduction under section 80C - Tax savings of upto Rs. 46,800**
-  **Long-term wealth creation potential by investing primarily in equities which is known to outperform other asset classes over the long run**
-  **Shortest lock in period (3 years) among all tax saving instruments under Section 80C investments**
-  **Long-term capital gain (LTCG) earned on ELSS investments are exempt upto Rs. 1 lakh. LTCG above Rs. 1 lakh are taxed at 10%**
-  **Investor can put money via an SIP with a minimum amount of Rs. 500 or as a lumpsum**
-  **Investor can opt for IDCW option (dividend) and get some cash flows even during the lock-in period**

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BALANCE ADVANTAGE FUNDS

Your path to financial success,
where risk meets reward in perfect harmony.



SECURE YOUR TOMORROW TODAY

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS,
READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.

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