



How to achieve your financial goals with Mutual Funds?

Investor Awareness Initiative by TW2

What are Financial Goals?



A person in a dark suit, light blue shirt, and striped tie is holding a white rectangular card in front of their chest. The card contains the text 'Here's How to Achieve your Financial Goals?'. The person's hands are visible at the top and bottom edges of the card.

Here's How to Achieve your Financial Goals?

12 Rules to Invest Wisely

RULE 1: Save and Invest Regularly

Rakesh's story



Few years later..



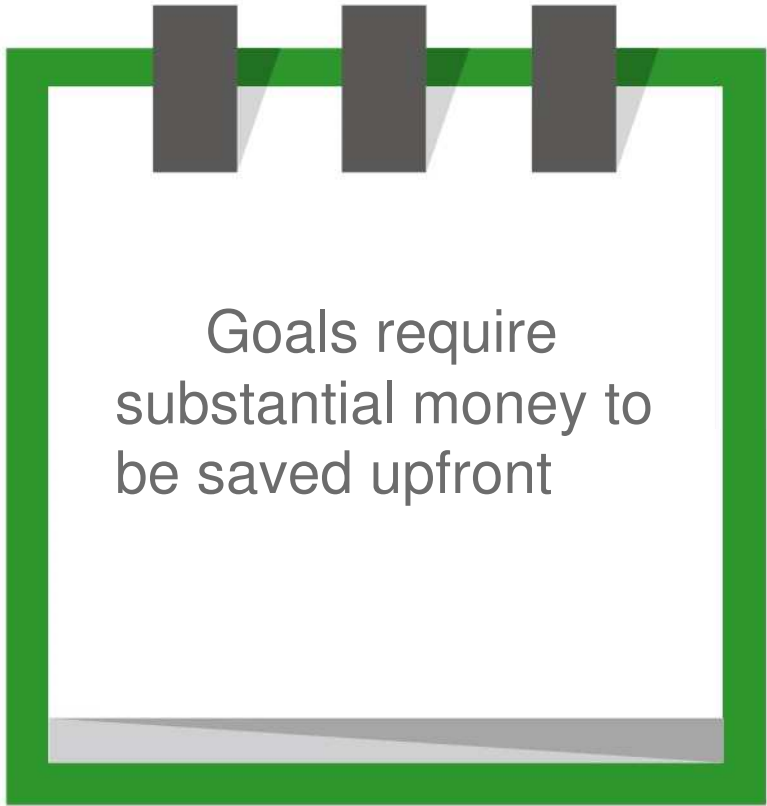
Mahesh's story

SIP in Mutual Funds (Monthly)
Insurance Premium (Half-Yearly)
PPF (Yearly)



For Illustrative purpose only





Goals require
substantial money to
be saved upfront

Benefits of Regular Investing

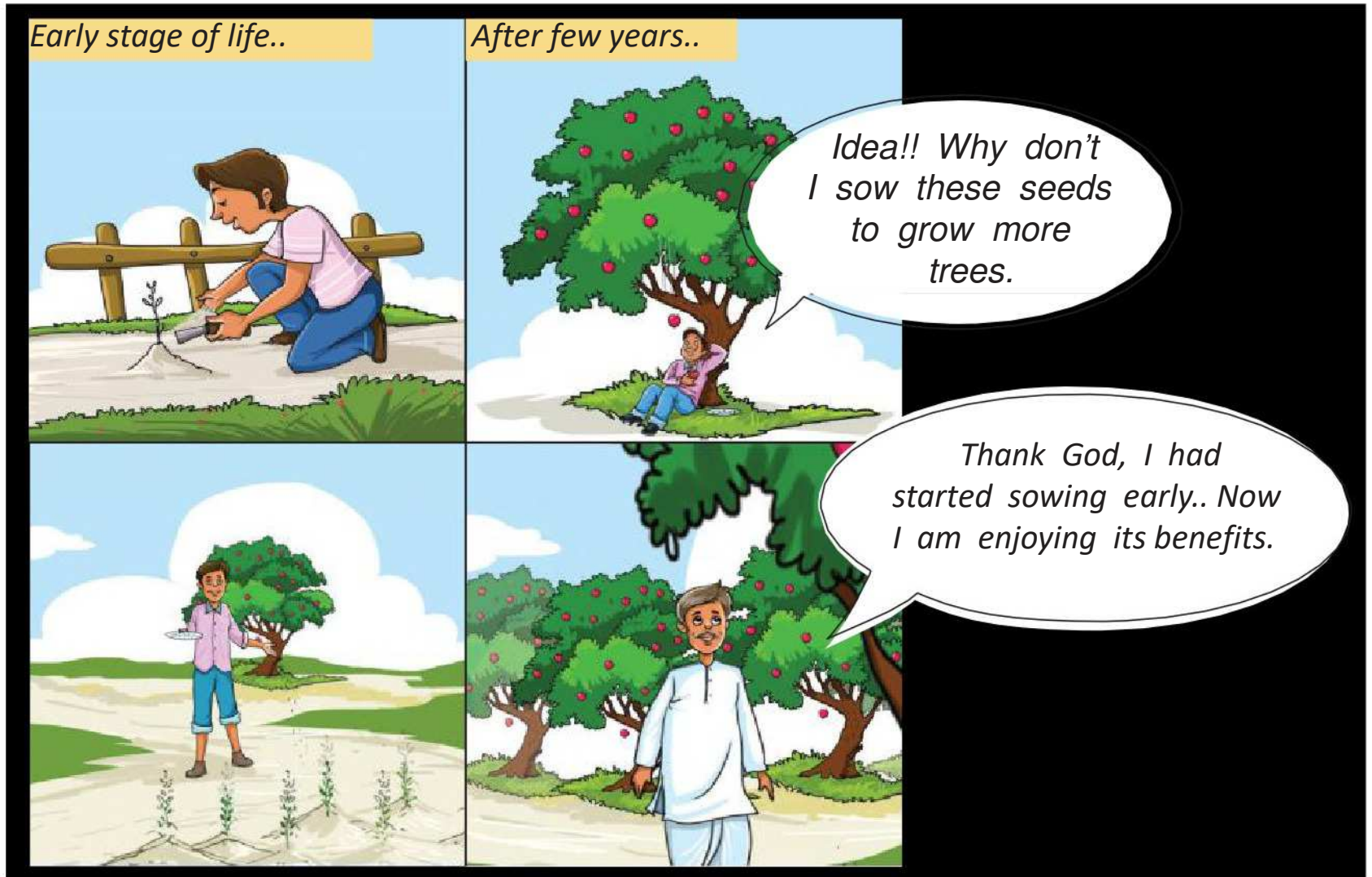
Rupee Cost Averaging

	Lumpsum investor			Disciplined investor		
	Invests Rs.20000 in one go			Invests fixed amount of money each month		
	Price of share Rs.	Amount invested Rs.	No. of shares bought	Price of share Rs.	Amount invested Rs.	No. of shares bought
Month 1	100	20000	200	100	5000	50
Month 2				150	5000	33
Month 3				50	5000	100
Month 4				125	5000	40
Total		20000	200		20000	223
Value of investment	200 shares at Rs.125		25000	223 shares at Rs.125		27875

For Illustrative purpose only



RULE 2 : Start Investing Early



Power of Compounding...

The earlier you start
investing, the more
will be your return on
investment



**Compounding helps you
earn interest over interest**

The Power of Compounding @8% CAGR

The 'Early Beginner'

Starts investing **Rs.5000 p.a.** at **25 years of age** and continues **investing regularly** for the **next 10 years**. At age of **35 years** he stops investing further but does not withdraw his investment till the age of 60 years.

His corpus at the end of 60 years will be **Rs.6.2 lakh**

The 'Late Beginner'

Starts investing **Rs.5000 p.a. at 35 years of age** and **continues to invest regularly** until the age of **60 years**.

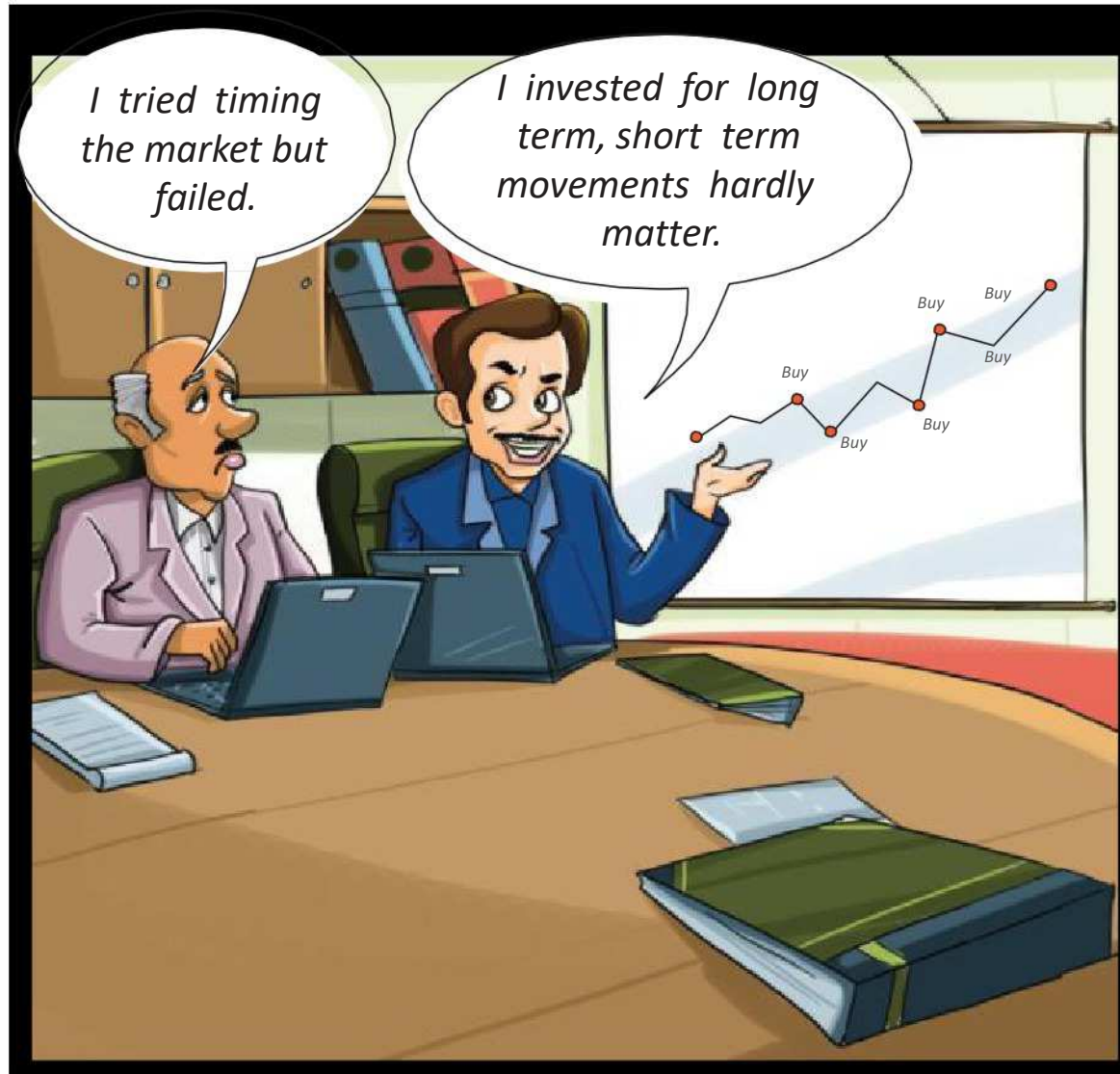
His corpus at end of 60 years will be **Rs.4.3 lakh**.

