

Investor Awareness Program

Save



Spend



Invest



**What do you do
with your money?**

“

Do not save what is left after spending,
But spend what is left after saving.

——— Warren Buffett

”

What's wrong with just saving?

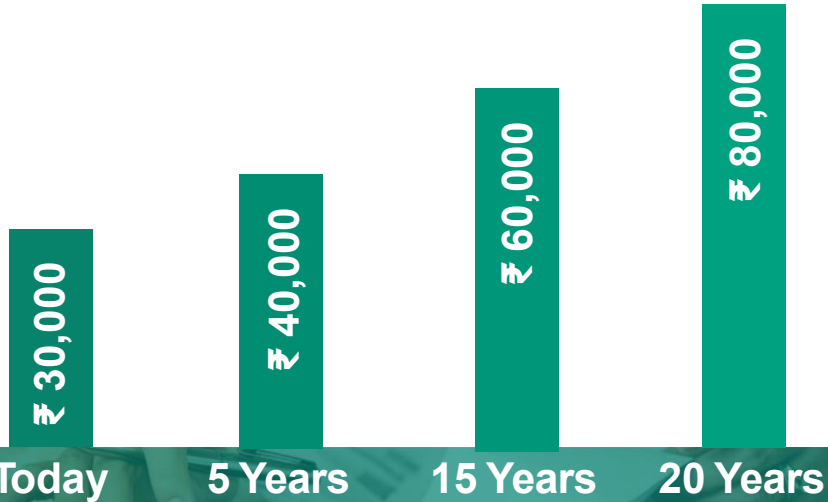


Inflation
eats up your savings over time!

Impact of Inflation

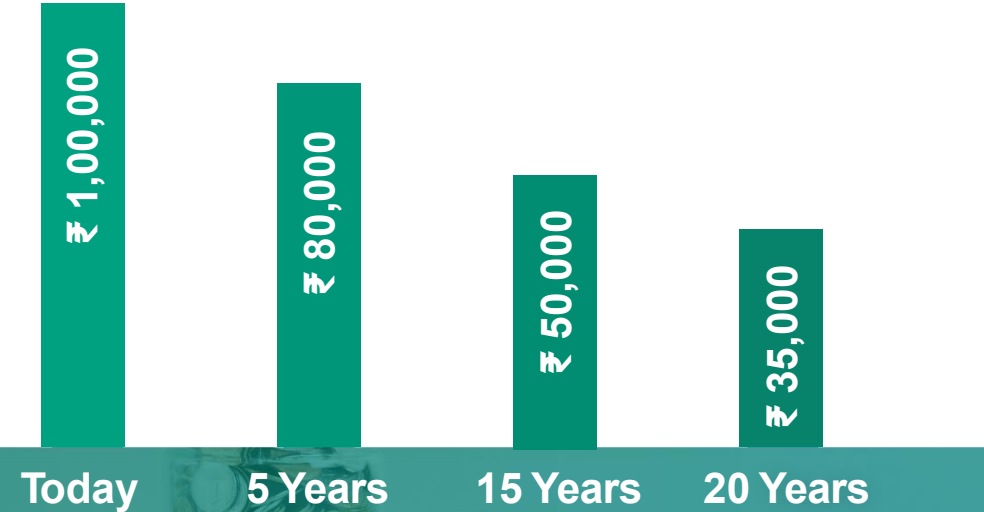


Impact of Inflation on expenses



Impact of 5% yearly inflation on expenses

Impact of Inflation on savings



Impact of 5% yearly inflation on Savings

Solution?



Investing - the safeguard against inflation



Start Saving ...
the earlier you start, the better



Progress from 'Saving'
to 'Investing'



Put money to work rather than
accumulating or keeping it idle



You work hard to earn money ...
So, make the money work hard
for you



Benefit from the
Power of Compounding

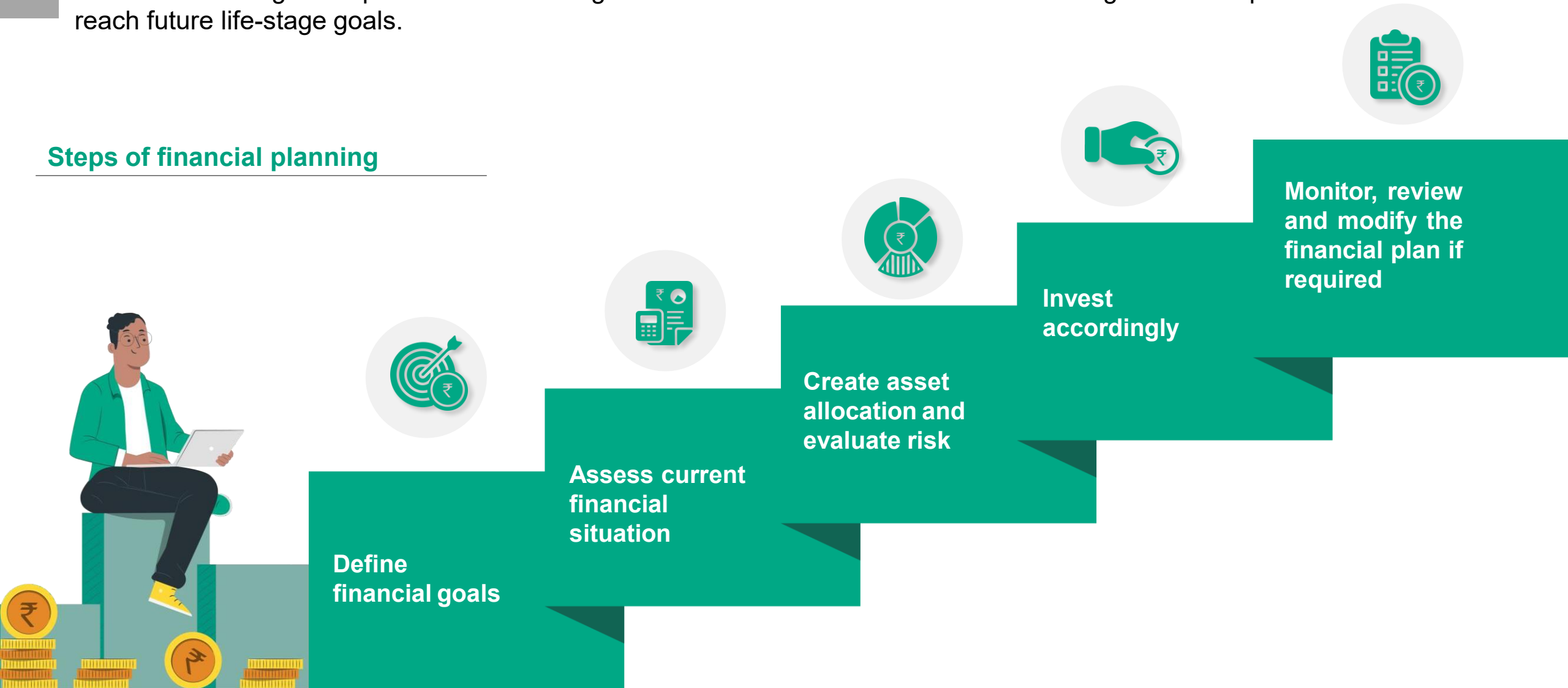
A comprehensive financial plan can help you plan your investments efficiently

What is Financial Planning?



Financial Planning is the practice of assessing one's current financial situation and drawing a financial plan to reach future life-stage goals.

Steps of financial planning



Why is Financial Planning important?



To reach financial goals faster & in a disciplined manner

Investing systematically can help you stay focused on the goal



To enhance your standard of living

Saving and investing according to a financial plan can help you live a sustainable standard of living.



To prepare for financial emergencies

Keeping aside a contingency fund can protect your financial being during a crisis situation



To manage and save taxes efficiently

Financial planning helps you invest in tax-saving instruments which are aligned with your goals and asset allocation



To enjoy peace of mind

A financial plan manages your money efficiently and thereby helps you enjoy peace of mind.

“

Never depend on single income.
Make investment to create a second source.

