



MARIGOLD WEALTH MONTHLY NEWSLETTER

Investor Insights

Issue 5, March 2025

Welcome to the March Edition of Marigold Wealth Monthly Insights!

At Marigold Wealth, our goal is to empower you with the knowledge and tools needed to navigate the world of investing and wealth creation. Every month, we curate in-depth insights on mutual funds, equity markets, financial strategies and articles on personal finance, helping you stay informed and confident in your financial journey.

Here's to smart decisions and prosperous investing!

Market Overview

1. India's GDP growth rate for the third quarter (Q3) of FY 2024-25 stood at 6.2%, This reflects an improvement from the 5.6% growth recorded in the previous quarter
2. In February 2025, the Nifty dropped by 5.9% month-on-month, marking its fifth consecutive monthly decline and the second sharpest drop since March 2020. This correction aligns with a deceleration in earnings growth, global economic concerns linked to the tariff war, and ongoing FII outflows.
3. Foreign Institutional Investors (FIIs) registered outflows for the second straight month, selling shares worth Rs 34,600 crores in February 2025. Domestic Institutional Investors (DIIs) bought shares worth Rs 64,380 crores.
4. In February 2025, key global markets showed mixed performance. Russia MICEX led with a gain of (+9%), followed by China (+2%), the UK (+2%), and Korea (+1%) in local currency terms. On the other hand, Indonesia (-12%), Japan (-6%), India (-6%), Brazil (-3%), Taiwan (-2%), and the US (-1%) registered month-on-month declines.
5. In February 2025, India's gross GST collections rose by 9.1% year-on-year to approximately ₹1.84 lakh crore.
6. India's share of the global market capitalization declined to 3.6%, down from 4.6% recorded in August 2024.

Indian Equities Summary

| Benchmark | 28 th Feb | 1 Month Returns (%) | 1 Year Returns (%) |
|-----------------|----------------------|---------------------|--------------------|
| Sensex | 73,198 | -5.55 | 0.96 |
| Nifty 50 | 22,124 | -5.88 | 0.64 |
| Nifty Small Cap | 14,700 | -13.06 | 0.08 |
| Nifty Mid Cap | 47,915 | -10.79 | 0.003 |

Commodity and Debt Watch

| | 28 th Feb | Monthly % Change |
|----------------------|----------------------|------------------|
| Gold | 87,215 | 3.09 |
| Silver | 95,605 | 1.73 |
| Indian 10 Years Gilt | 6.77% | - |
| US 10 Year Yield | 4.20% | - |

Empowering Women through Smart Financial Decisions

On this **Women's Day**, let's empower our women by helping them take charge of their financial future.

In this article we offer valuable investing insights and tips on budgeting, investing in mutual funds, financial planning to help you achieve financial independence and security.

Budgeting

Effective budgeting is the foundation of a healthy financial life. Here are some tips to help you manage your budget:

1. **Track Your Spending:** Keep a record of all your expenses, including small purchases. This will help you identify unnecessary spending and make adjustments.
2. **Prioritize Saving:** Make saving a priority by setting aside a portion of your income each month. Consider automating your savings to ensure consistency.

HAPPY WOMEN'S DAY

Financial Planning

A good financial plan is essential for achieving your financial goals. Here are some steps to create an effective financial plan:

1. **Set Clear Goals:** Define your short-term and long-term financial goals. Whether it's buying a home, funding your child's education, or planning for retirement, having clear goals will guide your investment decisions.
2. **Create a Budget:** Track your income and expenses to understand your spending patterns. A budget helps you identify areas where you can save and allocate more funds towards your financial goals.
3. **Build an Emergency Fund:** Set aside a portion of your income to create an emergency fund that can cover unexpected expenses.



4. **Insure your family's future:** Ensure your family's security by obtaining comprehensive life and health insurance. These policies provide financial protection against unforeseen medical expenses and support your loved ones in the event of your absence.

Investing Insights

Investing is a powerful tool for growing your wealth and achieving long-term financial goals. Here are a few tips to get you started:

1. **Start Early:** The earlier you begin investing, the more time your money has to grow. Even small amounts can accumulate significantly over time through the power of compounding.
2. **Diversify:** Diversification is key to managing risk. Spread your investments across different asset classes, such as stocks, bonds, and real estate, to reduce the impact of market fluctuations.
3. **Stay Informed:** Keep yourself updated on market trends and economic news this can help you make better investment decisions.