Build substantial wealth by:...



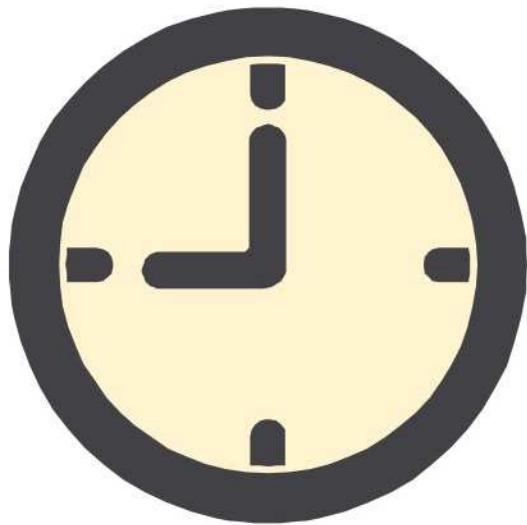
- Regular investing
- Over long time periods
- Use the Systematic Investment Plan (SIP) route to build wealth

RULE 3 : Never Time Your Investments




Everyone wants to enter markets at the lowest level and exit at the highest level





**DO NOT
time the market**

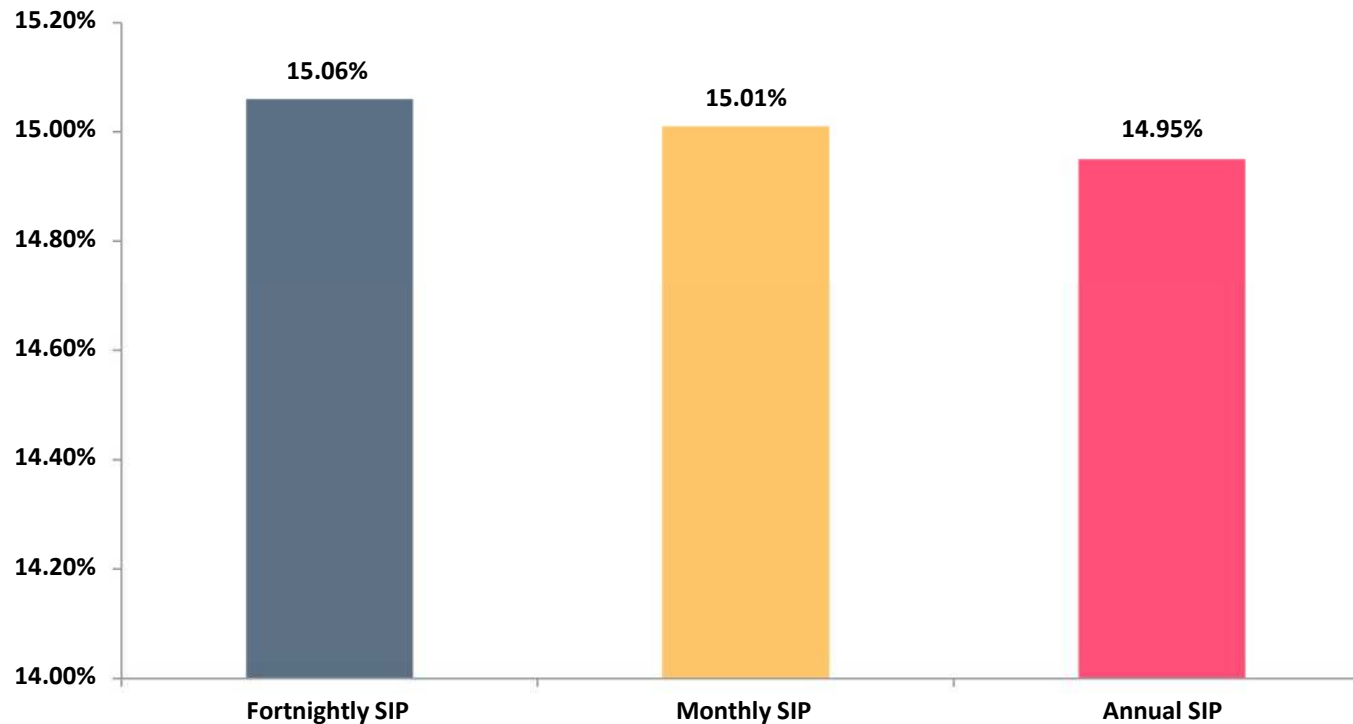
**Using market tips,
market trends or
economic outlook**



Consider market
fundamentals and
invest regularly

Anytime is a Good Time

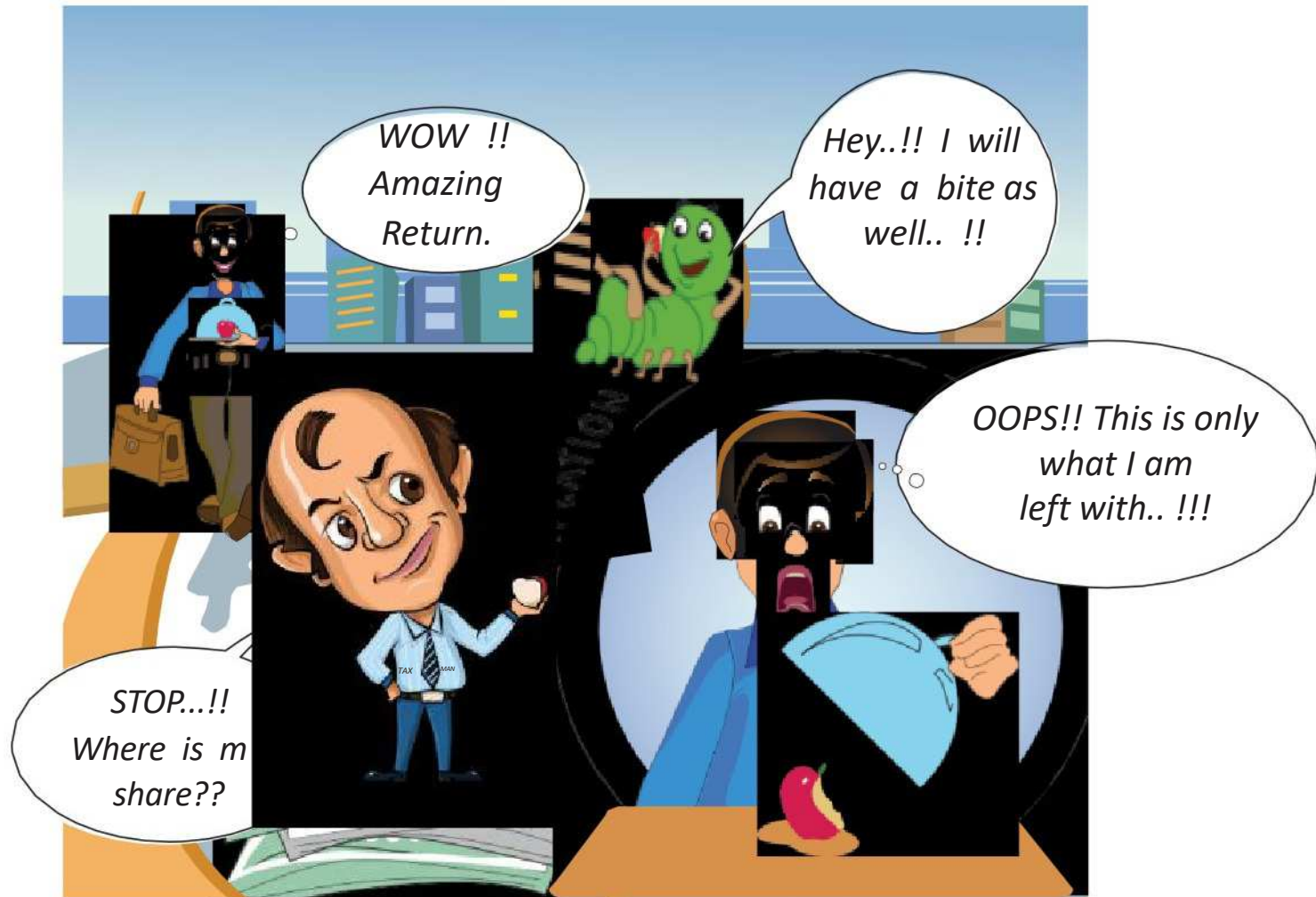
SYSTEMATIC INVESTMENT



Past Performance may or may not be sustained in the future.
Source: Internal; Returns on Nifty; Time period considered July 1, 2000 to March 31, 2016



RULE 4 : Focus on Actual Returns





Inflation, What Is That?

In 1963, 5 litre petrol = Rs.3.60

In 2016, 5 litre petrol = Rs.359.55

Cash-Memo
Bharat Petrol Supply Co.
7500 Bassein.

No. _____ Date 2/2/63

Particulars	Rs.	nP.
5(Five) Ltrs petrol	3-	60
Total	3	60

Manager

In 1975, Cinema Ticket = Rs.3.00

In 2016, Cinema Ticket = Rs.300



In 1971,
2 Masala Dosa & 2 Cup Coffee = Rs.2.16
In 2016,
2 Masala Dosa & 2 Cup Coffee = Rs.140

Slip No. 9 Room No. RESTAURANT

	Rs.	P.
2 Masala dosa	1	00
2 cup coffee	1	00
TOTAL	2	00
S. T.		6
S. Ch.		10
G. TOTAL	3	16

NO TIPS PLEASE

PAID
2.16

Actual return in Hand =

Given return - Inflation - Tax



While Making Investment Decisions..

