

# NIVESH CHINTAN SAMACHAR



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## What are Multi Cap Funds?

- 25% Large Cap Stocks
- 25% Mid Cap Stocks
- 25% Small Cap Stocks



Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

another 25% to small-cap stocks. While a Multicap Growth Fund is a good option for diversification and long-term wealth creation, it can also be very risky in the short-term since it has at least 50% exposure to small and mid-cap stocks which are very risky in the short-term. The upper limit for market cap exposure also limits the fund manager's flexibility to switch allocation between various market cap stocks depending on his/her market outlook.

Investors should carefully evaluate their existing Mutual Fund investments and current exposure to the various market cap segments before adding a Multicap Fund to their portfolio. Multi cap funds are unsuitable for those who have a time horizon of less than 5-7 years or have low risk appetite.

Source : <https://www.mutualfundssahihai.com>

SEBI has issued clear guidelines (on September 11, 2020), for asset allocation across the different market cap segments that the Multicap Mutual Fund category must follow. Multi cap funds are required to hold at least 75% of their assets in equity and equity related instruments at any point in time. The portfolio must allocate at least 25% of its assets to large-cap stocks, 25% to mid-cap stocks, and

## EK JAGAH JAB SAATH HO TEENO.

LARGE CAP | MID CAP | SMALL CAP

### FRANKLIN INDIA MULTI CAP FUND

NFO OPENS: JULY 8, 2024 | NFO CLOSES: JULY 22, 2024

### SCALE it up with Franklin India Multi Cap Fund

- S** Strengthen Core Strategy: Portfolio based on broader index aids long term diversified core holding
- C** Consistent Cap Growth: Minimum 25% allocation to each market cap segment at all times
- A** Allocation Efficiency: Q-G-S-V driven stock selection approach for portfolio | 3-factor framework to enhance efficient market cap allocation
- L** Long Term Wealth Creation: Quality orientation Bottom-up stock picking | Long term buy-hold | Proven track record of Long vintage funds across market caps employing Steady Investment Philosophy
- E** Enhanced Diversification: Sector level | Market Cap Level | Stock Level

Q - Quality, G - growth, S - sustainability of growth, V - Valuation (QGSV)

### Benefits of Combining 3 Market Capitalization Allocations

Characteristics	Large	Mid	Small
Lower volatility	Stable growth	Market leaders	
Growing companies	Potential of Higher Returns	Rising Market share	
Emerging companies	Sunrise Sectors	Potential for disruptive growth	
Diversification	Balanced Performance	Optimizing risk	

\*relative to midcap and small cap segments

### Why Multicap?

#### NIFTY 500 Multicap 50:25:25 Index - Winners Rotate

#### CY Performance of Large Cap, Mid Cap, Small Cap, Diversified and Multicap

Year	Large Cap	Mid Cap	Small Cap	Diversified	Multicap
2006	40%	97%	-53%	117%	20%
2007	48%	78%	-57%	114%	19%
2008	38%	78%	-57%	114%	19%
2009	33%	65%	-65%	91%	18%
2010	18%	71%	-60%	105%	19%
2011	33%	65%	-65%	91%	18%
2012	18%	71%	-60%	105%	19%
2013	33%	65%	-65%	91%	18%
2014	18%	71%	-60%	105%	19%
2015	33%	65%	-65%	91%	18%
2016	18%	71%	-60%	105%	19%
2017	33%	65%	-65%	91%	18%
2018	18%	71%	-60%	105%	19%
2019	33%	65%	-65%	91%	18%
2020	18%	71%	-60%	105%	19%
2021	33%	65%	-65%	91%	18%
2022	18%	71%	-60%	105%	19%
2023	33%	65%	-65%	91%	18%
2024	18%	71%	-60%	105%	19%

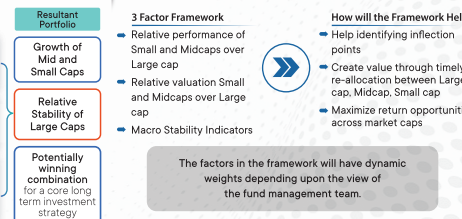
Legend: Nifty 100 TRI - Large Cap, Nifty Midcap 150 TRI - Mid Cap, Nifty Smallcap 250 TRI - Small Cap, Nifty 500 Multicap 50:25:25 TRI - Multicap, Nifty 500 TRI - Diversified

