

10:34 AM   28 JUN <b>LIVE</b> <b>MARKET STATS</b> ▼	सेन्सेक्स <b>30,944</b> ▼ -13.69	निफ्टी 50 <b>9,510</b> ▼ -0.60	सोने ( एमसीएक्स) (□/१० ... <b>28,644.00</b> ▲ 91.00	यू एस डी/भारतीय... <b>64.54</b> 0.00	पोर्टफोलियो निर्माण करा	ई-टी मार्केट्स आप उतरवून घ्या	CHOOSE LANGUAGE MAR
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# Do MF investors need to alter their portfolio before GST

BY SHIVANI BAZAZ, ECONOMICTIMES.COM | UPDATED: JUN 21, 2017, 02:41 PM IST

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India's tryst with the Goods and Services Tax (GST) on July 1 is making some mutual fund investors nervous. They have been asking their advisors whether they should recast their mutual fund portfolio. According to mutual fund advisors, investors should not tinker with their portfolio.

"There will always be some or the other change in the markets and policies, investors do not need to keep changing their portfolio. Equity mutual funds are a long-term investment. Policy changes will happen but investors should stick to their schemes," says Neeraj Chauhan, CEO, The Financial Mall.

The GST is an indirect tax that will replace other taxes currently levied by the central and state governments. The new tax regime aims to remove tax barriers between states and create a single market for goods and services. However, investment experts say since GST is not a surprise and the market has already priced it.



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"GST was in loop for a long time and the rates were declared last month. The market has already factored the changes. So, we are not expecting any big movements in the stock prices or returns now," says Vishal Dhawan, Founder, Plan Ahead Wealth Advisors.

However, once the GST is in place, some sectors might react positively and some might get hit. "With the implementation of GST, certain sectors like construction, real estate and consumer sector will have ease of doing business because of less compliance. This will lead to a growth in these sectors," says Vishal Dhawan.

However, most of your funds will be able to capture these changes in the market. Investment experts are asking investors to not make any changes in their portfolio and leave the job to their fund manager. "Mutual fund investors do not need to bet on sectors and stocks. Their fund manager is already doing the job. So, I would advise investors to continue with their investments without worrying about the changes," says Neeraj Chauhan.

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Some financial experts suggest that there is no harm in taking a tactical call to bet on certain sectors, but this can be risky. "Betting on a sector that you think might do well after GST is a good move. But an investors should be very well aware to take such tactical calls," says Vishal Dhawan.

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