- Investors must consider:
- Inflation-adjusted return
 - Post-tax return

RULE 5: Diversify Across Asset Classes



Spread Your Risk

“Don’t put all your eggs in the same basket”

Spread Your risk

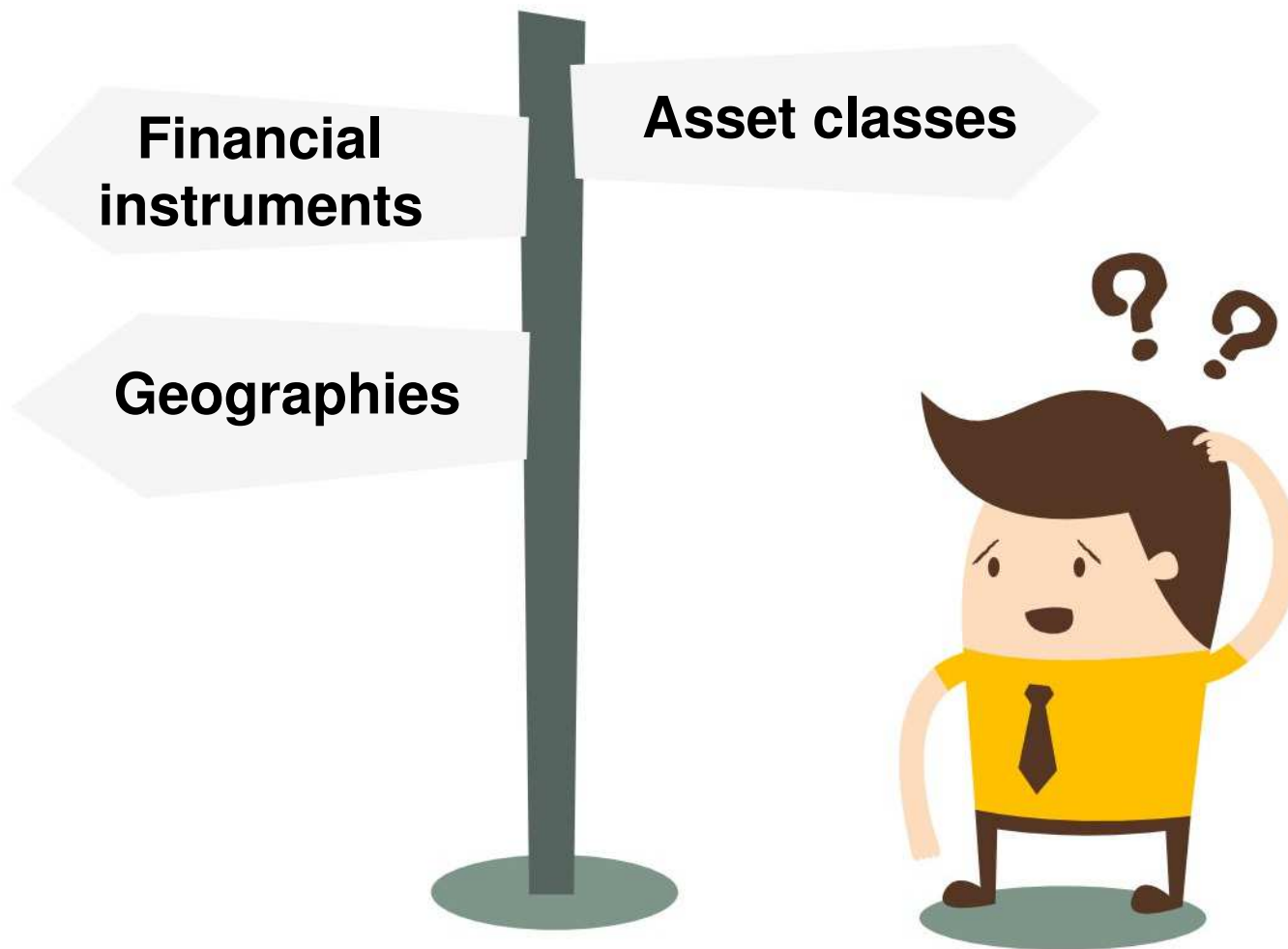
Loss in one asset class is
offset by gains in another

Returns %

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Equity Mid Cap 25.0%	Equity Large Cap 42.2%	Equity Large Cap 44.5%	Equity Mid Cap 76.9%	Gold 30.9%	Equity Mid Cap 99.0%	Gold 24.1%	Gold 31.3%	Equity Mid Cap 39.2%	Bank FD 9.5%	Equity Mid Cap 53.1%
Equity Large Cap 20.4%	Equity Mid Cap 35.0%	Equity Mid Cap 29.0%	Equity Large Cap 62.8%	Short term debt 9.3%	Equity Large Cap 88.6%	Equity Mid Cap 19.2%	Bank FD 8.5%	Equity Large Cap 32.6%	Short term debt 8.2%	Equity Large Cap 32.4%
Bank FD 5.3%	Gold 24.8%	Gold 20.3%	Gold 17.2%	Long term debt 8.8%	Gold 18.9%	Equity Large Cap 18.1%	G-Sec 7.9%	Long term debt 9.6%	G-Sec 8.1%	Long term debt 14.3%
G-Sec 5.1%	Short term debt 7.7%	G-Sec 7.1%	Money Market 8.3%	Bank FD 8.3%	Bank FD 10.3%	Bank FD 9.8%	Short term debt 7.8%	Bank FD 9.5%	Money Market 7.4%	Short term debt 10.5%
Money Market 3.9%	G-Sec 6.6%	Money Market 6.2%	Short term debt 8.1%	G-Sec 7.8%	Short term debt 6.7%	G-Sec 7.6%	Long term debt 6.9%	Gold 9.5%	Long term debt 3.6%	Bank FD 9.0%
Short term debt 2.7%	Bank FD 5.8%	Bank FD 5.8%	Bank FD 7.8%	Money Market 6.9%	G-Sec 5.3%	Long term debt 4.9%	Money Market 6.3%	Short term debt 9.2%	Equity Mid Cap -5.1%	G-Sec 8.8%
Long term debt -0.4%	Long term debt 4.9%	Long term debt 3.9%	G-Sec 7.6%	Equity Large Cap -54.2%	Money Market 4.6%	Short term debt 4.6%	Equity Large Cap -24.0%	G-Sec 8.6%	Equity Large Cap -18.0%	Money Market 8.5%
Gold -1.5%	Money Market 4.0%	Short term debt 2.4%	Long term debt 7.1%	Equity Mid Cap -59.4%	Long term debt 3.6%	Money Market 2.2%	Equity Mid Cap -31.0%	Money Market 8.5%	Gold -18.5%	Gold -1.8%

Different asset classes have outperformed in different time periods.





Diversify Across..



Diversification
Does Not
Guarantee
Profits, But Will
Minimize Risk

RULE 6: Re-balance Your Portfolio

Early stage of life



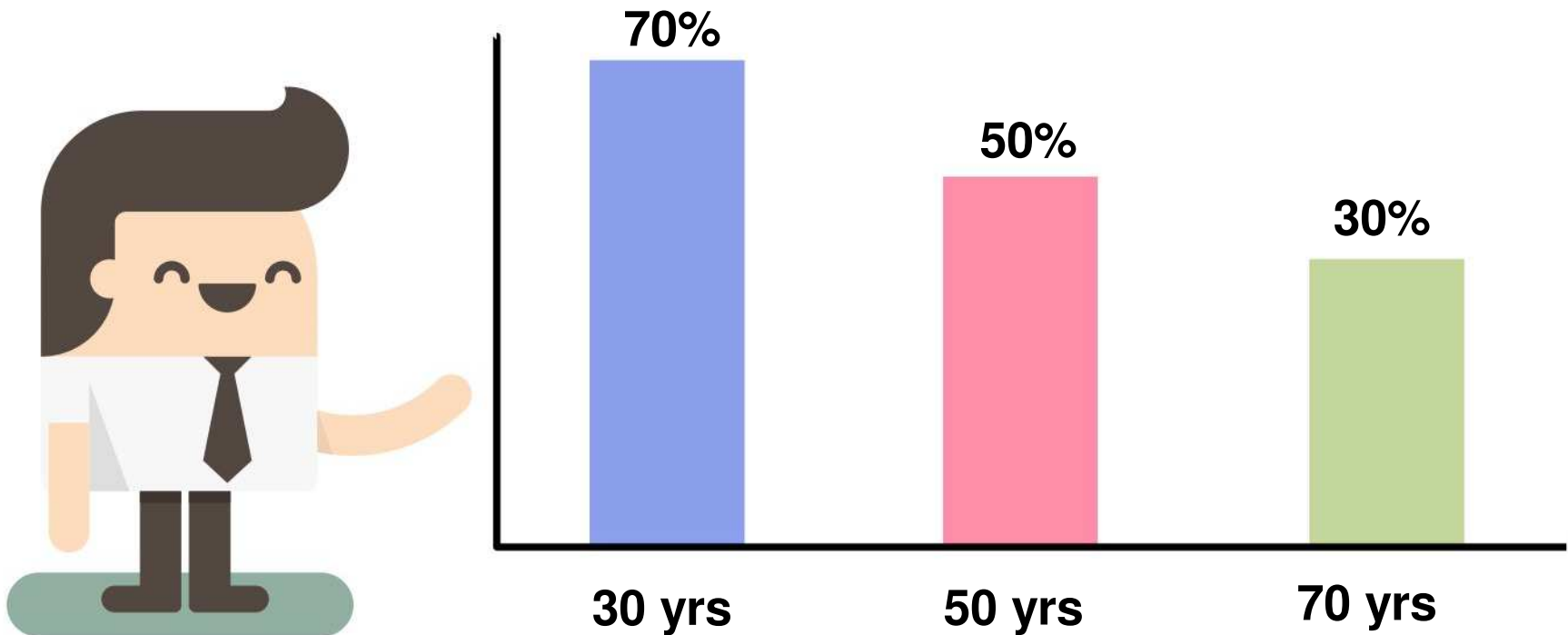
Few years later..



