

SEPTEMBER 2026

# Monthly Newsletter

## The Wealth Equation

Income, Saving & What Actually Builds Wealth.



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## August 2026 Monthly Market Snapshot

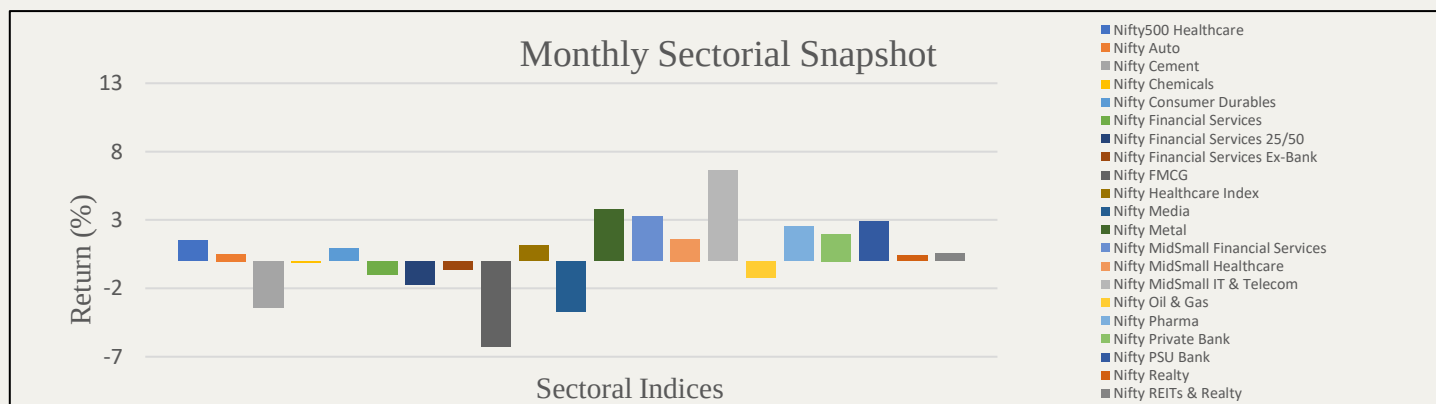
### Monthly Domestic Market (India) Snapshot

| Index          | Open      | High      | Low       | Close     | Change % |
|----------------|-----------|-----------|-----------|-----------|----------|
| Sensex         | 78,883.34 | 79,143.15 | 76,752.32 | 76,957.27 | -2.44%   |
| Nifty 50       | 24,572.70 | 24,774.30 | 23,993.85 | 24,080.40 | -2.00%   |
| Nifty Bank     | 57,569.60 | 58,247.95 | 57,001.75 | 58,024.95 | 0.79%    |
| Nifty IT       | 29,764.84 | 30,691.80 | 29,004.17 | 29,717.55 | -0.16%   |
| Nifty Midcap   | 18,188.75 | 18,500.95 | 18,083.45 | 18,491.45 | 1.66%    |
| Nifty Smallcap | 9,697.00  | 10,050.90 | 9,676.65  | 9,937.70  | 2.48%    |

### Monthly International Market Snapshot

| Index              | Open      | High      | Low       | Close     | Change % |
|--------------------|-----------|-----------|-----------|-----------|----------|
| Dow Jones (US)     | 52,759.06 | 54,744.33 | 52,754.90 | 53,185.90 | 0.81%    |
| S&P 500 (US)       | 7,504.78  | 7,816.70  | 7,504.78  | 7,686.14  | 2.42%    |
| Nasdaq (US)        | 25,452.66 | 26,875.52 | 25,420.35 | 26,370.89 | 3.61%    |
| FTSE 100 (UK)      | 10,868.09 | 10,959.94 | 10,684.38 | 10,824.26 | -0.40%   |
| Nikkei 225 (Japan) | 63,700.00 | 69,608.24 | 62,703.47 | 65,826.50 | 3.34%    |
| Hang Seng (HK)     | 25,987.31 | 26,187.57 | 25,089.14 | 25,566.99 | -1.62%   |