Source: Bloomberg. Past performance may or may not be sustained in future and is not a guarantee of any future returns

### How Does Franklin India Multi Cap Fund work?

Objective	Strategy
<b>Growth</b>	Focus on quality compounders   Exposure to Cyclical sectors   Tech-led disruptors   Mid and Small cap businesses
<b>Relative Stability</b>	Large cap exposure   Long term buy-hold, quality orientation   Large cap themes of Consolidation, long term compounding businesses
<b>Diversification</b>	Framework-determined market cap allocation   Sectoral diversification   Stock level diversification   Robust exit process

### Framework to Determine the Market Capitalization Allocation



### How will opportunities be identified? An illustration

Top-down approach to identifying themes

Rising GDP per capita, Rising disposable income, Urbanization → Increasing Consumption

Bottom-up approach to identify sectors and stocks

Premiumization, Consumer Credit, Urban Housing, Financialization of Savings → Sub-themes that may benefit

Consumer discretionary, Retailing/e-retailing/e-commerce, Consumer durables, Aviation, Travel and Leisure, Auto, Real estate, Financial services → Sectors offering opportunities

Q-G-S-V\* based stock selection approach

The sector mentioned above may not be considered as recommendation to buy or sell nor a view on quality or profitability of investing in the same. The schemes managed by Franklin Templeton Asset Management (India) Pvt. Ltd (the AMC) may or may not have any future exposure in the same. The recipient should not assume that investment in the sectors mentioned was or will be profitable

\*Q - Quality, G - Growth, S - Sustainability of growth, V - Valuation (QGSV)

#### Why Franklin India Multi Cap Fund?

- Long track record of managing funds in the large cap, midcap and small cap segments
- 3 factor framework for efficient allocation between market capitalizations
- Experience in early identification of upcoming high growth themes and timely shuffling between themes

#### Who Should Invest?

Investors looking to create long term wealth

How can you Position Franklin India Multi Cap Fund in your Portfolio?

- Core allocation - Core portfolio strategy: Lumpsum + staggered investing for corpus building
- Wealth creation - Long-term holding for compounding effect which in turn facilitates wealth creation
- Modes of investing - Lumpsum, SIP, Step-up SIP, STP, Flex STP, etc

#### Structure

Combines all 3 caps and more: 25% Large Cap | 25% Midcap | 25% Small Cap | 25% Based on framework

#### Broad sectoral representation\*

22 sectors across large, mid and small cap segments

#### Optimal risk diversification

Across market cap segments, sectors, stocks, style (Blend of Growth + Value with tilt towards Growth), bottom-up stock picking

#### Framework based allocation

Allocation of balance 25% driven by a 3-factor framework helps optimize portfolio returns from opportunities across market caps

#### Opportunistic Allocation\*

Overseas equities, REITs & InvTs

#### Fund Managers

R. Janakiraman, CFA  
Sr Vice President & Chief Investment Officer

Kiran Sebastian  
Vice President and Portfolio Manager

Akhil Kalluri  
Vice President and Portfolio Manager

Sandeep Manam\*  
Portfolio Manager & Research Analyst

\*Dedicated fund manager for foreign securities

#### Fund Facts

**Fund Description:** Multicap (Diversified Equity) Fund

**Launch Date:** 8<sup>th</sup> July 2024

**Managed by:** R.Janakiraman, Kiran Sebastian, Akhil Kalluri, Sandeep Manam (Dedicated fund manager for foreign securities)

**Type of Scheme:** An open-ended scheme investing across large cap, mid cap and small cap stocks.

**Investment Style:** Blend of 'Growth' and 'Value'

**Investment Objective:** The investment objective of the scheme is to generate long-term capital appreciation by investing in a portfolio of equity and equity related securities of large cap, midcap and small cap companies. There is no assurance that the investment objective of the Scheme will be achieved.

**Minimum Amount:** Subscription: Fresh Purchase - Rs.5,000/-, Additional Purchase - Rs.1,000/-, Redemption: Rs.1,000/-. The amount for subscription and redemption in excess of the minimum amount specified above is any amount in multiple of Re. 1/-.