Ideal equity exposure =

100 - your age

Higher Allocation To Equity At Young Age



for illustration purpose only

Typical Age wise/Risk appetite Asset Allocation

Asset Classes	Young investor (age band 20-35 years)	Middle-aged investor (age band 35-60 years)	Aged investor (age band 60+ years)
Cash and Debt	20%	45%	80%
Equity	70%	45%	10%
Alternates	10%	10%	10%
Investment approach	Aggressive	Moderate	Conservative
Return expectation	>15%	10-12%	8-9%
Risk tolerance	>16%	8-16%	3-8%

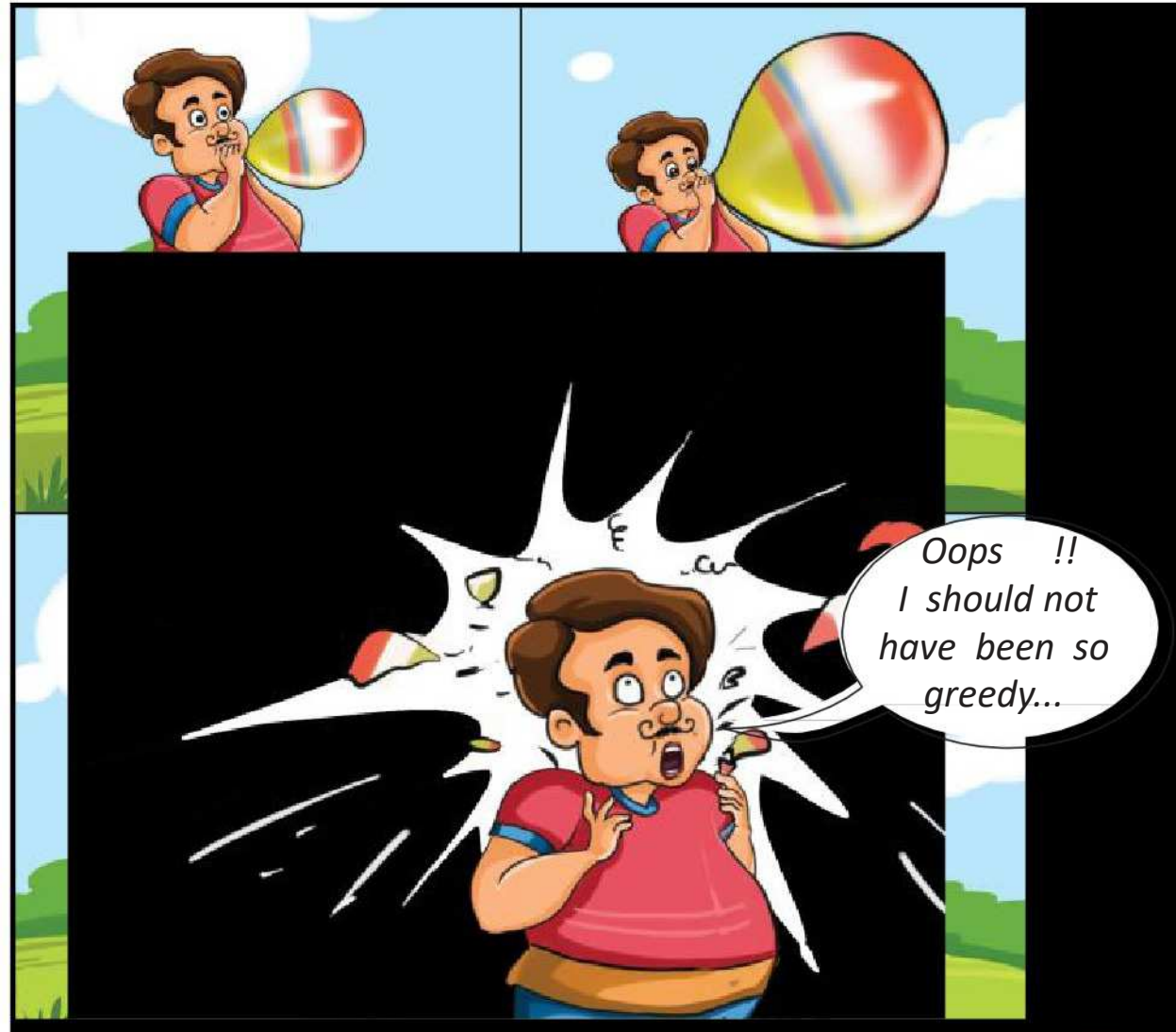
For Illustrative purpose only

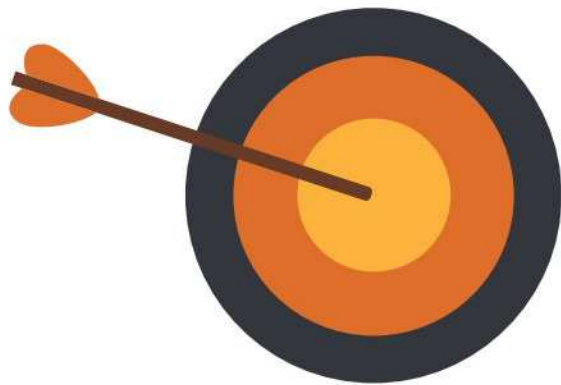




Substantial allocation to
fixed income assets in old
age to safeguard the
portfolio from volatility

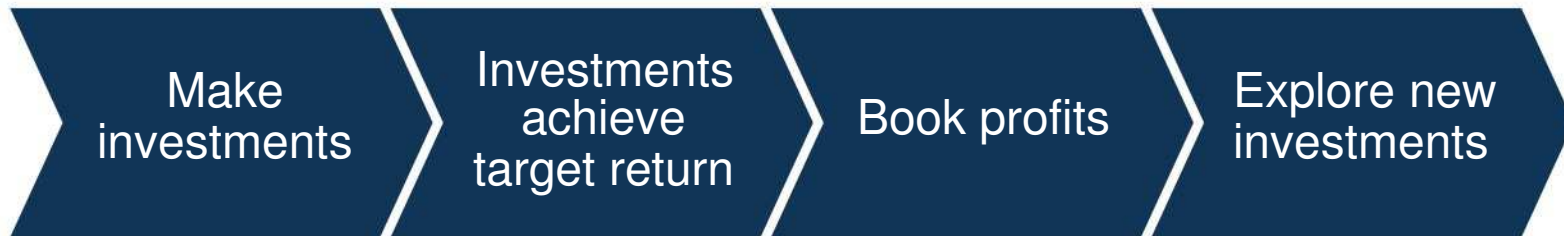
RULE 7: Expect Reasonable Returns



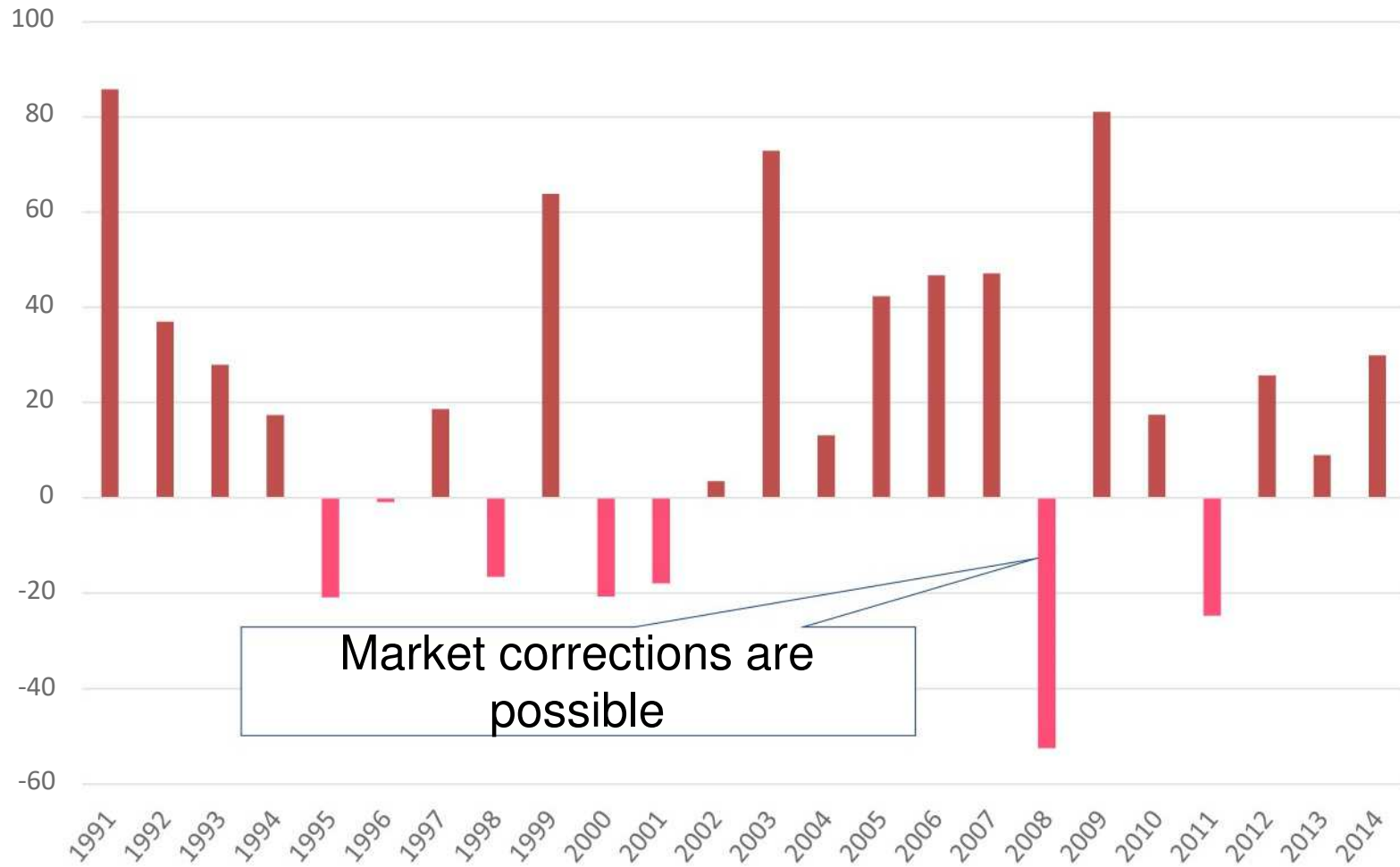


- Expect Reasonable Returns

- Sell When You Reach The Goal Return



Sensex Annual Returns (%)