Investing In Mutual Funds

Mutual funds are an excellent way to invest in a diversified portfolio without the need to pick individual stocks. Here are some benefits of mutual funds:

1. **Professional Management:** Mutual funds are managed by experienced professionals who make investment decisions on your behalf.
2. **Diversification:** By investing in a mutual fund, you gain exposure to a wide range of assets, reducing the risk associated with any single investment.
3. **Accessibility:** Mutual funds are accessible to investors with varying levels of capital. You can start with a relatively small investment and gradually increase it over time.

Why You Should Think Twice Before Investing in an NFO

New Fund Offers (NFOs) often generate a lot of buzz in the investment world, tempting investors to jump in, hoping for substantial gains. However, before you get caught up in the excitement, it's essential to understand the realities of NFOs and why they may not be the best option for most investors.

1. NFOs vs. IPOs: A Key Distinction

Many investors mistakenly compare NFOs to Initial Public Offerings (IPOs), assuming that investing early will lead to higher gains. However, the two are fundamentally different:

- **IPOs** involve companies offering their shares to the public for the first time. The share price is influenced by market demand and supply.
- **NFOs** introduce new mutual fund schemes where units are created as and when required. The Net Asset Value doesn't rise due to demand like in an IPO; instead, it simply reflects the underlying asset values.

This means that unlike IPOs, there is no real advantage to getting in early on an NFO.

2. The Marketing Hype Behind NFOs

AMCs often aggressively promote NFOs, positioning them as fresh opportunities with unique strategies. However, the reality is:

- Many NFOs are launched simply to expand the fund house's asset base rather than offering something truly innovative.
- The Securities and Exchange Board of India (SEBI) allows each AMC to offer only one fund per category. To introduce new themes or attract investors, fund houses keep launching new schemes under different labels, leading to a flood of NFOs in the market.



3. The Illusion of Low NAV

- A lower NAV doesn't equate to a cheaper or better investment. The future performance of the fund depends on the underlying assets and the fund manager's expertise, not the initial NAV.

4. Lack of Performance History

- No past performance means no way to assess their stability.
- Fund strategy and management approach remain untested.

6. Why Established Funds Are a Better Bet

- Strong track records show resilience across market cycles.
- Experienced fund managers provide stability and confidence.

Final Thoughts: Choose wisely as NFOs lack history and proven strategies. Instead of hype, focus on funds with a strong track record. When in doubt, a diversified equity fund with a solid history is a safer choice

Top 5 Worst Performing NFO's of 2024

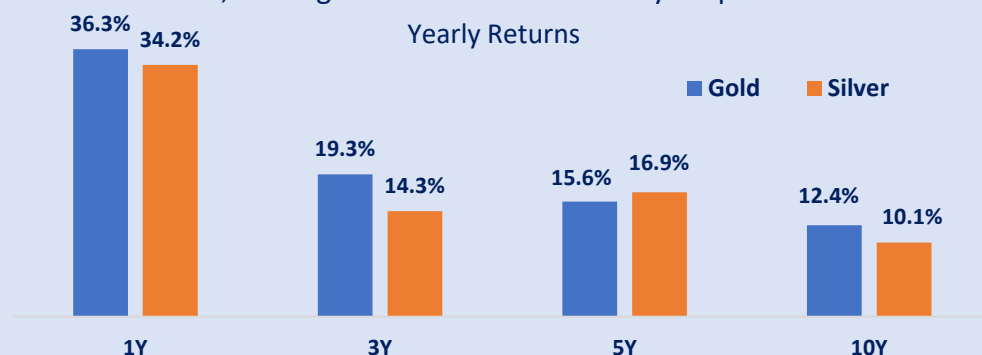
| Fund Name | Launch Date | Launch NAV | Current NAV | Fall (%) |
|--|-------------|------------|-------------|----------|
| Motilal Oswal Nifty India Defence Index Fund | 03-Jul-24 | 10 | 7.15 | -28.5 |
| Motilal Oswal Nifty 500 Momentum 50 Index Fund | 24-Sep-24 | 10 | 7.16 | -28.4 |
| Nippon India Nifty 500 Momentum 50 Index Fund | 30-Sep-24 | 10 | 7.19 | -28.1 |
| Motilal Oswal Nifty Capital Market Index Fund | 16-Dec-24 | 10 | 7.24 | -27.6 |
| Baroda BNP Paribas Nifty200 Momentum 30 Index Fund | 15-Oct-24 | 10 | 7.29 | -27.1 |

Should You Add Gold and Silver to Your Portfolio After a Steep Run-Up?