**SIP:** Minimum amount INR 500/-

**Benchmark:** Nifty 500 Multicap 50:25:25 Index

**Exit Load:** 1.00% - If redeemed on or before 1 year from the date of allotment Nil - If redeemed after 1 year from the date of allotment

#### PRODUCT LABEL

This fund is suitable for investors who are seeking\*:

- Long term capital appreciation
- A fund that invests predominantly in equity and equity related securities across large cap, mid cap and small cap stocks.

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

Investors understand that their principal will be at Very High risk

FOR MORE INFORMATION, CALL YOUR MUTUAL FUND DISTRIBUTOR/INVESTMENT ADVISOR OR VISIT US ON [www.franklintempletonindia.com](http://www.franklintempletonindia.com)

WE ARE NOW ON WHATSAPP. TO KNOW MORE ABOUT OUR FUNDS, MESSAGE US A "HI" ON 9063444255.

FOLLOW US AT:

\*\*The scheme risk-o-meter assigned during the New Fund Offer (NFO) is based on the scheme characteristics. The same shall be updated in accordance with the provisions of Para 17.2 of SEBI Master Circular dated May 15, 2023 on Product Labelling in mutual fund schemes on an ongoing basis.

MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISK. PLEASE READ THE OFFER DOCUMENT BEFORE INVESTING.



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### What is a Mutual Fund?

Mutual fund is a mechanism for pooling the resources by issuing units to the investors and investing funds in securities in accordance with objectives as disclosed in offer document.

Investments in securities are spread across a wide cross-section of industries and sectors and thus the risk is reduced. Diversification reduces the risk because all stocks may not move in the same direction in the same proportion at the same time. Mutual funds issue units to the investors in accordance with quantum of money invested by them. Investors of mutual funds are known as unitholders.

The profits or losses are shared by the investors in proportion to their investments. The mutual funds normally come out with a number of schemes with different investment objectives which are launched from time to time. A mutual fund is required to be registered with Securities and Exchange Board of India (SEBI) which regulates securities markets before it can collect funds from the public.

### What is the history of Mutual Funds in India and role of SEBI in mutual funds industry?

Unit Trust of India was the first mutual fund set up in India in the year 1963. In early 1990s, Government allowed public sector banks and institutions to set up mutual funds.

In the year 1992, Securities and exchange Board of India (SEBI) Act was passed. The objectives of SEBI are – to protect the interest of investors in securities and to promote the development of and to regulate the securities market.

As far as mutual funds are concerned, SEBI formulates policies and regulates the mutual funds to protect the interest of the investors. SEBI notified regulations for the mutual funds in 1993. Thereafter, mutual funds sponsored by private sector entities were allowed to enter the capital market. The regulations were fully revised in 1996 and have been amended thereafter from time to time. SEBI has also issued guidelines to the mutual funds from time to time to protect the interests of investors.

All mutual funds whether promoted by public sector or private sector entities including those promoted by foreign entities are governed by the same set of Regulations. There is no

distinction in regulatory requirements for these mutual funds and all are subject to monitoring and inspections by SEBI. The risks associated with the schemes launched by the mutual funds sponsored by these entities are of similar type. It may be mentioned here that Unit Trust of India (UTI) is not registered with SEBI as a mutual fund (as on January 15, 2002).

### How is a mutual fund set up?

A mutual fund is set up in the form of a trust, which has sponsor, trustees, asset management company (AMC) and custodian. The trust is established by a sponsor or more than one sponsor who is like promoter of a company. The trustees of the mutual fund hold its property for the benefit of the unitholders. Asset Management Company (AMC) approved by SEBI manages the funds by making investments in various types of securities. Custodian, who is registered with SEBI, holds the securities of various schemes of the fund in its custody. The trustees are vested with the general power of superintendence and direction over AMC. They monitor the performance and compliance of SEBI Regulations by the mutual fund.

SEBI Regulations require that at least two thirds of the directors of trustee company or board of trustees must be independent i.e. they should not be associated with the sponsors. Also, 50% of the directors of AMC must be independent. All mutual funds are required to be registered with SEBI before they launch any scheme. However, Unit Trust of India (UTI) is not registered with SEBI (as on January 15, 2002).

Source : <https://www.sebi.gov.in>

### Association of Mutual Funds in India (AMFI)

Association of Mutual Funds in India (AMFI) is a non-profit industry body of the asset management companies (AMCs) of all Mutual Funds in India that are registered with Securities and Exchange Board of India (SEBI).

