FINANCIAL FREEDOM The art is not only making money, but in keeping it

We Indians Are Savers





Most Financial Goals Involve Family





What Do We Expect From Investment?



Is Our Money Safe in Cash?

Money erodes in value silently due to inflation



Effects of Inflation



Real Life Example



@nvest Anytime, Anywhere



Inflation – The Real Killer

Inflation Rate in India averaged 5.97 percent from 2012 until 2022, reaching an all time high of 12.17 percent in November of 2013 and a record low of 1.54 percent in June of 2017.

INFLATION GROWTH TREND



Source: www.tradingeconomics.com

How Are We Tackling Inflation?



Lifestyle Inflation = 8%; FD Rate = 6%; Tax Rate = 0%



How Are We Tackling Inflation?



Lifestyle Inflation = 8%; FD Rate = 6%; Tax Rate = 31.20%



Investment Options



How Do We Invest - Horizon - wise?

What we do usually?

We invest in debt for long term and equity for short term.

What we should do?

We should invest in debt for short term and equity for long term.

Return From Various Asset Classes

Source: Bloomberg, MOAMC internal analysis, Data as on 29th Feb 2020

Inflation Adjusted Return

Source: Bloomberg, MOAMC internal analysis, Data as on 29th Feb 2020

Historical Returns

Date	Nifty 50 (As on Dec 31)	EPS for Financial Year	PE (based on EPS for FY)	1 year	2 year	3 years	4 years	5 years	6 years	7 years	8 years	9 years	10 years	12 years	15 years
Dec-01	1059	78	13.58												
Dec-02	1094	92	11.89	3.25%											
Dec-03	1880	131	14.35	71.90%	33.23%										
Dec-04	2081	169	12.31	10.68%	37.93%	25.24%									
Dec-05	2837	184	15.42	36.34%	22.84%	37.40%	27.93%								
Dec-06	3966	236	16.81	39.83%	38.07%	28.26%	38.00%	30.23%							
Dec-07	6139	281	21.85	54.77%	47.11%	43.43%	34.43%	41.21%	34.03%						
Dec-08	2959	251	11.79	-51.79%	-13.63%	1.42%	9.21%	9.50%	18.05%	15.81%					
Dec-09	5201	247	21.06	75.76%	-7.95%	9.45%	16.37%	20.11%	18.49%	24.95%	22.01%				
Dec-10	6135	315	19.47	17.95%	43.98%	-0.02%	11.52%	16.68%	19.75%	18.41%	24.06%	21.55%			
Dec-11	4624	348	13.29	-24.62%	-5.71%	16.04%	-6.84%	3.12%	8.49%	12.09%	11.91%	17.38%	15.88%		
Dec-12	5905	369	16	27.70%	-1.89%	4.32%	18.85%	-0.77%	6.86%	11.04%	13.93%	13.56%	18.37%		
Dec-13	6304	406	15.53	6.76%	16.76%	0.91%	4.93%	16.33%	0.44%	6.84%	10.50%	13.11%	12.86%	16.03%	
Dec-14	8283	413	20.05	31.39%	18.43%	21.44%	7.79%	9.75%	18.71%	4.37%	9.64%	12.64%	14.82%	18.38%	
Dec-15	7946	394	20.17	-4.06%	12.27%	10.40%	14.49%	5.31%	7.32%	15.16%	3.28%	8.03%	10.85%	12.76%	
Dec-16	8186	423	19.35	3.01%	-0.59%	9.10%	8.51%	12.10%	4.93%	6.69%	13.56%	3.25%	7.51%	12.09%	14.61%
Dec-17	10531	456	23.09	28.65%	15.12%	8.33%	13.69%	12.27%	14.70%	8.03%	9.22%	15.15%	5.55%	11.55%	16.30%
Dec-18	10791	486	22.2	2.47%	14.82%	10.74%	6.84%	11.35%	10.57%	12.87%	7.31%	8.45%	13.81%	8.70%	12.36%
Dec-19	12168	465	26.17	12.76%	7.49%	14.13%	11.24%	8.00%	11.58%	10.88%	12.86%	7.91%	8.87%	5.87%	12.50%
Dec-20	13981	497	28.13	14.90%	13.83%	9.91%	14.32%	11.96%	9.12%	12.05%	11.38%	13.08%	8.59%	13.81%	11.22%
Dec-21	17354	719	24.14	24.12%	19.39%	16.89%	13.27%	16.20%	13.89%	11.14%	13.48%	12.72%	14.12%	10.56%	10.33%
		Min		-51.79%	-13.63%	-0.02%	-6.84%	-0.77%	0.44%	4.37%	3.28%	3.25%	5.55%	5.87%	10.33%
		Max		75.76%	47.11%	43.43%	38.00%	41.21%	34.03%	24.95%	24.06%	21.55%	18.37%	18.38%	16.30%
		Average		19.09%	16.39%	14.86%	14.39%	13.96%	13.13%	12.17%	12.55%	12.24%	11.93%	12.19%	12.89%

