



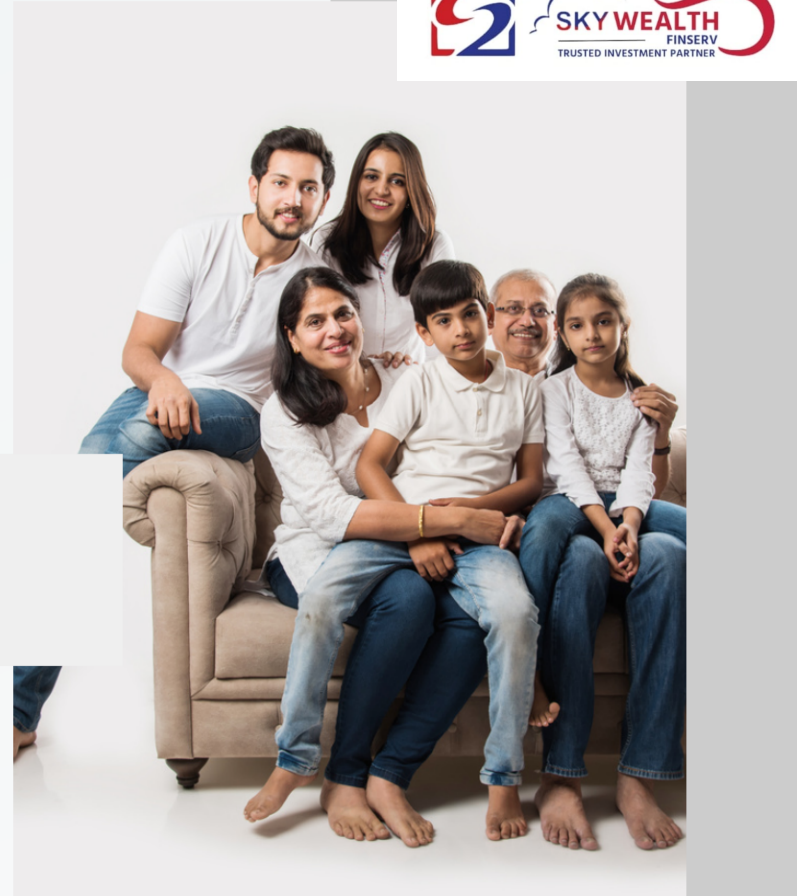
FINANCIAL LITERACY PROGRAM

AMFI Registered Mutual Fund Distributor

Indian Culture



We don't just invest for ourselves. We keep the need of our family first.



Why we save?



Retirement



Marriage



Education

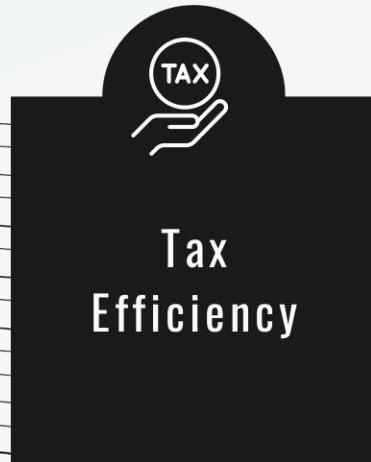


Dream Home



Vacation

What do we expect from our investment



Two rules

- Rule no 1 – Never lose money
- Rule no 2 – Never forget rule no 1

WARREN BUFFETT



Is it safe?



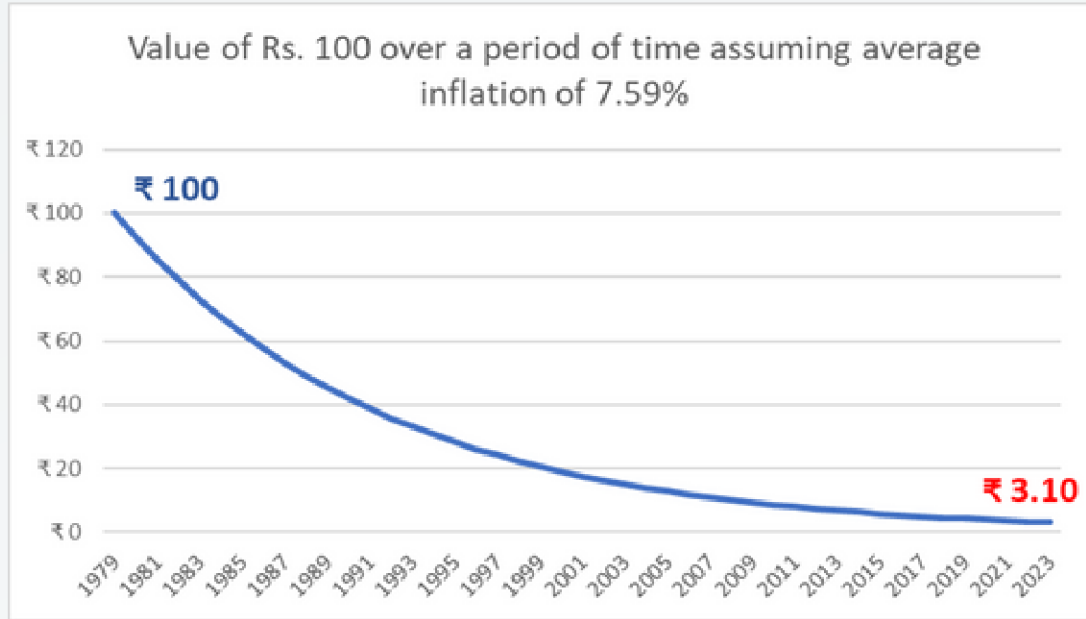
Rs. 100 note Kept in the locker is safe, but the value of the same Rs. 100/- will be very less after 10 Years.

