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Arihant PLATINUM

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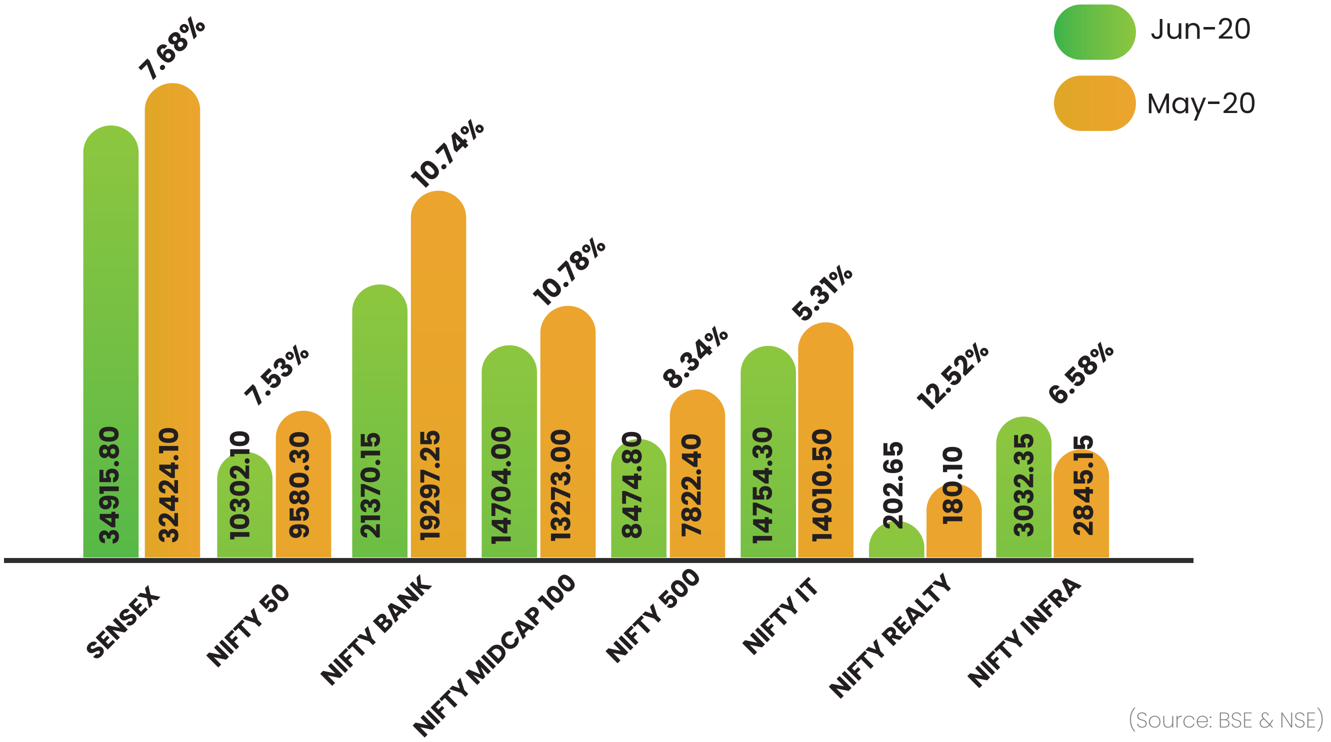
MONTHLY MARKET UPDATE

- In June 2020, Domestic market moved positively with benchmark Sensex and Nifty Index ending the month with 7.7% and 7.5% gains respectively. During the June month, markets witnessed huge volatility, but eventually, almost all sectoral indices closed in green after the government announced relaxations in Unlock 1.0.
- Nifty PSU and reality were the best performing sectors, while Nifty FMCG and Metals were flat during the month. Nifty PSU was the top Performer at 26.4%, followed by Nifty Media with 14.1% gain for the month. Other major sectoral indices saw positive momentum in the month of June.
- Nifty Reality index gained 12.5%, followed by Nifty NBFCs, which rose by 10.9%. Nifty Private Bank & Metals also gained by 10.8% & 5.9% respectively. Nifty 100 Midcap and Nifty 100 Small Cap ended the month with a gain of 10.8% and 15.3% respectively.
- Global growth is projected at 4.9% in 2020, 1.9% points below April 2020 World Economic Outlook (WEO) forecast. The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecasted.
- Moody's Investor Service further downgraded its growth forecast for India to -3.1% this calendar year compared to 0.2% in April. The June 2020 update of its Global Macro Outlook, expected a marginally stronger rebound at 6.9% in 2021, as opposed to 6.2% in the April update.
- The S&P 500 index, ended the month with flat to positive territory of 1.8%. Commodity market is facing very rough patch over the first half. While the 2nd half going to start now with new normal of opening up economies, raw materials are going to be under lenses to see the upcoming prospects and pitfalls. WTI crude surged 16.5%, while gold up by 2.80% The USD/INR flat at -0.10% in the month of June.
- US' Nasdaq 6%, UK's FTSE and US' Dow Jones closed in positive territory with 1.5% & 1.7% respectively. Whereas, Hong Kong's Hang Seng, ended the month with positive territory of 6.4% respectively, Japan's Nikkei gained 1.9%.
- Yield of 10 yr government bond closes at 5.85%

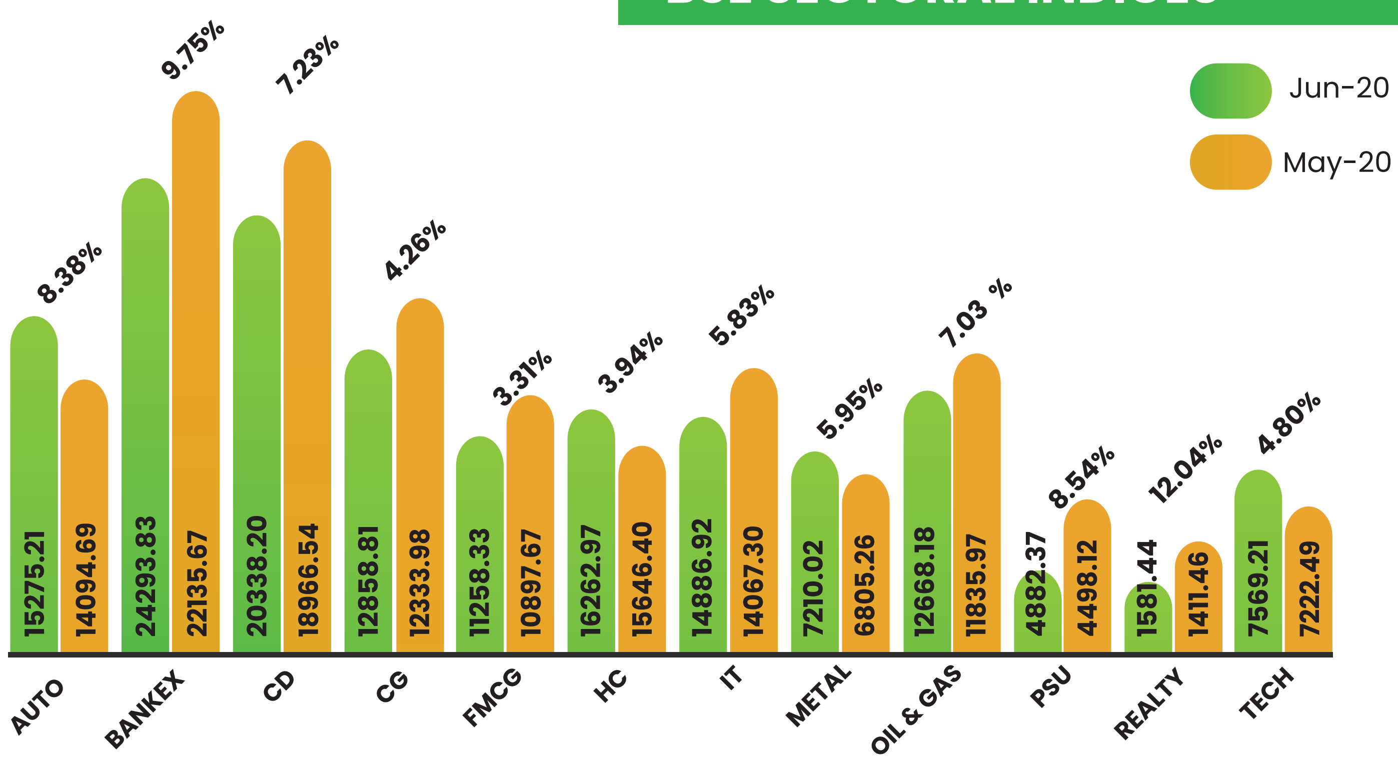
MONTHLY INDICES PERFORMANCE

INDIAN INDICES



(Source: BSE & NSE)