### Sectoral Insights of the Month



### Market Snapshot – Commodities & Debt Market

| Commodities           | Price            |
|-----------------------|------------------|
| Gold (per 10 gm)      | ₹ 1,56,820 (24K) |
|                       | ₹ 1,43,750 (22k) |
| Silver (per kg)       | ₹ 2,55,000       |
| Crude Oil (WTI/Brent) | \$ 86.42/88.37   |

| Debt Market and Securities     | Rate  |
|--------------------------------|-------|
| 10-Year Indian Govt Bond Yield | 6.95% |
| US Treasury Yield (10Y)        | 4.76% |
| RBI Repo Rate                  | 5.25% |

\*All Data as on: 31<sup>st</sup> August, 2026

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

## Mutual Fund Category Performance Snapshot

| Equity Mutual Fund Snapshot     |            |          |        |         |         |
|---------------------------------|------------|----------|--------|---------|---------|
| Category name                   | Return (%) |          |        |         |         |
|                                 | 1 Month    | 6 Months | 1 Year | 3 Years | 5 years |
| Equity - Contra Fund            | 1.34       | 0.61     | 3.82   | 14.38   | 14.33   |
| Equity - Dividend Yield Fund    | 0.60       | 0.75     | 5.97   | 13.76   | 12.99   |
| Equity - ELSS                   | 0.84       | 3.07     | 4.43   | 12.03   | 10.92   |
| Equity - Flexi cap Fund         | 1.89       | 5.77     | 7.13   | 13.07   | 11.13   |
| Equity - Focused Fund           | 1.84       | 5.74     | 8.11   | 13.13   | 10.94   |
| Equity - Large & Mid Cap Fund   | 1.97       | 5.67     | 8.45   | 14.77   | 12.92   |
| Equity - Large Cap Fund         | 0.03       | -0.33    | 2.67   | 10.87   | 8.99    |
| Equity - Mid Cap Fund           | 3.02       | 10.45    | 13.06  | 17.46   | 15.81   |
| Equity - Multi Cap Fund         | 2.82       | 9.43     | 10.73  | 14.95   | 13.65   |
| Equity - Small Cap Fund         | 4.46       | 19.42    | 16.72  | 16.11   | 16.52   |
| Equity - Thematic Fund - Global | 82.30      | 38.00    | 43.88  | 26.22   | 10.91   |
| Equity - Thematic Fund - MNC    | 2.19       | 7.85     | 9.97   | 9.05    | 8.91    |
| Equity - Thematic Fund - Other  | 2.09       | 7.58     | 10.70  | 15.56   | 13.05   |
| Equity - Value Fund             | 0.67       | 2.58     | 7.25   | 13.65   | 12.74   |
| ETFs - Index                    | 0.52       | 2.07     | 6.84   | 12.25   | 10.28   |
| Index Fund - Nifty              | -1.19      | -3.88    | -0.97  | 8.35    | 7.67    |
| Index Fund - Nifty Next 50      | 0.19       | 5.99     | 12.11  | 18.28   | 12.17   |

| Debt Mutual Fund Snapshot           |            |          |        |         |         |
|-------------------------------------|------------|----------|--------|---------|---------|
| Category name                       | Return (%) |          |        |         |         |
|                                     | 1 Month    | 6 Months | 1 Year | 3 Years | 5 years |
| Debt - Banking & PSU                | 1.17       | 4.75     | 5.12   | 6.77    | 5.88    |
| Debt - Corporate Bond               | 1.08       | 4.71     | 5.15   | 6.90    | 5.89    |
| Debt - Credit Risk                  | 5.04       | 8.56     | 8.38   | 9.07    | 9.29    |
| Debt - Dynamic Bond                 | -0.56      | 3.93     | 4.70   | 6.22    | 5.54    |
| Debt - Floater Fund                 | 3.14       | 5.85     | 6.13   | 7.31    | 6.37    |
| Debt - Glit Fund                    | -1.46      | 3.22     | 4.38   | 5.69    | 5.09    |
| Debt - 10yr Const Dur Glit          | -2.94      | 3.36     | 4.81   | 6.87    | 5.53    |
| Debt - Index Fund                   | 3.92       | 5.15     | 5.84   | 7.24    | 5.83    |
| Debt - Liquid Fund                  | 6.16       | 6.55     | 6.24   | 6.74    | 6.10    |
| Debt - Long Duration Fund           | -4.51      | 2.29     | 4.05   | 5.67    | 5.43    |
| Debt - Low Duration Fund            | 4.95       | 5.83     | 5.76   | 6.83    | 6.07    |
| Debt - Medium Duration Fund         | 1.86       | 5.25     | 5.97   | 7.24    | 6.36    |
| Debt - Medium to Long Duration Fund | -1.55      | 4.03     | 4.66   | 6.03    | 5.33    |
| Debt - Money Market Fund            | 6.84       | 6.46     | 6.18   | 6.99    | 6.25    |
| Debt - Overnight Fund               | 4.91       | 5.07     | 5.19   | 5.99    | 5.60    |
| Debt - Short Duration Fund          | 1.40       | 4.73     | 5.11   | 6.80    | 5.98    |
| Debt - Ultra Short Duration Fund    | 6.20       | 6.37     | 5.98   | 6.66    | 5.97    |