Historical Inflation

Year	Inflation	Year	Inflation	Year	Inflation	Year	Inflation
1979	6.28%	1990	8.97%	2001	3.78%	2012	9.31%
1980	11.35%	1991	13.87%	2002	4.30%	2013	11.06%
1981	13.11%	1992	11.79%	2003	3.81%	2014	6.67%
1982	7.89%	1993	6.33%	2004	3.77%	2015	4.91%
1983	11.87%	1994	10.25%	2005	4.25%	2016	4.95%
1984	8.32%	1995	10.22%	2006	5.80%	2017	3.33%
1985	5.56%	1996	8.98%	2007	6.37%	2018	3.94%
1986	8.73%	1997	7.16%	2008	8.35%	2019	3.73%
1987	8.80%	1998	13.23%	2009	10.88%	2020	6.62%
1988	9.38%	1999	4.67%	2010	11.99%	2021	5.13%
1989	7.07%	2000	4.01%	2011	8.86%	2022	6.70%
						2023	5.10%

Historical avg.
Inflation
(From 1979 till date)
7.59%
Per annum

Source: <https://www.focus-economics.com/country-indicator/india/inflation/> and <https://www.worlddata.info/asia/india/inflation-rates>



Source: <https://www.focus-economics.com/country-indicator/india/inflation/> and <https://www.worlddata.info/asia/india/inflation-rates>

Inflation Risk

Inflation erodes the purchasing power of your money every year.

Historical FD rates

FY Year	Lower range	Higher Range	Average
1999 - 2000	10.00%	10.50%	10.25%
2000 - 2001	9.50%	10.00%	9.75%
2001 - 2002	8.00%	8.50%	8.25%
2002 -2003	5.50%	6.25%	5.88%
2003 - 2004	5.25%	5.50%	5.38%
2004 - 2005	5.75%	6.25%	6.00%
2005 - 2006	6.25%	7.00%	6.63%
2006 - 2007	7.75%	9.00%	8.38%
2007 - 2008	7.50%	9.00%	8.25%
2008 - 2009	7.75%	8.50%	8.13%
2009 - 2010	6.50%	7.50%	7.00%
2010 - 2011	8.25%	8.75%	8.50%

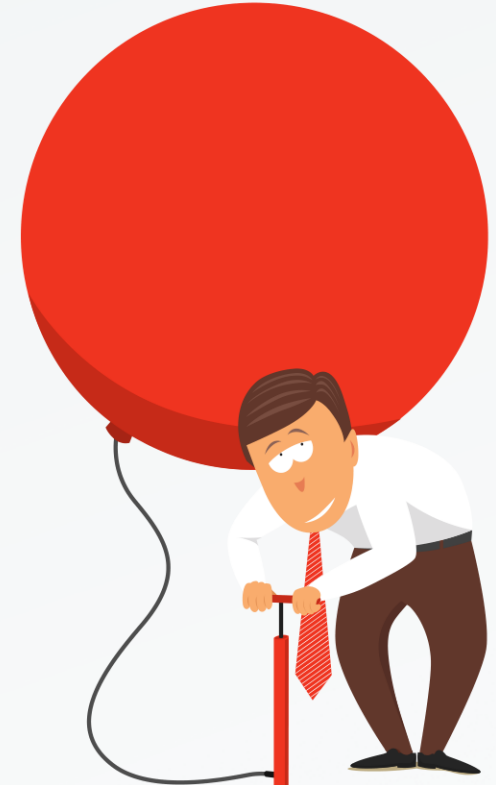
FY Year	Lower range	Higher Range	Average
2011 - 2012	9.00%	9.25%	9.13%
2012 - 2013	8.75%	9.00%	8.88%
2013 - 2014	8.75%	9.10%	8.93%
2014 - 2015	8.50%	8.75%	8.63%
2015 - 2016	7.00%	7.50%	7.25%
2016 - 2017	6.50%	6.90%	6.70%
2017- 2018	6.25%	6.70%	6.48%
2018 - 2019	6.25%	7.25%	6.75%
2019 - 2020	5.70%	6.40%	6.05%
2020 - 2021	5.25%	5.35%	5.30%
2021 - 2022	5.05%	5.35%	5.20%
Average FD interest rates			7.70%

Source: <https://www.rbi.org.in/scripts/PublicationsView.aspx?id=12765> & <https://rbi.org.in/scripts/PublicationsView.aspx?id=17207> & <https://www.rbi.org.in/scripts/PublicationsView.aspx?id=20469>