> EPS is taken for the respective financial year. > Nifty is taken as on particular day (i.e. last day of December of each Calendar year.

Future Returns

	BSE Nifty	EPS for	PE (based												
Date	(as on	financial	on EPS	1 year	2 year	3 years	4 Years	5 years	6 years	7 years	8 years	9 years	10 years	12 years	15 years
	Dec 31)	year	for FY)												
Dec-01	1059	78	13.58	3.25%	33.23%	25.24%	27.93%	30.23%	34.03%	15.81%	22.01%	21.55%	15.88%	16.03%	14.61%
Dec-02	1094	92	11.89	71.90%	37.93%	37.40%	38.00%	41.21%	18.05%	24.95%	24.06%	17.38%	18.37%	18.38%	16.30%
Dec-03	1880	131	14.35	10.68%	22.84%	28.26%	34.43%	9.50%	18.49%	18.41%	11.91%	13.56%	12.86%	12.76%	12.36%
Dec-04	2081	169	12.31	36.34%	38.07%	43.43%	9.21%	20.11%	19.75%	12.09%	13.93%	13.11%	14.82%	12.09%	12.50%
Dec-05	2837	184	15.42	39.83%	47.11%	1.42%	16.37%	16.68%	8.49%	11.04%	10.50%	12.64%	10.85%	11.55%	11.22%
Dec-06	3966	236	16.81	54.77%	-13.63%	9.45%	11.52%	3.12%	6.86%	6.84%	9.64%	8.03%	7.51%	8.70%	10.33%
Dec-07	6139	281	21.85	-51.79%	-7.95%	-0.02%	-6.84%	-0.77%	0.44%	4.37%	3.28%	3.25%	5.55%	5.87%	
Dec-08	2959	251	11.79	75.76%	43.98%	16.04%	18.85%	16.33%	18.71%	15.16%	13.56%	15.15%	13.81%	13.81%	
Dec-09	5201	247	21.06	17.95%	-5.71%	4.32%	4.93%	9.75%	7.32%	6.69%	9.22%	8.45%	8.87%	10.56%	
Dec-10	6135	315	19.47	-24.62%	-1.89%	0.91%	7.79%	5.31%	4.93%	8.03%	7.31%	7.91%	8.59%		
Dec-11	4624	348	13.29	27.70%	16.76%	21.44%	14.49%	12.10%	14.70%	12.87%	12.86%	13.08%	14.12%		
Dec-12	5905	369	16	6.76%	18.43%	10.40%	8.51%	12.27%	10.57%	10.88%	11.38%	12.72%			
Dec-13	6304	406	15.53	31.39%	12.27%	9.10%	13.69%	11.35%	11.58%	12.05%	13.48%				
Dec-14	8283	413	20.05	-4.06%	-0.59%	8.33%	6.84%	8.00%	9.12%	11.14%					
Dec-15	7946	394	20.17	3.01%	15.12%	10.74%	11.24%	11.96%	13.89%						
Dec-16	8186	423	19.35	28.65%	14.82%	14.13%	14.32%	16.20%							
Dec-17	10531	456	23.09	2.47%	7.49%	9.91%	13.27%								
Dec-18	10791	486	22.2	12.76%	13.83%	16.89%									
Dec-19	12168	465	26.17	14.90%	19.39%										
Dec-20	13981	497	28.13	24.12%											
Dec-21	17354	719	24.14												
		Min	·	-51.79%	-13.63%	-0.02%	-6.84%	-0.77%	0.44%	4.37%	3.28%	3.25%	5.55%	5.87%	10.33%
		Max		75.76%	47.11%	43.43%	38.00%	41.21%	34.03%	24.95%	24.06%	21.55%	18.37%	18.38%	16.30%
		Average		19.09%	16.39%	14.86%	14.39%	13.96%	13.13%	12.17%	12.55%	12.24%	11.93%	12.19%	12.89%

> EPS is taken for the respective financial year. > Nifty is taken as on particular day (i.e. last day of December of each Calendar year.

