

6

Rules of
**Smart
Investors**

Sample

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor



Sample

Rule #1

**Protect
Yourself**

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor

How much Insurance is **good?**

Health Cover

10-20 Lacs cover
for each person

Sample

Life Cover

For earning
member
10-15 times of
annual income

** These are not
recommended
values. Each
situation is different.*

Other Insurances

Critical Illness,
Accident
Insurance, etc. can
be considered.

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor



Sample

Rule #2
**Save &
Invest**

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor

How much
should you **Save?**

Sample

 **30-40%*** of
your **Income**

** EMI towards home loan could be considered as savings since you are building an asset.
This is indicative and can differ from person to person.*

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor

Where to Invest ?

Investment Options



Property



Fixed Income



Share & Stocks



Gold



Currency



Commodities



Art

Preferred by
most investors
diversification is
suggested.

**Invest only if you
understand it.**

Sample

** There are seven commonly known asset classes.
This is indicative and not restrictive.*

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor



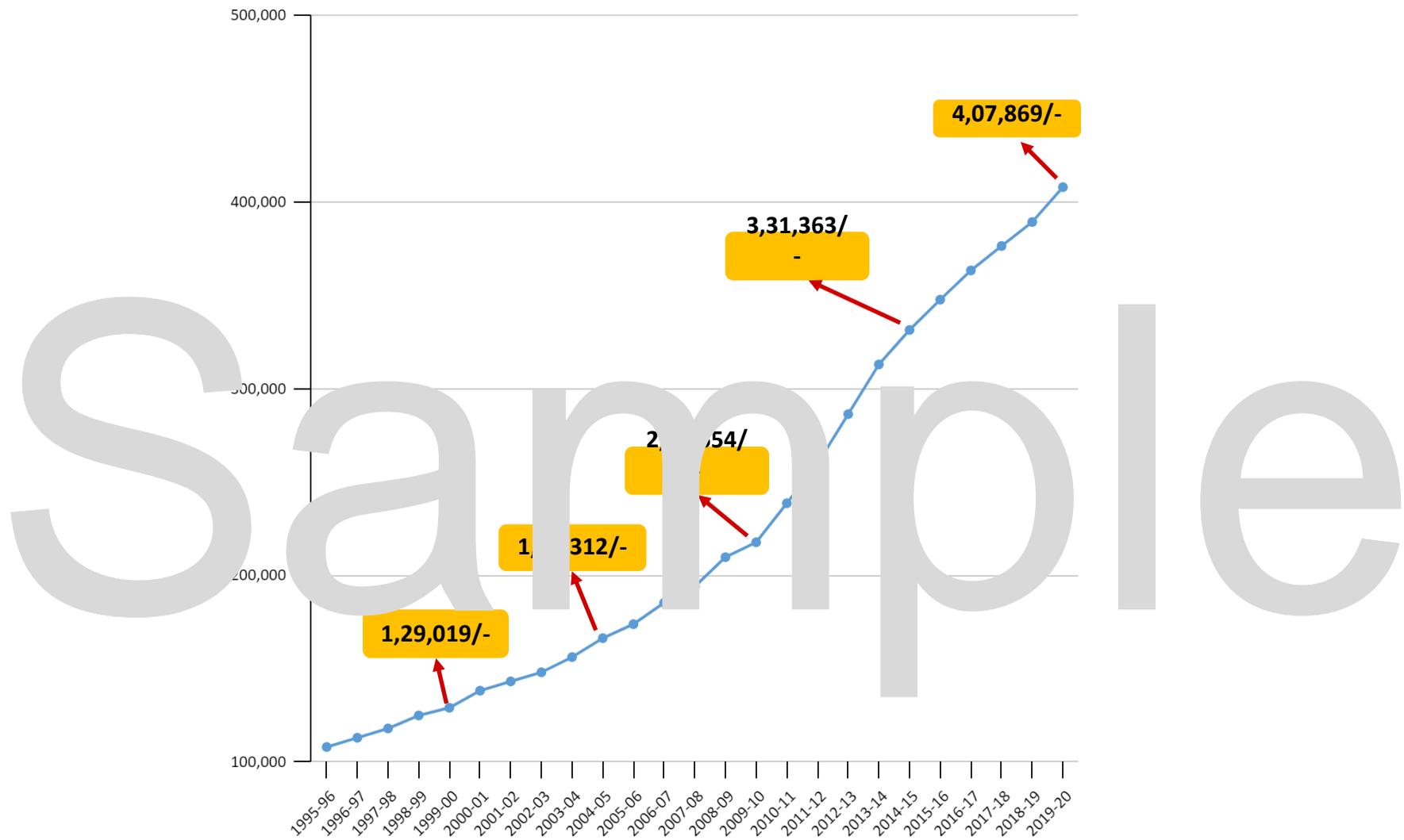
Sample

Rule #3
**Start
Early**

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor

Rising Cost of Inflation



*Inflation (WPI till 2011-12, CPI since 2012-13. Source: RBI)

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor

Impact of Inflation

How inflation affects your expenses



* Today's Cost refers to cost as on 31st March' 2020.

* Inflation (WPI till 2011-12, CPI since 2012-13). Source: RBI

* Future inflation assumed @ 3.50%.

* For illustration purpose only.

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor

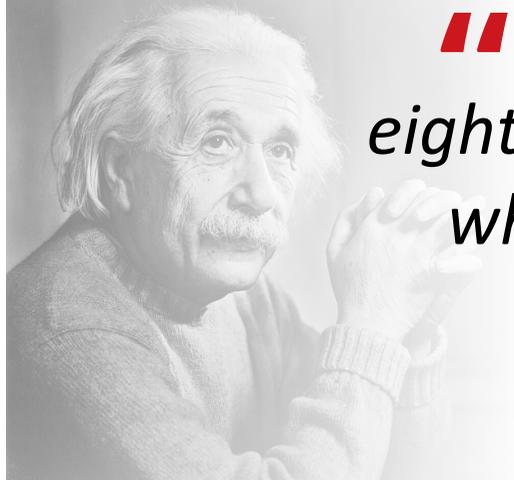
The Wealth Creation Formula

$$A = p \left(1 + \frac{r}{100} \right)^t$$

What Investors
Focus On

What Investors
Ignore

Sample



“ Compound interest is the eighth wonder of the world. He who understands it, earns it. He who doesn't pays it. **”**

Albert Einstein

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor



Replace

How much
return I will get?

Sample

with

For how long
will I invest?