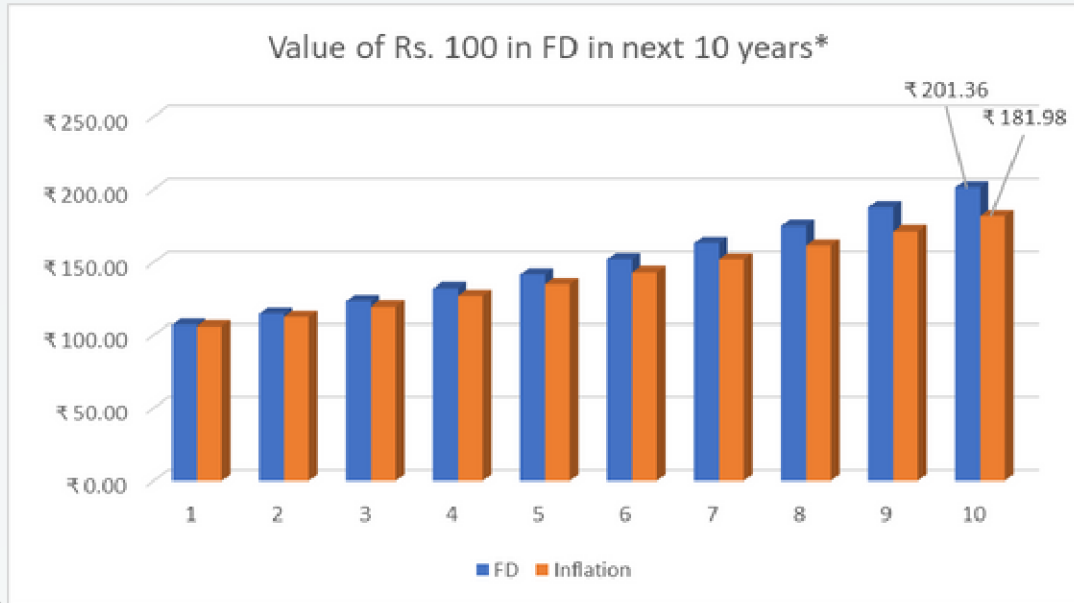
Real return

- Last 12 months avg. Inflation* – **6.17%**
- Present FD rate – Approx. **7.25%**
- The real rate of Return: **1.08%**
- Real lifestyle inflation is more than CPI

*Source: <https://tradingeconomics.com/india/inflation-cpi> & <https://www.bankbazaar.com/fixed-deposit-rate.html>



FD vs Inflation

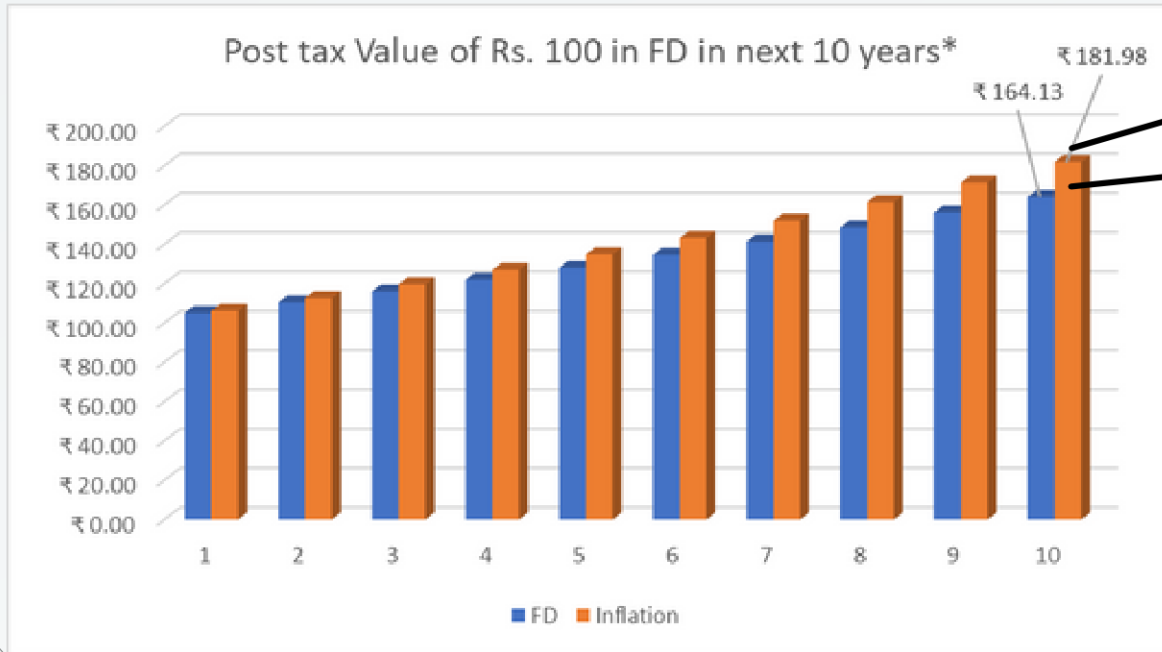


Fix Deposit

Not a very smart choice for long-term investment

FD - 7.25% assumed
Inflation - 6.17% Assumed

Post tax return



Rs. 181.98

Shortfall

Rs. 164.13

FD - 7.25% assumed

Lifestyle Inflation - 6.17% Assumed

Tax Bracket - 30% assumed

Gold historical return

Year	Price (24 karat per 10 grams)	Year	Price (24 karat per 10 grams)	Year	Price (24 karat per 10 grams)	Year	Price (24 karat per 10 grams)
1979	Rs.937	1990	Rs.3,200	2001	Rs.4,300	2013	Rs.29,600
1980	Rs.1,330	1991	Rs.3,466	2002	Rs.4,990	2014	Rs.28,006
1981	Rs.1,800	1992	Rs.4,334	2003	Rs.5,600	2015	Rs.26,343
1982	Rs.1,645	1993	Rs.4,140	2004	Rs.5,850	2016	Rs.28,623
1983	Rs.1,800	1994	Rs.4,598	2005	Rs.7,000	2017	Rs.29,667
1984	Rs.1,970	1995	Rs.4,680	2007	Rs.10,800	2018	Rs.31,438
1985	Rs.2,130	1996	Rs.5,160	2008	Rs.12,500	2019	Rs.35,220
1986	Rs.2,140	1997	Rs.4,725	2009	Rs.14,500	2020	Rs.48,651
1987	Rs.2,570	1998	Rs.4,045	2010	Rs.18,500	2021	Rs.48,720
1988	Rs.3,130	1999	Rs.4,234	2011	Rs.26,400	2022	Rs.52,670
1989	Rs.3,140	2000	Rs.4,400	2012	Rs.31,050	2023*	Rs.61,650