Source: BSEIndia.com, as on March 31, 2014

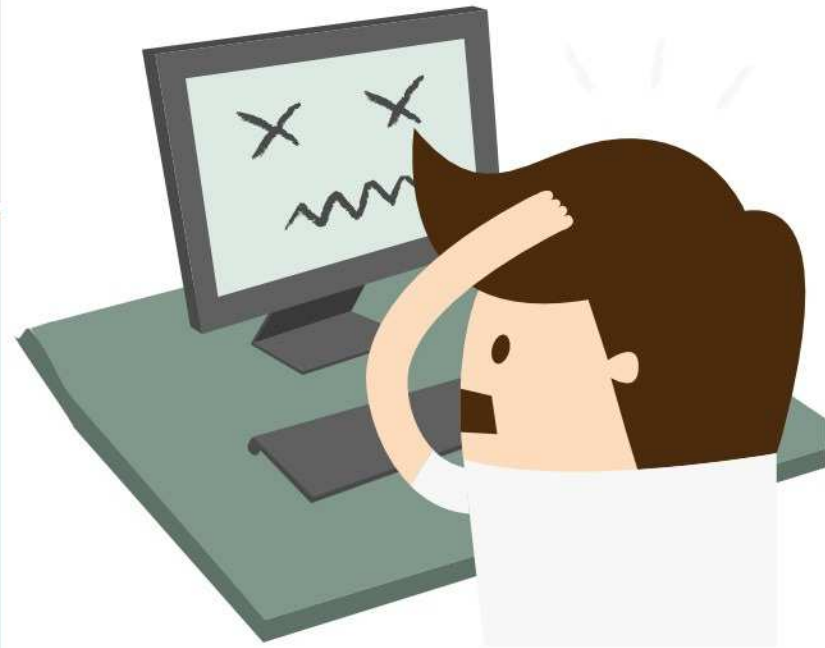
Past Performance may or may not be sustained in the future.

RULE 8: Learn From Your Mistakes



Made a loss? Made a wrong investment decision?

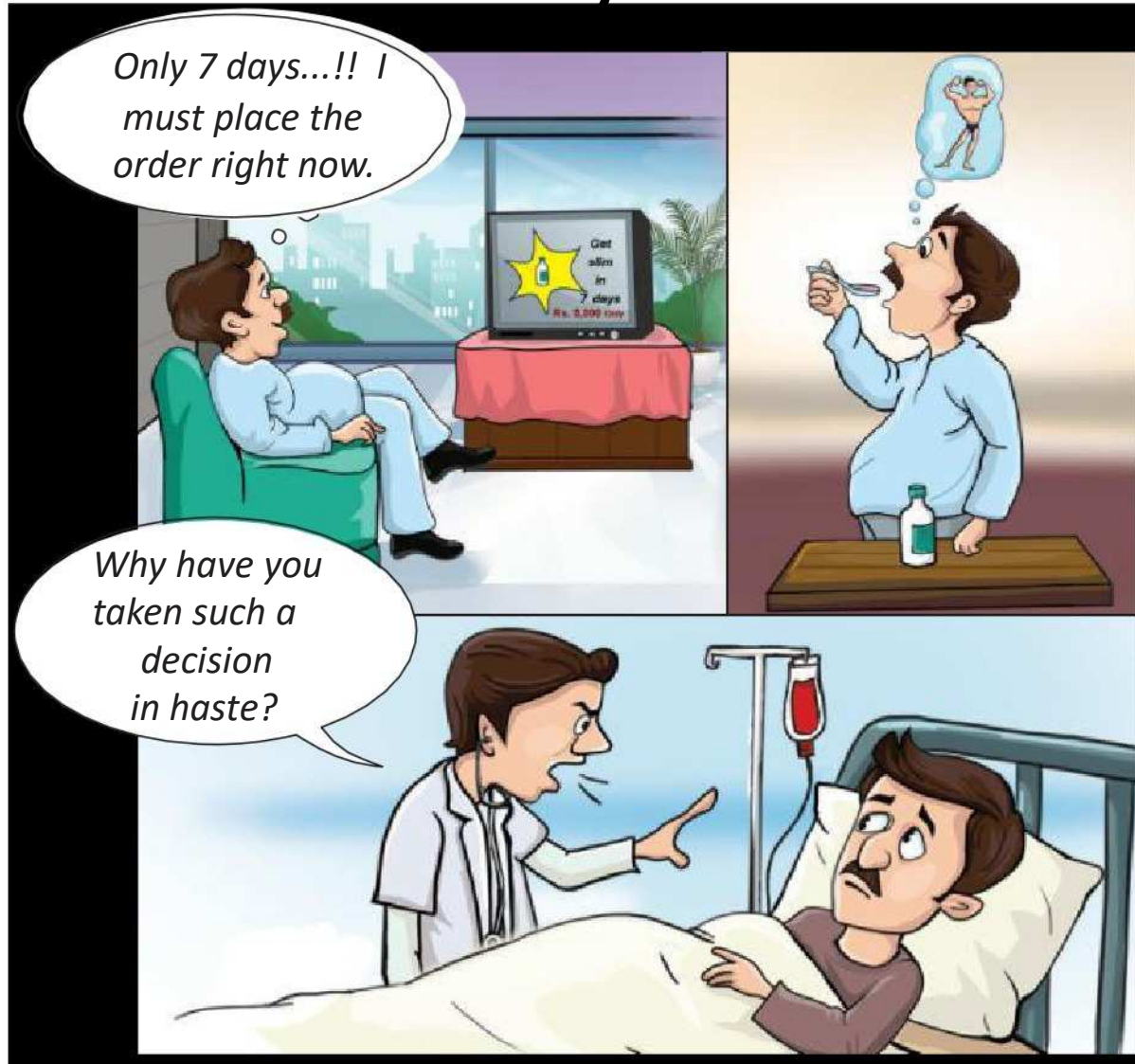
- Investing in companies' stocks based on 'expert stock tip'
- F&O trading without knowledge of risks
- Investing in equity for short term





- Get over your mistakes or losses
- Avoid repeating the mistake

RULE 9: Avoid Hasty Investment Decisions





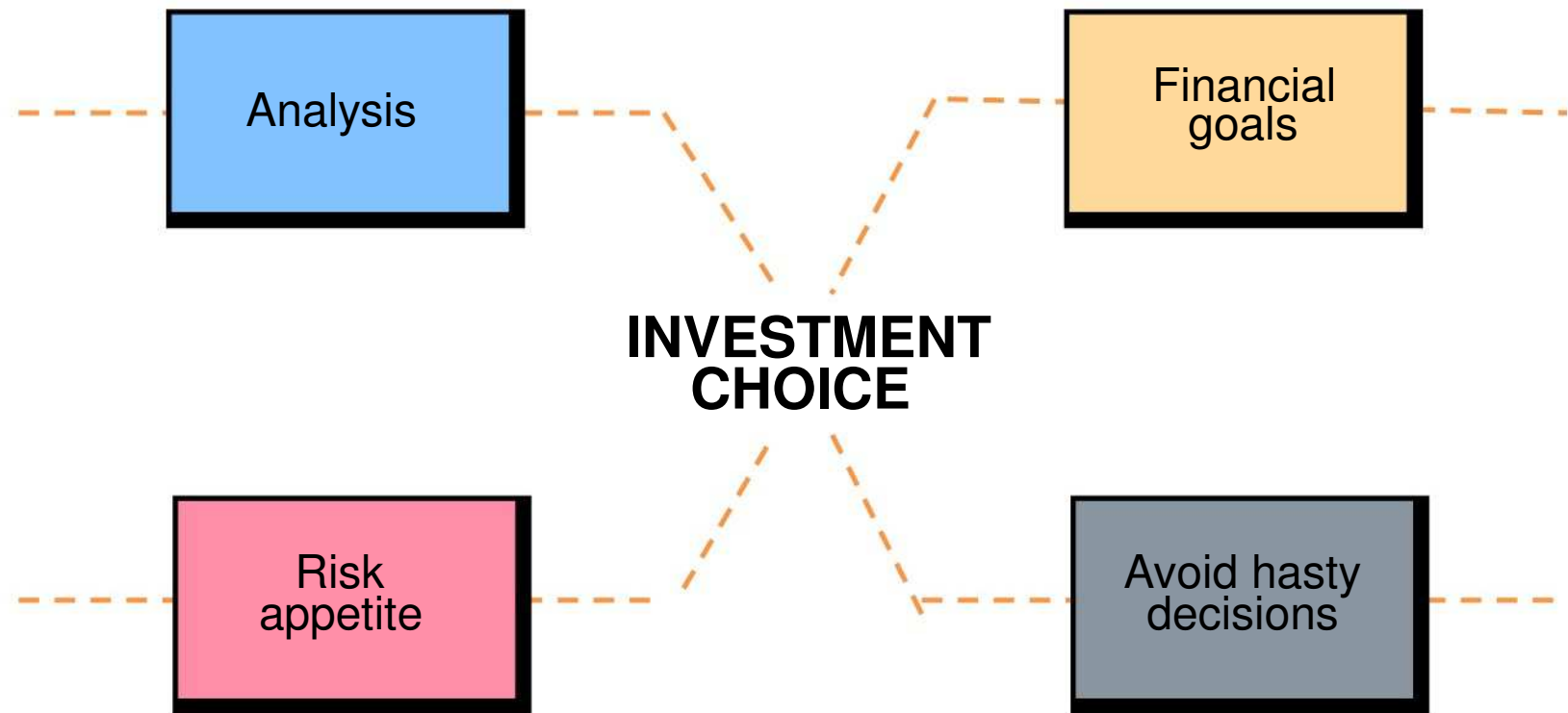
**Never Invest Or
Sell In Haste..
And Regret Later**