Power of Compounding

Delay can be expensive

One Time Investment	Tenure (Years)	Expected Return*	Expected Future Value
10,00,000	20	12%	95 Lacs
30,00,000	10	12%	95 Lacs



You need to **invest 3 times** if you defer your investments by 10 years

*Note : The chart above is approx. and for illustrative purpose only.
Returns are not guaranteed.*

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor

Power of Compounding



Value of 10 lac in 20 Years

Interest Rate	Value after 20 years
8%	45.00 Lacs
10%	65.00 Lacs
12%	95.00 Lacs
15%	165.00 Lacs

Don't Underestimate Compounding

*Note : The chart above is approx. and for illustrative purpose only.
Returns are not guaranteed.*

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor



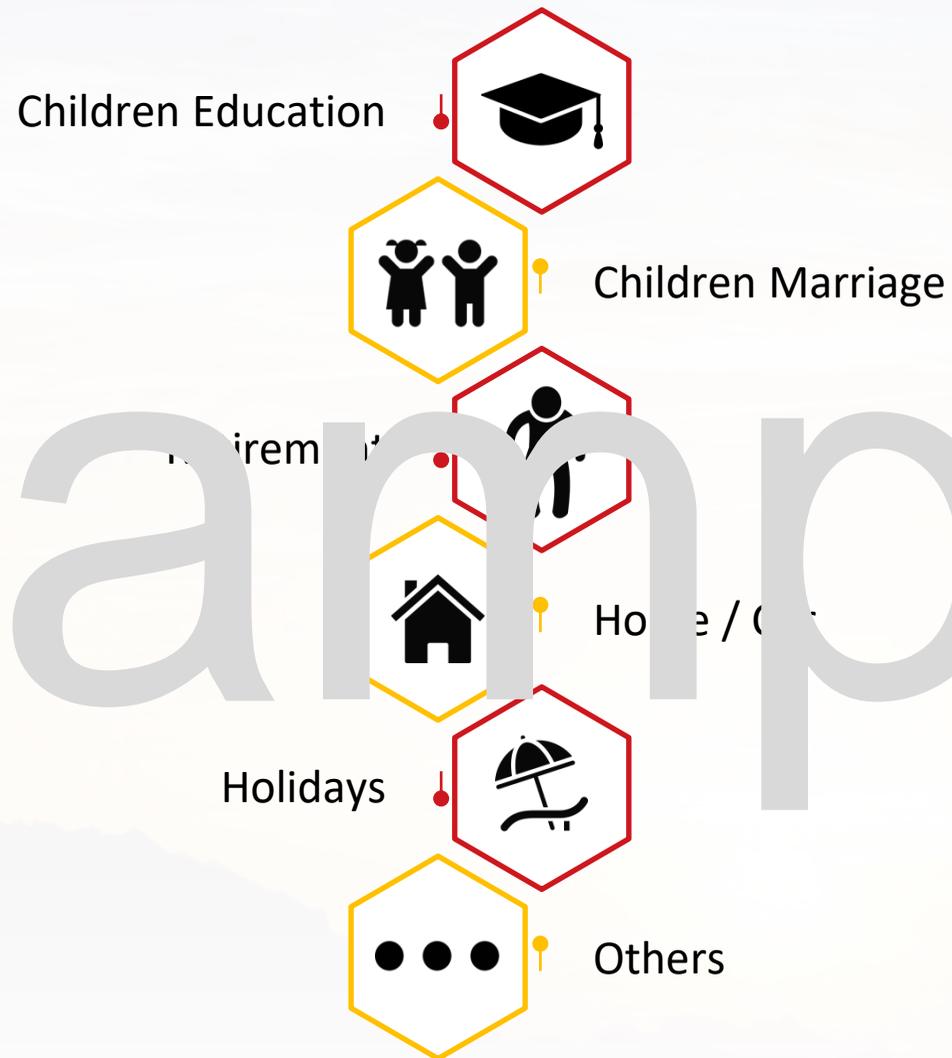