\*Data as on 31 August 2026. Returns are category-level averages and are shown on a point-to-point basis. Returns for periods exceeding one year are expressed as CAGR. Past performance may or may not be sustained in the future and should not be used as the sole basis for investment decisions.

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## Does Earning More Mean Becoming Wealthier?

A rise in income is often viewed as a sign of financial progress. Higher earnings can provide greater flexibility, support larger savings, and create more capacity to meet future financial needs. However, income and wealth represent different aspects of an individual's financial position.

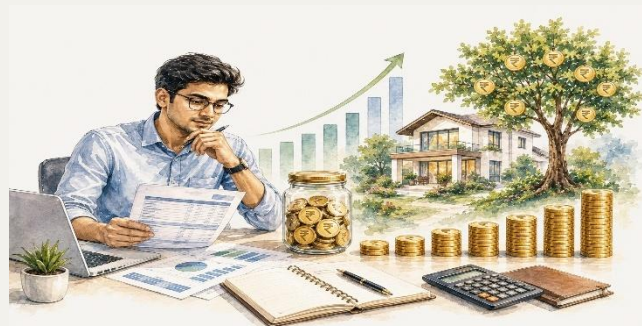
Income is a flow; wealth is accumulated over time. Income reflects what an individual earns during a particular period, while wealth reflects the financial resources built and retained over time after considering assets and financial obligations.

### Income Is Only the Starting Point

An increase in income can create an opportunity to save more, but the actual outcome depends on how that additional income is allocated.

For example, when income increases, an individual may:

- Increase regular savings
- Invest a portion of the additional income
- Repay existing financial obligations
- Increase household or lifestyle expenses
- Allocate more towards discretionary spending

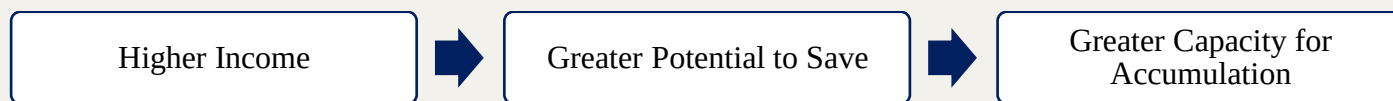


Therefore, two individuals earning similar incomes can gradually develop different financial positions.

### Income Growth vs Financial Progress

Income growth can be an important component of financial progress, but it should not be viewed in isolation. Consider an individual whose income rises from ₹10 lakh to ₹15 lakh. If expenses also increase substantially, the additional income may result in only a limited increase in annual savings.

On the other hand, if part of the additional income is retained, the individual may create greater capacity for future saving and accumulation. This distinction can be expressed simply:



The middle step is important. Higher earnings create potential, but the conversion of that potential into accumulated resources depends on what happens to the income after it is received.

**Looking Beyond the Salary Figure** - A broader view of financial progress considers several factors together:

| Income                        | Savings                              | Financial Position                  |
|-------------------------------|--------------------------------------|-------------------------------------|
| How much is earned over time. | How much is retained after expenses. | How much wealth is built over time? |

**What Matters:** Earning more can increase financial capacity, but building wealth depends on how much income is saved, accumulated over time, and balanced against financial obligations.