*2023 rates are till today (28th June 2023)

Source: <https://www.bankbazaar.com/gold-rate/gold-rate-trend-in-india.html>

Investment
Rs. 1,00,000
(in 1979)
Current Value
Rs. 65,79,509
(65.79 times)
CAGR
9.98%

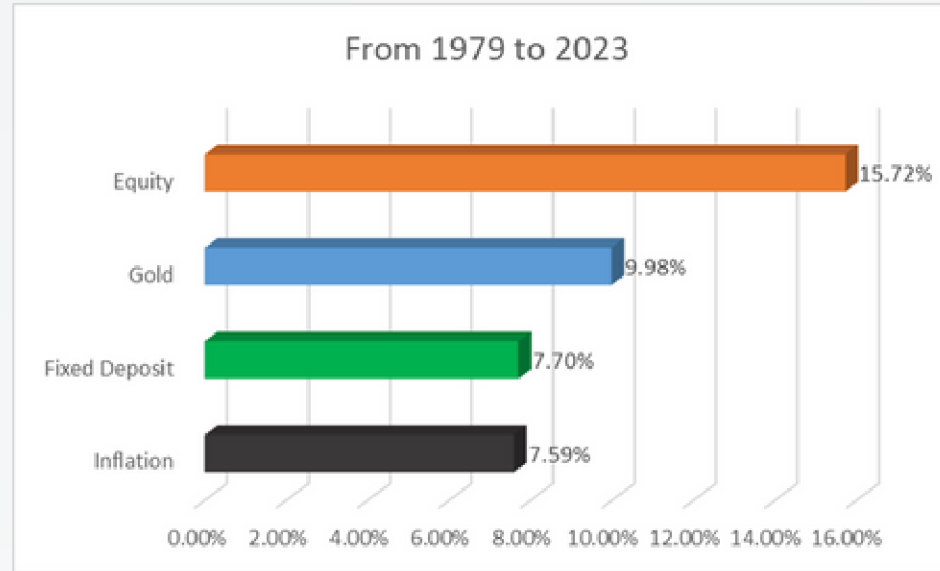
Sensex Return

Year	Sensex	Investment / Value
31-3-1979	100	Rs. 1,00,000
30-6-2023	64,718.56	Rs. 6,47,18,560

Sensex has delivered a **15.76% CAGR** return in the past 44.25 years (**647.18 times**)

Source: www.bseindia.com

Return Comparison



Source: <https://www.rbi.org.in/scripts/PublicationsView.aspx?id=12765> & <https://rbi.org.in/scripts/PublicationsView.aspx?id=17207> & <https://www.rbi.org.in/scripts/PublicationsView.aspx?id=20469>, <https://www.focus-economics.com/country-indicator/india/inflation/> and, <https://www.worlddata.info/asia/india/inflation-rates>, <https://www.bankbazaar.com/gold-rate/gold-rate-trend-in-india.html>, www.bseindia.com

Let's understand Market RISK

Ratio of Positive Rolling Return	Probability of Negative return	Probability of Loss
1 Year	14 Out of 44	31.82%
3 Years	7 Out of 42	16.67%
5 Years	2 Out of 39	5.13%
10 Years	1 Out of 35	2.86%
15 Years	0 Out of 30	0.00%
20 Years	0 out of 25	0.00%

- Markets are volatile in the short term.
- As the investment horizon increases, the probability of loss reduces. E.g., the table shows that, in the last 44 years of SENSEX, the likelihood of losing money for periods of 15 years or more has been NIL.
- SENSEX has compounded wealth at 15.72% over the long run. At this rate, an investment in the stock market has historically doubled approximately every 4.5 Years

Successful Equity investing

- Invest through Mutual Fund
- Don't try to time the market
- Stay disciplined with SIP
- Invest with Goals



INVEST THROUGH MUTUAL FUNDS



Why Mutual fund

- Professional Management
- Lower expense
- Liquidity
- Transparent
- Flexible investing and withdrawing options
- Convenient and hassle free



Direct equity is complicated

56% of total listed stocks are either **delisted** or **suspended**

Status	No of Stocks	% of total listed
Active Stocks	4083	44%
Delisted Stocks	4035	43%
Suspended	1218	13%
Total	9336	NA

Source: https://www.bseindia.com/corporates/List_Scrips.aspx/ as on 29th June 2023

BSE 30 - Journey

Original List of Companies when the Sensex was first compiled in 1986

ACC Ltd	Hindalco	Mukand Ltd
Ballarpur Industries	Hindustan Motors	Nestle
Bharat Forge	Hindustan Uniliver	Peico Electronics
Bombay Dyeing	Indian Hotels	Premier Auto
CEAT	Indian Organics	Reliance Industries
Century Textiles	Indian Rayon	Siemens
Glaxo Pharma	ITC	Tata Motors
Grasim	Kirloskar Cummins	Tata Power
Great Eastern Shipping	L&T	Tata Steel
GSFC	M&M	Voltas

Only **8 of the original 30 members of the BSE 30**, since its launch in 1986, are still (as of 28th June 2023) part of the Sensex.

source: <https://www.equitymaster.com/detail.asp?date=09/23/2022&story=3&title=1986%2D2032-BSE-30-Companies-%2D-Then-Now-and-Beyond> & www.bseindia.com