Hasty buying or selling decisions
may lead to losses

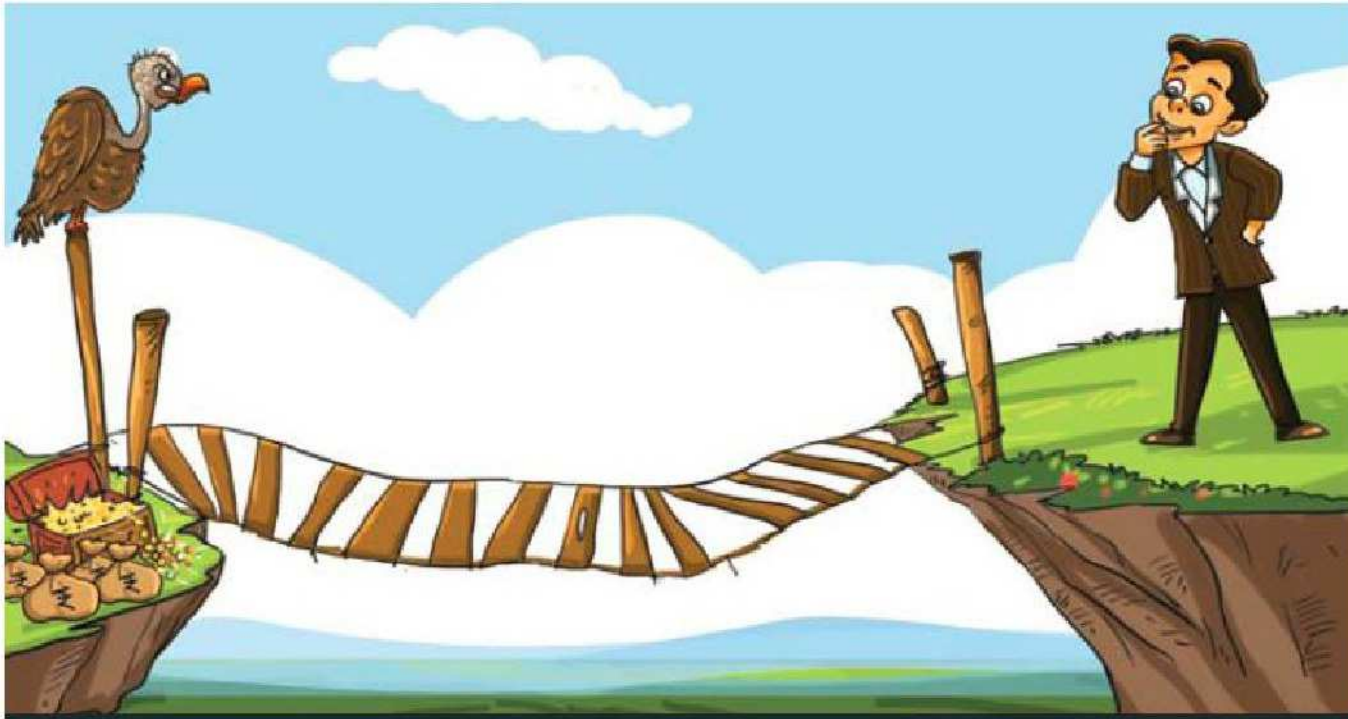
**Do Not Worry About
Short Term Volatility**

If the investment is
fundamentally sound..





RULE 10: Avoid Complicated Investment Products



Do Not Get Lured

“All that glitters is
not gold”

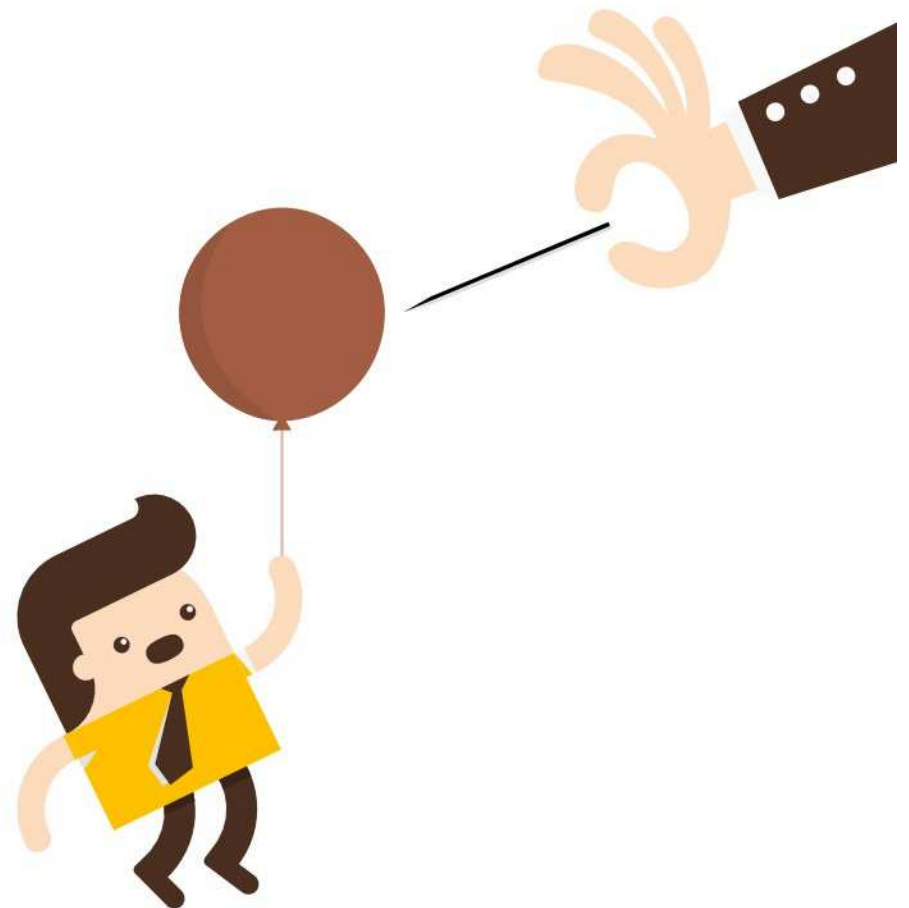
Stay Away From Products Which..

- Are complicated
- Promise unrealistically high returns
- Have exposure to unknown risks

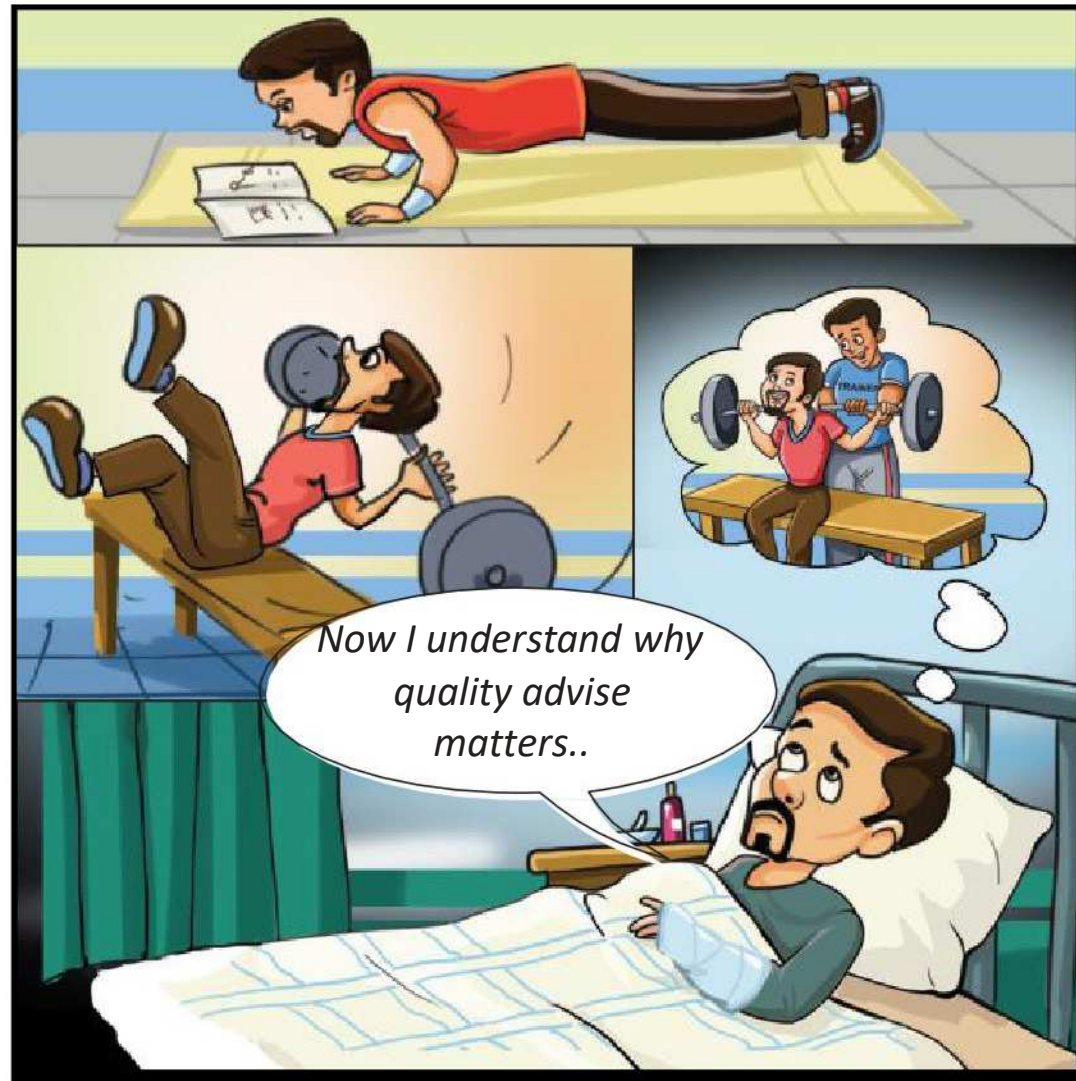
Examples:

- Saradha chit fund scam
- Stockguru scam
- Tree plantation scam
- Sahara housing bonds
- NSEL scam