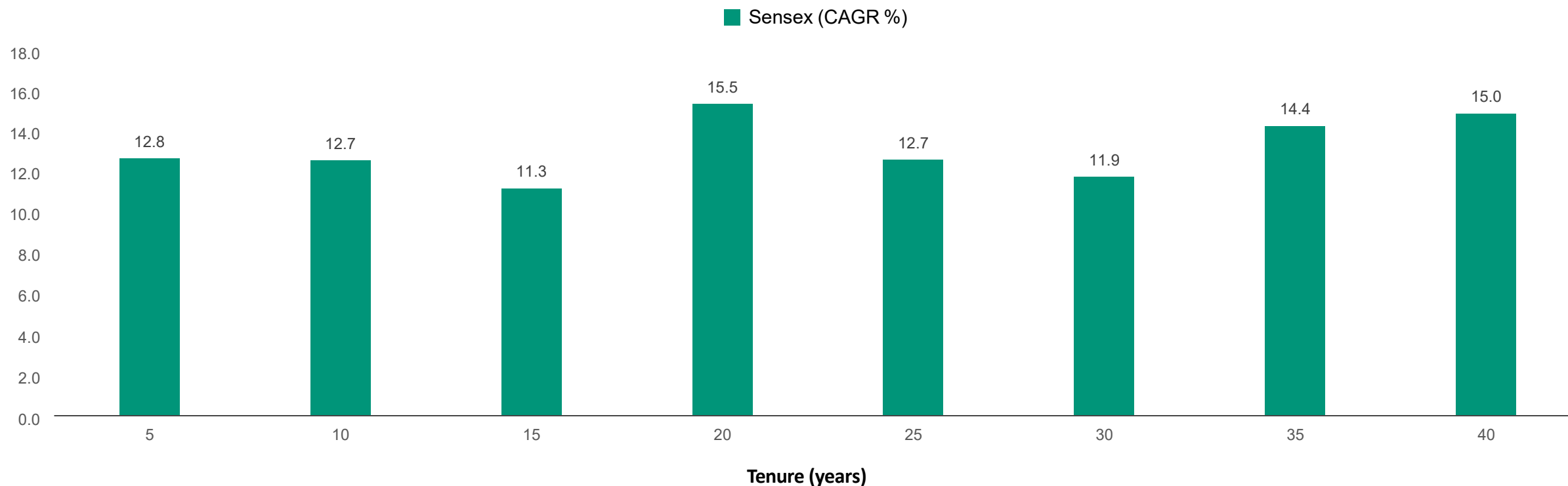
——— Warren Buffett

”

Investing in the right asset can help create wealth in the long term



Returns generated by investment in stock market over different tenures



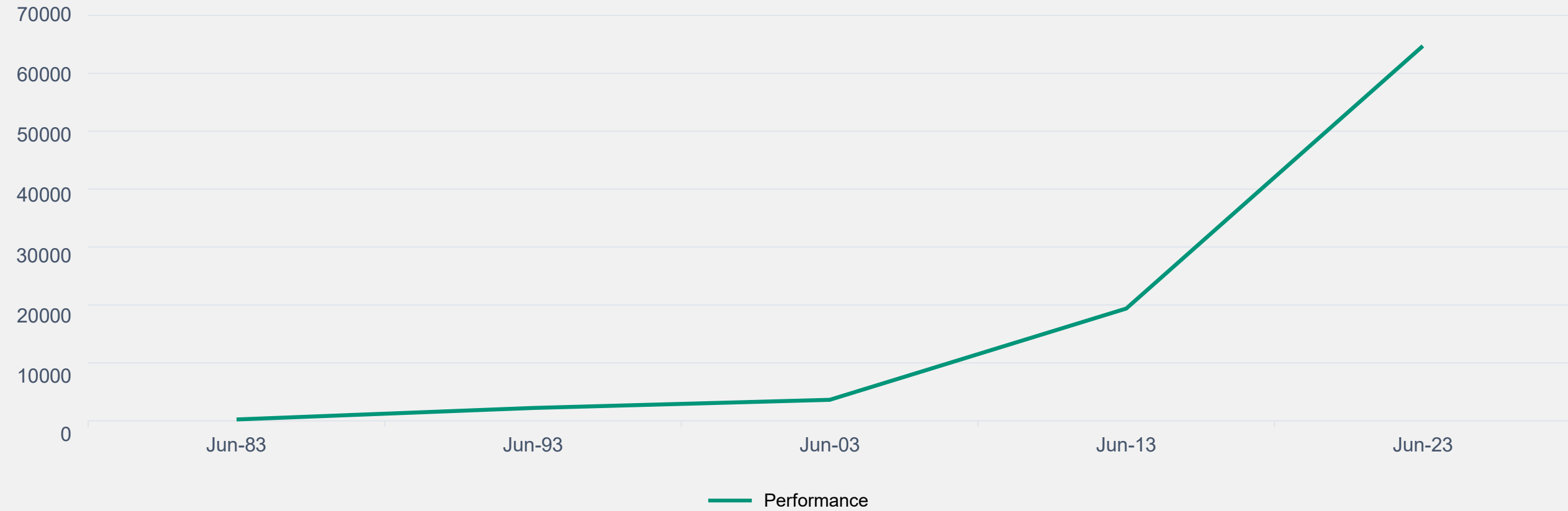
Source: ACE MF | CAGR returns are as of 30 June 2023 | Returns are calculated in a way that the investment period for every tenure is ending on June 30, 2023. For example, the investment period for five-years returns is 1 July 2018 to 30 June 2023; the investment period for ten-years is 1 July 2013 to 30 June 2023 and so on | Past performance may or may not guarantee future performance

Investing for the long can prove to be beneficial



S&P BSE SENSEX

Growth over the years

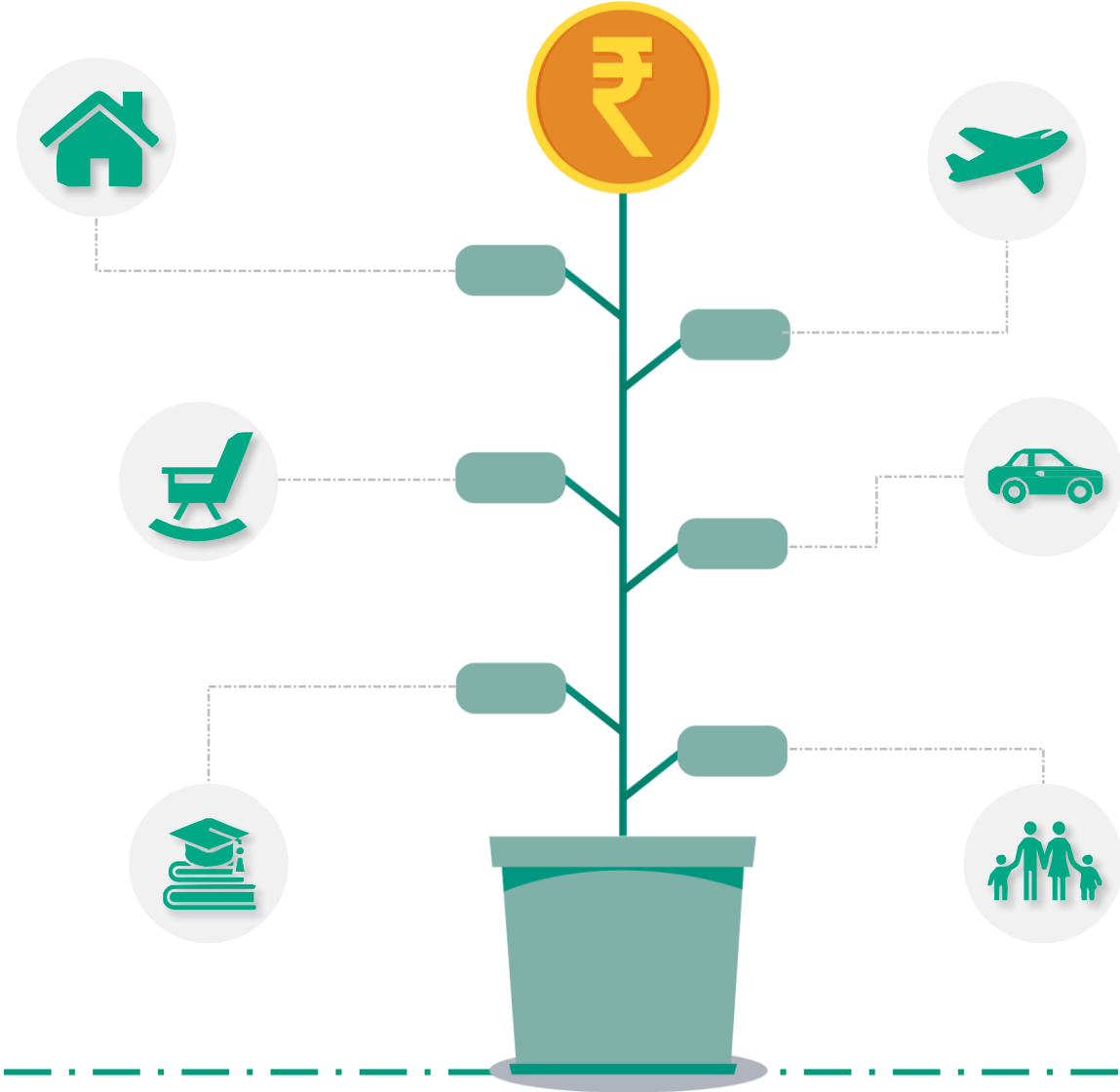


Source: ACE MF | Past performance may or may not guarantee future performance | Data as on 30 June 2023

Determine What are you Investing for?

Goal based investing

Always invest in assets
with your specific financial
goal in mind



What are the various options?