Mutual funds - better and safer

Category wise performance of equity funds for 10 Years				
Category	Highest Return	Average	Lowest Return	Total No of funds
Flexicap Fund	21.72%	12.98%	10.65%	16
Equity Linked Savings Scheme	22.80%	15.59%	13.11%	25
Focused Fund	19.17%	15.45%	12.02%	13
Large & Mid cap fund	23.37%	16.38%	12.93%	19
Large Cap fund	16.84%	13.63%	10.58%	26
Mid Cap fund	21.83%	19.55%	16.32%	17
Multi Cap fund	21.80%	17.25%	14.71%	6
Small Cap fund	28.04%	21.32%	16.30%	10
Value Fund	19.29%	16.96%	13.46%	10

*Returns are as of 28th June, 2023. Source: www.advisorkhoj.com. Past performance may or may not sustain in future

DON'T TRY TO TIME THE MARKET



Risk of missing BEST Days

Valuation as on 30th June 2023 of Rs. 1 Lakh invested from 1st Jan 2003

Sensex	Valuation	Loss due to missing best days	Opportunity loss in %
Current Value	₹ 14,04,467	NA	Na
2 days	₹ 10,96,983	-₹ 3,07,484	-21.89%
5 days	₹ 8,71,678	-₹ 5,32,789	-37.94%
10 days	₹ 6,32,099	-₹ 7,72,367	-54.99%
20 days	₹ 3,64,683	-₹ 10,39,784	-74.03%
30 days	₹ 2,23,965	-₹ 11,80,502	-84.05%
40 days	₹ 1,47,440	-₹ 12,57,027	-89.50%

*Source: Internal research.

Conclusion

Time in the market
is more important
than timing the
market.



PPF - Interest rates

PPF interest Rates Over Time			
PERIOD	Rate of Interest	PERIOD	Rate of Interest
15.01.2000 to 28.02.2001	11.00%	01.10.2016 to 31.03.2017	8.00%
01.03.2001 to 28.02.2002	9.50%	01.04.2017 to 30.06.2017	7.90%
01.03.2002 to 28.02.2003	9.00%	01.07.2017 to 31.12.2017	7.80%
01.03.2003 to 30.11.2011	8.00%	01.01.2018 to 30.09.2018	7.60%
01.12.2011 to 31.03.2012	8.60%	01.10.2018 to 30.06.2019	8.00%
01.04.2012 to 31.03.2013	8.80%	01.07.2019 to 31.03.2020	7.90%
01.04.2013 to 31.03.2016	8.70%	01-04.2020 to 30.09.2021	7.10%
01.04.2016 to 30.09.2016	8.10%	Current	7.10%

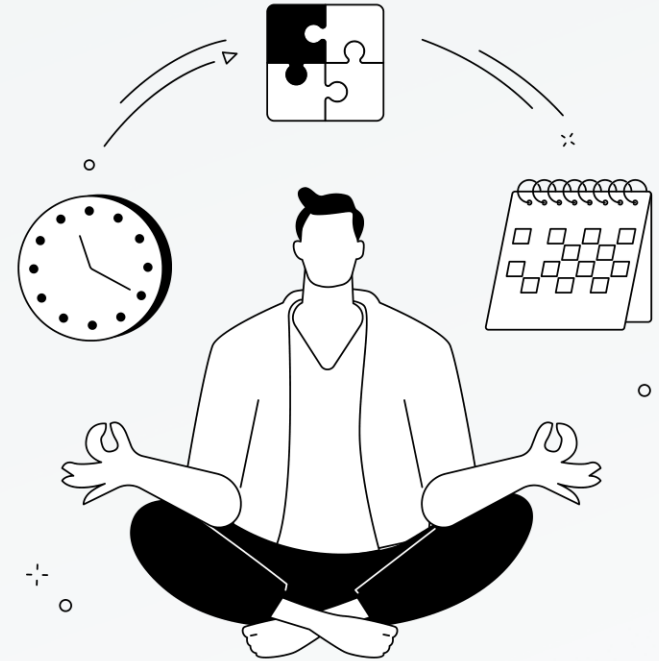
ELSS vs PPF

Return of 15 years (Rs 1,50,000 invested every year through SIP of Rs. 12,500 per month)