In the past year, precious metals like gold and silver have experienced significant gains, with gold delivering returns of 37% and silver rising by the same percentage, capturing the attention of investors worldwide. Gold has reached record highs, driven by geopolitical tensions, central bank policies, and economic uncertainties, while silver has benefited from its dual role as both a precious and industrial metal. With their impressive performance, many investors are now wondering whether it's the right time to add these metals to their portfolios. Let's explore the factors to consider before making this decision.

Factors to Consider

- 1. Market Conditions:** The current market environment is key to investing in gold and silver. Inflation, interest rates, and geopolitical tensions impact their prices.
- 2. Diversification:** Precious metals offer diversification, with low correlation to stocks and bonds, reducing portfolio risk. Gold and silver can hedge against market volatility and economic uncertainty.
- 3. Industrial Demand:** Silver, in particular, has strong industrial demand, especially in sectors like electric vehicles, solar energy, and electronics. This demand can support silver prices even during economic downturns, making it a valuable addition to your portfolio.



- 4. Long-Term Perspective:** Investing in precious metals should be viewed with a long-term perspective. While short-term price fluctuations are common, the historical performance of gold and silver suggests that they can provide stability and growth over time.
- 5. Safe Haven:** Gold and silver have historically performed well during uncertainty, wars, and market instability. Investors turn to them as safe-haven assets during economic turmoil and geopolitical tensions, making them valuable for portfolio diversification.

Risks and Considerations

- 1. Price Volatility:** Precious metals can be volatile, with prices subject to sudden changes due to market sentiment and external factors. It's essential to be prepared for potential price swings and not make impulsive decisions based on short-term movements.
- 2. Storage and Insurance:** Physical gold and silver ownership requires secure storage and insurance, increasing investment costs. Alternatively, investing in gold and silver ETFs or mutual funds tracking precious metals provides exposure without the need for physical storage.
- 3. Economic Factors:** The strength of the US dollar, inflation expectations, and interest rates can impact the prices of gold and silver. It's important to stay informed about these factors and how they may affect your investment.

Conclusion

Adding gold and silver after a price surge can be prudent if key factors align. These metals offer diversification, hedge against economic uncertainties, and have strong industrial demand. However, a long-term approach is essential, considering risks. Evaluating your goals, risk tolerance, and market conditions will help you make an informed decision for a balanced portfolio.

How to Rebalance Your Mutual Fund Portfolio

Portfolio rebalancing is a crucial aspect of maintaining a well-diversified and risk-managed investment strategy. It involves adjusting the weightings of the assets in your portfolio to maintain your desired asset allocation. This process ensures that your investments remain aligned with your financial goals and risk tolerance.

Why is Portfolio Rebalancing Important?

1. **Risk Management:** Over time, the performance of different assets in your portfolio will vary, causing your asset allocation to drift from its original target. Rebalancing helps maintain your desired level of risk by realigning your portfolio to its intended allocation.
2. **Capitalizing on Market Opportunities:** Regular rebalancing allows you to take advantage of market fluctuations. By selling over performing assets and buying underperforming ones, you can potentially enhance your returns and capitalize on market opportunities.
3. **Avoiding Emotional Decisions:** Market volatility can lead to emotional decision-making, which may negatively impact your investments. Rebalancing enforces a disciplined approach, helping you stick to your investment plan and avoid impulsive actions based on market sentiments.
4. **Maintaining Diversification:** A well-diversified portfolio spreads risk across different asset classes. Rebalancing ensures that your portfolio remains diversified, reducing the impact of poor performance in any single investment.