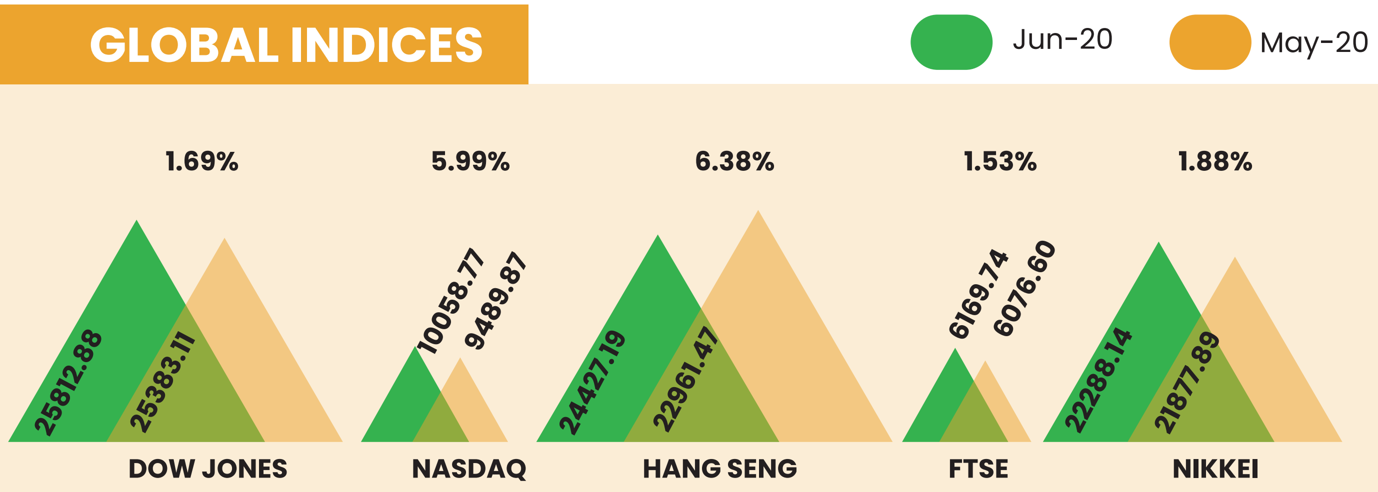
BSE SECTORAL INDICES



(Source: BSE & NSE)

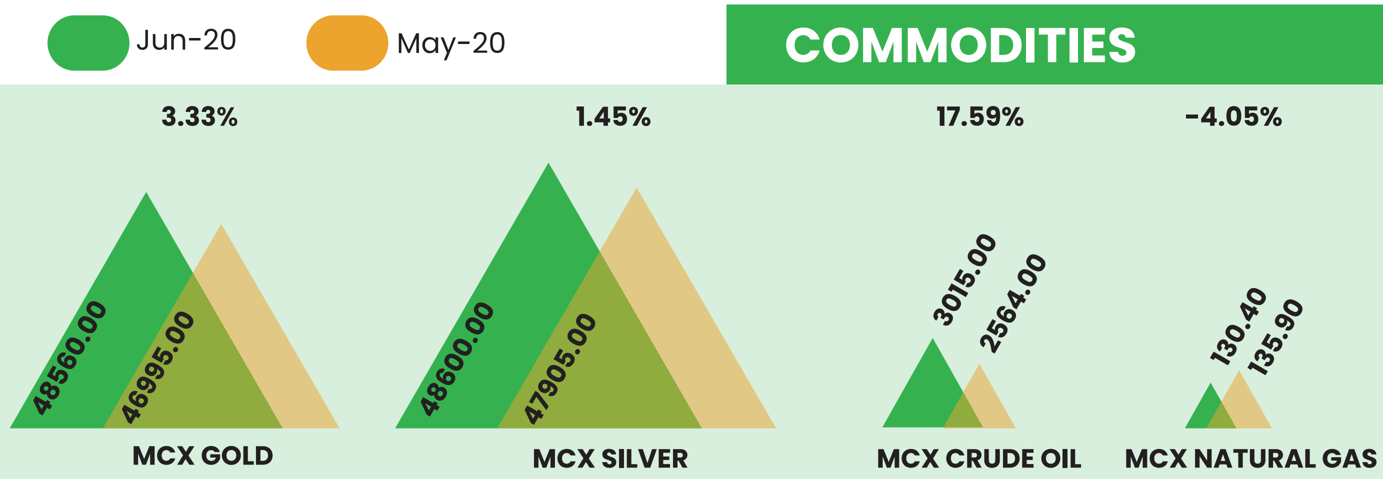
MONTHLY INDICES PERFORMANCE

GLOBAL INDICES



(Source: CNN)

COMMODITIES



(Source: Falcon)