Behavioral Gap

Investment Return

Investor Return

- People who constantly try to time the market end up getting lesser return than the actual asset class performance
- Major returns in equity market is delivered in few days. By constantly trying to time the market, chances of losing those few days are very high.

Behavioral Gap

- We invest only when historical returns are good.
- Every time we invest in Equity Fund looking at past performance, then after our investments, scheme performance deteriorates.

Purpose of Investment

Any investment should be based on some financial goals

Key Elements of Financial Planning

Why Should We Worry for Retirement?

- **Retirement Challenges**
- Nuclear Families
- Increased Cost of Living
- Higher Medical Cost
- Tendency to Retire Early
- Decreasing Govt. Schemes Returns
- Increased Life Expectancy

Will There Be A Shortfall in Meeting Expenses?

Investors need to beat inflation

Inflation = 8%; FD Rate = 6%

Will There Be A Shortfall in Meeting Expenses?

Investors need to beat inflation

Inflation = 8%; FD Rate = 6%

What Corpus You'll Require on Retirement?

Current Age	40	Pre-Retirement Return	12%					
Retirement Age	60	Post-Retirement Return	10%					
Life Expectancy	80	Inflation Rate	8%					
Current Monthly Expenses	Monthly Expenses after Retirement	1,86,438						
Retirement Corpus Reqd. ⊃Rs 3,77,98,080								
Lump-Sum Savings Reqd.39,18,405SIP Savings Reqd.41								
DZ BAZAR [®]								

Monthly Inv. Reqd. At Different Rates

Current Age	40	Current Mthly Expenses	40,000
Retirement Age	60	Inflation	8%
Life Expectancy	80	Return after Retirement	10%

Corpus Reqd.	3,77,98,080									
Expected Return	6%	8%	10%	12%	14%					
Mthly Inv. Reqd.	82,955	66,004	52,208	41,091	32,210					

Can we save this reqd. amount at low expected return? And we have other goals to achieve also

Monthly Inv. Reqd. At Different Rates

Investment Returns assumed here is 12% for pre retirement and 10% for Post retirement; Monthly investment Rs. 41,091 for 20 years to achieve a corpus of Rs. 3.78 crore

Do you know what will be the value of **Rs. 1** after...

Assumed Return: 12%

Do you know what will be the value of **Rs. 1** after...

Assumed Return: 6%

Effect of Power of Compounding Over Time

No. of Years	Saving A/c	Bank FD		Equity MF	
	4%	6%	10%	12%	14%
2	2.50 L	2.55 L	2.65 L	2.71 L	2.76 L
5	6.64 L	6.98 L	7.72 L	8.11 L	8.52 L
10	14.72 L	16.33 L	20.15 L	22.40 L	24.93 L
15	24.55 L	28.83 L	40.16 L	47.59 L	56.52 L
20	36.50 L	45.56 L	72.40 L	91.99 L	1.17 Cr
25	51.05 L	67.96 L	1.24 Cr	1.70 Cr	2.34 Cr
30	68.75 L	97.93 L	2.08 Cr	3.08 Cr	4.60 Cr

Start Early

What is SIP?

Systematic Investment Plan (SIP) is a disciplined way of investing

SIP is like RD a/c – same amount get invested every month

SIP helps us to buy more when market is low and less when market is high

Key Benefits of Investing Through SIP

	10 Years	15 Years	20 Years
Total Number of Schemes	79	54	22
Highest Return (%)	24.99	21.64	21.28
Lowest Return (%)	9.65	11.91	14.41
Average Return (%)	15.92	15.18	17.78
Schemes with 15% plus CAGR	46	24	21
Schemes with 12% plus CAGR	77	53	22
Schemes with 10% plus CAGR	78	54	22

Data as on 30th April 2022

Child's Higher Education Goal

Mthly Inv.

Reqd.