AMFI was incorporated on August 22, 1995 under section 25 of the Companies Act, 1956 (corresponding Section 8 of the new Companies Act, 2013), as a non-profit organisation.

AMFI is dedicated to developing the Indian Mutual Fund industry on professional, healthy and ethical lines, and to enhance and maintain standards in all areas in the best interest of investors and other stake holders.

The role of AMFI, inter-alia, is to (i) address the issues and challenges concerning the mutual fund industry to facilitate ease of doing business for its members, unitholders and various stakeholders; (ii) liaison / advocacy with the SEBI/ Reserve bank of India, Government of India etc. with regard to the issues and policy matters concerning the mutual fund industry; (iii) introduce best practices and standardised operational guidelines for being uniformly followed by all AMCs (iv) disseminate important information pertaining to mutual funds on AMFI's website, such as displaying daily NAVs of all MF schemes, performance of all MF Schemes and other useful and informational data pertaining to MF Industry; and (v) creating awareness about mutual funds through mass media.

AMFI functions under the broad guidance of the AMFI Board, comprising of fifteen Directors, elected from various categories of AMCs and operates on a co-operative model with the help of various standing committees and working groups.

AMFI has evolved an effective approach for introducing best practices using collective knowledge and expertise of members on various subjects pertaining to the Mutual Fund Industry by setting up various standing committees, namely, (i) Financial Literacy Committee; (ii) Operations & Compliance Committee (iii) Risk Committee; (iv) Committee on Certified Distributors (ARN Committee); (v) Equity CIOs Committee; (vi) Valuation Committee (comprising fixed income CIOs); and (vii) ETF Committee.

Since the time it was established, AMFI has evolved as a highly respected representative body of the MF industry, owing to active involvement of its members and has strived towards introducing several best practices across various areas, such as disclosures, operations and risk management, valuation of securities, streamlining the customer service and investor protection and communication, to be uniformly followed by all its members in the best interest of the investors.

The 'Mutual Funds Sahi Hai' campaign, a nationwide investor awareness media outreach in various languages initiated by AMFI in 2017 under SEBI's guidance, is one of the key efforts of AMFI to spread awareness about mutual funds as a distinct asset class. The MFSH campaign with simple, but very clear messaging through advertisements in different languages has helped dispel the myths associated with mutual funds and popularise mutual fund investments among retail investors and has helped the industry in adding significant number of investor accounts as well as investments.

As per SEBI MF regulations, all mutual fund agents/ distributors need to be registered with AMFI and obtain AMFI Registration number (ARN). They also must abide by the AMFI Code of Conduct for mutual fund distributors. In short, AMFI acts as the registering (licensing) body for mutual fund distributors in India by virtue of the responsibility delegated to it by SEBI.

AMFI is a member of the International Investment Funds Association (IIFA), a federation of national investment fund associations of various countries around the world. The current IIFA membership comprises 38 national associations and 2 regional associations.

Source : <https://www.amfiindia.com/aboutamfi>

**Disclaimer:** The above two extracts are taken from the SEBI and AMFI websites to educate Investors. The above two website links can be used for a detailed understanding of the concepts.

# LIFE INSURANCE FOR WOMEN

Gender distinctions are starting to blur in the modern world. As women are excelling in all spheres, they are also gaining financial freedom and independence. Today's women have started taking up the role of the breadwinner as well. They are enhancing a family's living standards by sharing the burden of household expenses, mortgages, and children's educational costs. What's more, they even help their retired parents with their finances. Apart from working women, the work done by homemakers also has significant monetary value. If external help has to be hired for household chores and taking care of children, it will add to the family's expenses. This is why, it is important that the income and other invaluable contributions of women, such as yourself, need to be protected. In case of an unfortunate event, life insurance is one such financial instrument that can protect your family's financial security to ensure stability.