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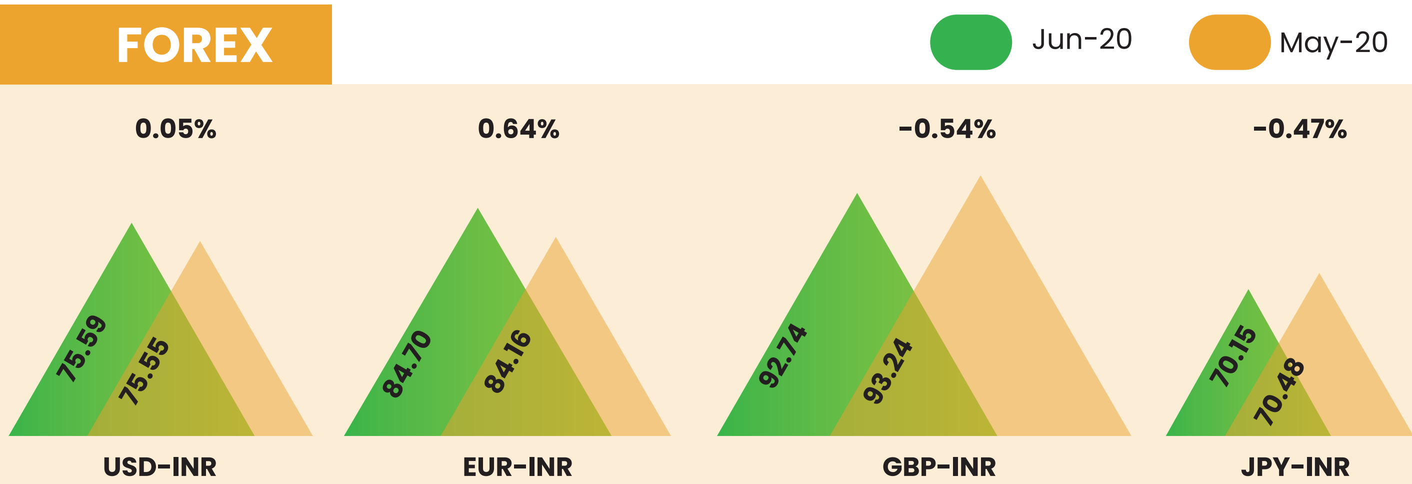
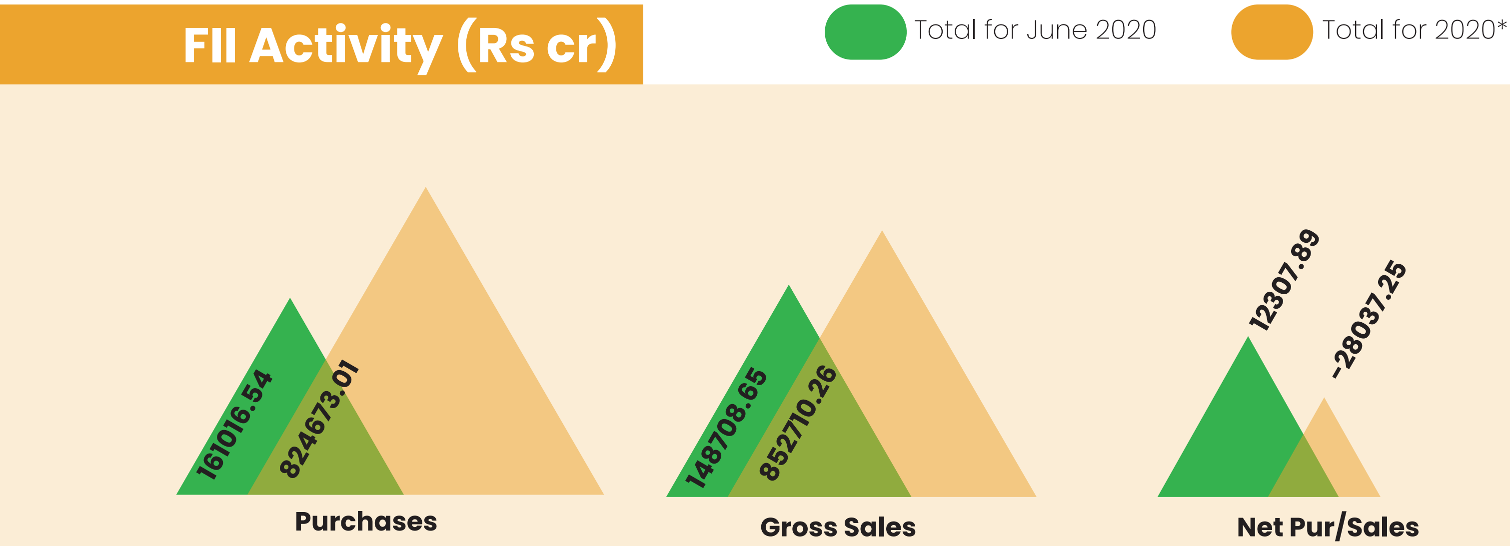


(Source: Falcon)

MONTHLY INDICES PERFORMANCE

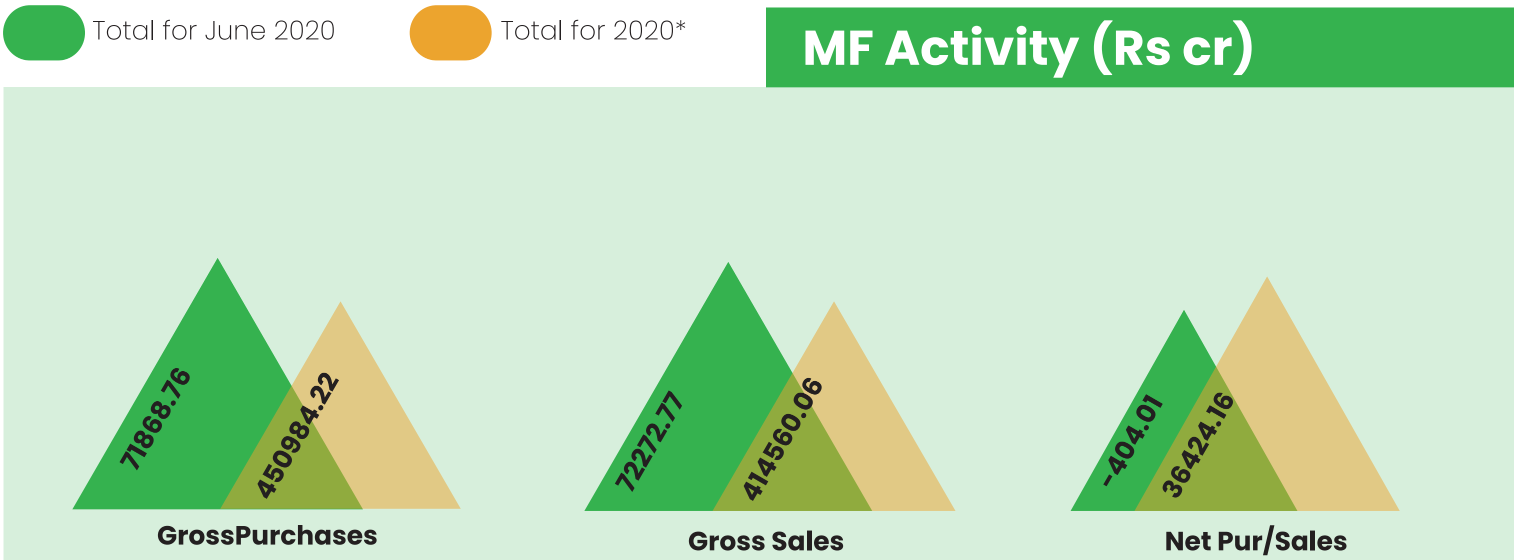
FII Activity (Rs cr)



*Till May 2020

(Source: SEBI)

MF Activity (Rs cr)



(Source: SEBI)

*Till May 2020

FOCUSED FUND OF THE MONTH

Axis Long Term Equity

Manager Biography And Fund Strategy

- Jinesh Gopani joined the AMC as an Assistant fund manager in 2009 and has been managing this fund since May 2011. Overall, the team has remained stable since 2016 and has clearly outlined responsibilities

- Gopani looks for companies that have the capability to grow over a three-to five-year period and places a lot of emphasis on finding quality names at reasonable valuations.

- However, he can tend to invest in stocks that are slightly expensive in relative terms as long as they meet his quality and growth criteria. The portfolio holds about 50%-70% large-cap stocks, while small and mid-caps constitute the remaining portion. The focus is on being able to identify companies with sustainable earnings growth potential, credible management, and good corporate governance practices. Stock-picking is based on fundamental bottom-up research with emphasis on top-down risk parameters, liquidity, and internal volatility targets. From A financial stand point, the team looks for companies with low capital gearing and strong balance sheets. The fund house seeks to spend more time identifying fresh ideas and researching companies that are not as widely researched by the broader market.

- This results in a benchmark agnostic portfolio that typically shares a very low overlap of about 25%-30% with the S&P BSE 500 Index. The AMC monitors the fund size on a consistent basis and places constraining limits on it, but this number can vary constantly based on the growth and liquidity in the markets. This, in addition to the multicap nature of the fund, should help mitigate the risks of asset bloat.

