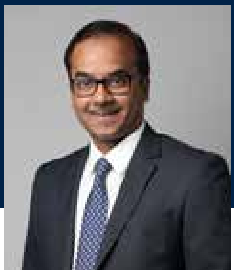
PGIM
India Mutual Fund



Investment for Tax Savings, sooner the better

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The financial year started with the overhang of general elections in the month of May. Along with the uncertainty surrounding the outcome of the elections, financial markets saw NBFC/HFC sector reeling under the impact of liquidity crunch. Lack of liquidity also affected other sectors like Auto, Consumers etc. The on going trade disputes sparked concerns about global slowdown. In the view of uncertainty and negative headlines many investors postponed their investment decisions. The biggest event that was believed to have a strong bearing on the future of the Indian stock markets in the short to medium term is out of the way. Indian voters have voted in favour of the continuity with a strong mandate. There is higher probability that the economic policies and reforms like IBC, GST would move past initial implementation issues to deliver the anticipated benefits to the economy. RBI through its policy has taken measures to address growth concerns by cutting the interest rates. It is also working towards easing the liquidity pressures. As per latest ICRA report, the top 10 listed entities in the real estate sector have registered a strong sales growth in Q3 and Q4 of the last year despite liquidity challenges. Many troubled NBFC/ HFC players are taking active steps to monetise assets to address their liquidity woes. All these positive developments in the background will not have a quick impact on the economy but are likely to deliver positively over next 2-3 quarters. However if one decides to wait for all the issues to resolve, in all probabilities there will never be a perfect time to invest in equities. 15 years down the line all these events will not even be remembered by the investors. So don’t postpone the investment decisions, continue to invest as per the financial plan.

The other area where the investment decisions are postponed or delayed are in case of investments in tax saving instruments under section 80 C. There is a general tendency to take the action closer to the deadline. Over the years we have seen that majority of the investors choose to invest in tax saving instruments such as ELSS closer to the submission date of investment proof or 31st March. In many cases this leads to an unnecessary strain at the year end. The better approach to the investments in the tax saving instruments is to start as soon as the new financial year starts. Starting a SIP in April in an ELSS scheme like our Long Term Equity Fund will come handy to tackle the year end pressure to buy some investment product. For the resident Indian investors in the age group of 18-51 years we are offering an added benefit a free life insurance subject to certain conditions. So it will be a good idea to get in touch with your investment advisor to start a Smart SIP in our ELSS before June ends.

On the corporate front, we are awaiting the SEBI approval for change of sponsor. The day to day operations are business as usual. Our team remains stable and firmly committed to take care of investors interest.

Happy investing