Rule #4

Event Based Investing

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor

Events in Life



Sample

Invest keeping in mind life events

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor



Rule #5

Invest Through Mutual Funds

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor

All About Mutual Fund

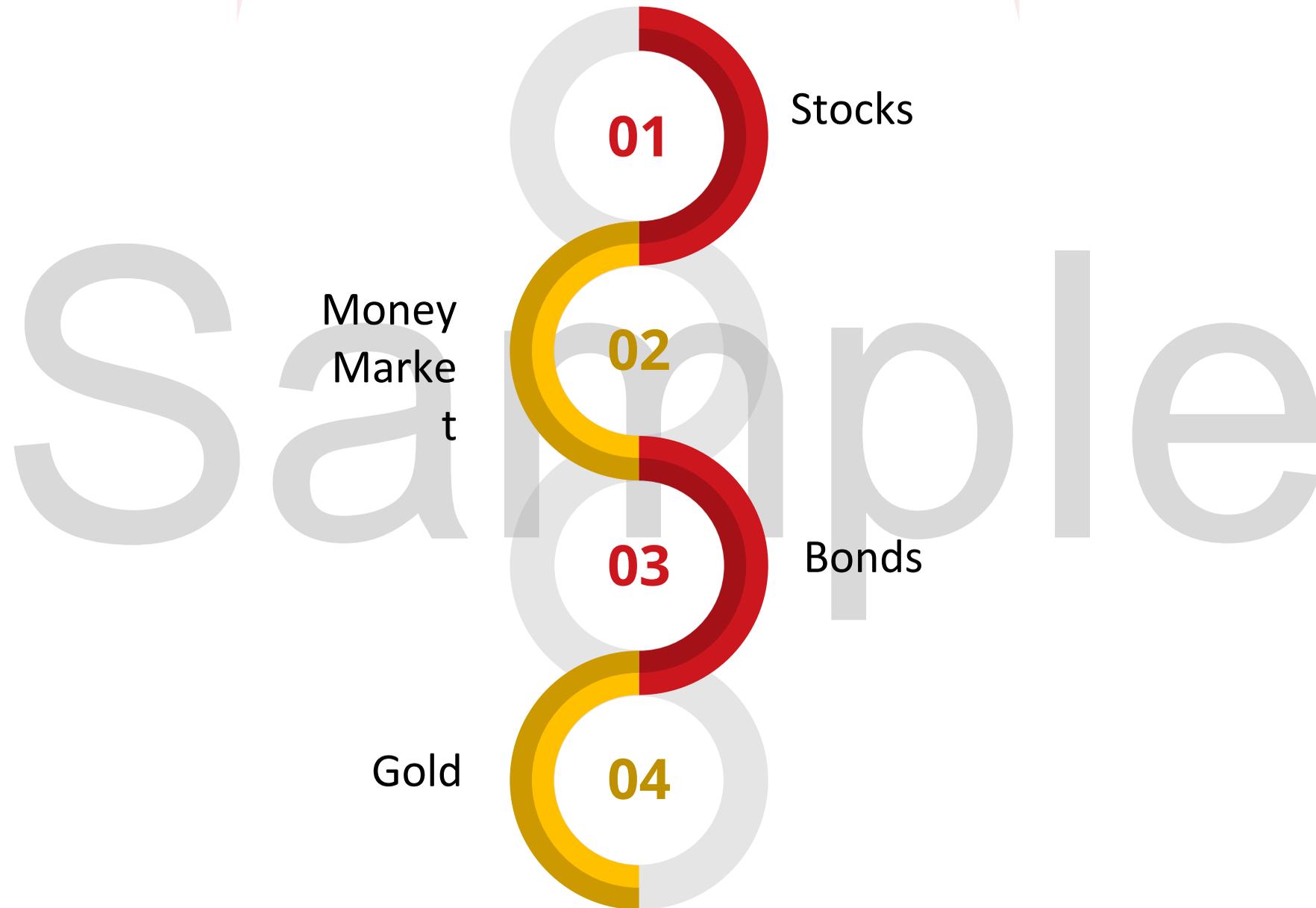


• *Just for illustration. Features can change from scheme to scheme.
Mutual Fund investments are subject to market risks. Please read all scheme related documents carefully.*

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor

Where Do Mutual Funds **Invest?**

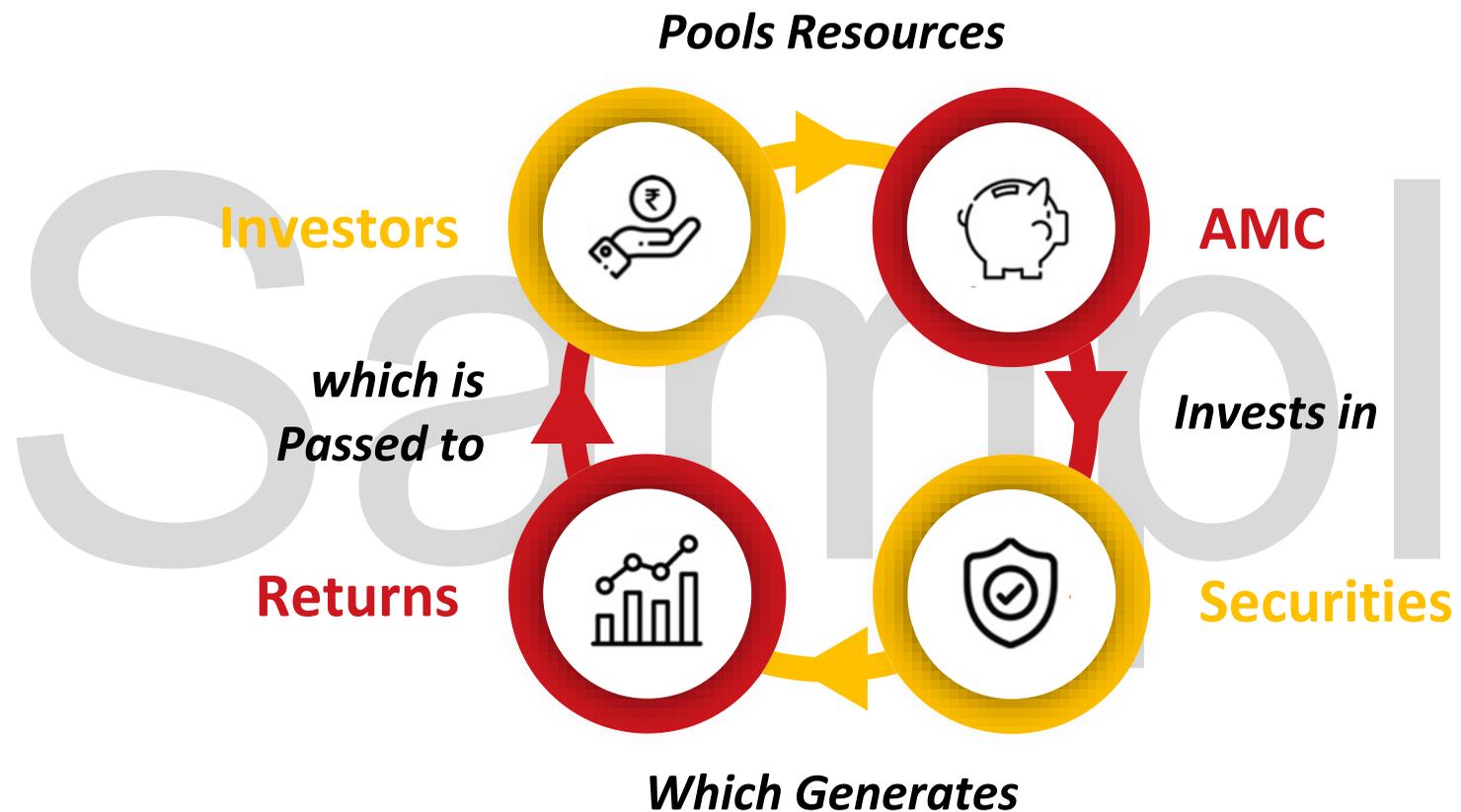


Mutual Fund investments are subject to market risks. Please read all scheme related documents carefully.