Equity Sector	%
Basic Materials	7.35%
Consumer Cyclical	14.74%
Financial Services	29.74%
Communication Services	9.68%
Industrials	2.11%
Technology	9.06%
Consumer Defensive	16.24%
Healthcare	6.43%
Utilities	4.65%
Total	100.00%

Holding Name Sector

Holding Name Sector	%
Tata Consultancy Services Ltd	8.50
Avenue Supermarts Ltd	7.94
Kotak Mahindra Bank Ltd	6.83
HDFC Bank Ltd	6.75
Nestle India Ltd	6.53
Info Edge (India) Ltd	6.17
Maruti Suzuki India Ltd	5.73
Housing Development Finance	5.25
Pidilite Industries Ltd	5.23
Bajaj Finance Ltd	5.10
Assets in Top 10 Holdings	**64.04**
Total Number of Equity Holdings	**35**
Total Number of Bond Holdings	**1**

Fund Snapshot

Category	**ELSS** (Tax Saving)
Fund Size (Rs)	19,127 Cr
Inception Date	12/17/2009
Expense Ratio	1.74%
Minimum Investment	500
(As on 30 June)	

Jinesh Gopani
Fund Manager

Trailing Returns

Data Point: Rreturn Calulation Benchmark: S&P BSE 200 India TR Rs.

	YTD	1 Year	3 Years	5 Years	10 Years
Axis Long Term Equity Gr	-10.98	-5.48	5.80	7.15	14.30
S&P BSE 500 TRI Rs	-11.31	-9.52	2.44	5.82	8.44

READING A FUND FACTSHEET

Investment in mutual funds is less risky than direct investment in stocks. This is because investment in mutual funds gives you benefit of diversification, allows investing in a disciplined manner via a systematic investment plan (SIP) and offers the advantage of having an expert to manage the funds. Also, mutual funds offer a gamut of funds to suit different investment needs. Further, they are well-regulated by Securities and Exchange Board of India (SEBI) that makes them less vulnerable to any malpractices as is evident in some of the Ponzi schemes.

However, when you consider investing in mutual funds, it is important to know a few things beforehand such as the qualification and experience of the fund manager, where your money is getting invested, what are the fees and charges, risk metrics, fund performance, etc. Factsheet is the document which helps you understand these things. Therefore, before you consider investing or even after investing in any mutual fund scheme, it is important to check out its factsheet. Despite the guidance provided by Association of Mutual Funds in India (AMFI), SEBI has observed that uniformity was lacking in the information provided by the fund houses in their factsheets.

Therefore, SEBI introduced a new factsheet format in October 2015. Being a sensible investor, to ascertain the genuineness of the investment pitch made by your mutual fund distributor, reading the factsheet of the scheme is crucial. There are various details that tersely capture the various aspects of a fund such as the fund's investment objective, portfolio and essentially its performance with respect to its benchmark. Therefore, it is crucial to know how to read a fund factsheet.

Understanding the Factsheet

A fund factsheet may be considered as the Bible for potential as well as existing investors. It helps you to answer the most important questions you seek to know before and after investing. As for instance, questions such as where the mutual fund is investing your money or which stocks got added and which were removed after you invested in the fund. Who manages the fund and how has he performed in the past? Answer to all these queries can be found in a factsheet. Hence, a mutual fund factsheet is a document that contains vital source of information, facts and figures, disclosures and terminologies which you as an investor should be aware of before investing in any fund. SEBI has made it mandatory for all the fund houses to disclose certain specific information in the form of a document which should be made available on a monthly basis.

Basic Fund Information

The basic information of a fund includes the fund's investment objective, its category (equity, debt, hybrid, etc.), its sub-category (large-cap, mid-cap, short duration, gilt, aggressive hybrid, etc.), net asset value (NAV) as on date and expense ratio of direct plan and regular plan. Besides, it also has details about the fund's assets under management (AUM), its benchmark (Nifty 50, Sensex, S&P BSE 100, etc.) that it tracks, minimum amount of SIP and lump sum investment and exit load. Also, to understand the level of risk associated with investment in a fund, the factsheet also provides a 'riskometer". This indicates the risk level of the scheme which can range from low to high and often helps investors to match it with their risk appetite and take appropriate investment decisions.

Fund Manager

A fund's factsheet also provides information about the fund manager that will include details about qualification, experience and the performance of other funds managed by him, if any. This helps an investor know who is spearheading the funds and how capable the person is in managing it.

Portfolio Composition

A mutual fund is a well-structured product. It is a diversified portfolio of stocks or bonds or even a portfolio of different asset classes. Portfolio composition helps investors understand where the particular mutual fund is investing and in what proportion. They can even know how much cash the fund is holding. Hence, this component of the fact sheet acts as one of the most important tools for analysis.

READING A FUND FACTSHEET

Performance

A factsheet provides trailing historical performance data for different time periods such as performance since inception or for periods of one year, three years, five years, 10 years and 15 years. And against this even the benchmark and additional benchmark's performance is provided for similar periods. This section of the factsheet benchmark and additional benchmark's performance is provided for similar periods. This section of the factsheet helps investors to analyse scheme returns as against its benchmark, SIP returns and overall market returns.

Key Ratios

Finally, a factsheet also provides key statistical risk-return ratios such as standard deviation, beta, Sharpe ratio, R-squared, total expense ratio (TER) and portfolio turnover ratio. With these ratios investors can gauge the risk and risk-adjusted performance of the scheme. Also, they can understand whether the scheme indulges in frequent buying and selling of stocks or adopts a buy and hold strategy.
whether the scheme indulges in frequent buying and selling of stocks or adopts a buy and hold strategy.

READING A FUND FACTSHEET

There are several key points of a factsheet that an investor must necessarily focus on. These include:

Performance:

It is true that past performance is not a barometer of future performance. However, the past performance of a fund gives you a rough idea about its capabilities to perform in the future. Therefore, you can consider this as your first step. The fund returns or even the benchmark returns provided in the factsheet indicate annualised percentage returns, popularly known as compounded annual growth rate (CAGR). This will also help you to get a fair idea as to how the investment has grown over the period of one year, three years, five years and 10 years.

Say, for instance, if you wish to invest 31 lakh then you can roughly calculate how much you would have had earned if you had invested for one year, three years, five years and 10 years back. However, you should not just base your decisions on this aspect alone. It should just be your first step to understand the fund. There are various other parameters such as rolling returns, risk, risk-adjusted returns, etc. to consider before taking the final investment decision.

Portfolio Holdings:

To further analyse the fund you need to check whether the portfolio is adequately diversified or not. Even the asset allocation and sector allocation adopted by the fund is represented in the graphical format. Sector allocations and portfolio holdings help you get a break-up of how the fund house allocates your money. It is crucial to know how your money will be deployed after you invest it in a fund. Further, reviewing this section is crucial as it is the portfolio that is going to decide how the fund is going to perform in the near future.

Expense Ratio:

As expense ratios can meaningfully affect the returns of the funds, it is made mandatory to be stated in the fact sheet. Expense ratio is nothing but the cost that is charged to the investor for managing a mutual fund scheme. In the factsheet, the total expense ratio (TER) for direct as well regular plans of all the schemes provided by the fund house is detailed. The only difference between the direct and regular plan's TER is the commission paid to the mutual fund distributors. But though the expense ratio is important, investors should not base their decisions solely on it. A fund having a solid track record with a higher expense ratio might be better than one that charges less but performs poorly.

Fund Manager:

A fund manager is the captain of the fund and he decides the allocation of your investments. A factsheet provides details of the fund manager such as qualifications and experience along with information on various other funds he manages for a particular fund house. Fund managers tend to be experts in the field of investments with extensive industry experience. Hence, it is important to know who manages your money. To understand the performance of your fund managers check out their track record. This will help you to understand how fund managers perform in market cycles. A stable and experienced fund manager with a good track record helps investors have a sense of confidence. Any change in the fund manager should be looked at with some caution. His sudden exit or frequent changes in the fund management team can materially impact the performance of the fund.

WHEN MARKET HIT ROCK BOTTOM, SAIL UP WITH YOUR SIP

The world is undergoing COVID-19 impact and the market has been vulnerable to it too. The markets crashed around the world and are looking to enter a recession. The S&P and BSE Sensex benchmark has fallen from a high of 42,000 in January to 25,000. Crude oil price have also staggered. The scenario might look nightmarish, but it is not so.