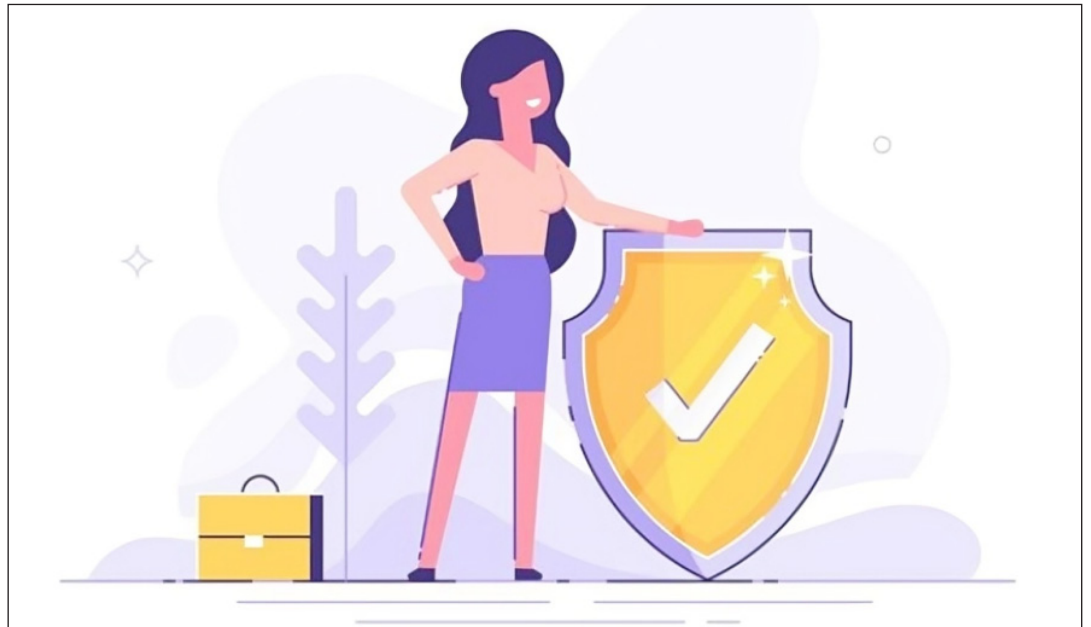
## Importance of Buying Life Insurance

According to the Census of India, about 48% of the Indian population is female. Yet women purchased only 36% of the life insurance policies issued in the country, in 2019. While there is still a disparity in numbers between the male and female life insurance policyholders, with an increase in the exposure and awareness of life insurance among women, there is a slow yet significant change in this sphere. Therefore, it is essential to understand the importance of insuring yourself.

Buying life insurance is extremely important for you to protect the financial future of your loved ones and to save for your life goals systematically. Moreover, science has proven that women have longer life expectancy than men. This means that you will have to stay financially prepared for a more extended period. And what better way to do that than with a life insurance plan?

## Benefits of Life Insurance

- **Protecting loved ones** The inherent nurturing tendencies within you make the security of your loved ones your primary concern. By investing in life insurance, you can ensure the financial security of your family members in case of any unfortunate event. It is useful for bringing peace of mind, ensuring good health and thereby increasing your productivity.



- **Lower premium amounts** As per the National Health Profile 2019, the life expectancy of females in India is 70.2 years while that of males is 67.4 years. Since the prices of life insurance products are based on the risk profiles of the insured person and the mortality risk of females is lower, you will, most likely, have to pay lesser premiums for your life insurance plans.
- **Building wealth** By nature, women meticulously plan finances for meeting future financial needs, and life insurance plans can be a great investment instrument. They not only help in building your wealth and savings, but also help in generating better returns, while providing a life cover.
- **Regular income after retirement** Apart from fulfilling your dreams or ensuring financial safety and support to your loved ones in case of an unfortunate event, a life insurance plan can also help you plan your retirement well. Creating wealth through plans like ULIPs and endowment plans will help you to accumulate wealth and have a regular flow of income even after retirement.
- **Protection against critical illnesses** Apart from the critical medical conditions like heart failure, kidney impairment, etc., which affect a large number of people, women are exclusively at the risk of certain forms of cancer like breast cancer or cervical cancer, amongst others. Treatment for such illnesses is not only lengthy and traumatic but can also lead to a significant financial burden for you and your family. A life insurance plan with critical illness cover, helps you stay mentally and financially prepared to fight these critical illnesses.
- **Obtaining tax benefits\*** In addition to other benefits, a life insurance plan also helps you in saving taxes through various provisions available as per tax slabs and laws.
- **Utilising cash value benefits** Several life insurance products acquire a cash value against which loans can be taken. This can help you with liquidity for contingencies.