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor

How Do Mutual Funds **Work?**



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

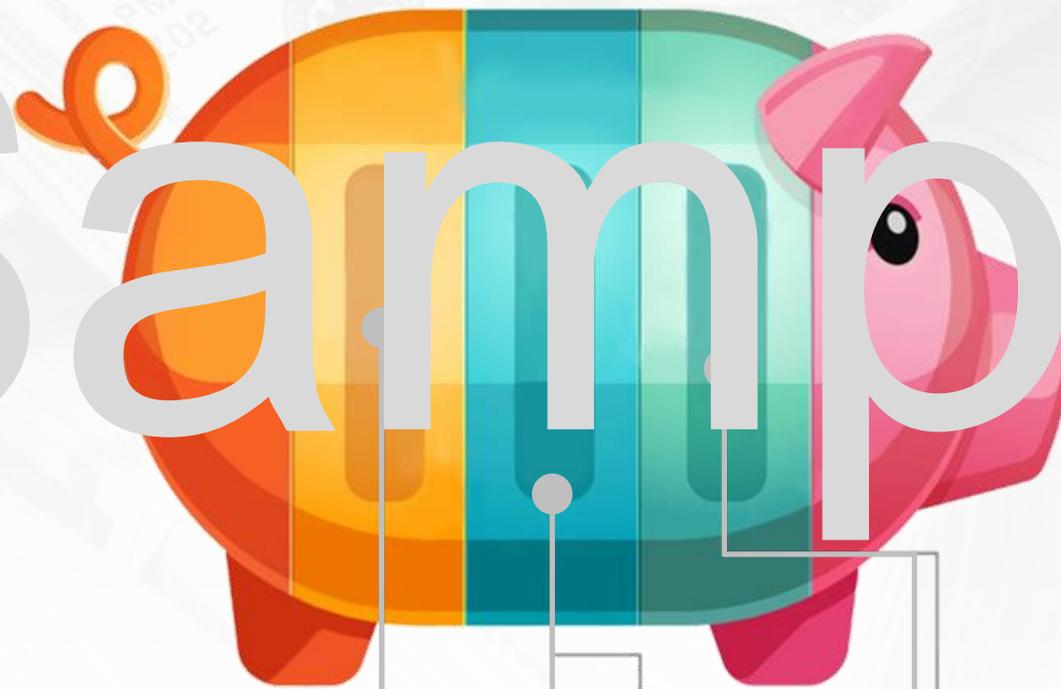
MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor

Who Manages My Money

Fund Manager

Sample



Experts

Qualified

Track
Record

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

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor



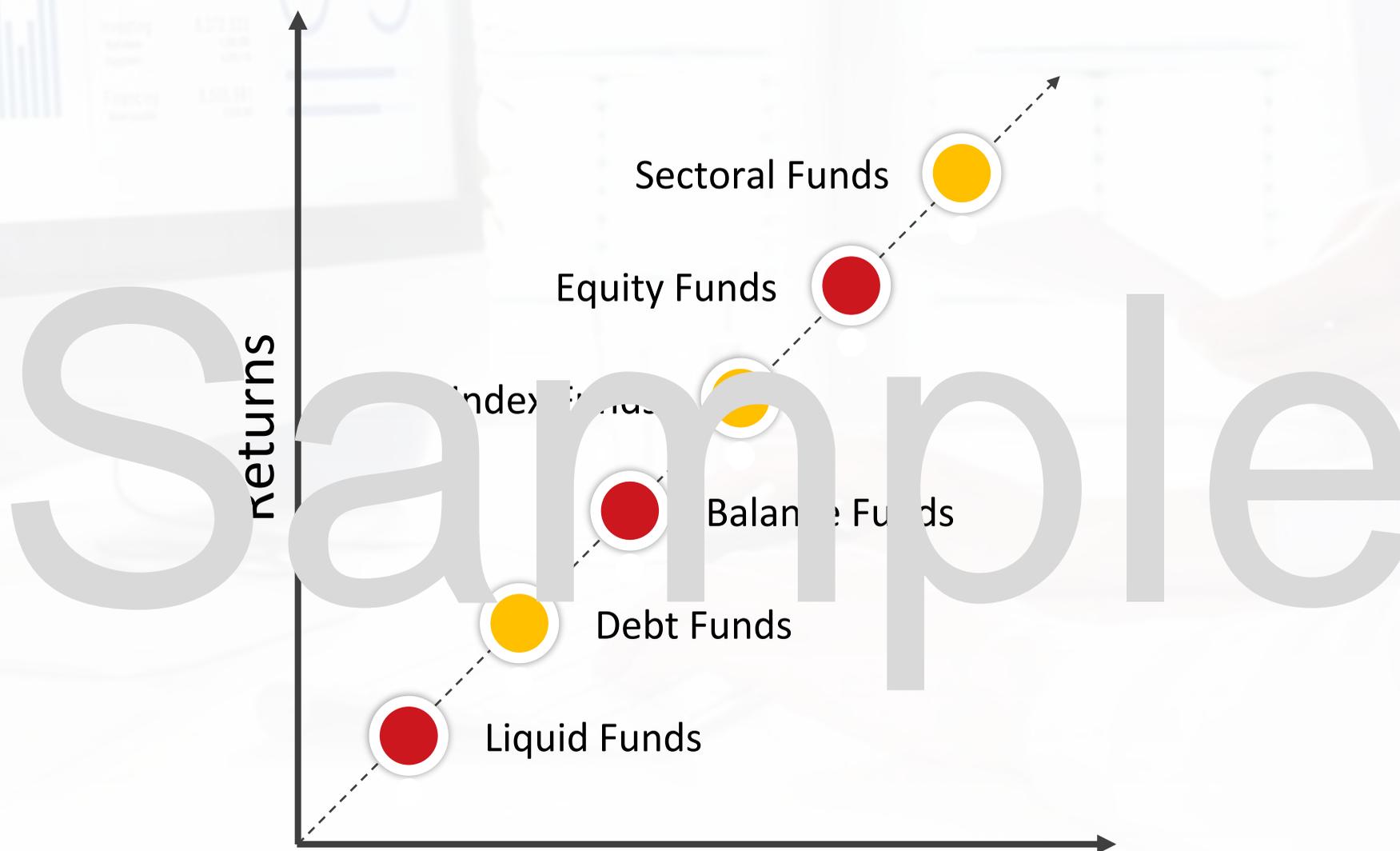
Sample

**Aren't Mutual Funds Risky
Because They Invest
In Shares?**

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor

Risk - Return of Different Schemes



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

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor

How Long It Takes To Get **My Money** Back



1-3

WORKING DAYS

The Money Gets Credited Directly To Your Bank Account

Note : There are certain restrictions on withdrawal of money from Closed-ended and ELSS funds.