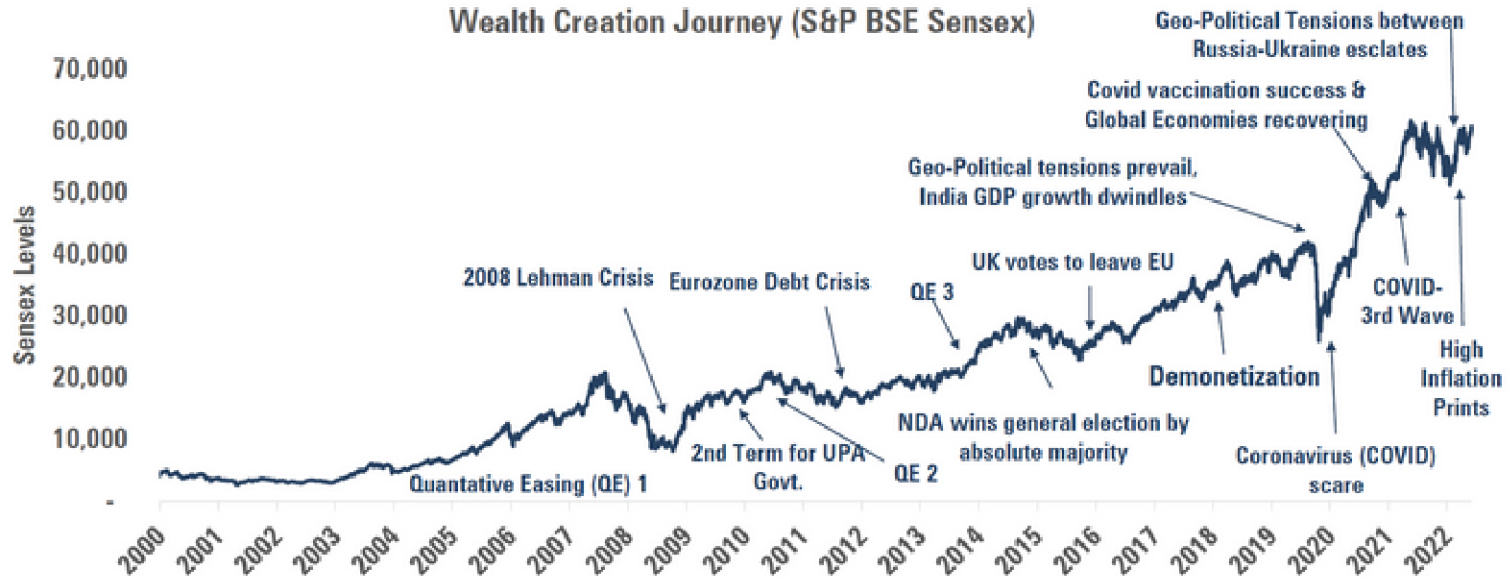
Investment Product	Investment	Current Value	CAGR
PPF	Rs. 22,50,000	Rs. 40,21,382	8.17
Best Performing ELSS	Rs. 22,50,000	Rs. 95,63,625	17.62%
Avg. of All ELSS	Rs. 22,50,000	Rs. 69,13,763	13.77%
Worst Performing ELSS	Rs. 22,50,000	Rs. 59,29,718	12.07%

*Returns are as of 22nd June, 2023. Past performance may or may not sustain in future

STAY DISCIPLINED INVEST REGULARLY



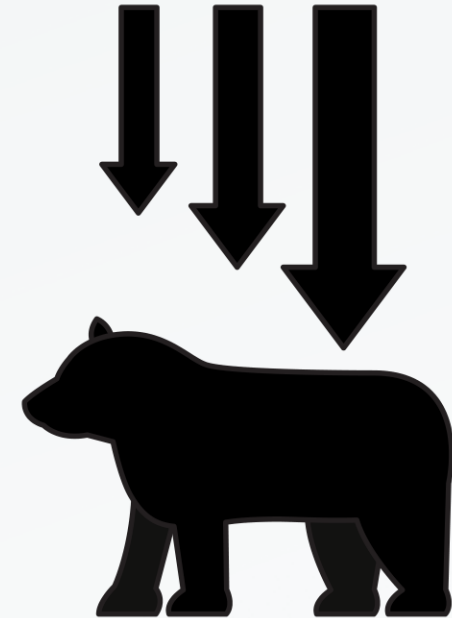
Journey vs Destination



Data Source : BSE. Data upto October 31, 2022 has been considered. Past performance may or may not sustain in future. UPA: United Progress Alliance. GDP: Gross Domestic Product, EU: European Union. Sensex levels signify S&P BSE Sensex levels. NDA: National Democratic Alliance. Covid: Coronavirus Disease., QE: Quantitative Easing

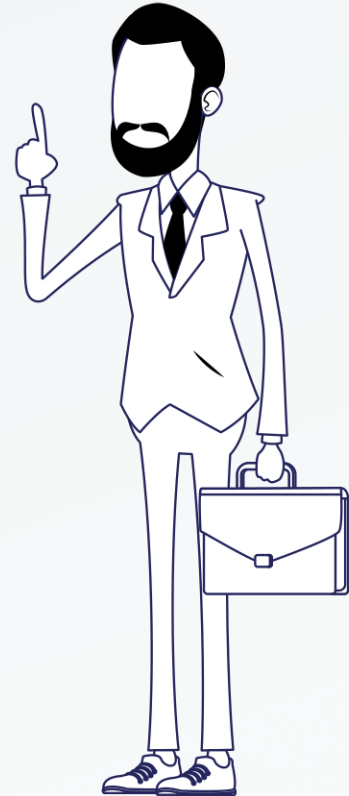
Stay disciplined during correction

Sensex High		Sensex Low		Correction	CAGR Returns in % from the date when Sensex closed at lowest level			
Date	Value	Date	Value	in %	1 year	2 years	3 years	5 years
15-Feb-01	4438	21-Sep-01	2600	-41.42	16.20	27.44	28.73	36.03
26-Feb-02	3713	28-Oct-02	2834	-23.67	66.12	41.94	40.13	47.78
27-Dec-02	3398	25-Apr-03	2924	-13.95	95.36	47.61	59.73	41.69
14-Jan-04	6194	17-May-04	4505	-27.27	43.53	64.68	46.96	25.96
08-Mar-05	6915	19-Apr-05	6135	-11.28	93.90	49.00	39.74	23.27
10-May-06	12612	14-Jun-06	8929	-29.20	59.07	30.43	18.55	15.39
09-Jan-08	20870	27-Oct-08	8510	-59.22	92.17	53.33	27.90	19.31
06-Jan-09	10336	09-Mar-09	8160	-21.05	108.98	50.44	28.97	21.87
10-Jun-09	15467	13-Jul-09	13400	-13.36	34.22	17.80	8.75	13.29
06-Jan-10	17701	05-Feb-10	15791	-10.79	14.22	5.60	7.74	12.84
07-Apr-10	17970	25-May-10	16022	-10.84	11.39	0.61	7.14	11.44
03-Jan-11	20561	20-Dec-11	15175	-26.20	28.34	17.83	21.73	11.69
21-Feb-12	18429	23-May-12	15948	-13.46	23.37	24.43	20.12	13.9
25-Jan-13	20104	21-Aug-13	17906	-10.93	47.21	23.63	16.19	16.41
29-Jan-15	29682	11-Feb-16	22952	-22.67	23.45	21.75	16.60	16.79
08-Sep-16	29045	21-Nov-16	25765	-11.29	30.26	16.88	16.34	18.30
29-Jan-18	36283	23-Mar-18	32596	-10.16	17.13	-10.71	13.99	
28-Aug-18	38896	04-Oct-18	35169	-9.58	7.12	4.91	13.00	
14-Jan-20	41952	23-Mar-20	25981	-38.07	94.66			
18-Oct-21	61766	20-Dec-21	55822	-9.6				