## How Much of Your Income Actually Stays?

Income is often the first number people look at when assessing financial progress. However, the amount earned does not by itself show how much financial capacity is being created. What matters alongside income is how much is retained after regular expenses and financial commitments. The savings rate provides a simple way to look at this relationship.

### Understanding the Saving Rate

The savings rate represents the proportion of income that is retained rather than spent.

$$\text{Savings Rate} = (\text{Savings} \div \text{Income}) \times 100$$

For example, an individual earning ₹12 lakh annually and saving ₹3 lakh has a savings rate of 25%. This means that for every ₹100 of income, ₹25 is retained as savings. The measure is useful because the same amount of savings can have a very different meaning at different income levels.

**Savings Amount vs Savings Rate** - Consider two individuals:

| Particulars    | Individual A | Individual B |
|----------------|--------------|--------------|
| Annual Income  | ₹10 lakh     | ₹20 lakh     |
| Annual Savings | ₹2 lakh      | ₹3 lakh      |
| Savings Rate   | 20%          | 15%          |



Individual B saves ₹1 lakh more in absolute terms. However, Individual A retains a larger proportion of income. This illustrates why both the amount saved and the savings rate provide useful information. The absolute amount indicates the resources being retained, while the percentage provides context relative to the income earned.

### Why Consistency Matters

A savings rate is not simply about one month's or one year's savings. Its significance becomes clearer when viewed as part of a longer-term pattern.

Consistently retaining a portion of income can create financial resources that may be used for future requirements, invested according to individual circumstances, or held for greater financial flexibility.

At the same time, a temporary change in the savings rate does not necessarily indicate a deterioration in financial position. Major expenses, changes in income or evolving responsibilities can affect saving patterns.

The more meaningful question is whether the overall pattern of saving remains aligned with an individual's circumstances and priorities

### The Link Between Income and Accumulation

The savings rate creates an important connection between earning and accumulation: Income → Expenses & Financial Commitments → Amount Retained → Savings → Accumulated Financial Resources

This is why a rise in income does not automatically translate into a similar increase in accumulated wealth. If additional income is largely absorbed by higher expenses, the amount retained may change only modestly.

Conversely, when a portion of additional income is retained, it can increase the resources available for future accumulation.

**Key Takeaway:** Income shows how much is earned. Savings show how much is retained. The savings rate connects the two and shows how much earning capacity is converted into financial resources over time.

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## From Savings to Accumulated Wealth

Saving creates a financial resource, but the significance of saving becomes clearer when it is considered over a longer period. A single saving decision may have a limited effect on an individual's financial position, while repeated saving can gradually create a larger pool of financial resources.

The process of accumulation is therefore influenced not only by how much is saved, but also by consistency, time and what happens to those accumulated resources.

### Accumulation Takes Time

Financial resources generally build gradually rather than all at once.

An individual who regularly sets aside money over several years can accumulate substantially more than someone who saves only occasionally, even when both may have similar earning capacity at different points in time.

For example, saving ₹2 lakh annually for five years would result in cumulative savings of ₹10 lakh, before considering any investment growth, withdrawals, taxes or other changes.

The illustration demonstrates the importance of repeated contributions rather than suggesting any particular financial outcome.

### What Can Happen to Accumulated Resources?

Once financial resources have been accumulated, their role can vary according to individual circumstances. It may be:

Held for future financial requirements

Used to meet planned expenses

Used to reduce outstanding liabilities

Retained as a financial reserve

The appropriate choice depends on factors such as liquidity requirements, financial commitments, time horizon and individual circumstances.

Therefore, accumulating resources is not necessarily about maximizing one particular outcome. It is about progressively building financial capacity that can support future requirements.

### Accumulation vs Wealth

Accumulation and wealth are closely related, but they are not identical concepts.

Accumulation refers to the process of building financial resources over time.

A broader assessment of wealth also considers the individual's existing assets and financial obligations.

This distinction is important because a person may accumulate financial assets while simultaneously carrying significant liabilities. Looking at both sides provides a more complete view of the financial position.