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

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor

Fixed Amount Monthly Transfer

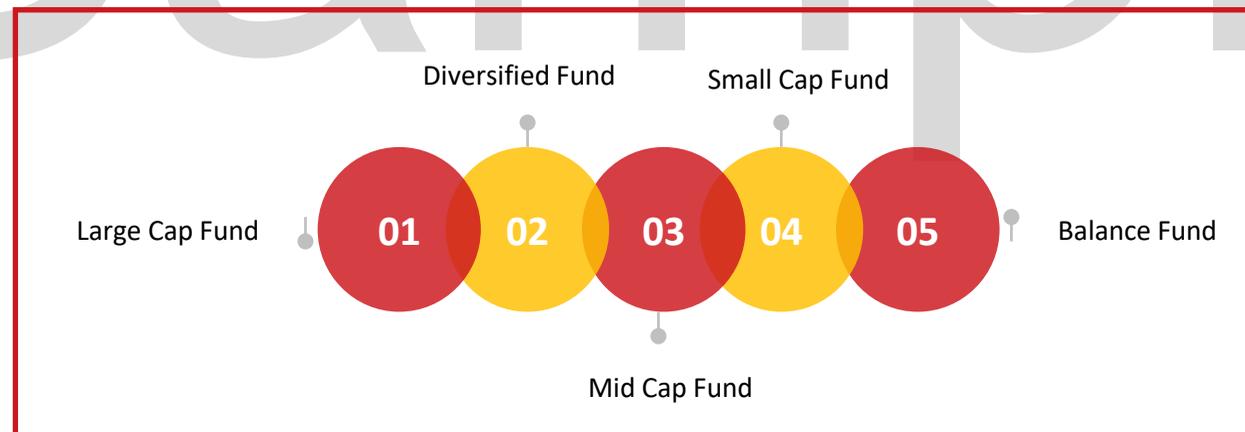
What Is **SIP** (Systematic Investment Plan)



Different Types of Equity Funds

Bank

Mutual Fund



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

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor

Features Of SIP



You can
choose any
date for your
SIP

01

You can redeem
your SIP
anytime

02

You can stop
your SIP anytime

03

No restriction of
amount. Choose
any amount

04

You can stop your SIP
and let your
Investment grow

05

You can increase /
decrease your SIP
amount anytime

06

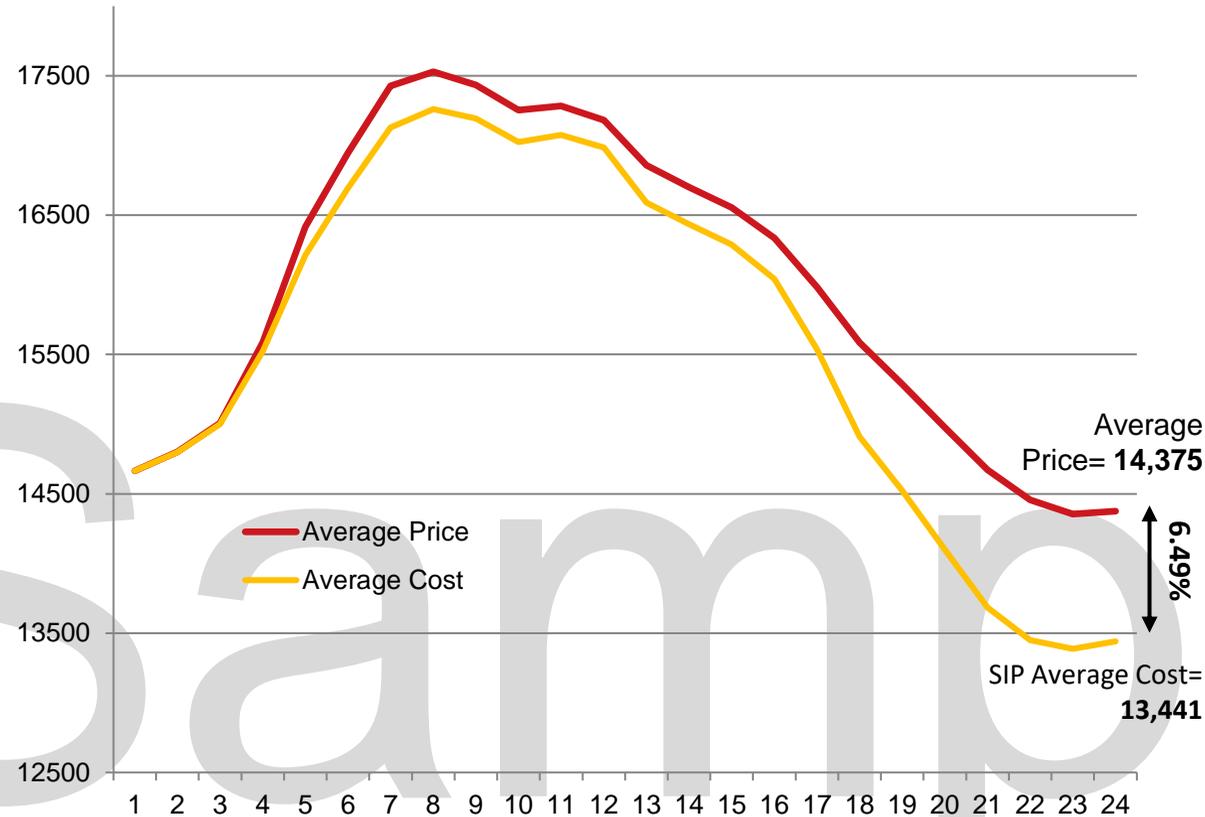
Mutual Fund investments are subject to market risks. Please read all scheme related documents carefully.

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor

Advantage Of SIP

Rupee Cost Averaging



SIP Start Date: July'2007 (BSE Sensex @14,664)

Average Price / Unit: 14.375

SIP End Date: June'2009 (BSE Sensex @14,841)

Average Cost / Unit: 13.441

% Difference: 6.49%

• For illustration purpose only..