Take SIP route

Systematic Investment Plan



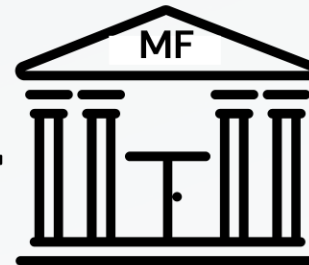
What Is SIP



Fixed Amount



Recurring



SIP

How does it work?

01

Amount is AUTO debited is invested in selected MF Scheme

02

Units are allotted based on the NAV of the Scheme

03

Investors can redeem/switch out units anytime

Benefits of investing through SIP

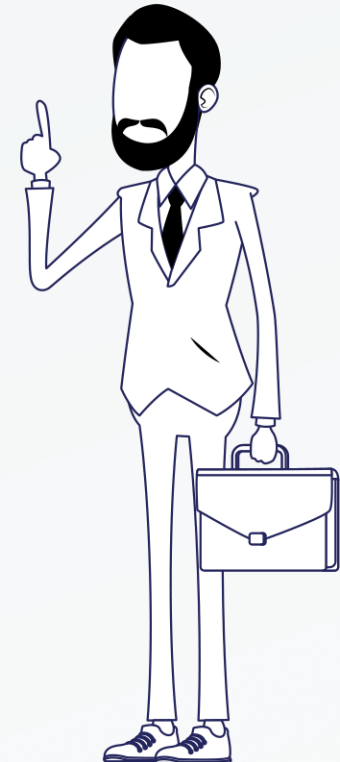
- Brings financial Discipline
- Rupee cost averaging
- Market timing risk minimized
- Power of compounding
- Can start with a small amount
- Helps to achieve financial goals



Rupee cost average

Month	NAV	SIP Investment		Lumpsum Investment	
		Amount	No. Of Units	Amount	No of Units
1	20	10000	500.00	90000	4500
2	17	10000	588.24		
3	21	10000	476.19		
4	16	10000	625.00		
5	13	10000	769.23		
6	15	10000	666.67		
7	19	10000	526.32		
8	20	10000	500.00		
9	22	10000	454.55		
Total Amount Invested		90000		90000	
Average Price per unit		18.11		20	
Total No of Units purchased		5106.18		4500	
Value at the end of 9 months		112336		99000	

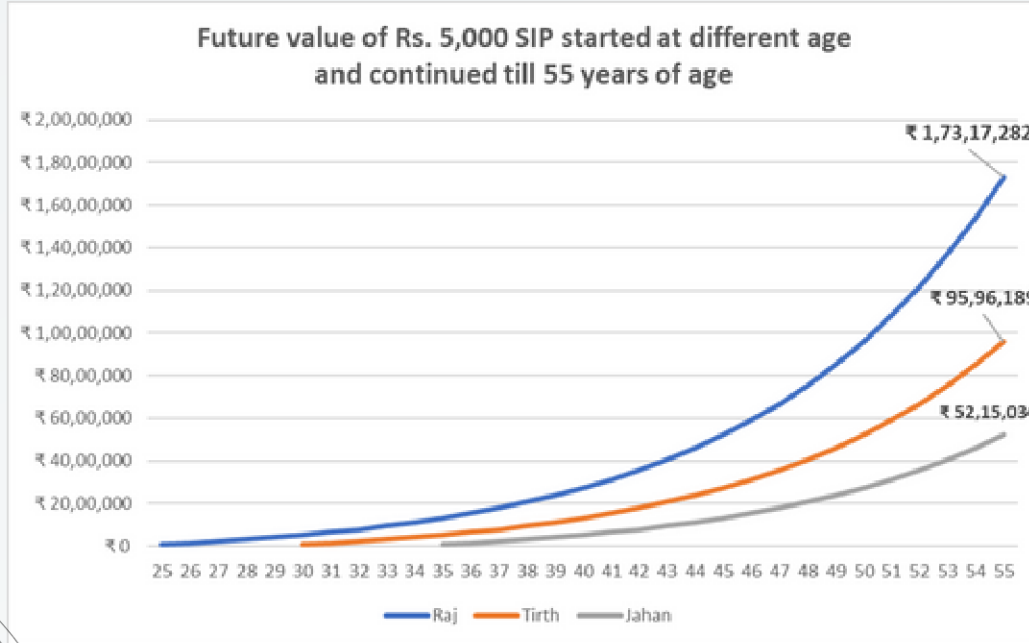
The above calculation is only for illustrative purposes.



