

Small Caps Continue to Shine

The Indian mutual fund landscape shows impressive momentum as we move through March 2025, with small-cap and infrastructure funds leading the pack.

Quant Small Cap Fund and Quant Infrastructure Fund have delivered exceptional **5-year CAGR** returns of **41.39% and 33.4%** respectively as of March 5, 2025.

Despite this positive performance, investors should remain vigilant as market volatility persists.

The steady growth in Systematic Investment Plans (SIPs) continues to be a driving force behind industry momentum, with monthly SIP contributions exceeding **₹26,000 crore** in recent months.

Emergency Fund Strategies

Building an emergency fund should be a priority before aggressive investing.

Financial experts recommend maintaining three to **six - nine months' worth of expenses** in an accessible account to protect against unexpected financial strains such as medical emergencies or job loss.



This safety net ensures you won't need to disrupt your long-term investments when facing unforeseen circumstances, allowing your mutual fund investments to grow uninterrupted over time.

The Rising Importance of B-30 Cities

The mutual fund industry is witnessing significant growth beyond the top 30 cities, with **86,517 ARN holders** now registered in B-30 towns.

This geographical diversification represents an important shift in India's investment landscape, creating greater financial inclusion across the country.

If you are based outside major metropolitan areas, remember that mutual funds offer **professional management, diversification, affordability, & liquidity** advantages that can help build your wealth regardless of location.

Understanding Your Money Mindset

Your relationship with money is deeply influenced by your upbringing and family experiences.



The **financial habits, attitudes, and values** you observed in your parents often lay the groundwork for your own beliefs and behaviors.

Take time this week to reflect on how these early experiences might be affecting your current investment decisions.

Are you overly cautious because money was scarce growing up? Or perhaps too casual with spending because financial discussions were avoided?

Understanding these patterns can help you make more **mindful investment choices**.

Consistency Remains Key

As market volatility continues, remember that SIPs offer a practical way to navigate fluctuations while benefiting from rupee-cost averaging and the power of compounding.

Our analysis shows that investors who maintain their SIP contributions during market corrections typically achieve better long-term results than those who pause during downturns.

If you haven't already, consider setting up automatic SIP deductions to **remove the emotional element from regular investing**.



This Week's Investor Question



"With small caps running hot, should I rebalance now or wait for higher gains?"

Rebalancing isn't about timing—it's about discipline.

If small caps now exceed your target allocation by **more than 5%**, consider gradual rebalancing through monthly redemptions rather than a single large exit.

This approach respects both your asset allocation strategy and the momentum that remains in the small-cap segment.



"When money realizes that it is in good hands, it wants to stay and multiply in those hands."

— Idowu Koyenikan —