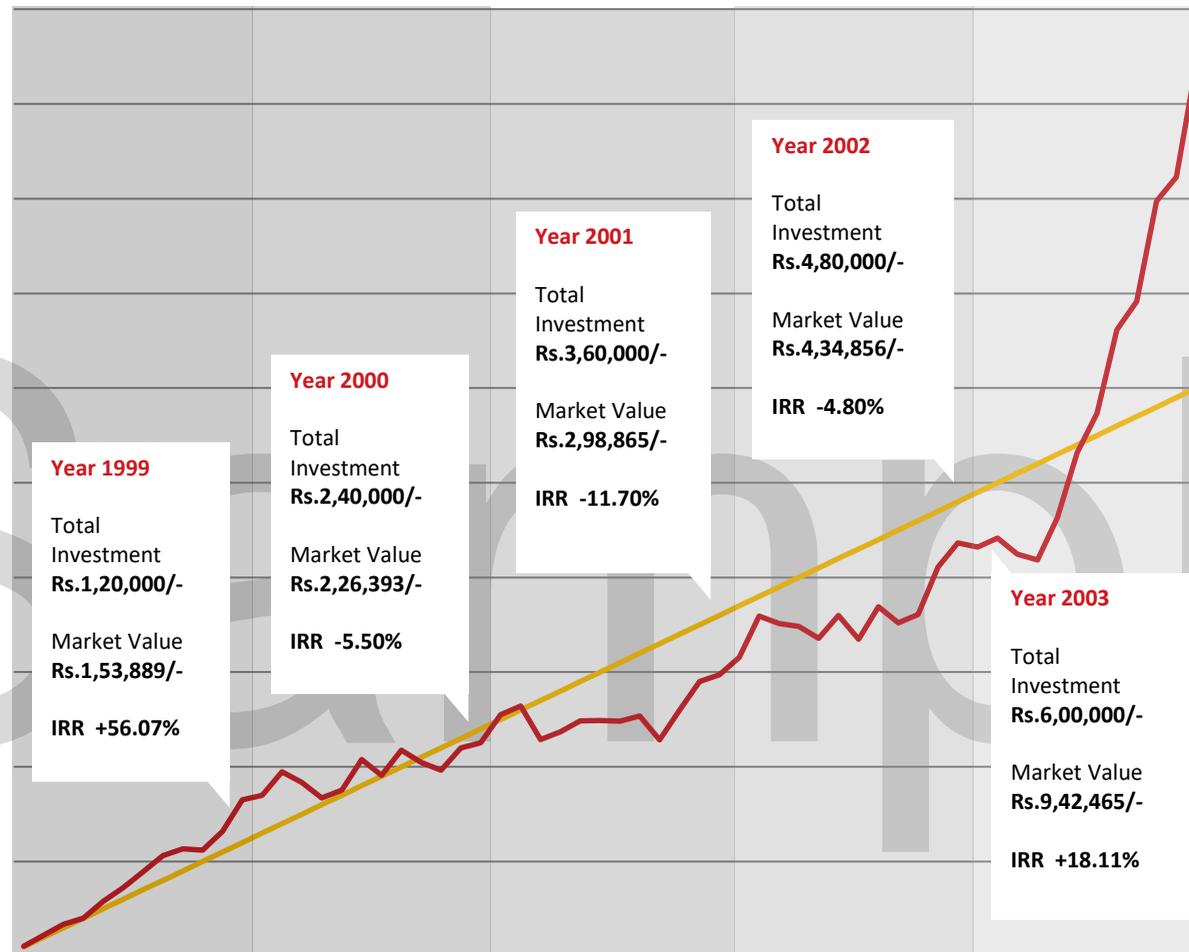
Mutual Fund investments are subject to market risks. Please read all scheme related documents carefully.

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor

SIP:

Patience Is The Key



SIP started in a bull market. 1st year returns were 56% pa. Then it fell to -5.50% pa. in the 2nd year. Markets were down in the 3rd and 4th year also with CAGR returns in negative territory. However, when markets went up in the 5th year, CAGR returns for 5 year period went up to 18% pa.

**The above is for illustration purpose only. Past performance may or may not sustain in future. Mutual Fund investments are subject to market risks. Please read all scheme related documents carefully.*

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor

SIP: Suitable Way To Create Corpus

Monthly SIP Amount (Rs.)	Tenure (Years)	Total Investment	If Returns are	Future Corpus
5,000	20	12.00 Lacs	9%	32.17 Lacs
5,000	20	12.00 Lacs	12%	41.00 Lacs
5,000	25	15.00 Lacs	9%	53.06 Lacs
5,000	25	15.00 Lacs	12%	85.11 Lacs
5,000	30	18.00 Lacs	9%	85.72 Lacs
5,000	30	18.00 Lacs	12%	154.05 Lacs

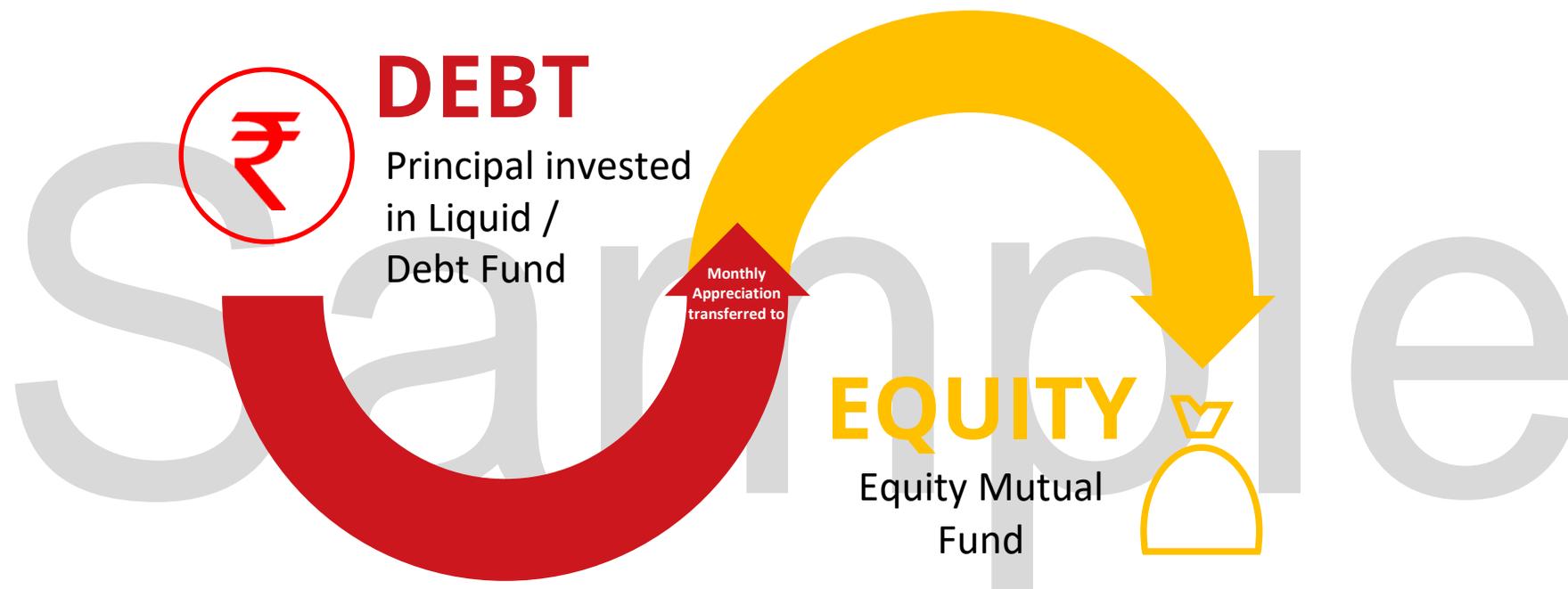
**Figures are approximate. For illustration purpose only. Returns are not guaranteed. Mutual Fund investments are subject to market risks. Please read all scheme related documents carefully.*

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor

Systematic Transfer Plan

A Unique Investment Idea



This plan is suitable for investors looking for high safety of capital with potential of higher returns in the long term.