## Case Study: Same Income, Different Wealth Outcomes

Two individuals can earn a similar income and still develop very different financial positions over time. The difference may arise from how consistently they retain financial resources, manage existing obligations, and build their financial base. The following hypothetical case study illustrates this distinction.

### The Starting Point

Consider Individual A and Individual B, both earning ₹15 lakh annually. At the beginning of the period, both have similar incomes and no significant difference in their earning capacity. However, their financial positions and approach to managing surplus income are different.



| Particulars                                    | Individual A | Individual B                  |
|------------------------------------------------|--------------|-------------------------------|
| Annual Income                                  | ₹15 lakh     | ₹15 lakh                      |
| Annual Amount Available After Regular Expenses | ₹4 lakh      | ₹4 lakh                       |
| Existing Financial Obligations                 | Lower        | Higher                        |
| Amount Available for Accumulation              | ₹4 lakh      | ₹2.5 lakh                     |
| Remaining Amount                               | —            | ₹1.5 lakh towards obligations |

Individual A is able to retain the full ₹4 lakh as financial resources, while Individual B has a portion of the available surplus directed towards existing obligations.

**Five Years Later:** Suppose these circumstances remain broadly similar for five years.

| Particulars                              | Individual A     | Individual B |
|------------------------------------------|------------------|--------------|
| Annual Amount Available for Accumulation | ₹4 lakh          | ₹2.5 lakh    |
| Five-Year Accumulation                   | ₹20 lakh         | ₹12.5 lakh   |
| Difference                               | <b>₹7.5 lakh</b> |              |

This simplified calculation does not assume any investment return. It only shows how differences in the amount available for accumulation can become more visible over time.

### The Important Difference

At the beginning, both individuals earned the same ₹15 lakh. Looking only at income would therefore suggest that their financial capacity was similar. However, income does not capture:

Existing financial obligations

The amount available after regular commitments

The consistency of accumulation

Changes in financial circumstances over time

**The Broader Lesson:** Different financial responsibilities can be reasonable. The key point is that the same income can lead to different financial outcomes depending on how much is retained and accumulated over time. Income creates earning capacity, but wealth is shaped by what is saved, what is owed, and what accumulates over the years.

## What Happens to the Money You Don't Spend?

Building financial resources is not only about how much income is earned. It also depends on what happens to the portion of income that is not used for current consumption.

Money that is retained can serve different purposes. It may remain available for future needs, strengthen financial reserves, be used towards existing obligations, or be allocated towards investments or other financial assets depending on individual circumstances. This makes retained income an important part of understanding how financial resources can develop over time.

### Retaining Creates Financial Capacity

When a portion of income is consistently retained, it creates resources that are available beyond the current spending period.

For example, an individual may receive a monthly income of ₹1,00,000 and use ₹75,000 towards regular expenses and commitments. The remaining ₹25,000 represents resources that have not been consumed during that month.

The significance of this amount becomes clearer when the pattern is repeated over time. If ₹25,000 were retained each month for one year, the cumulative amount would be:  $₹25,000 \times 12 = ₹3,00,000$

### Where Can Retained Resources Go?

The portion of income that is not spent does not necessarily have one predetermined use. Depending on individual circumstances, it may be directed towards:

|                             |                                                                                       |
|-----------------------------|---------------------------------------------------------------------------------------|
| <b>Financial Reserves</b>   | Maintaining funds for unexpected or near-term requirements.                           |
| <b>Existing Obligations</b> | Reducing outstanding loans or other financial commitments.                            |
| <b>Future Requirements</b>  | Setting aside resources for planned expenses or longer-term needs.                    |
| <b>Financial Assets</b>     | Allocating resources towards investments or assets based on individual circumstances. |

### Consistency Can Change the Picture

Retaining money once may have a limited impact. Repeatedly retaining a portion of income can create a progressively larger pool of financial resources. However, consistency does not necessarily mean saving exactly the same amount every month.

Income, expenses and responsibilities may change over time. A person may save more during one period and less during another. The broader consideration is whether a portion of available resources continues to be retained rather than being entirely absorbed by current expenditure.