How to Rebalance Your Mutual Fund Portfolio

1. **Determine Your Target Asset Allocation:** Your target asset allocation should be based on your financial goals, investment horizon, and risk tolerance. Common asset classes include stocks, bonds, and cash. For example, a conservative investor might have a 60% allocation to bonds and 40% to stocks, while an aggressive investor might have an 80% allocation to stocks and 20% to bonds.
2. **Review Your Current Portfolio:** Regularly review your portfolio to assess the current weightings of each asset class. Compare this to your target asset allocation to identify any deviations.
3. **Buy and Sell Investments:** To rebalance your portfolio, sell a portion of the over performing assets and use the proceeds to buy underperforming assets. For example, if stocks have grown to represent 70% of your portfolio (instead of the target 60%), sell some stocks and invest the proceeds in bonds or other asset classes.
4. **Consider Transaction Costs and Taxes:** Be mindful of transaction costs and tax implications when rebalancing. Frequent trading can incur high costs and taxes, which can erode your returns.
5. **Stay Consistent:** Rebalancing should be done consistently, whether it's annually, semi-annually, or quarterly. Consistency ensures that your portfolio remains aligned with your financial goals over time.

Conclusion

Portfolio rebalancing is essential for maintaining a well-diversified and risk-managed investment strategy. Regularly reviewing and adjusting your mutual fund portfolio ensures alignment with your financial goals, helps manage risk, and allows you to capitalize on market opportunities. By staying disciplined and avoiding emotional decisions, you can build a more resilient portfolio and achieve long-term financial success.

Understanding Travel Insurance: Why It's Essential

Travel insurance is a safeguard designed to protect you from unexpected events while you're on an overseas trip. It provides financial coverage and assistance for a wide range of situations, offering peace of mind as you explore the world.

Key Benefits of Travel Insurance

1. **Medical Emergencies:** Covers medical expenses incurred due to illness or injury during your trip. Includes emergency medical evacuation or repatriation if needed.
2. **Trip Cancellation or Interruption:** Reimburses non-refundable expenses if your trip is canceled or cut short due to unforeseen circumstances like illness, natural disasters, or emergencies.
3. **Baggage Loss or Delay:** Provides compensation for lost, stolen, or delayed luggage, ensuring you can replace essential items during your trip.
4. **Travel Delays:** Covers additional expenses like meals, accommodations, or transportation if your trip is delayed due to reasons beyond your control.
5. **Personal Liability:** Protects you financially if you're held responsible for causing injury or property damage to others while traveling.
6. **Adventure Sports Coverage (optional):** For thrill-seekers, some policies include coverage for injuries sustained during adventure sports or activities, which are often excluded from standard policies.

Why is Travel Insurance Important?

1. **Unforeseen Events:** Life is unpredictable, and travel insurance offers a safety net against unexpected disruptions.
2. **Cost Savings:** Medical treatment abroad can be expensive, and travel insurance can save you from significant financial burdens.

4. **Required for Visa:** In some countries, travel insurance is mandatory for obtaining a visa (e.g., Schengen countries in Europe).

Tips for Choosing the Right Travel Insurance

1. **Assess Your Needs:** Consider the destination, duration, and purpose of your trip, as well as any special requirements like medical coverage or adventure activities.
2. **Compare Policies:** Shop around and compare policies from different providers to find one that offers comprehensive coverage at a reasonable price.
3. **Understand Exclusions:** Read the fine print to understand what is not covered, such as pre-existing medical conditions, high-risk activities, or trips to certain regions.
4. **Opt for Customization:** Some insurers offer add-ons, allowing you to tailor the policy to suit your specific needs.

Conclusion

Travel insurance is an essential aspect of **trip planning**, providing **financial protection** and support during unforeseen circumstances. Whether it's medical emergencies, trip cancellations, or lost luggage, travel insurance ensures you're covered, allowing you to embark on your adventures worry-free.

By choosing the right policy and understanding its benefits, you can enjoy your travel experiences with confidence and security. Bon voyage! 🌍✈️



Ready to Take Charge of Your Financial Future?

Welcome to Marigold Wealth!

At Marigold Wealth, we excel in assisting individuals and families in creating lasting wealth through smart and personalized investments. Whether you are at the beginning of your financial journey or seeking to optimize your portfolio, we are here to guide you every step of the way.

What We Offer:

Tailored Investment Strategies: Customized plans to meet your unique financial goals.

Expert Insights: In-depth knowledge of mutual funds, equities, and wealth-building products.

Comprehensive Support: Ongoing assistance to ensure your investments are on the right track.

Contact Us Today: Let's discuss how we can help you achieve your financial aspirations. Reach out to us to schedule a consultation.

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