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

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor

STP Vs Fixed Deposit

Systematic Transfer Plan [STP]		Fixed Deposit
High Safety	Safety of Principal	High Safety
Invested in Equity	Safety of Interest	High Safety
Yes	Tax Benefit	No
Within 1-3 days	Liquidity	Within 1 day
No	Entry Cost	No
No*	Exit Cost	No

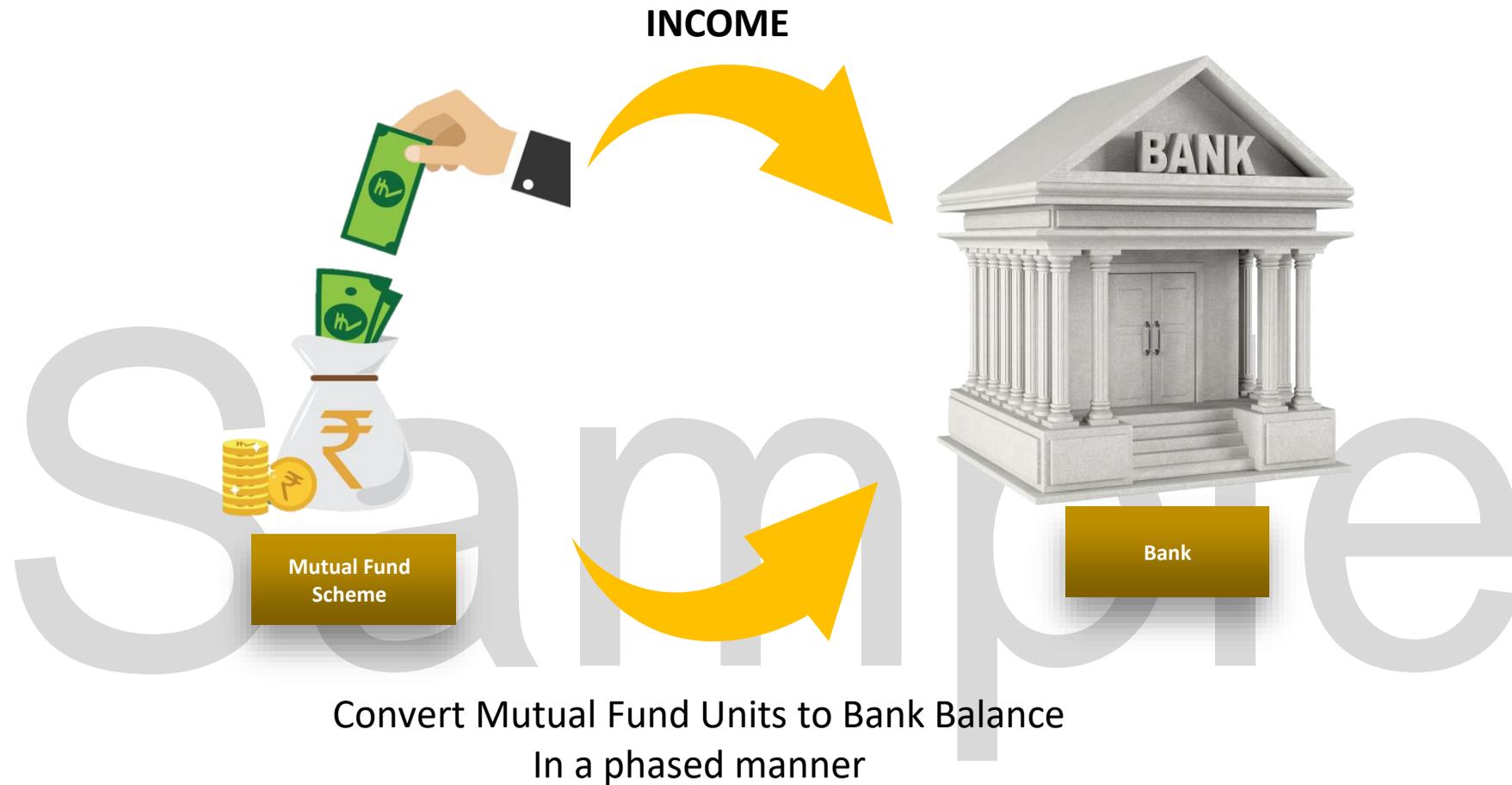
Principal amount in STP can be invested in a debt fund which has low risk on capital. It is assumed to transfer only capital appreciation part every month to equity funds. Investment in debt Funds qualify for LTCG tax benefit after 3 years. Investment in equity funds qualify for LTCG tax benefits after 1 year. There can be Exit Load of around 0.50—1.00% in debt / equity funds if redeemed before 12 months.

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

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor

Systematic Withdrawal Plan



Regular
Income



Tax
Benefit



Avoid Market
Fluctuation

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

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor



Sample

Rule #6

Review Regularly

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor



Sample

How Risky Is Investing In Equity?

Risk is relative to your risk appetite

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor



If You Know Swimming

It Is Easy

If You Don't

It Is Tough

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor

The Thing Is

If you understand the behavior of Equity...



It Is A Good Investment

If You Don't... It Is Risky

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor



**Don't
Invest in
Equity**

Sample

**Don't
invest in
Equity**



*Equity related investments should be considered only if time horizon is longer.
Returns are not guaranteed. Past performance may not indicate future performance.*

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor

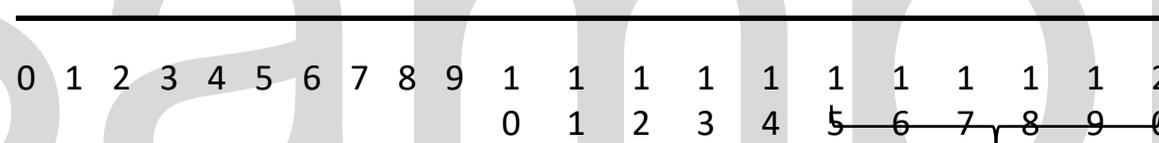
What If The Equity Markets Go Down In The Year In Which I Need Money



You Need
Money
Here



Sample



You Should review here.

You can switch to Liquid / Debt Fund if returns are decent.