Gold



Stocks



Bonds



Property



Insurance



Bank
Deposits



Make your investments work for you

Your Investments should



Fight **inflation** for you



Provide **income** when you need it



Be **accessible & usable** in parts and portions



Grow in value and appreciate over time



Be **realizable** at fair value and low cost

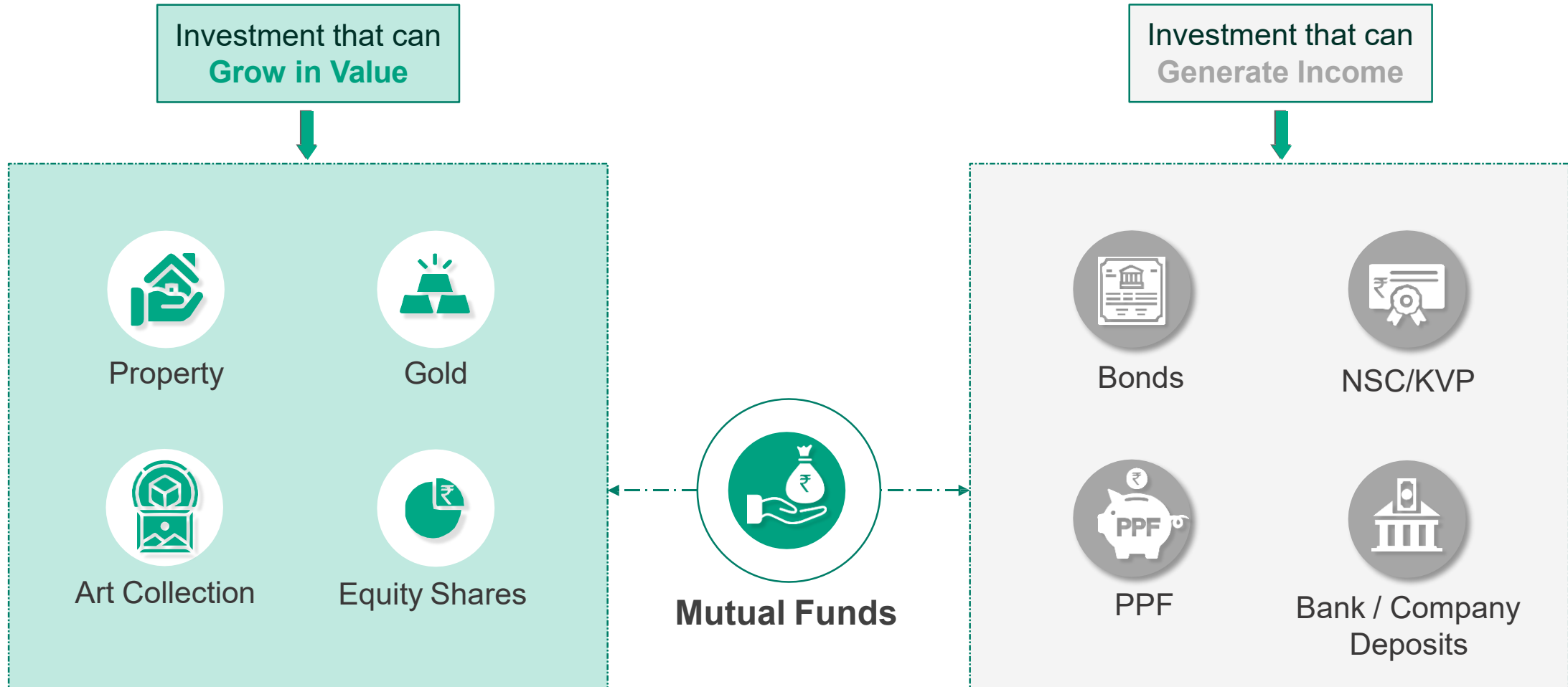
Proper **Asset allocation** is the answer

What is Asset Allocation ?



Asset Allocation
is like a balanced thali ...

Asset Allocation should match your financial planning/goals



Are you investing in the **right assets**?

— Mutual Funds



What is a Mutual Fund?



A mutual fund is a financial vehicle (scheme) that collects money from many investors and invests it in securities such as stocks, bonds, debentures etc.



Mutual Funds are managed by fund managers, who have the expertise in studying the financial markets.



Anybody with an investible surplus of as little as a few hundred rupees can invest in Mutual Funds



Mutual Fund investment gives the market returns and not assured returns

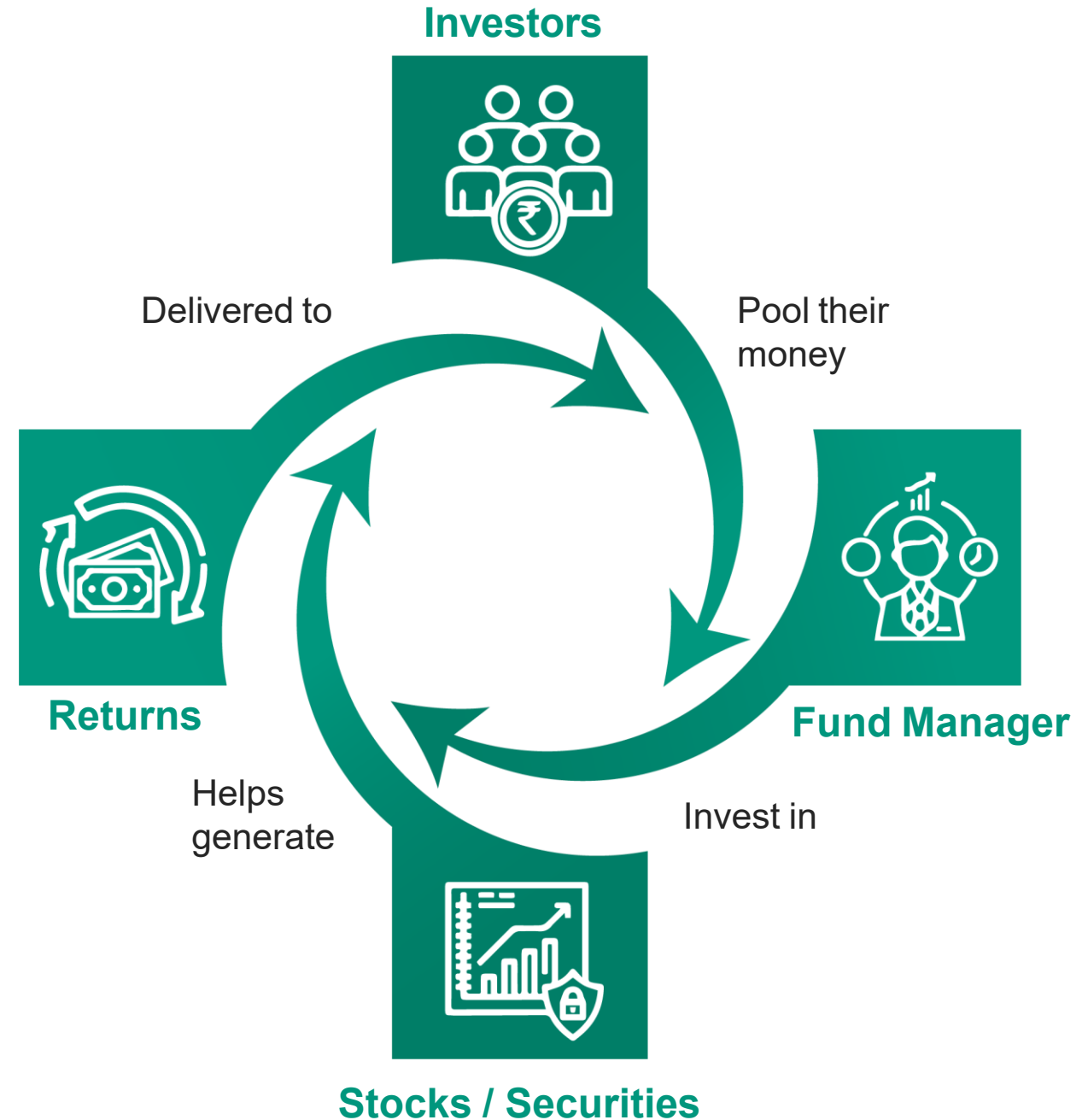


Investment in Mutual Funds is the most cost-efficient as it offers the lowest charge to the investor



In the long term, market returns have the potential to perform better than other assured return products

How does a Mutual Fund work?



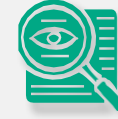
Why invest in Mutual Funds?



Low Cost



Professional Management



Transparency



Risk Diversification



Liquidity



Convenient
(Invest Small Amounts)



Well-Regulated
By SEBI



The background of the slide is a teal-tinted image showing a person's hands working on financial documents. One hand is pointing at a tablet displaying a 'STATISTICAL ANALYSIS' report with various charts and graphs. The other hand is holding a pen, ready to write on a document that also features charts and data. The overall scene suggests a professional financial analysis or investment management environment.