MARKET REACTION DURING THE CRISIS

Looking back to 2008, when there was a global downturn due to the sub-prime crisis, the Sensex halved to about 8000 - 9000 levels by the end of that year. Investors, who despite advice to the contrary, continued to stay invested through that volatile period would have benefited with the Sensex growing fourfold over the next decade 2008 - 2018

Most of the market analysts believe, COVID-19 induced market fall is likely to be a temporary phenomenon, which was the case during earlier epidemic outbreaks also. See the chart and find the impact of each fall. If we look at the SARS outbreak in 2003 the US S&P 500 lost 3.6%, but gained 33% a year after the outbreak. The BSE Sensex lost about 10% during the period, but gained a huge 83% after the outbreak.

No need to panic

During previous global virus outbreaks, markets fell, but also recovered quickly post the outbreaks. So investors shouldn't panic and instead use the current market volatility as an opportunity
During the Zika outbreak between November 2015 and February 2016, it fell around 6%, but was up more than 21% a year after the outbreak. Also, the BSE Sensex, lost around 13% during the Zika outbreak but was up 24% a year later.
One most prevailing question currently ongoing is what should an investor do?

US S&P 500 S&P BSE Sensex

Virus outbreak	Estimated period of outbreak	Returns during outbreak		1-year return post outbreak	
		US S&P 500	S&P BSE Sensex	US S&P 500	S&P BSE Sensex
SARS	Jan to Mar 2003	-3.6	-10.07	32.78	83.38
Avian influenza	Jan to Aug 2004	-0.69	-12.23	10.51	50.33
Ebola	Dec 2013 to Feb 2014	2.97	1.58	13.18	39.02
Zika	Nov 2015 to Feb 2016	-6.13	-13.14	21.33	24.14
Covid-19	Jan to Feb 2020	-9.95	-7.17	NA	NA

(Returns are absolute)

WHEN MARKET HIT ROCK BOTTOM, SAIL UP WITH YOUR SIP

DO NOT STOP YOUR SIPS

Most of the Indians are participating in the equity market through SIP (Systematic Investment Plan) mode to an extent of more than Rs 8,000 crores every month. Due to markets plunging down, the first reaction from them would be to stop investing. But, that would be a BIG mistake - don't do that!! When the market falls it is the best time to stay invested, as it is the right time for long term investors to invest through Systematic Investment route (SIP). Due to the reason, SIPs are capable of withstanding all kinds of corrections in the market, even the sharp corrections like the present one due to COVID-19. These corrections will help you to average your costs. Hence in order to make the best of the situation, keep continuing with your SIPs and if possible increase your SIP amount.

Your SIP will balance investments and benefit from rupee cost averaging. The whole concept of rupee cost averaging would be ineffective if investors were to stall or halt their SIPs, especially in the scenario when valuations are cheaper. SIPs invest through the entire valuation cycle, buying more units when valuations are cheaper and less when valuations are high.

RIGHT TIME TO WORK ON YOUR PORTFOLIO

The pandemic induced market correction may provide the investors with the right opportunity to consolidate and streamline their portfolios. Remove poor performers or discard tiny mutual fund holdings. Discuss with your fund manager before doing so.
Because of the continuous decline in the market that is eroding the value of portfolios, a piece of advice is doing the rounds in these uncertain times which suggest the investor to withdraw lump sum investments and stop SIPs to reduce losses. A fall in the value of portfolios is displeasing. You should always remember that this is not the first time markets have faced such fierce volatility and heavy losses.

IF YOUR SIP IS GOING TO EXPIRE

This is the right time for the investors to find those SIPs which are about to expire in the coming months, and take advantage of the market lows by continuing their investments; adding new ones or choosing a top-up in their existing schemes.
If the new investors have some liquidity at hand, lump-sum investments could be considered at these levels. New investors should not try to time the market to look for a more favorable time to start

CONCLUSION

Analysts say there's no need to panic in such situations as markets regularly go through cycles like these.
Investors who have SIPs should not panic and stop their investments. In fact, you should use the opportunity to invest for the long term!!
Mutual funds are subject to market risk. Please read the offer documents carefully before investing.

WITH OVER $15 BN RAISED IN 2 MONTHS, JIO OUTPACES INDIAN TECH STARTUP FUNDING IN 2019

- As Reliance Industries Limited turned net-debt free, Mukesh Ambani's fundraising acumen for Jio Platforms has become the hot topic of discussion in an otherwise bleak investment market. In just over two months, Jio Platforms has raised more capital than all Indian startups combined in all of 2019.
Overall, the Indian startup ecosystem raised $58 Bn across 5,011 deals between 2014 to 2019. Jio Platforms managed to raise almost 26% of that with $15.2 Bn from April this year.
Jio Platforms, which runs Reliance Jio, Jio Fiber, all the Jio apps and services, started off its investment streak with Facebook, which poured in $5.7 Bn in exchange for 9.99% of stake in the company.
At that time, Reliance Industries, in the Bombay Stock Exchange (BSE) filings, had boasted about this being the largest investment for a minority stake by a technology company anywhere in the world and also the largest foreign direct investment (FDI) in the technology sector in India.
With that, Reliance's Jio Platform raised investment from over nine other leading global investors like Silver Lakes, General Atlantic, KKR, TPG Capital, Abu Dhabi Investment Authority (ADIA), Mubadala Investment Company, L Catterton and Vista Equity Partner. Besides this, Reliance Retail also raised INR 53,124 Cr ($6.9 Bn) through a rights issue in the last two months, taking the amount to INR 1,68,818 Cr ($22 Bn). But it's Reliance Jio that should be of key interest to the tech community.

The Reliance Jio Digital Empire

In 2016, with the launch of Reliance Jio, it also became the face of digital India. Reliance Jio and the company's various digital businesses were clubbed under Jio Platforms late last year. In the last four years, Jio has added dozens of products and services centred around 4G services and home broadband, including JioSaavn, JioTV, JioCinema, JioMoney, JioNews, Ajio, and even launched a video conferencing product JioMeet to meet the growing demand, among others.
"It (RIL) will be known in the coming decade as an enterprise with lakhs of partners, supporting the small and young entrepreneurs and an enabler of a large ecosystem of entrepreneurs in India." Reliance chairman Mukesh Ambani, 2017.
While we had little idea of Ambani's ambitions then, the game plan became clearer with time. In 2018, Reliance announced plans for a new phygital (physical + digital) commerce venture to harness its existing retail base of 350 Mn footfalls at its various stores, over 300 Mn Jio connectivity customers and 30 Mn small merchants all over India.

WITH OVER $15 BN RAISED IN 2 MONTHS, JIO OUTPACES INDIAN TECH STARTUP FUNDING IN 2019

- In the background, while it plotted this vast empire, Reliance and Reliance Jio acquired 11 Indian tech startups in the period between 2018 to 2019, including C-Square, EasyGov, Embibe, Fynd, Grab, Haptik, Netradyne, Reverie, Saavn, SankhyaSutra, Nowfloats and Tesseract.
  Interestingly, Jio Platforms, which was founded in 2019 as an umbrella company for Reliance Industries' all digital ventures, had marked its presence over major consumer sectors in India. Reliance Jio, which is currently the largest telecom network, is the spearhead of this package. The telecom network, alone, has over 32% market share and over 388 Mn subscribers.
  Whether it's the grocery segment with JioMart, Ajio for fashion ecommerce, Reliance Digital for digital services and electronics, video conferencing with JioMeet, JioSaavn for music streaming, JioTV and JioCinema for videos and movies, JioMoney and Jio Payments Bank and Jio UPI ID for fintech or JioNews — Jio has a hand in it all.