SIP brings discipline



The key is to start early



- **Raj Started @ 25** years of age
- **Tirth Started @ 30** Years of age
- **Jahan Started @ 35** Years of age

*Assumed rate of return @ 12% is only for illustrative purposes. The calculation

SIP return Analysis

SIP return analysis for **5 years** of Period for various categories

Category	Large Cap	Mid Cap	Small Cap	Large & Mid Cap	Flexicap	ELSS
Highest Return	19.13%	26.92%	37.35%	20.97%	27.23%	28.06%
Average Return	14.79%	20.51%	26.29%	17.46%	16.28%	16.44%
Lowest return	11.56%	14.04%	18.44%	12.86%	9.45%	8.86%
No of Funds	26	22	14	21	22	33
Schemes with 15%+ CAGR	13	21	14	18	15	22
Schemes with 12%+ CAGR	23	22	14	21	20	30
Schemes with 10%+ CAGR	26	22	14	21	21	32

As of 4th July 2023. Past performance may or may not sustain in the future. Source: www.advisorkhoj.com

SIP return Analysis

SIP return analysis for **10 years** of Period for various categories

Category	Large Cap	Mid Cap	Small Cap	Large & Mid Cap	Flexicap	ELSS
Highest Return	15.12%	18.78%	23.90%	18.92%	20.77%	22.39%
Average Return	12.66%	16.57%	19.36%	14.62%	14.12%	14.02%
Lowest return	9.39%	13.96%	13.98%	12.16%	8.81%	10.41%
No of Funds	25	17	10	19	16	24
Schemes with 15%+ CAGR	1	12	9	8	4	2
Schemes with 12%+ CAGR	17	17	10	19	13	22
Schemes with 10%+ CAGR	24	17	10	19	14	24

As of 4th July 2023. Past performance may or may not sustain in the future. Source: www.advisorkhoj.com

SIP return Analysis

SIP return analysis for **15 years** of Period for various categories

Category	Large Cap	Mid Cap	Small Cap	Large & Mid Cap	Flexicap	ELSS
Highest Return	15.66%	19.50%	20.87%	19.36%	15.33%	17.87%
Average Return	12.59%	17.13%	17.87%	14.49%	13.47%	13.92%
Lowest return	9.32%	14.69%	15.11%	12.15%	9.75%	12.27%
No of Funds	17	15	8	16	11	16
Schemes with 15%+ CAGR	1	14	8	5	1	2
Schemes with 12%+ CAGR	9	15	8	16	9	16
Schemes with 10%+ CAGR	16	15	8	16	9	16

As of 4th July 2023. Past performance may or may not sustain in the future. Source: www.advisorkhoj.com



CHOOSE THE RIGHT INVESTMENT AMOUNT

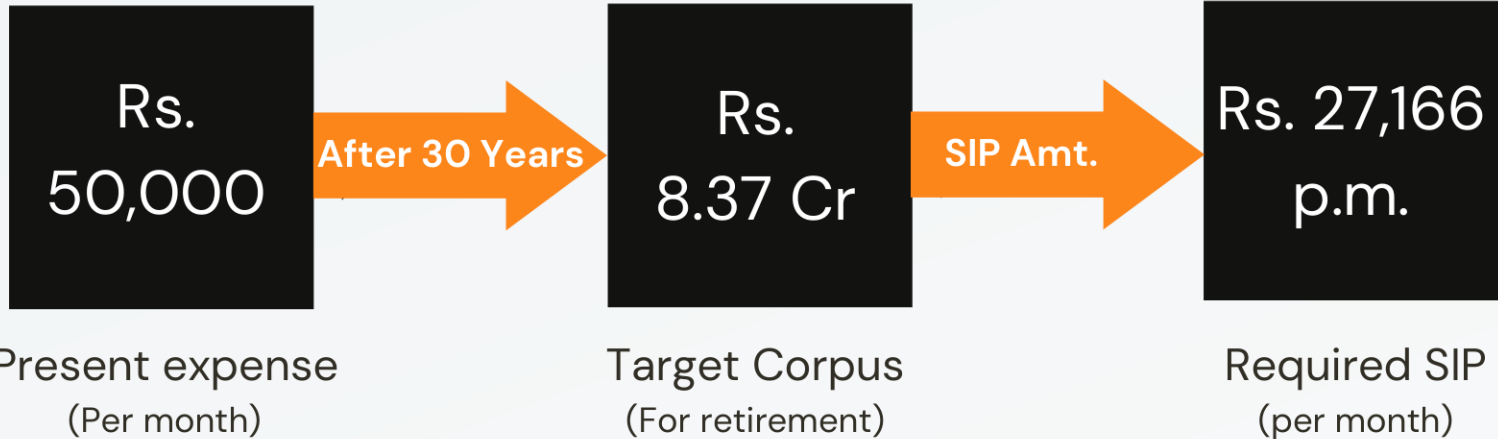


Right SIP for Education



Inflation Assumed - 7%; Assumed SIP Return - 12% CAGR* The calculation is only for illustrative purposes

Right SIP for Retirement



Current Age - 30 yrs; Retirement Age - 60 yrs; Life Expectancy - 80 yrs; Inflation - 7%; Post Retirement Return - 8%;
Pre Retirement Return - 12%; Future Monthly Expenses - 3.81 Lakhs
The above calculation is only for the illustrative purposes

Conclusion

- Not investing in equity is riskier
- Invest in long term
- Invest through Mutual Fund
- Don't try to time the market
- Invest Regularly
- Take the professional help



Mutual Fund Investments are subject to market risk, read all scheme related documents carefully.

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