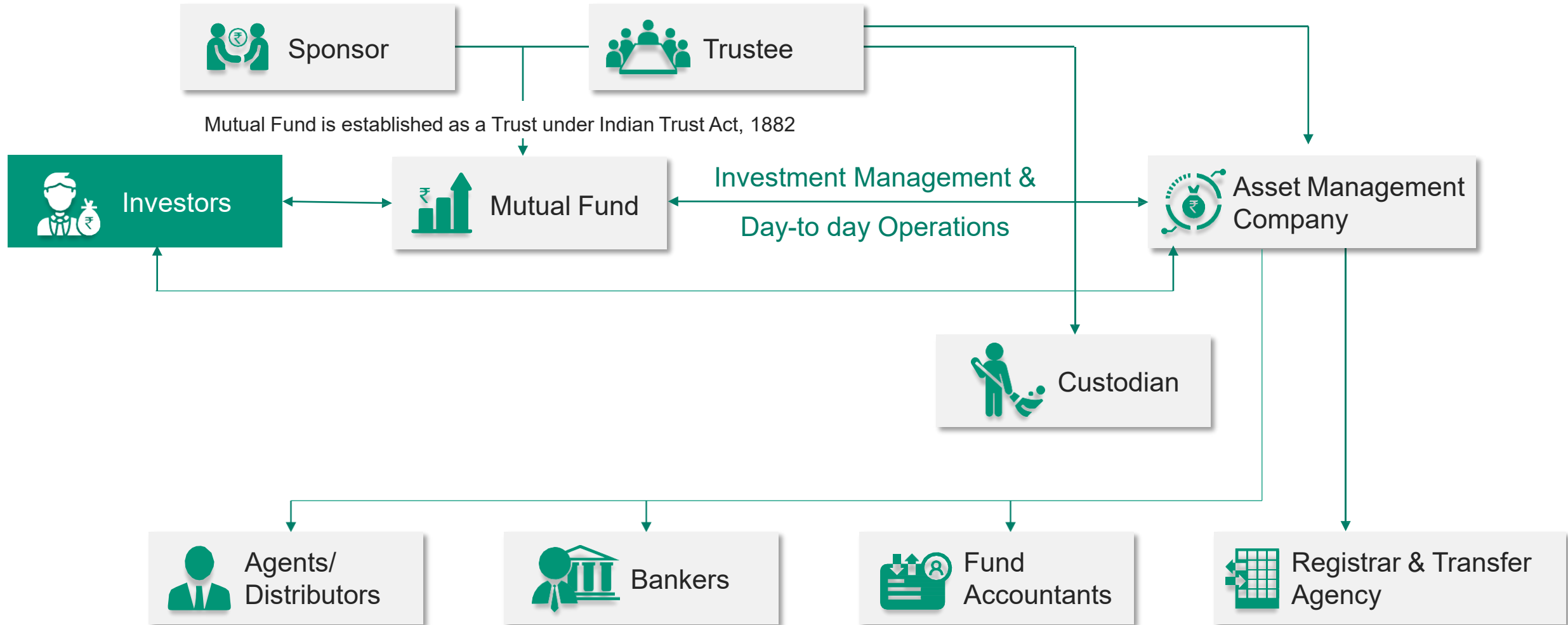
Mutual Fund

Structure & Scheme Categories

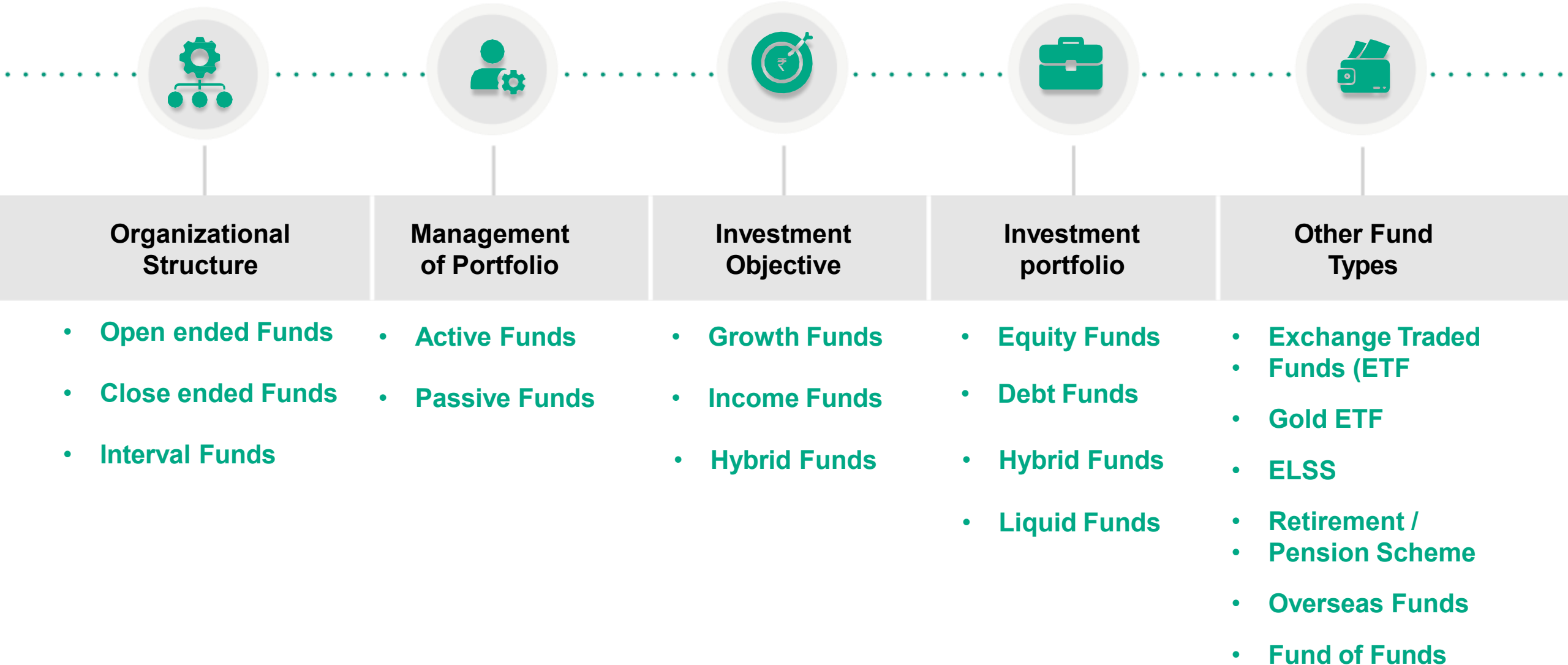
Structure of Mutual Fund at a glance ...



Execute a Trust Deed to form a trust



Types of Mutual Funds



Categorization of Mutual Fund Schemes



As per SEBI guidelines on Categorization and Rationalization of schemes issued in October 2017, mutual fund schemes are classified as:



Equity Schemes



Debt Schemes



Hybrid Schemes



**Solution Oriented Schemes –
For Retirement and Children**



**Other Schemes – Index Funds &
ETFs and Fund of Funds**

- Under Equity category, Large, Mid and Small cap stocks have now been defined.
- Naming convention of the schemes, especially debt schemes, as per the risk level of underlying portfolio (e.g., Credit Opportunity Fund is now called Credit Risk Fund)
- Balanced / Hybrid funds are further categorised into conservative hybrid fund, balanced hybrid fund and aggressive hybrid fund etc

Equity schemes



Equity Funds



Invest in equities and equity related instruments of companies



Seek growth in the long term, can be volatile in the short term



Suitable for investors with higher risk appetite and longer investment horizon

Equity Funds Categories



Multi Cap Fund*

At least 65% investment in equity & equity related instruments



Large Cap Fund

At least 80% investment in equity & equity related instruments



Large & Mid Cap Fund

At least 35% investment in large cap stocks and 35% in mid cap stocks



Mid Cap Fund

At least 65% investment in mid cap stocks



Small cap Fund

At least 65% investment in small cap stocks



Flexi Cap Fund

An open ended dynamic equity scheme investing across large cap, mid cap, small cap stocks

* Also referred to as Diversified Equity Funds

Equity Fund Categories



Dividend Yield Fund

Predominantly invest in dividend yielding stocks, with at least 65% in stocks



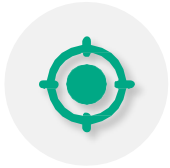
Value Fund

Value investment strategy, with at least 65% in stocks



Contra Fund

Scheme follows contrarian investment strategy with at least 65% in stocks



Focused Fund

Focused on the number of stocks (maximum 30) with at least 65% in equity & equity related instruments



Sectoral/ Thematic Fund

At least 80% investment in stocks of a particular sector/ theme



ELSS

At least 80% in stocks in accordance with Equity Linked Saving Scheme, 2005, notified by Ministry of Finance

Equity Linked Savings Scheme (ELSS)



Deduction from taxable
income of up to
Rs.1,50,000 under Sec 80C



Invests predominantly in
equity and helps generate
market-linked returns



Shortest lock-in period of 3
years, as compared to other
tax-saving options

Tax benefits are subject to the provisions of the Income Tax Act, 1961 and are subject to amendments from time to time. | Investments of up to Rs 1.5 lakhs done in ELSS Mutual Funds in a financial year are eligible for tax deduction u/s 80C. It translates into a tax saving of up to Rs 46,800 in a financial year.