Here Are The 10 Investors Currently Holding 24.6% Stake In Jio Platforms

Investor	Stake (%)	Investment (MN $)
1. Facebook	9.90	5700
2. Silver lake	2.1	1338
3. VISTA	2.30	1500
4. General Atlantic	1.30	873
5. KKR	2.30	1500
6. Mubadala	1.85	1200
7. Abu Dhabi Investment Authority	1.16	750
8. TPG	0.93	600
9. L. Catterton	0.39	250
10. Public Investment Fund of Saudi Arabia	2.3	1500

ALL YOU NEED TO KNOW ABOUT MOTOR INSURANCE

- Motor insurance offers protection against third party damages and theft or damage to own vehicle. While third party liability cover is mandatory, comprehensive insurance is optional.

Motor insurance basics:

Motor insurance is a policy that protects the owner from any financial losses that may arise in case the vehicle is damaged or stolen. It also covers for the liability towards third party injury or death caused by the vehicle accidently. It can apply to cars, both passenger and commercial vehicles, trucks, buses and also two/three wheelers as well.

The concept of Motor insurance

When you purchase motor insurance, you get into a contract with the insurance company. To avail the policy you need to pay a sum on an annual basis called premium. In case you do not make a claim for any damages during the policy term, the insurer rewards you with a no-claim bonus (NCB). This can range from 20-50 percent of the own damage cover premium you pay

Insured Declared Value (IDV)

IDV is the maximum sum assured which the insurer will provide in case there is theft or total loss of the vehicle. IDV is calculated taking into account the manufacturers listed (Example - Showroom) price and factoring in depreciation.

Types of Motor Insurance

In India, there are three types of motor insurance:

1) Third party liability insurance:
This covers any bodily injuries, damages or losses that are caused to a third party by the insured's vehicle. The policy will also cover the insured from legal liability which may arise from the damages suffered by the third party.

2) Comprehensive insurance:
As the name suggests, comprehensive insurance provides coverage to the insured for damage of their own vehicle, provides coverage towards the personal accident - injury or death of owner occupants if opts for and third party liability.

3) Standalone Own damage insurance:
The policy provides coverage to the insured for damage of their own vehicle only. This cover could be opted if the customer already has a third party cover.

Under the Motor Vehicle Act 1988, third party liability insurance is mandatory for all vehicles. However, comprehensive insurance/ Standalone own damage policy is optional. To further understand the importance of a Comprehensive cover, let's look at what is covered under the policy:

Physical injury Death:

In case the insured himself suffers any physical or bodily injury in an accident, the policy will provide for a fixed benefit amount.

Coverage of the owner-driver of the vehicle is mandated by law.

ALL YOU NEED TO KNOW ABOUT MOTOR INSURANCE

- **Damage to the vehicle:**
  It covers the cost of damage to the insured vehicle due to an accident, theft or certain natural calamities.

- **Add-on Covers**

  Some important add-on covers to consider

  Zero depreciation cover : Full parts amount is covered in the claim settlement

  No claim bonus protection : If the insured has opted for this add on cover, then in case of a claim (specific cause of loss), the insured will not lose the NCB accumulated under the motor policy

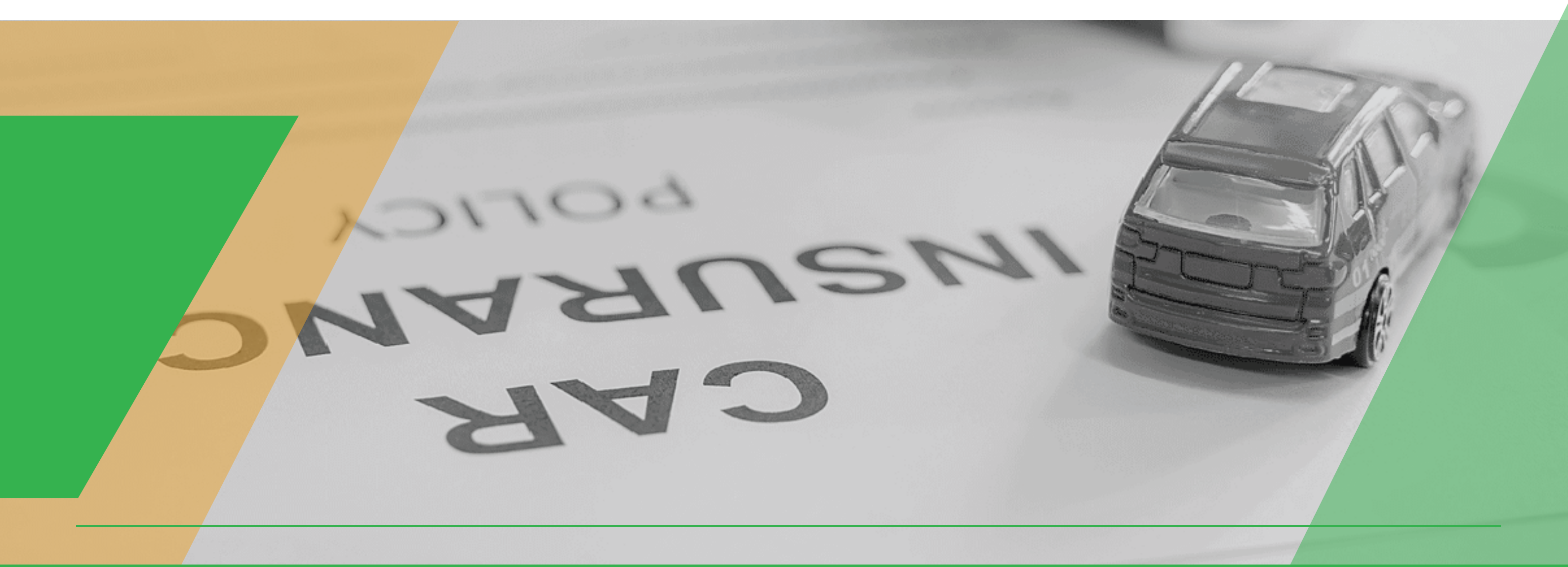
  Emergency assistance : In case of a vehicle breakdown, this provides round-the-clock assistance

  Engine protection : Covers damages to the engine due to water-logging and other reasons

  Cost of consumables : Pays for the cost of consumables which need replacement during the repairs of the vehicle damaged in an accident

  Return to Invoice : This cover pays full invoice value + taxes in case of total loss / theft of vehicle.

- "We need to understand that mandatory insurance only cover the Third Party liabilities; it does not provide benefits of Comprehensive Motor like protection in case of self-damage and natural or man-made disasters. It is imperative that the customers opt for Add-on insurance covers like Engine Protection, Emergency Assistance and Zero Depreciation covers which protect them from significant financial loss. Most of the customers also tend to lose out on the continuous protection in case they do not renew their policies. Therefore, a motor insurance is of utmost importance, not only to relieve you from your financial burdens but also to relieve you from the mental stress you could suffer in case of an accident."



TAX ON YOUR GOLD AND REAL ESTATE INVESTMENTS

- Real estate and gold have traditionally returns from real estate have been poor to and has formed a large chunk of Indian investors' portfolios. However, over the past few years, negative. On the other hand, gold does not give attractive returns in the long term high transaction cost. Apart from keeping gold or real estate for own use, investments in these two asset classes don't make much financial sense. But if you choose to reduce exposure to gold and real estate, do pay attention to the tax rules that will apply. Here is a look at the taxes that apply to short-term and long-term gains from these two asset classes.