## Types of insurance to choose from:

Depending on your needs and goals, there are a vast number of life insurance products and offerings available for you to select from. Based on your risk appetite, you can opt for traditional or market-linked insurance products. Here are some of the options you can choose from:

- A term insurance plan offers a large cover at affordable premiums which will secure your family's financial future and stability, in case of your absence.
- An endowment plan is just like a regular savings plan but with the additional benefit of providing a life cover.
- A unit-linked life insurance policy (ULIP) is a plan which acts as a systematic investment tool to help build your wealth by offering growth and returns depending on the market situation.
- An annuity plan and a retirement plan can act as a source of regular income for your post-retirement life.

Whether it's for the financial protection of the family or to build a corpus for future goals, life insurance is a must-have. A small investment by you today can help you in ensuring a secure future for you and your family.

Source : <https://www.icicprulife.com>

INSURANCE IS THE SUBJECT MATTER OF SOLICITATION.

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# BHARAT GRIHA RAKSHA – HERE'S EVERYTHING ABOUT STANDARD HOME INSURANCE COVER

**B**harat Griha Raksha provides coverage for home building and its content. This policy has been made mandatory by the Insurance Regulatory and Development Authority of India (IRDAI) for every insurer to offer with effect from April 1, 2021. The IRDAI announced the introduction of Bharat Griha Raksha standard home insurance policy on January 4, 2021 that it will cover the risk of fire and allied perils for certain risks. Bharat Griha Raksha is basically a home insurance cover that provides coverage for loss, damage or destruction of the home building along with its content and jewellery. In Bharat Griha Raksha the policy can be extended up to 10 years. Valuable content of the house can also be covered with Bharat Griha Raksha under different optional covers.

## Features of Bharat Griha Raksha

### 1. PERILS COVERED

The standard home insurance policy offers a wide range of perils: fire natural catastrophes, including storms, cyclones, typhoons, tempests, hurricanes, tornadoes, tsunamis, floods, inundations, earthquakes, and subsidence landslide and rockslide. It also provides coverage for forest, jungle and bush fires. In addition, damage from man-made hazards like a riot, strike, malicious damages, acts of terrorism and theft will also be covered under Bharat Griha Raksha.

### 2. TIME

Under Bharat Griha Raksha, cover will be provided within 7 days from the occurrence of any perils and manmade hazards mentioned under this policy.

### 3. WIDER COVERAGE

Apart from home building, the Bharat Griha Raksha policy covers general home contents automatically without any need for a declaration of details. It provides 20% of the sum insured for the building subject to a maximum of Rs 10 lakh. One can also opt for a higher sum Insured for general contents by declaring the details.

### 4. OPTIONAL COVERS

Bharat Griha Raksha policy offers numerous optional covers. You can opt for coverage for your valuables like jewellery, silverware,



paintings, works of art, etc., under the optional cover, where valuation has to be provided in some instances. Apart from this, add on coverage like loss of rent or rent for alternative accommodation, architect, surveyor and consultant engineer fee up to 5% of the claim amount and costs of clearing debris are also provided under this policy.

### 5. OTHER FEATURES

Bharat Griha Raksha policy does not provide a complete waiver of under-insurance. The policyholder's claim will not be settled proportionately but up to the sum insured that is declared. For example, if the general home contents (such as television, fridge washing machine) are insured for Rs 50,000, while the actual value is Rs 1 lakh, the policy will still pay the entire sum insured, i.e. Rs 50,000. Like all standard insurance policies introduced by IRDAI, the product has been designed with policyholder friendly features and have wording in simple language for the general public to understand it easily.

### What Does Bharat Griha Raksha Policy Cover?

- Fire, explosion/implosion

- Riot, Terrorism and Malicious damage
- Natural Calamities – Earthquake, flood, cyclone, storm, hurricane, typhoon, lightning, etc
- Damaged caused externally due to third-party vehicles, other person's tree, etc
- Theft

### What Does Bharat Griha Raksha Policy Not Cover?

- Loss or damage to unset precious stones, manuscripts, plans and drawings
- Loss, damage or destruction to any electrical/electronic machine, apparatus, fixture, or fitting by over-running, excessive pressure and short-circuiting
- War, invasion, an act of foreign enemy hostilities or war-like operations
- Any willful negligence or misconduct

### CONCLUSION

Homeowners looking for an ideal home insurance cover can opt for the Bharat Griha Raksha policy, which will secure the home structure and its content appropriately. Even tenants should consider buying the Bharat Griha Raksha policy to insure the belonging against any sort of unforeseen event.

Source : <https://www.hdfcergo.com>

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