— Debt schemes

Debt Funds



Invest in different types
of fixed income securities

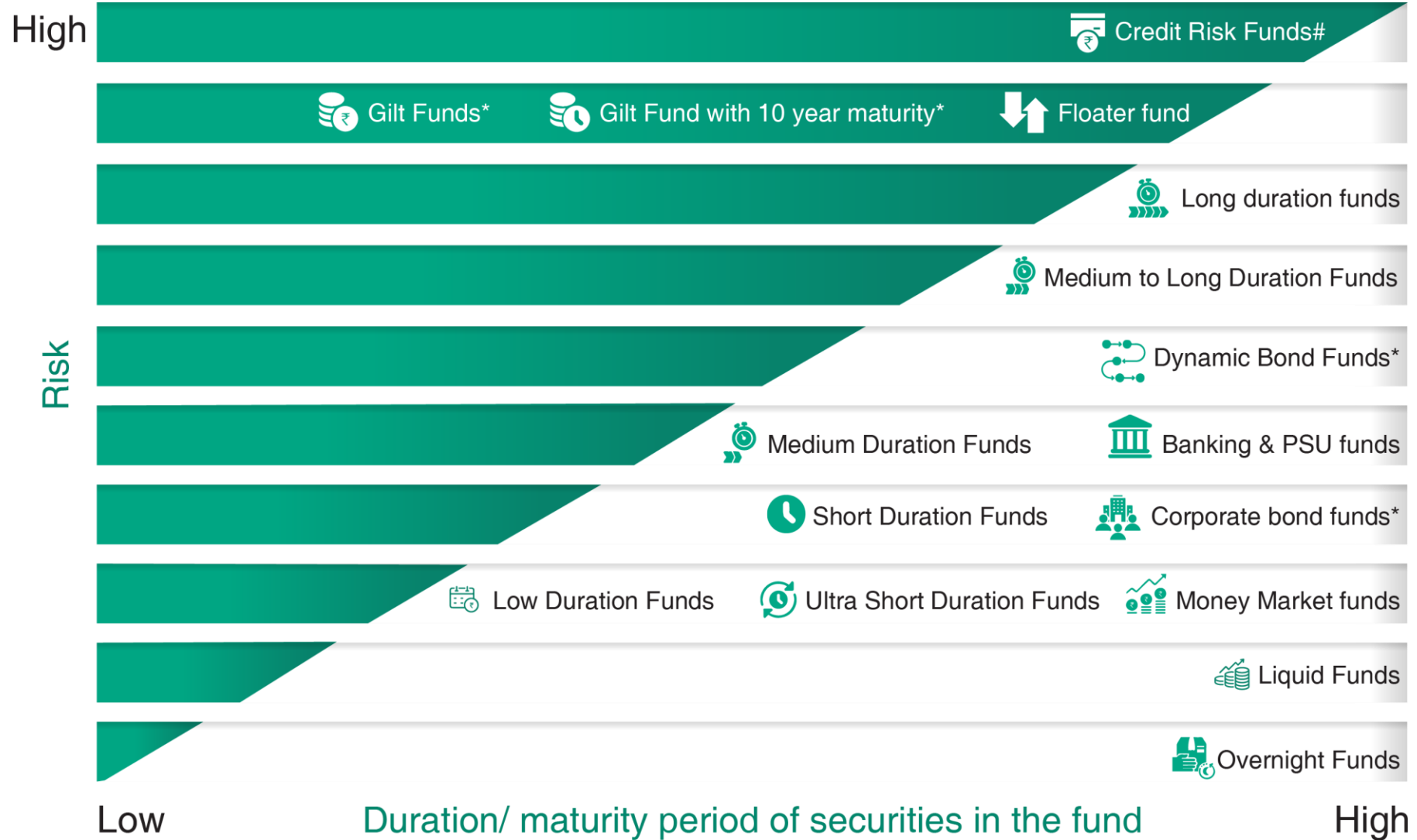


Aim to earn interest income
and capital appreciation



Suitable for investors
seeking returns with low
or moderate risk

Types of debt funds



* Dynamic Bond Fund and Gilt Funds are suitable across duration | # Duration of securities in Credit Risk Fund is strategic and not pre-determined

Debt Funds Categories



Overnight Fund

Overnight securities/ Securities having maturity of 1 day



Liquid Fund

Debt and money market securities with maturity of upto 91 days only



Ultra Short Duration Fund

Securities with Macaulay duration of the portfolio between 3 months - 6 months



Low Duration Fund

Securities with Macaulay duration of the portfolio between 6 months - 12 months



Money Market Fund

Money Market instruments having maturity upto 1 Year



Short Duration Fund

Securities with Macaulay duration of the portfolio between 1 year- 3 years



Medium duration fund

Securities with Macaulay duration of the portfolio between 3 year- 4 years



Medium to long duration fund

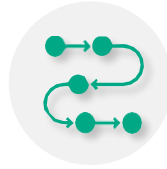
Securities with Macaulay duration of the portfolio between 4 year- 7 years

Debt Funds Categories



Long Duration Fund

Securities with Macaulay duration of the portfolio greater than 7 years



Dynamic Bond

Securities across duration



Corporate Bond Fund

Minimum 80% investment in corporate bonds only in AA+ and above rated corporate bonds



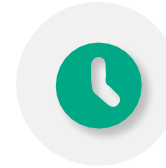
Credit Risk Fund

Minimum 65% investment in corporate bonds, only in AA and below rated corporate bonds



Banking and PSU Fund

Minimum 80% in Debt instruments of banks, Public Sector Undertakings, Public Financial Institutions and Municipal Bonds



Gilt Fund

Minimum 80% in G-secs, across maturity



Gilt Fund with 10 year constant Duration

Minimum 80% in G-secs, such that the Macaulay duration of the portfolio is equal to 10 years



Floater fund

Minimum 65% in floating rate instruments (including fixed rate instruments converted to floating rate exposures using swaps/ derivatives)

Debt Fund Categories



Banking and PSU Fund

Minimum 80% in Debt instruments of banks, Public Sector Undertakings, Public Financial Institutions and Municipal Bonds



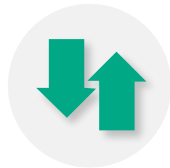
Gilt Fund

Minimum 80% in G-secs, across maturity



Gilt Fund with 10 year constant Duration

Minimum 80% in G-secs, such that the Macaulay duration of the portfolio is equal to 10 years



Floater Fund

Minimum 65% in floating rate instruments (including fixed rate instruments converted to floating rate exposures using swaps/ derivatives)

Hybrid schemes

Equity

Debt

Hybrid

Hybrid Funds



Invest in a mix of equities and debt



Aim to generate wealth from equity exposure while the debt portion fortifies them against any downturn



Suitable for investors looking for a mix of safety, income and modest capital appreciation

Hybrid Funds



SEBI has classified Hybrid funds into 7 sub-categories as follows:



Conservative Hybrid Fund

- 10% to 25% investment in equity & equity related instruments; and
- 75% to 90% in Debt instruments



Balanced Hybrid Fund

- 40% to 60% investment in equity & equity related instruments; and
- 40% to 60% in Debt instruments



Aggressive Hybrid Fund

- 65% to 80% investment in equity & equity related instruments; and
- 20% to 35% in Debt instruments



Dynamic Asset Allocation or Balanced Advantage

- Investment in equity/ debt that is managed dynamically (0% to 100% in equity & equity related instruments; and
- 0% to 100% in Debt instruments)



Multi Asset Allocation

- Investment in at least 3 asset classes with a minimum allocation of at least 10% in each asset class



Arbitrage Fund

- Arbitrage funds are hybrid mutual funds that generate returns by using the strategy of simultaneously buying and selling of securities in different markets to take advantage of different prices.



Equity Savings

- Equity and equity related instruments (min.65%);
- Debt instruments (min.10%) and
- Derivatives (min. for hedging to be specified in the SID)

The background of the slide features a close-up of a hand holding a glowing lightbulb. The lightbulb is filled with various business-related icons, including bar charts, line graphs, a dollar sign, a smartphone, a lightbulb, a pie chart, and the words "Plan", "Do", "Check", "Success", and "Team". The entire image has a teal/green color overlay.

Solution-oriented & Other schemes

Solution Oriented & Other Schemes



Retirement Funds

Lock-in for at least 5 years or till retirement age whichever is earlier



Children's Funds

Lock-in for at least 5 years or till the child attains age of majority whichever is earlier



Index Funds/ ETFs

Minimum 95% investment in securities of a particular index



Fund of Funds (Overseas/ Domestic)

Minimum 95% investment in securities of a particular index

Index Funds



Portfolio replicates the index



Aims to provide returns in
line with index



Suitable for investors
seeking returns similar to
index

Index Funds



Mirrors a market index.



Includes securities as per index and in the same proportion/weightage



Passive fund management



Aims to offer returns and undertake risks similar to the of the index it tracks



Fees capped at: 1.5% (of the amount one invests annually)



Complete transparency in knowing the stocks in the portfolio



Exchange Traded Funds (ETFs)



Tracks an index, a commodity, bonds, or a basket of assets



Trades like a common stock on the stock exchange



Passive fund management



Lower cost of fund management than active funds



Gold

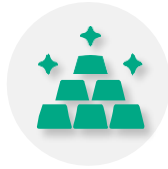
Exchange Traded Funds



Invests in pure physical gold bullion of 99.5% purity. May also invest in gold related instruments approved by SEBI and Gold Deposit Scheme of banks upto 20% of net assets



Each unit of Gold ETFs represents a defined weight in gold, typically one gram.



The price of Gold ETF unit moves in line with the domestic price of gold.



Gold ETF are benchmarked against the price of gold.



Considered as non-equity mutual funds for the purpose of taxation

- Eligible for long-term capital gains benefits if held for 3 years
- No wealth tax is applicable on Units of Gold ETFs



International Funds



International funds expose your portfolio to international markets, by holding one or more of the following:

- Equity/ Debt of companies listed abroad
- ADRs and GDRs of Indian companies
- Debt of companies listed abroad
- ETFs of other countries
- Units of passive index funds in other countries
- Units of actively managed mutual funds in other countries



An international equity fund may also hold some Indian equity or debt and invest in money market instruments to manage liquidity.