GOLD	SOVEREIGN GOLD BOND	REAL ESTATE
What is long term? More than 3 Years.	What is long term? More than 1 Year if listed, more than 3 Years if unlisted.	What is long term? More than 2 Years.
Short term capital gain **Slab Rate**	Tax on interest **Slab Rate**; Short term capital gain **Slab Rate**	Short term capital gain **Slab Rate**
Long-term capital gains tax **20.8%** With indexation (use Cost Inflation Index to calculate)	Long-term capital gains tax **20.8%** With indexation (for unlisted bonds and listed bonds transferred before maturity); no tax on maturity.	Long-term capital gains tax **20.8%** With indexation (use Cost Inflation Index to calculate)

HOW MUCH TAX DO YOU PAY ON BOND INVESTMENTS?

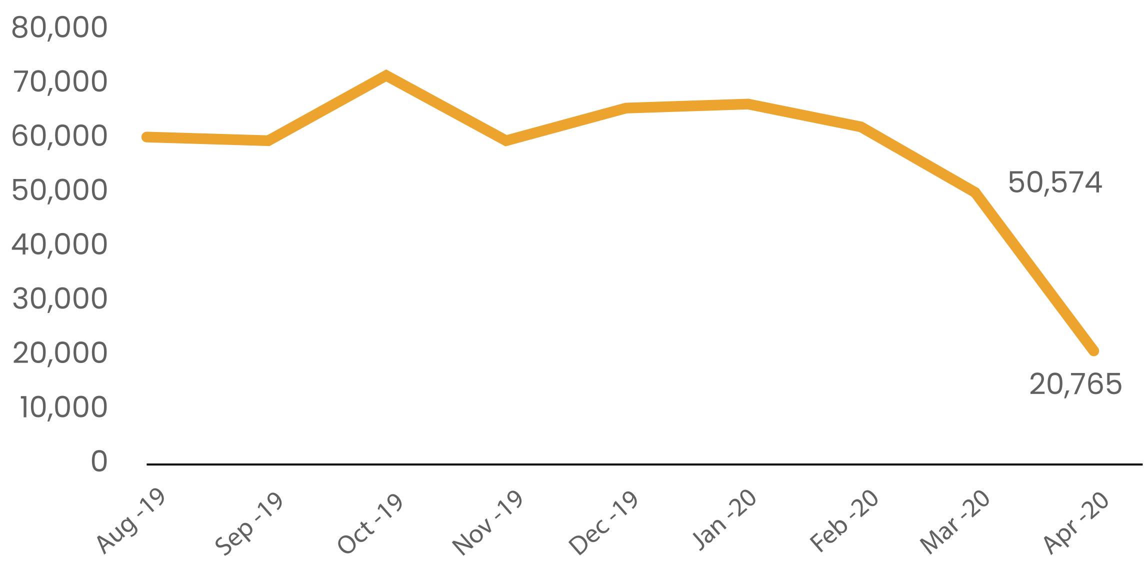
- All portfolios should be diversified between equity and debt so that the overall risk is controlled. Among debt instruments in India, there are various types of bonds available, with different features-duration, tax benefits, coupon rates and lock-ins. Some types of bonds offer taxation benefits, and some have coupon rates higher than fixed deposit rates. Yet others can be chosen to avoid paying long-term capital gains tax. Take a look at the applicable taxation before investing.

54 EC BONDS	LISTED BONDS	SECTION 10(15) TAX FREE BONDS	SECTION 10(15) TAX FREE BONDS
(Unlisted)	Long term: More than 1 year	(Listed) Transferred before maturity	(Unlisted) Transferred before maturity
Tax on interest **Slab rate**	Tax on interest **Slab rate**	Long term: More than 1 year	Long term: More than 3 year
Bonds issued by: National Highways authority of India, Rural Electrification Corp., Power Finance Corp.	Short term capital gains tax **Slab rate**	Short term capital gains tax **Slab rate**	Short term capital gains tax **Slab rate**
	Long-term capital gains tax **10.4%**	Long-term capital gains tax **10.4%**	Long-term capital gains tax **20.8%**

INDIANS ARE TIGHTENING THEIR SEAT BELTS

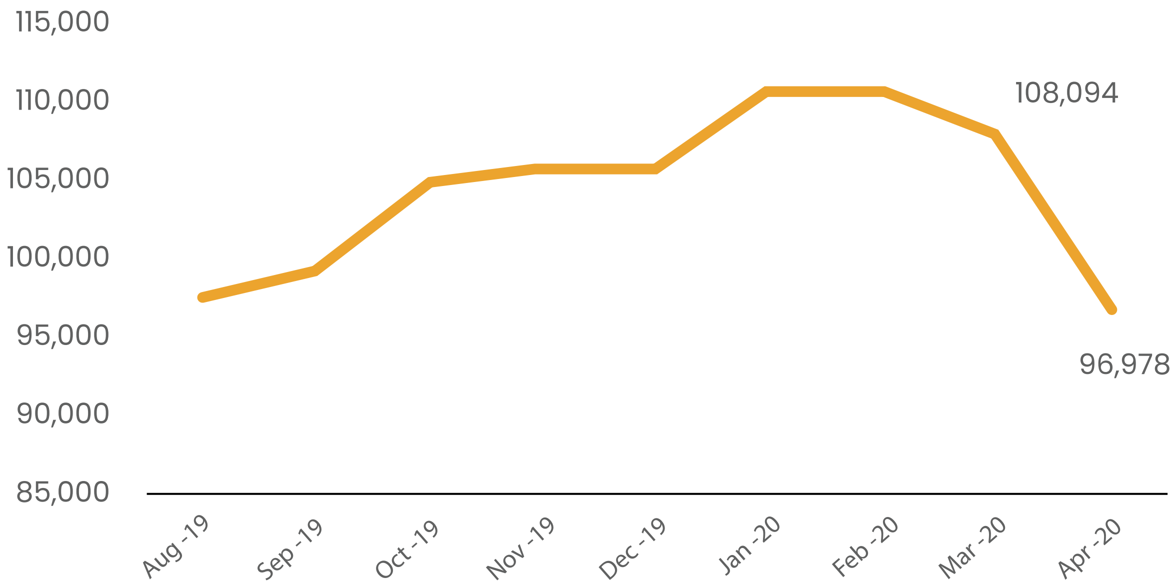
- **Credit card spending is down:** Although credit card penetration is still extremely low in India, it is a great precursor for the state of discretionary spending in the country. Post-Covid thus far has seen an almost 70% drop in credit card spends.

Credit Card Transaction (Rs Crore)



- All this while people are paying off their credit card debt. Credit card outstanding has dropped 10.2% indicating an increasing aversion to debt by affluent India.

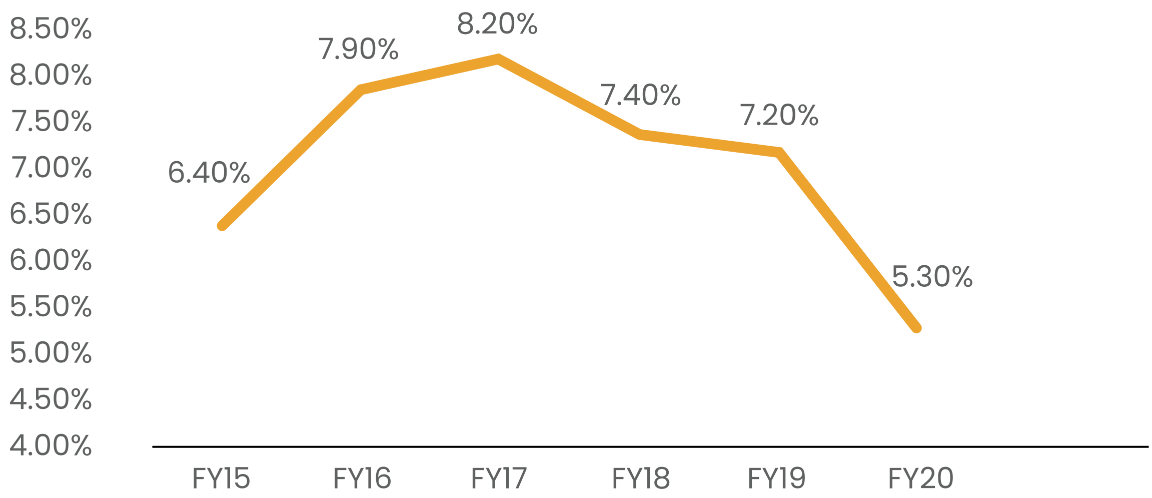
Household Credit Card Outstanding (Rs Crore)



INDIANS ARE TIGHTENING THEIR SEAT BELTS

- Private Consumption constitutes 60% of GDP in FY20 and is one of the most important drivers of economic growth in India. Private Consumption is the expenditure incurred by households on final consumption of goods and services.
  Growth in Private Consumption declined to just 5.30% in FY20.

