

THE INVEST *igator*

A monthly newsletter published by Swap Global Ventures Pvt. Ltd., Nagpur

Vol 18 No.7

October 2021

The Future of Regular Income is Systematic Withdrawal Plan (SWP)

SWP is a mutual fund investment solution which gives fixed cash – flows at regular intervals, say monthly or quarterly. Investor has to specify the amount and the date of the month. A withdrawal of 8-10% pa is usually advised.

Example of how SWP works: Amount Invested Rs 10 lakh on 22.08.2016. Monthly amount of SWP is Rs 8000 and total amount withdrawn in 61 months is Rs 488000.

Nav Date	Nav	Units	Cumulative Units	Cash Flow	Capital Gain/ Loss	Current Value
22-08-2016	19.4	51572.9758	51572.9758	1000000	0	1000000
12-09-2016	19.8	403.8364	51169.1393	-8000	169.61	1013661
10-10-2016	20.3	393.8946	50775.2447	-8000	362.38	1031245
10-11-2016	19.3	415.3686	50359.876	-8000	-54	969931
12-12-2016	18.3	437.6368	49922.2393	-8000	-485.78	912579
10-01-2017	18.6	431.0345	49491.2048	-8000	-357.76	918557
10-02-2017	20.1	398.8036	49092.4012	-8000	267.2	984794
10-03-2017	20.3	394.4773	48697.9239	-8000	351.08	987594
10-04-2017	21.6	370.5419	48327.382	-8000	815.19	1043388
10-05-2017	22.9	350.1094	47977.2726	-8000	1211.38	1096281
/	/	/	/	/	/	/
10-07-2018	28.5	280.6033	43579.1109	-8000	2559.1	1242440
10-08-2018	29.2	274.2544	43304.8565	-8000	2682.21	1263203
10-09-2018	28.6	279.5248	43025.3317	-8000	2580.01	1231385
10-10-2018	25.7	311.163	42714.1687	-8000	1966.55	1098181
12-11-2018	25.4	314.9606	42399.2081	-8000	1892.91	1076940
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10-12-2019	29.9	267.3797	38613.4714	-8000	2815.51	1155315
10-01-2020	31	258.1478	38355.3236	-8000	2994.51	1188631
10-02-2020	32.4	246.9898	38108.3338	-8000	3210.87	1234329
11-03-2020	29.3	272.7583	37835.5755	-8000	2711.22	1109717
13-04-2020	24	333.3333	37502.2422	-8000	1536.67	900054
11-05-2020	24.5	325.9984	37176.2438	-8000	1678.89	912305
10-06-2020	26.3	304.5299	36871.7139	-8000	2095.17	968620
10-07-2020	28.1	284.495	36587.2189	-8000	2483.64	1028833
10-08-2020	29.2	273.6914	36313.5275	-8000	2693.12	1061444
10-09-2020	29.6	270.3616	36043.1659	-8000	2757.69	1066517
/	/	/	/	/	/	/
10-05-2021	39	205.3388	34270.2371	-8000	4018.48	1335168
10-06-2021	41.1	194.8368	34075.4003	-8000	4222.11	1399136
12-07-2021	41.7	191.8005	33883.5998	-8000	4280.99	1413285
10-08-2021	42.9	186.4367	33697.1631	-8000	4384.99	1445945
13-09-2021	47	170.9037	33526.259	-8000	4686.2	1569364

SWP Taxation: Profits made in withdrawals within 12 months from the date of investment in equity - oriented funds (equity allocation more than 65%) will be subject to short term capital gains tax. Short term capital gains in equity- oriented funds are taxed at 15% plus applicable surcharge and cess. Profits made in withdrawals done after 12 months from the date of investment in equity - oriented funds will be subject to long term capital gains tax. Long term capital gains in equity- oriented funds are tax free up to Rs 1 Lakh in a financial year and thereafter taxed at 10% plus applicable surcharge and cess.

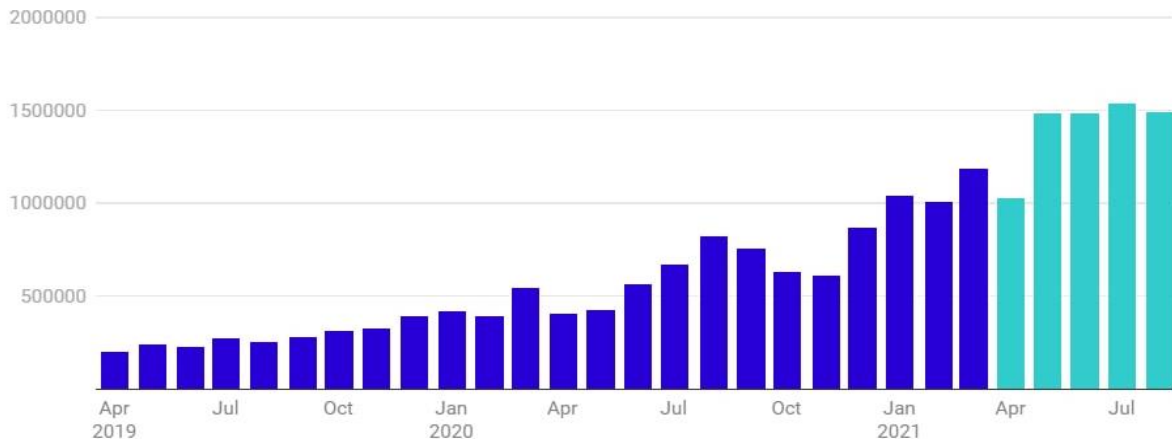
STRONG INFLUX OF FIRST-TIME RETAIL INVESTORS

The number of first-time retail investors in India, from the age group of 18–30, has been growing at a superlative speed, thanks to abundant liquidity and a number of trading apps that facilitated the pursuit of alternate sources of income for people.

Recent data released by NSE shows that since last four months, 15 lakh new investors have been added every month. And since Jan 2021, more than one crore new investors have been added.

Monthly Investor Additions

Number of new investors



The FOMO (fear of missing out) factor is also a reason behind the surge in the number of retail investors. Many immature young investors are buying stocks blindly following the advice of some random people or even friends.

The strong influx of retail investors has pushed even those stocks to record highs that are fundamentally weak.

Experts have been voicing their concerns that irrational exuberance has made market valuations rich and the risk of a consolidation looms.

RISK REDEFINED

We talk about risk like it's a bad thing...

But all forward motion involves risk. You can't find a risk-free way to accomplish much of anything.

Appropriate risk has two elements:

1. The odds of it working out are commensurate with the benefits.
2. The consequences of being wrong don't eliminate your chance to try a different path next time.

We don't try something simply because there is no downside. Instead, we intelligently choose projects where the downside is understood and the work is worth doing.

- Seth Gobin (American Author) in one of his recent blogs.

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

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