Examples based on media reports/newspapers, etc



RULE 11: Seek Professional Help



Before Investing



After Investing

Do proper research
and evaluate
products

Track performance
regularly



Seek Professional
Help Of An
Investment Advisor

RULE 12: Keep it Simple! Invest in a Mutual Fund to achieve your financial goals

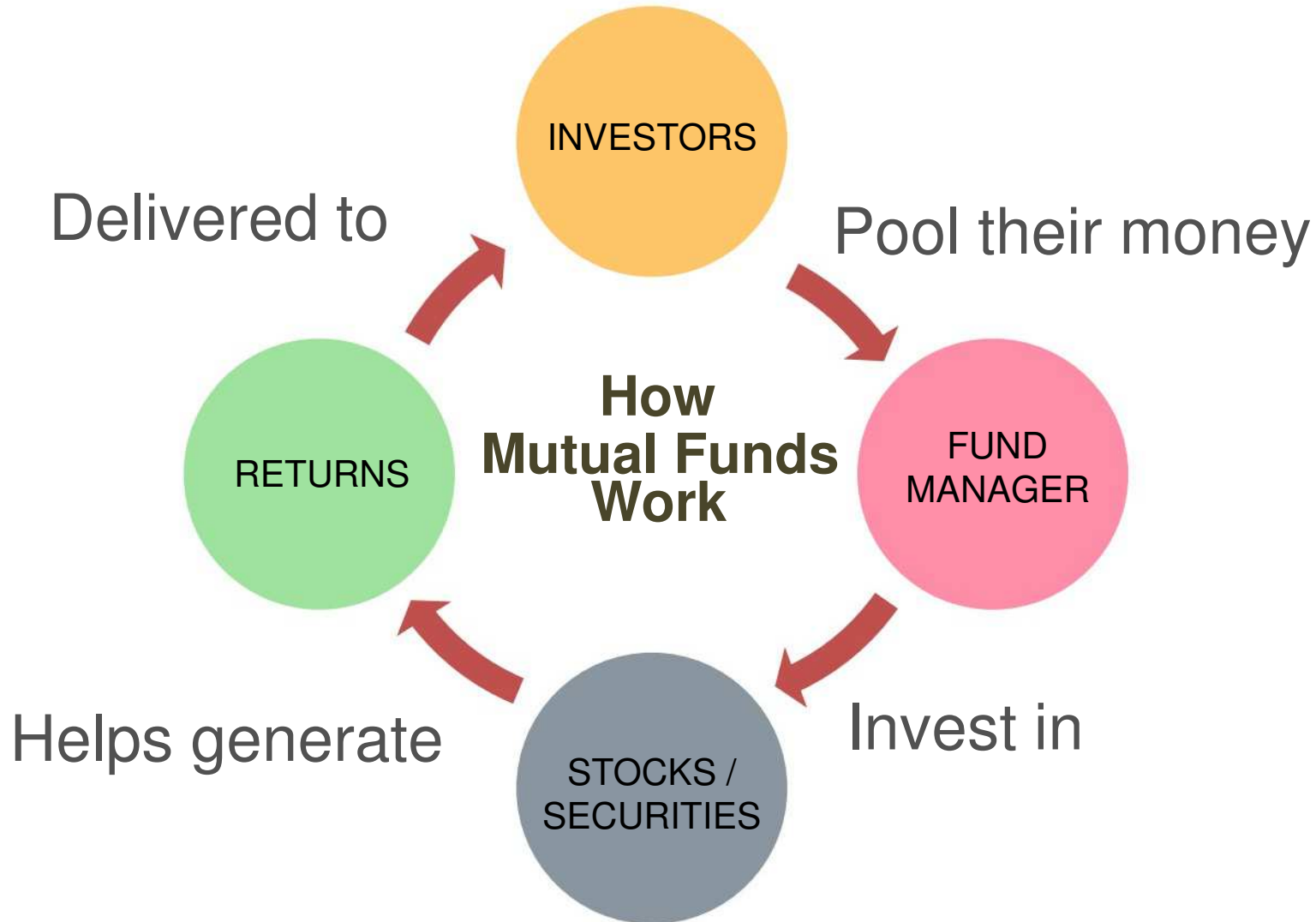


What are Mutual Funds?

Mutual Funds bring together a group of people and invest their money in stocks, bonds and other securities



How do Mutual Funds work?



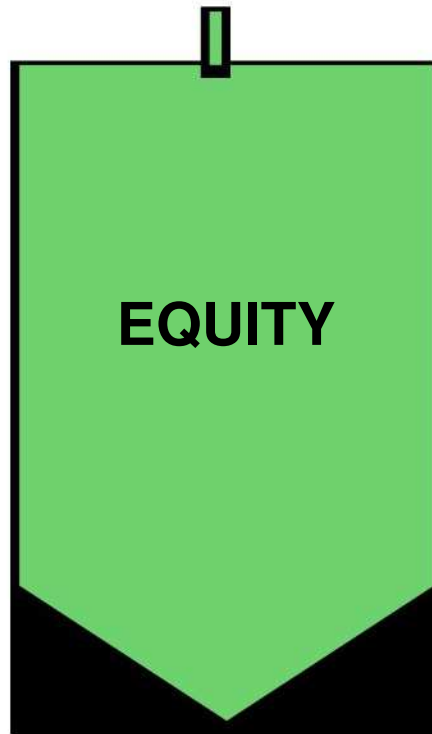
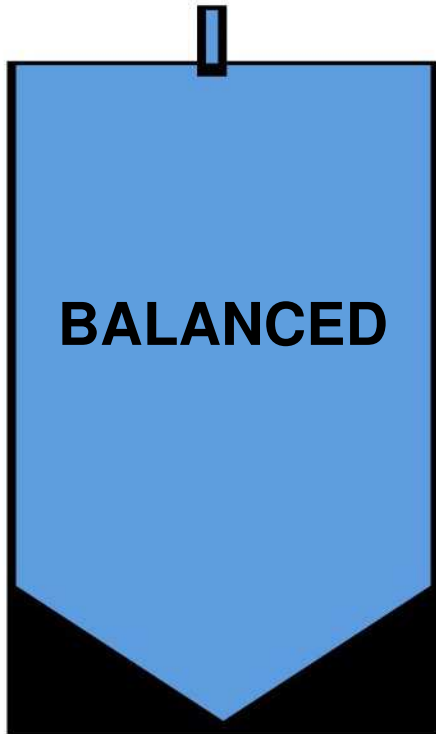
Mutual Funds Classification

Investment Horizon Based



Mutual Funds Classification

Classification

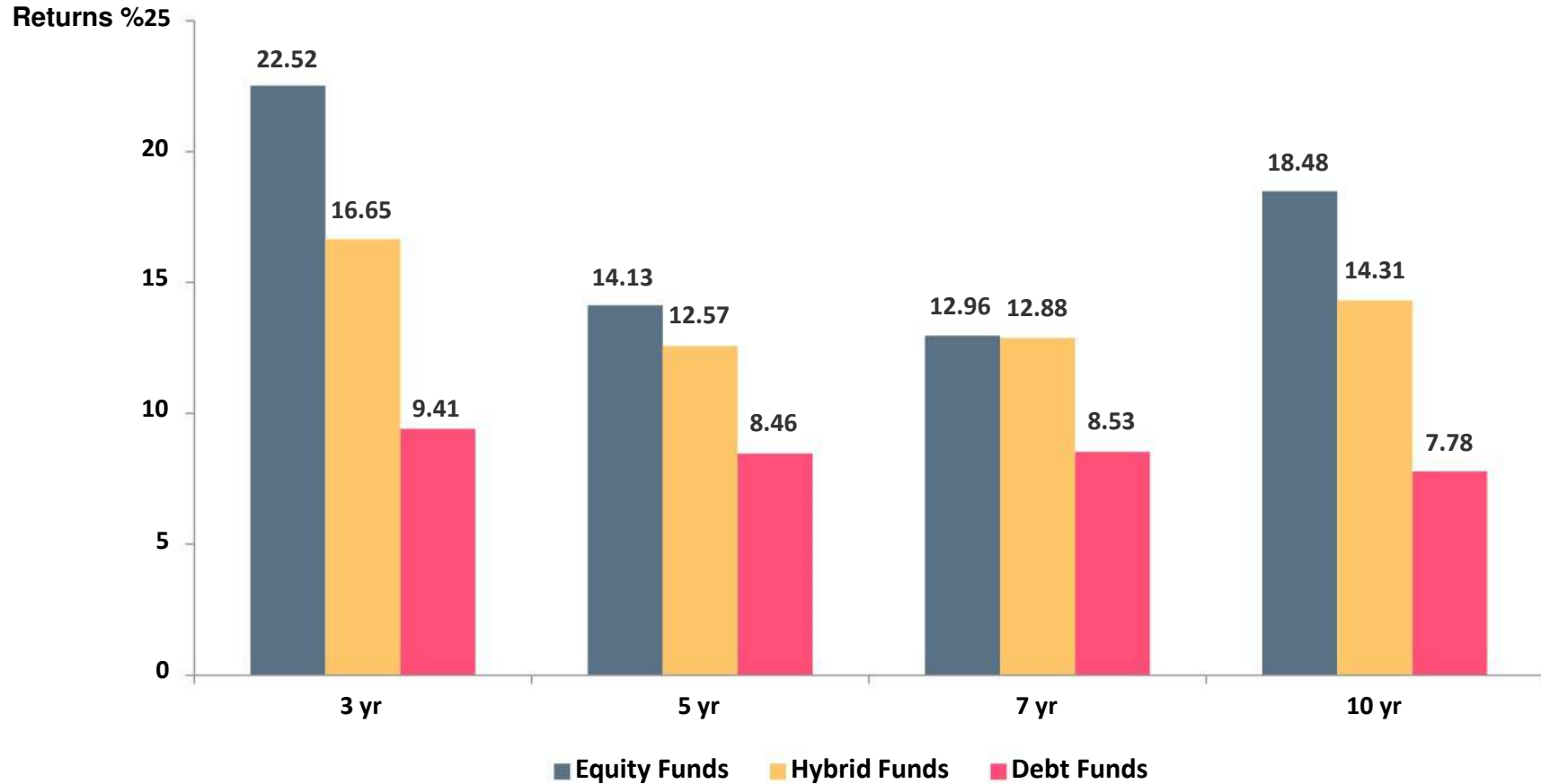


Mutual Funds - The Power of Expertise

- Managed by professional investment managers with years of experience in financial markets
- Portfolios constructed, reviewed and rebalanced regularly
- Low Ticket size
- Liquidity, Transparency and Convenience
- Strict vigilance by SEBI to safeguard investor interests



Performance of Mutual Fund Categories



Past Performance may or may not be sustained in the future.

Source: <http://www.amfiindia.com/research-information/other-data/crisilperformanceindices> as on March 31, 2016



The SIP Way to Investing in Mutual Funds

Why SIP ?

- Disciplined Investment
- Reduces Risk
- Start with Small Amount
- Flexible
- Low average investment Cost
 - More Units at low market levels
 - Less Units at high market levels

How Does SIP Work in MFs ?