Fund of Funds (FoF)



Fund of funds invest in the units of another mutual fund. Hence, FoFs are also known as multi-manager funds



The portfolio of a FoF scheme includes the units of different mutual fund schemes the FOF invests in



The fund management cost includes expenses of FoF along with underlying schemes.



Investing in an FoF helps diversify the portfolio and benefit from risk diversification



Arbitrage Funds



The word 'Arbitrage' refers to the practice of buying a security in one market, and then selling it at a higher price in another market.



An Arbitrage fund buys a security in the cash market and simultaneously sells it in the Futures market, at a higher price. The price difference in these two markets helps generate returns.



The positions have to be held until expiry of the derivative cycle and both positions need to be closed at the same price to realize the difference.



The cash market price converges with the futures market price at the end of the contract period. Thus it delivers risk-free profit for the investor/trader.



Price movements do not affect initial price differential because the profit in one market is set-off by the loss in the other market.



Suitable for cautious investors who want to benefit from a volatile market without taking on too much risk.



Mutual Fund Scheme - Which one to buy?



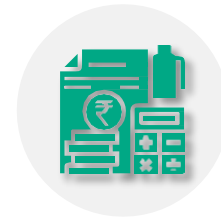
Equity Schemes

- Higher Returns
- Higher Risk



Hybrid Schemes

- Moderate Returns
- Moderate Risk



Debt Schemes

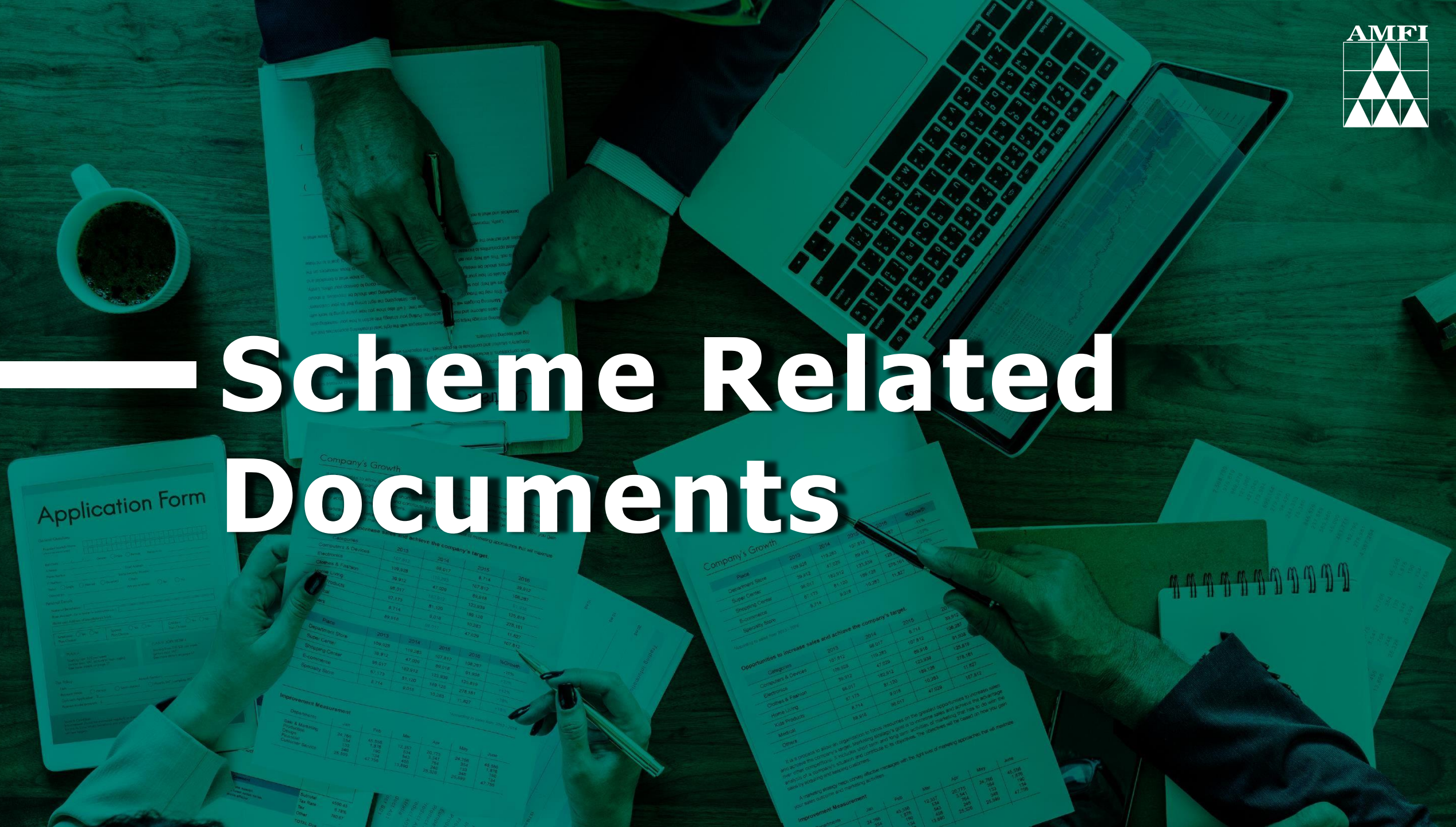
- Low - Moderate Returns
- Low - Moderate Risk



Liquids Schemes

- Lower Returns
- Very Low Risk

Scheme Related Documents





Scheme information document (SID)

- It includes detailed information that an investor should know before investing, like the investment objective, fees, asset allocation, etc.



Statement of Additional Information (SAI)

- SAI contains information related to legal, tax, and general aspects of a mutual fund.
- It is common for all schemes issued by a mutual fund.



Key Information Memorandum (KIM)

- KIM is a summarized version of the SID
- It includes key/essential details that an investor must understand before investing.

- One must read & understand scheme related documents before investing in a mutual fund scheme.

Plans & Options

Direct Plans & Regular Plans



Regular Plan



You can invest with the help of Mutual Fund Distributor/agent

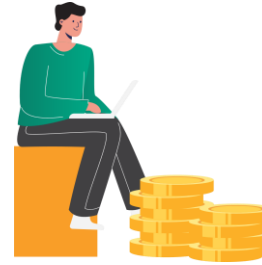


It has comparatively LOWER NAV



It has High Expense Ratio

Direct Plan



You can invest DIRECTLY without involving any distributor/agent



It has HIGHER NAV than regular plan



It has Low Expense Ratio as there is no additional fees involved to broker/agent

Growth Option & IDCW (Dividend) Option



Growth Option

Profits made by the scheme are re-invested in the scheme and not paid out to investors

This option can help avail the benefit of compounding

Suitable for investors who do not require regular income



Income Distribution cum Capital Withdrawal (IDCW) Option

Profits made by the scheme are either re-invested or paid out to investors from time to time

Suitable for investors who require a source of income

Investors have to pay a tax on the dividend income

Modes of Investing



Lump sum Investment

Investing a certain amount
in one go



Systematic Investment Plan (SIP)

Investing a fixed amount
periodically



Systematic Transfer Plan (STP)

Transferring a certain amount
from one mutual fund scheme
(source) to another mutual fund
scheme (target) of your choice



Inter Scheme Switches

Switching investment from
one open ended scheme
to another within the same
fund house

Systematic Investment Plan (SIP)



SIP allows an investor to regularly invest a fixed amount in a mutual fund scheme.



This is similar to the Recurring Deposit facility provided by banks



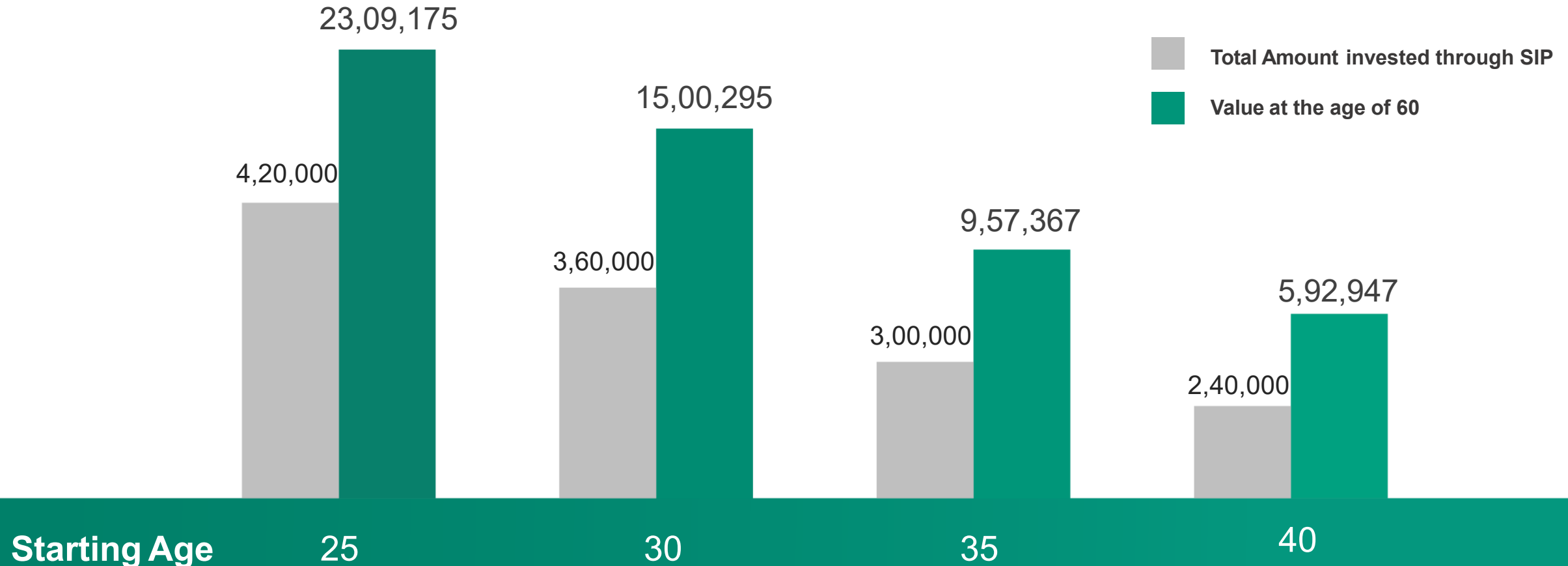
The advantages of investing through SIP are:

- Regular, disciplined investing
- Smaller installments
- Averaging the cost of one unit i.e., 'Rupee Cost Averaging'
- No need to time the market!

SIP: The Power Of Compounding



SIP of Rs. 1,000 invested per month @ 8% pa till the age of 60.



...the sooner you start, makes a lot of difference!

SIP - How Rupee Cost Averaging helps



Month	Amount	Rising Market		Falling Market		Volatile Market	
		NAV (Rs)	Units Allotted	NAV (Rs)	Units Allotted	NAV (Rs)	Units Allotted
1	10,000	10	1000.00	10	1000.00	10	1000.00
2	10,000	10.5	952.38	9.75	1025.64	10.5	952.38
3	10,000	12	833.33	9	1111.11	9	1111.11
4	10,000	14	714.29	7	1428.57	11	909.09
5	10,000	17	588.24	6.5	1538.46	13	769.23
6	10,000	18	555.56	6	1666.67	11.5	869.57
Total	60,000	81.50	4643.79	48.25	7770.45	65.00	5611.38
Avg. Purchase NAV		13.58		8.04		10.83	
Avg. cost per unit		12.92		7.72		10.69	

Put aside an amount regularly

Rupee cost averaging

Discipline is the key

Control volatility

Note: The above example uses assumed figures and is for illustrative purposes only.

Systematic Withdrawal Plan (SWP)



SWP allows an investor to regularly withdraw a fixed amount from their mutual fund investments



The desired amount is credited to the investor's bank account by redeeming equivalent units



SWP can aid retirement planning as it provides a regular cash inflow



SWP also helps in supplementing your regular salary, etc. income by way of additional cash flow

How to invest in **Mutual Funds**



Be 'Investment-ready'!



Pre-requisites



KYC (Know Your Customer) Process



PAN Card



Bank Account

Steps to complete KYC Process

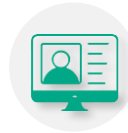
Visit any MF Branch Investor Service Centre / Branch with required KYC Documents, namely –



Address Proof - Aadhaar Card, Passport, Tel. bill etc.



Identity Proof - PAN Card, Aadhaar Card, Passport, Voter's card etc.



Submit Completed KYC form with photograph with required documents

After completing KYC

you can open a MF Folio with any Mutual Fund and start investing .



Start Investing

Modes of Investing



Physical Mode

(Traditional / Paper based)



Online Mode



How to invest in a Mutual Fund Scheme?



One can invest in a Mutual Fund scheme **Offline** or **Online**



Offline (physical application) mode

To invest in mutual funds through the offline mode:



Fill out the scheme application form and sign it



Provide a cheque or a bank draft for the amount to be invested



Submit the form and the cheque/bank draft at the branch office or designated Investor Service Centers of mutual funds or Registrar and Transfer Agents and MFU



Online mode

To invest in mutual funds through the offline mode:



Visit the website of the respective mutual fund or a mutual fund distributor



Buy mutual funds units through NSE – MFSS and BSE - StAR MF



Visit the [MF Utilities website](#), which is a shared service platform promoted by the mutual fund industry

How to withdraw your money?



Withdrawing your money from Mutual Fund scheme is called as Redemption or Repurchase.



You can withdraw full or partial amount or even a specific number of units.



Offline mode to redeem your mutual fund investments



Submit the Redemption Request form to the AMC or the Registrar's office.



The form has to be signed by all unit holders.



The proceeds from the redemption will be credited to the first named unit holder's bank account.



Online mode to redeem your mutual fund investments



Log-on to the 'Online Transaction' page of the desired Mutual Fund.



Select the Scheme and the number of units (or the amount) you wish to redeem and confirm your transaction.

Performance Evaluation Principles



A mutual fund provides relative return, with respect to its benchmark.



The returns have to be compared with the fund's benchmark



Appropriate benchmarks should be used to evaluate a fund's performance



The returns of a fund should be measured over the recommended holding period



Debt funds are held for shorter periods



Equity funds are held for longer periods



The risk a fund undertakes, and the returns generated by taking this risk, should be proportionate



A fund underperforms when higher returns are generated with higher than proportionate risks, and vice versa.



The idea is to know if the risk is worth the returns of a fund

What is NAV?



Net Asset Value



The [NAV](#) indicates the price of one unit of a particular fund.



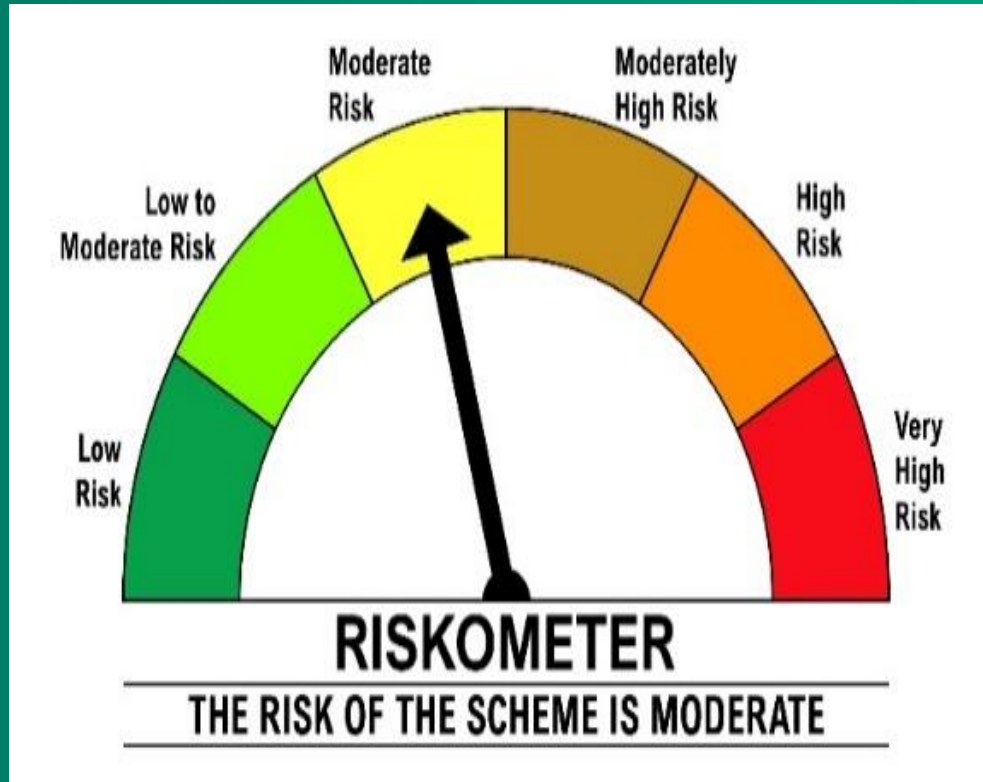
The formula of NAV is:

NAV = (Assets-Liabilities)/ Total number of outstanding shares



Mutual Fund NAVs are published daily on [AMFI's website](#), Mutual Fund Websites, leading newspapers, etc.

►Product Labelling (Risk-o-meter)



The product label of a mutual fund helps an investor understand the scheme's risk level, investment objective, and time horizon

“Risk-o-meter has following six levels of risk for mutual funds with the given color scheme

- Low Risk – Irish Green
- Low to Moderate Risk – Chartreuse
- Moderate Risk – Neon Yellow
- Moderately High Risk – Caramel
- High Risk – Dark Orange
- Very High Risk – Red

Disclaimer that says "Investors should consult their financial advisers if they are not clear about the suitability of the product.”

Nomination



- Nomination is a facility that enables an individual **unit holder** to **nominate** a person, who can **claim** the units held by the unit holder or the **redemption** proceeds thereof in the event of death the unit holder.
- If the Units are held **jointly** by more than one person, all joint unit holders are required to **together nominate** a person who gets the rights of the units, upon the death of all joint unit holders.
- W.e.f October 1, 2021, it is mandatory for investors subscribing to Mutual Funds to register nomination / opt-out of nomination
- Nomination once made can be changed subsequently **any time** and **any number of times**.
- It is **mandatory** for **mutual fund unit holders** to provide nomination. Failing to do so might result in **freezing of folios from debit**.