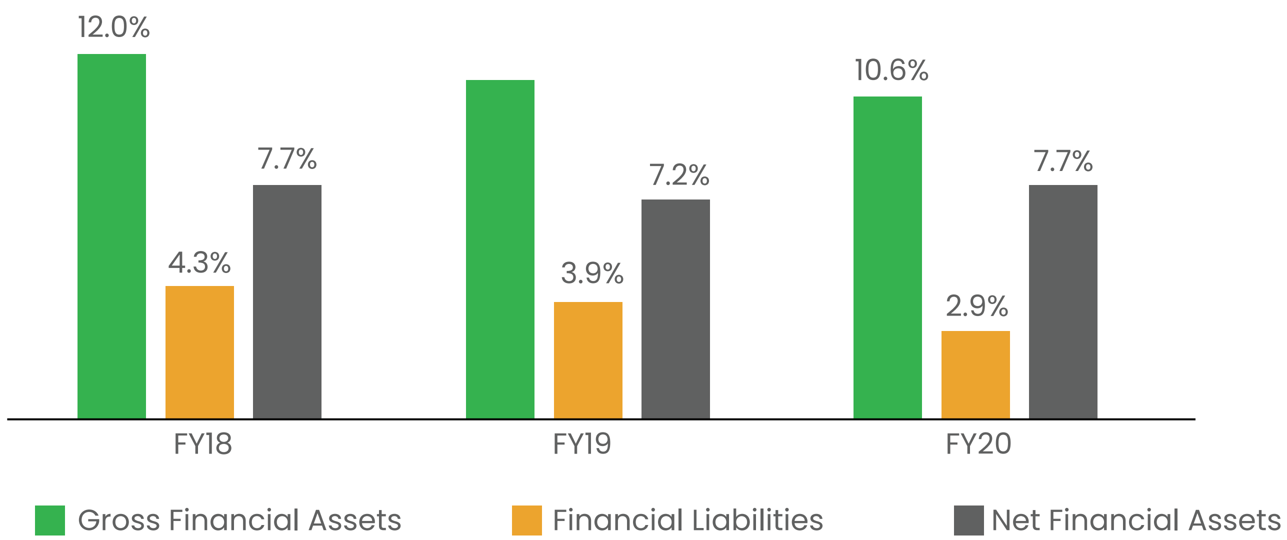
Private Consumption (YoY growth)



- **Households are becoming risk averse:** The net financial assets or household savings increased in 2019-20, after witnessing a decline in the previous year, according to RBI's latest study.

- While both Financial Assets and Liabilities declined in the year, the decline in liabilities was sharper than the decline in assets, as the reduction in households' bank borrowings was sharper than the reduction in deposits.

Household Net Financial Assets (% of GDP)



TECH REVIEW:

MICROSOFT SURFACE PRO X

Microsoft Surface Pro X

- Microsoft Surface Pro X is a strong device powered by an ARM chip, a major milestone in the Windows future these processors have come a long way to deliver the full Windows experience. A one-of-its kind device, the Microsoft Surface Pro X blends Windows 10 with ARM chip. But does that work? Let's find out:
Why ARM processor?

- Usually seen in mobile devices like smart phones and tablets, ARM processors offer several advantages that current-generation x86 chip-based Windows devices lack. These include the always-on utility which allows Windows to wake up in a jiffy, always remaining connected with the built-in LTE modem for mobile data network connectivity, an ultra-portable device form factor with fan-less design, and an enhanced on-battery time to keep you going for longer.

- **So, does it work?**
The short answer would be 'yes', especially talking from the point of view of the Microsoft Surface Pro X. The Windows 10 on the Microsoft Surface Pro X works flawlessly to get most things done .Remember, it is primarily a tablet that doubles up as a notebook when attached to a key board with touchpad (sold separately).Therefore, you get an ultra-portable tablet, which is swift in operations and seems optimised to get all the basic work done without any problem.

- **Microsoft Surface Pro X price in India**
- **Surface Pro X – Rs 98,999**
- **Type Cover (Black) – Rs 13,699**
- **Slim Pen (Black) - Rs 14,299**
- **Type Cover + Pen combo (Black) - Rs 26,299**

TECH REVIEW:

MICROSOFT SURFACE PRO X

- You can work on the Microsoft productivity suite Word, Powerpoint, Excel, etc and connect with others over a video meeting using Zoom, Skype, or Microsoft Teams. The always-connected feature with LTE support (nano SIM and eSIM) lets you stay connected to the internet and work from locations that often are difficult to make use of, such as cars or metro during long travel. The device also scores big on entertainment utility, thanks to a 13-inch touch screen of a 2880 x 1920 resolution and 2W stereo speaker set-up.

What does it tell about the Windows future?

The Windows 10 on the Microsoft Surface Pro X has an emulation layer added to the operating system. It lets you run all 32-bit applications. However, it does not support 64-bit applications, so a fair number of applications would not work on the Surface Pro X. That said, the Windows on ARM looks promising, but only alongside x86 processor-based devices. It seems ready to play its part in the Windows future, but it cannot be the Windows future, not until it comes on a par with performance gains and gets application support for x86 architecture-based processors. Verdict The Microsoft Surface Pro X is an expensive tablet which seems to do what Apple did with its iPad Pro 2020, add keyboard with touchpad support. It works flawlessly and delivers on most basic tasks you expect your Windows-based machine to do. But its expensive price tag (around Rs 1 lakh) makes it best suitable for enthusiasts wanting to experience the Windows future on the ARM processor, not the masses.

Microsoft Surface Pro X	Specifications
Display	13-inch, 3:2 aspect ratio, 10-point multitouch
Processor	Microsoft SQ1
Graphics	Adreno 685 iGPU
RAM	8GB LPDDR4x
Storage	128GB, removable
Camera	Front - 5MP: Windows Hello face authentication camera Rear - 10MP autofocus camera with 1080p full HD video/4K video
Ports	2 x USB-C Surface Connect Surface Keyboard connector port 1 x nano SIM
Power supply	65W

ArihantCapital
Generating Wealth

WHAT SHOULD YOU DO IN VOLATILE MARKET CONDITIONS?

- Always aim to "buy low and sell high", redeeming now means you are doing exact opposite.
- Despite short termvolatility, markets have created wealth over the long term
- Staying invested across market cycles helps you to reap the benefit of compounding
- Spend more time in the market to create potential wealth than timing the market

Missing just a few best days in market can substantially reduce your returns potential as shown in the illustration below.

	Compounded Returns	Value of Rs. 10 lakh invested on Jan 3, 2005 (Rs.)
Missed 5 Best Days	7.83%	31,74,400
Missed 10 Best Days	5.67%	23,29,210
Missed 15 Best Days	3.78%	17,65,313
Missed 20 Best Days	2.00%	13,53,776
No Missed Days	11.14%	50,48,152

So stay invested through market ups and downs and you could benefit over the long-term

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