Hypothetical Example

- Illustration: Invest Rs. 5000 every month starting when Market is at 5000 level
- No. of Units are allotted:
 - If NAV is Rs. 10 per unit you get 500 units
- Market goes down:
 - NAV goes to Rs. 9.84,
 - You get 508 units
- Similarly Market goes up:
 - NAV goes to Rs. 10.13,
 - You get 493 units

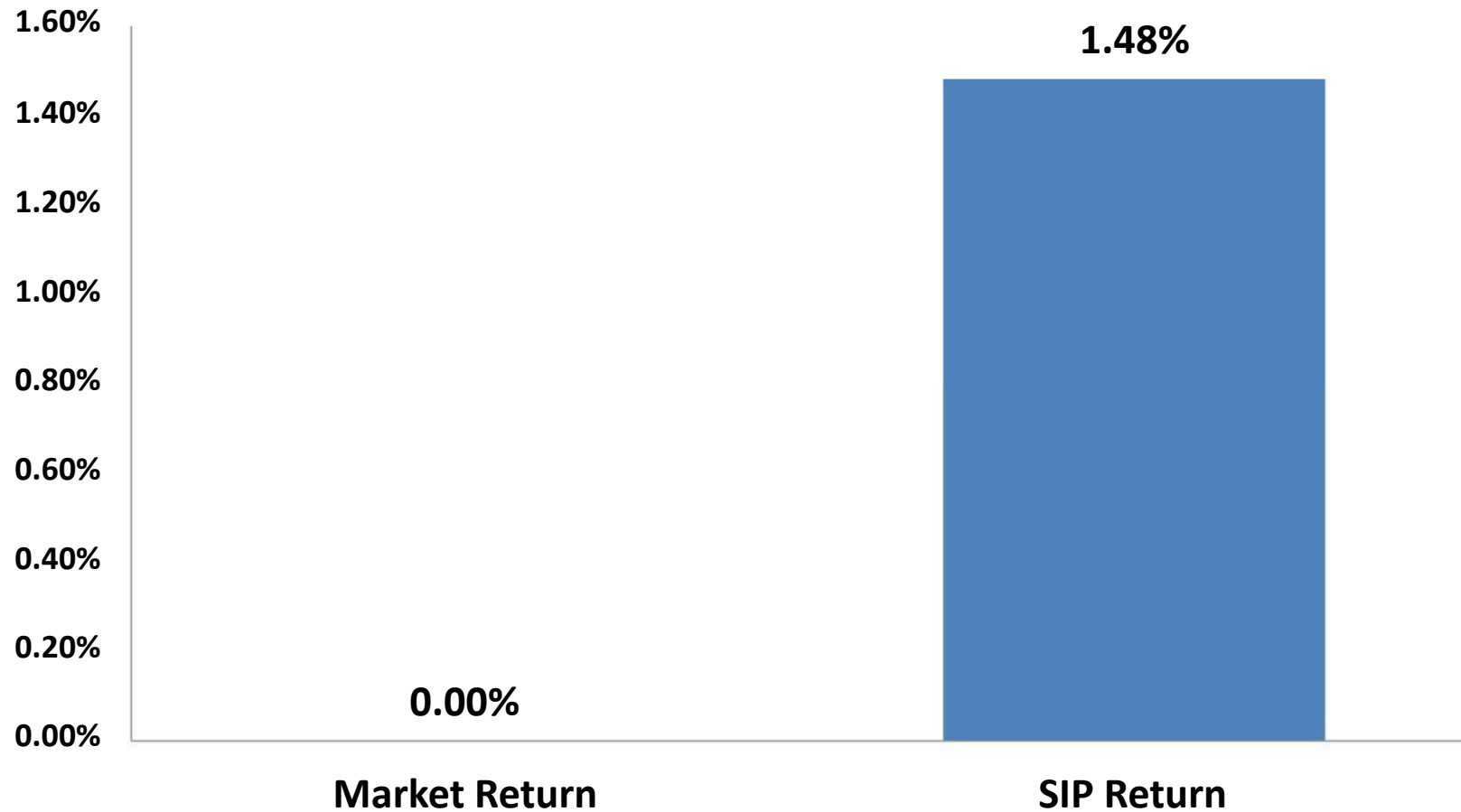
After 12 Months:

- Market is Back to 5000
- MF NAV is Rs. 9.99
- Your Average Cost of Investment is Rs. 9.919

Your Gain : 1.48%

Illustration is for the purpose of explaining the concept of SIP.
Past Performance may or may not be sustained in the future.

Results of SIP for 1 year



For Illustrative Purpose only. Based on illustration on previous slide.
Past Performance may or may not be sustained in the future.



Why WealthWisher (TW2)?

We are a SEBI Registered Investment Advisor. Hence a fiduciary.

We are fee-based, hence free from commission/remuneration bias.

We are a value investment style intermediary, hence long term association.

We advise low cost investments to bring down your over all cost of portfolio.

We deal in DIRECT* options, where ever possible.

We are comprehensive – all personal financial solutions covered.

We are promoters of financial literacy and mentor behavior mistakes.

We are completely technology driven firm. Swift With Personal Touch.



What is Direct Investments

डायरेक्ट प्लान में पैसा लगाना आसान हुआ

डायरेक्ट प्लान म्यूचुअल फंड में पैसा लगाने के नियमों में बदलाव से यह आसान हो गया है। अब फंडनेशियल एडवाइजर जटिल प्रक्रिया के नाम पर डायरेक्ट प्लान की सलाह देने में टालमटोल नहीं कर सकते। अब तक कुछ प्रक्रियाएं इतनी जटिल थीं कि निवेशक परेशान हो जाते थे।



SEBI introduced DIRECT PLANS for 1st Jan, 2013. The MFs now have 2 plans- Regular (where agent is paid commission) and DIRECT (no commission, so less expense ratio).

1/23/2014

How to make use of the direct MF plan - Print View - Livemint



How to make use of the direct MF plan

Institutions and smart investors shift to direct plan; retail investors not yet enthused.

THE ECONOMIC TIMES

Invest

Why it makes sense to shift to direct mutual fund plans

By Narendra Nathan, ET Bureau | Updated: May 03, 2016, 02:37 PM IST

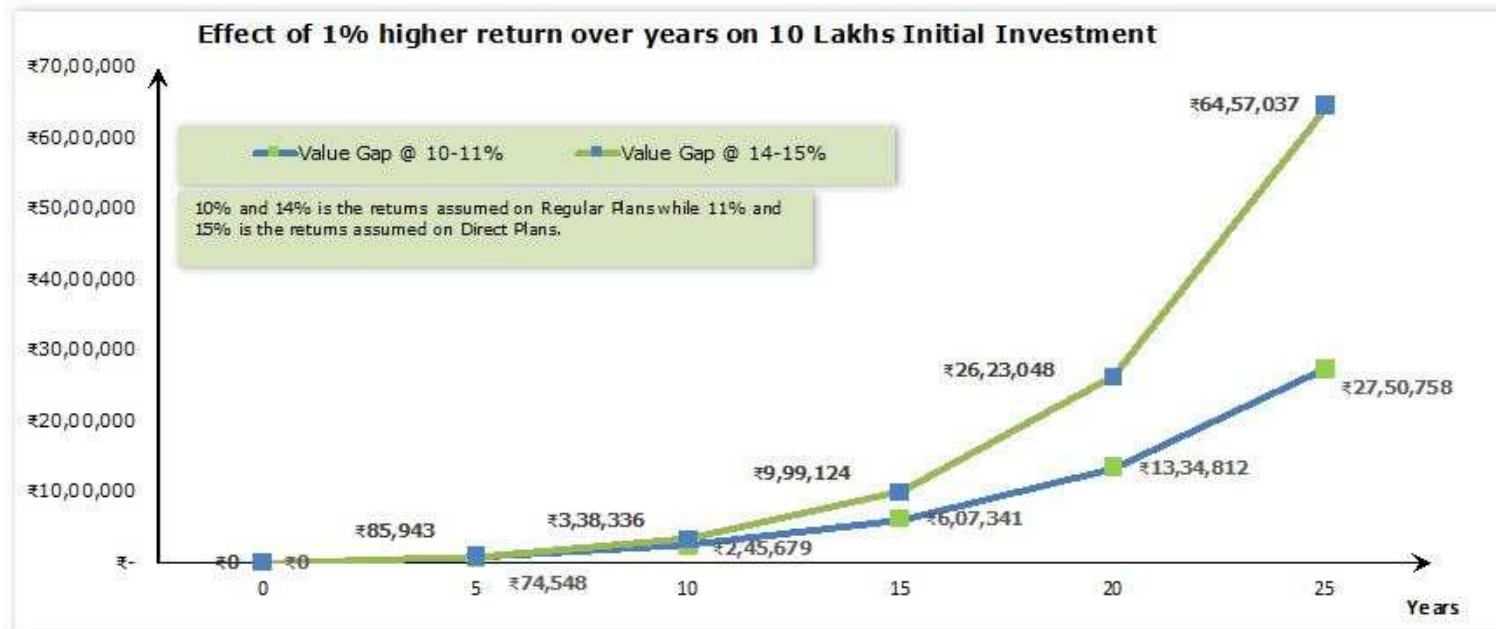
Example: as on 30 Nov 2016
SBI BlueChip Fund

Expense Ratio Regular 1.98
Expense Ratio Direct 1.07

If you invest Rs 100 in Reg Plan, your Rs 98.02 is invested. Where as in DIRECT Plan Rs 98.93 is invested.

Data: www.valuresearchonline.com

Impact of 1% under Direct Plans on investment of Rs 1000000/-



Period (in years)	Principal	Regular Plan (10%)	Direct Plan (11%)	Difference (11%-10%)	Regular Plan (14%)	Direct Plan (15%)	Difference (15%-14%)
5	₹10,00,000	₹16,10,510	₹16,85,058	₹74,548	₹19,25,415	₹20,11,357	₹85,943
10	₹10,00,000	₹25,93,742	₹28,39,421	₹2,45,679	₹37,07,221	₹40,45,558	₹3,38,336
15	₹10,00,000	₹41,77,248	₹47,84,589	₹6,07,341	₹71,37,938	₹81,37,062	₹9,99,124
20	₹10,00,000	₹67,27,500	₹80,62,312	₹13,34,812	₹1,37,43,490	₹1,63,66,537	₹26,23,048
25	₹10,00,000	₹1,08,34,706	₹1,35,85,464	₹27,50,758	₹2,64,61,916	₹3,29,18,953	₹64,57,037

Contact Us

Address

69/302, VT Road, Mansarovar, Jaipur, Rajasthan 302020
638 B, Janpath, Rani Sati Nagar, Jaipur, Rajasthan 302019

Contact No.

+91-141-4302111 +91-99291 45054

Email Id

contact@thewealthwisher.com

Website

www.thewealthwisher.com





THEWEALTHWISHER

Thank You
Happy Investing

Want to know how to invest in Mutual Funds?

Visit our website:

www.thewealthwisher.com

Or

Call:- 0141-4302111

Email:- contact@thewealthwisher.com