Why is Nomination important?



If a unit holder does not nominate a person, the units would be transmitted to the account of **legal heir(s)**.



It also depends upon the Will left by the unit holder (if any) and as per the **relevant laws**. This may make the procedure lengthy, expensive and cumbersome.



Thus, Nomination provides a simpler and **cost-efficient way** for the nominee to claim the units/money in one's mutual fund portfolio, demat account or bank account.



It also involves **minimal paperwork**.



The nominee has to complete formalities as completing the KYC process, providing the **proof of death** of the unit holder, etc. to claim the units after the death of the unit holder.



If the nominee is a minor, providing date of birth is mandatory. Guardian's any one identification detail like either PAN, Driving License, Aadhaar (last 4 digits) or Passport (incase of NRI/PIO/OCI) is necessary apart from other details

Complaint to Mutual Fund



Contact the Investor Relations Officer of the Mutual Fund



Name and contact details of the Investor Relations Officer are available in the Scheme Information Document and also on the website of the concerned mutual fund.

SEBI Complaints Redress System



- ❖ SEBI Complaint Redress System (SCORES) is SEBI's online system for investor complaint redressal.
- ❖ Investors can file complaints on SCORES if they are not satisfied with the response from a mutual fund, company, or intermediary.
- ❖ SEBI reviews complaints submitted through SCORES and forwards them to the concerned entity for timely resolution.

To log on to SCORES, please visit <http://scores.gov.in/>

- ❖ Investors can further file complaints on Online Dispute Resolution (ODR) if they are not satisfied with the response received on SCORES.

To log on to ODR, please visit <https://smartodr.in/login>



Taxation on mutual funds



01. Taxation of Mutual Fund Schemes – Equity Oriented



<div></div> Fund Category	<div></div> Holding Period	<div></div> Capital gains	<div></div> Tax applicable
<div><div><div>TAX</div><div></div></div><div>Equity Oriented Funds*</div><div>Covers the following types of Funds</div><div><div><input type="checkbox"/> Unlisted Equity Funds</div><div><input type="checkbox"/> Equity oriented Hybrid Funds<ul style="list-style-type: none">Aggressive HybridDynamic Asset AllocationEquity SavingsArbitrage</div><div><input type="checkbox"/> Equity based Exchange Traded Funds</div><div><input type="checkbox"/> Equity based Index Funds</div></div></div>	Up to 12 Months	Short term Capital Gains	20%
	More than 12 Months	Long term Capital Gains	12.5% (on gains exceeding INR 1.25 lacs^)

Above rates are subject to applicable Surcharge and Health and Education cess of 4% computed on tax and surcharge amount

^Exemption of INR 1.25 lacs from tax on long term capital gains is available for gains from listed equity shares and equity oriented mutual funds

*"Equity oriented funds" includes

1. Funds that invest 65% or more of its proceeds in listed domestic equity shares

2. In case of FOFs, an FOF which invests 90% or more of its proceeds in an ETF having minimum 90% exposure to listed domestic equity shares

The percentage of equity shareholding or units is reckoned with reference to the annual average of the monthly averages of the opening and closing figures.

02. Taxation of Mutual Fund Schemes – Debt Oriented



Fund Category



Acquisition
Date



Holding
Period



Capital gains



Tax applicable

Debt Oriented Funds* Covers the following types of Funds <input type="checkbox"/> Unlisted Debt Funds, including <ul style="list-style-type: none"> Liquidity Fund Overnight Fund Floater Fund Index Funds <input type="checkbox"/> Conservative Hybrid	Prior to 1 April 2023	More than 24 Months	Long term Capital Gains	12.5%
		Up to 24 Months	Short Term Capital Gains	At rates applicable to the Investor
	On or after 1 April 2023	NA	Deemed Short Term Capital Gains	At rates applicable to the Investor
<input type="checkbox"/> Listed Debt Funds <ul style="list-style-type: none"> ETFs FMPs 	Prior to 1 April 2023	More than 12 Months	Long term Capital Gains	12.5%
		Up to 12 Months	Short Term Capital Gains	At rates applicable to the Investor
	On or after 1 April 2023	NA	Deemed Short Term Capital Gains	At rates applicable to the Investor

Above rates are subject to applicable Surcharge and Health and Education cess of 4% computed on tax and surcharge amount

*Debt Mutual Funds which invests:

- 65% or more of its proceeds in Debt and Money Market Instruments in India
- In case of FOFs, an FOF which invests 65% or more of its proceeds in the fund mentioned in sr. no. 1 above.

03. Taxation of Mutual Fund Schemes - Others



Fund Category



Holding Period



Capital gains



Tax applicable

Other Schemes* Covers the following types of Funds <ul style="list-style-type: none"> <input type="checkbox"/> Multi Asset Allocation Fund <input type="checkbox"/> Overseas Fund of Funds <input type="checkbox"/> Gold ETF Fund of Fund <input type="checkbox"/> Silver ETF Fund of Fund <input type="checkbox"/> Income plus Arbitrage Fund of Fund 	More than 24 Months	Long term Capital Gains	12.5%
	Up to 24 Months	Short Term Capital Gains	At rates applicable to the Investor
Other ETFs <ul style="list-style-type: none"> <input type="checkbox"/> Gold & Silver ETFs 	More than 12 Months	Long term Capital Gains	12.5%
	Up to 12 Months	Short Term Capital Gains	At rates applicable to the Investor

Above rates are subject to applicable Surcharge and Health and Education cess of 4% computed on tax and surcharge amount.

* Other than Equity Oriented & Debt Orient Fund mentioned in the previous slides

Mutual Fund Investment Tracing and Retrieval Assistant (MITRA)

What is MITRA?

MITRA is a Service Platform for investors to trace inactive as well as unclaimed mutual fund investments. An inactive folio is where no investor initiated transaction (financial or non-financial) has taken place in last 10 years but unit balance is available in the folio.

Why MITRA was created

Over time, many investors lose track of their Mutual Fund investments, especially those made:

- In physical form
- With incomplete KYC details, or
- Through multiple intermediaries

Such investments often remain unclaimed for years, increasing the risk of fraud or loss. MITRA helps investors and their families find, verify, and reclaim these forgotten assets.

How MITRA helps Investors

- ✓ **Search across the entire MF industry:** Find inactive or unclaimed mutual fund folios using basic personal information.
- ✓ **Identify forgotten holdings:** Discover investments you may have made long ago or those made on your behalf.
- ✓ **Update your KYC details:** Ensure your investment records comply with current SEBI norms.
- ✓ **Protect your assets:** Prevent fraud or loss arising from unmonitored accounts.
- ✓ **Empower families:** Enable nominees and legal heirs to locate investments belonging to deceased investors.

MITRA can be accessed by visiting MF Central website www.mfcentral.com and clicking on the link of “MITRA” available on the home page.

Information Ratio (IR)

The Information Ratio is a key performance metric that evaluates how effectively an investment manager generates excess returns relative to a benchmark, considering the risk taken.

It helps assess whether a fund manager has consistently delivered superior risk adjusted returns as compared to its benchmark. Risk-adjusted returns measure how much risk was taken to achieve the generated returns, expressed as a numerical value.

A higher Information Ratio indicates better performance, when compared with performance of similar schemes. It also suggests a greater likelihood of consistently outperforming its benchmark.

Formula:

$$\text{Information Ratio (IR)} = \frac{\text{Portfolio Return} - \text{Benchmark Return}}{\text{Standard Deviation of Excess Return}}$$

- **Portfolio Return:** The annualized return generated by the fund/portfolio during a particular period, usually expressed in percentage terms.
- **Benchmark Return:** The annualized return of a comparable index (e.g., NIFTY 50, BSE 30), also measured in percentage terms.
- **Standard Deviation of Excess Return:** Measures how much a funds return deviate from its benchmarks return over time

SEBI-validated “@valid” UPI IDs

Purpose: To strengthen investor protection and trust in the securities market by enabling secure, transparent, and verified digital payments to SEBI-registered intermediaries through a structured Unified Payments Interface (UPI) system.

When an investor uses these IDs: SEBI is mandating all registered brokers, mutual funds, RTAs, and other intermediaries to use exclusive validated UPI IDs for collecting investor payments. Each verified intermediary will have a unique and identifiable UPI handle.

When an investor uses these IDs:

- ✓ The UPI app will display a white “thumbs-up” inside a green triangle, confirming the intermediary’s authenticity.



- ✓ Payments will reach verified bank accounts only - Investors gain the assurance that every payment goes only to verified and regulated market participants.

Disclaimers

This is an investor education and awareness initiative by DSP Mutual Fund. All Mutual fund investors have to go through a one time KYC (Know Your Customer) process. Investors should deal only with Registered Mutual Funds ('RMF'). For more info on KYC, RMF and procedure to lodge/ redress any complaints visit dspim.com/IEID. For SMART Online Dispute Resolution portal, visit link <https://smartodr.in/login>

An Investor Education & Awareness Initiative by



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

Thank You