### Retained Income and Financial Progress

The amount retained should not be viewed in isolation. Financial progress can also be affected by liabilities, withdrawals, changing expenses and the performance of assets where applicable.

Therefore, retained income is a resource contributing to future financial capacity and accumulation.

### Key Takeaway

The money that remains after current expenses can become an important financial resource. Retained income can strengthen an individual's financial position and provide greater flexibility over time.

Consistently retained income can support future requirements, obligations and long-term accumulation.

## Status Quo Bias: When Staying the Same Feels Easier

Financial decisions are not always changed because circumstances change. Sometimes, individuals continue with an existing financial arrangement simply because it is familiar and changing it requires additional effort or attention. This tendency is commonly referred to as Status Quo Bias.

Status quo bias describes the preference to maintain an existing situation rather than actively consider a change, even when circumstances may have evolved.

### How Status Quo Bias Can Appear

In personal finance, the bias may appear in relatively ordinary situations. An individual may:

Continue with the same savings pattern for several years without reviewing it

Keep financial arrangements unchanged despite changes in income

Allow savings to remain in the same form simply because it has always been done that way

Postpone reviewing how income is being allocated between present and future needs

These actions are not necessarily wrong. The issue is that a decision that was appropriate earlier may not always remain appropriate as circumstances change.

### Why the Status Quo Can Be Comfortable

Changing an existing financial arrangement can require time, information and a willingness to reconsider familiar choices.

As a result, maintaining the existing arrangement may feel easier than evaluating alternatives.

For example, an individual whose income has increased significantly may continue following the same savings pattern that was established several years earlier. Although the existing approach may still be suitable, the change in income creates a reason to reconsider whether the current allocation remains appropriate.

### Moving Beyond the Familiar

Recognizing status quo bias does not mean that every existing financial arrangement should be changed. Instead, it encourages periodic reflection:

- Has income changed significantly?
- Have financial responsibilities changed?
- Has the level of savings changed?
- Have liabilities increased or reduced?



Such questions can help distinguish between deliberately maintaining an arrangement and maintaining it simply because it is familiar.

### Lesson learned

Status quo bias can lead individuals to continue familiar financial arrangements without reconsidering whether they still reflect their current circumstances. Awareness of this tendency can encourage periodic review without implying that change is always necessary.



## Key Takeaways

The journey towards building financial resources is influenced by more than the amount earned. The key themes from this edition highlight the importance of understanding how income, savings and accumulated financial resources interact over time.

The following insights summarise the key themes explored in this edition:

- Income alone does not determine wealth. How much income is retained and accumulated over time also influences financial progress.
- Savings rate adds context to income. It shows the proportion of income retained after current expenses and financial commitments.
- Accumulation takes time and consistency. Regularly retaining financial resources can contribute to building a stronger financial base over the years.
- Financial progress is broader than income growth. Savings, accumulated resources, financial obligations and changing circumstances provide a more complete view of financial position.

## Quote of the Month

Beware of little expenses; a small leak will sink a great ship.

- Benjamin Franklin

## Closing Thought

Financial progress is shaped by more than how much is earned; it also depends on what is retained and accumulated over time. A higher income can create greater financial capacity, but the way those resources are managed influences how an individual's financial position evolves. Looking beyond income towards savings, accumulated resources and financial obligations provides a broader perspective on financial progress. True financial progress is not simply about earning more, but about making more of what is earned.

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## Sources

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1. Domestic data (As on 31<sup>st</sup> August, 2026) - <https://www.niftyindices.com/reports/historical-data>
2. International data (As on 31<sup>st</sup> August, 2026) - <https://in.investing.com/indices>
3. Sectoral Index Data (As on 31<sup>st</sup> August, 2026) - <https://www.niftyindices.com/reports/monthly-reports>
4. Mutual Fund Categories Snapshot Data (Internal Research from multiple sources) (As on 31<sup>st</sup> August, 2026)
5. Gold rate (As on 31<sup>st</sup> August, 2026) - <https://www.goodreturns.in/gold-rates/ahmedabad.html>
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7. Crude rate (As on 31<sup>st</sup> August, 2026) - <https://in.investing.com/commodities/crude-oil-historical-data>
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