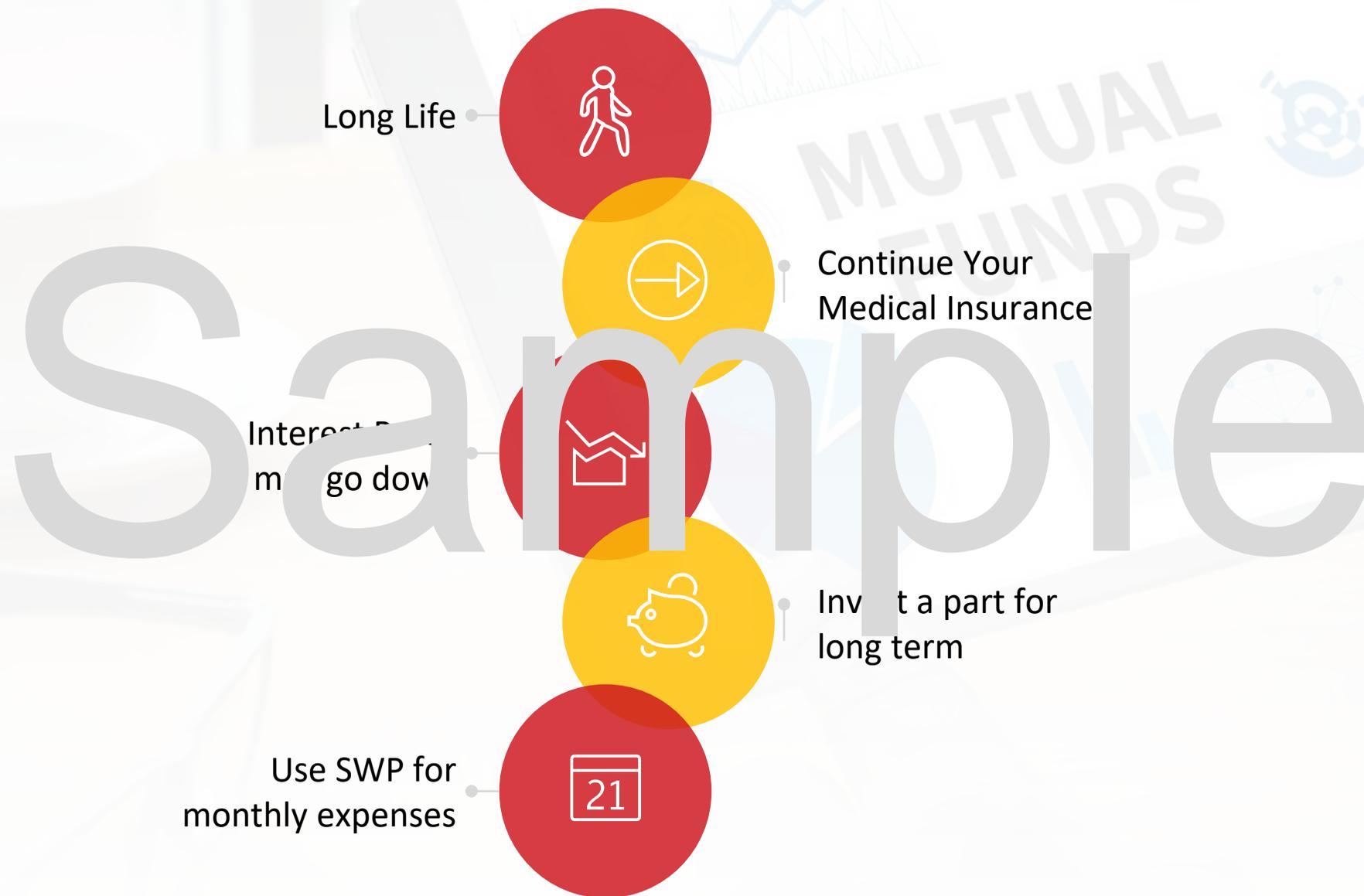
You can continue for sometime if the Equity markets are down.

You can book part profits.

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor

Investment Thoughts For Retirees / Near Retirees



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

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor



Sample

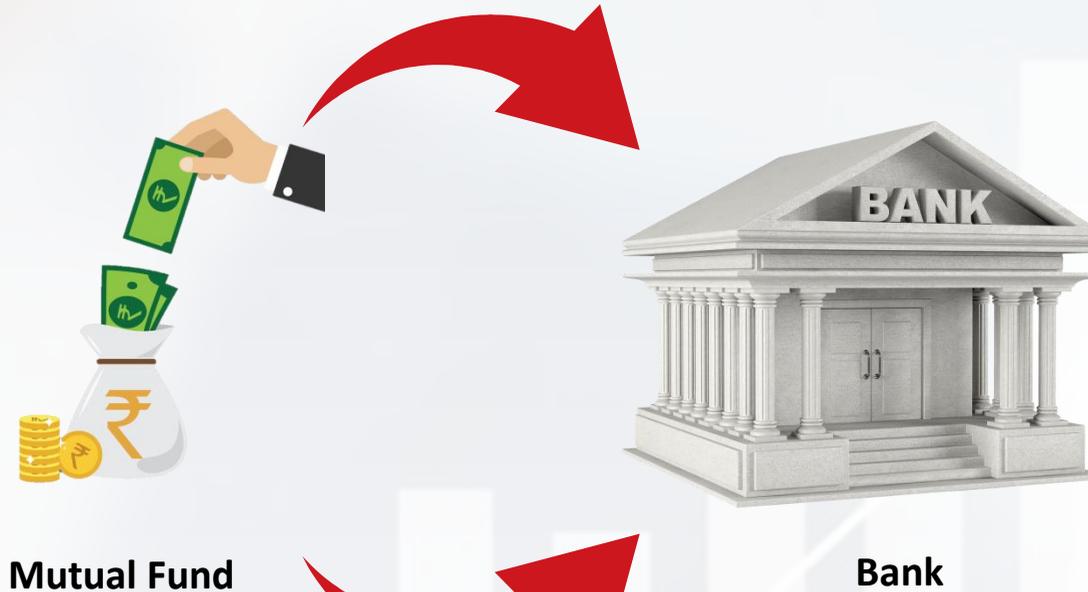
How Much SIP Should I Do?

As much as you can.

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

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor



Sample

When Should I Redeem Or Book Profits?

When there is
emergency.

When your
goal is near.



Sample

Should I Sell when Markets are High?
I Will Buy Again When Markets Go Down.

This is difficult.

Summary



Rule #1
Protection



Rule #2
Save &
Invest

Rule #3
Start Early



Rule #4
Event Based
Investing

Rule #5
Invest through
Mutual Funds



Rule #6
Review Regularly

Sample

MFD Name | MFD Company Name | 9999999999

AMFI-Registered Mutual Fund Distributor

Way Forward

Identify
your needs



Review health and
life insurance



Start/
Increase SIPs



Start
STPs



Sample

Thank You

Sample

Rules of
Smart
Investors