	Kid's age : 8 yrs; Goal due @18 yrs; Inflation :8%							
	Current Education Cost		Future Cost		Monthly Inv. Required @12%			
	10,00,000		21,58,925	9,637		,637		
Expected Return	6%	8%	10%	12%		14%		

11,909

10,717

9,637

8,660

13,224

Interest Rates of Govt. Schemes

PARTICULARS	1992	2000	CURRENT
Public Provident Fund	12.00	11.00	7.10
Post Office Recurring Deposit	13.50	10.50	5.80
Post Office Time Deposit (3 to 5 years)	13-13.50	10-10.50	5.50 - 6.70
Post Office MIS	14.00	11.00	6.60
NSC	12.00	11.00	6.80
Bank FDs (3 to 5 years)	13.00	9.5-10.00	5.1

Current rates as on April 2022

Mutual Fund Taxation

Particulars	Equity Schemes	Debt Schemes		
Short Term Capital Gain	< 12 Months	< 36 Months		
Long Term Capital Gain	> 12 Months	> 36 Months		
Short Term Tax Rate	15%	As per respective tax slab		
Long Term Tax Rate	10% on gain > 1 lakh	20% after indexation		
Dividend Distribution Tax	As per respective tax slab	As per respective tax slab		

Investment in ELSS Mutual Fund scheme is eligible for Sec. 80C tax benefit upto Rs. 1.50 lakh

* Investors should consult their tax advisors for tax related issues

PPF Interest Rates Over Time

PPF Interest Rates Over time									
Period	Rate of Interest	PERIOD	Rate of Interest						
15 Jan 2000 To 28 Feb 2001	11.00%	01 Oct 2016 To 31 Mar 2017	8.00%						
01 Mar 2001 To 28 Feb 2002	9.50%	01 Apr 2017 To 30 Jun 2017	7.90%						
01 Mar 2002 To 28 Feb 2003	9.00%	01 Jul 2017 To 31 Dec 2017	7.80%						
01 Mar 2003 To 30 Nov 2011	8.00%	01 Jan 2018 To 30 Sep 2018	7.60%						
01 Dec 2011 To 31 Mar 2012	8.60%	01 Oct 2018 To 30 Jun2019	8.00%						
01 Apr 2012 To 31 Mar 2013	8.80%	01 Jul 2019 To 31 Mar 2020	7.90%						
01 Apr 2013 To 31 Mar 2016	8.70%	01 Apr 2020 To 31 Dec 2021	7.10%						
01 Apr 2016 To 30 Sep 2016	8.10%	01 Apr 2021 To 30 Apr 2022	7.10%						

CAPITAL INVESTED (₹)									
	1-Apr-21	1-Apr-20	1-Apr-19	1-Apr-17	1-Apr-15	1-Apr-12	1-Apr-10	1-Apr-07	1-Apr-01
Scheme Name	30-Sep-21	30-Sep-21	30-Sep-21	30-Sep-21	30-Sep-21	30-Sep-21	30-Sep-21	30-Sep-21	30-Sep-21
	1.50 Lacs	3.00 Lacs	4.50 Lacs	7.50 Lacs	10.50 Lacs	15.00 Lacs	18.00 Lacs	22.50 Lacs	31.50 Lacs
S&P BSE Sensex	1,77,274	4,91,049	7,19,208	12,82,420	19,47,226	33,19,907	42,77,871	64,53,159	180,07,134
Maximum	1,86,032	5,74,314	8,21,858	14,37,196	21,13,474	43,88,558	63,36,299	94,53,397	383,20,641
Minimum	1,65,364	4,30,318	6,30,080	10,77,722	16,18,741	30,88,657	40,78,578	67,62,665	199,58,315
Average	1,80,257	4,99,798	7,30,607	12,46,321	19,01,650	35,89,443	48,62,491	77,44,784	281,99,221
PPF Calculated at actual rates	1,55,340	3,21,708	5,01,298	9,03,544	13,74,103	22,45,266	29,54,577	42,45,957	79,44,920

The earlier Table shows value of 1 lac invested every year in PPF, Sensex and Various ELSS schemes on 1st April every year. Valuation Date: 30th September 2021. (Past performance may or may not sustain in future)

Wealth Creation Through Tax Saving

*For calculation purpose, we have taken only those schemes which have completed atleast 20 years as on 30th Sept 2021. 17.15% is the average CAGR return delivered by these 14 schemes since 1st April 2001.

Myth Buster

Myths: Mutual Fund means only Equity / Shares

Facts: Mutual Fund schemes can range from 100% debt (Bonds) to 100% equity

Debt portfolio of Mutual Fund consists of Govt. Securities, Treasury Bill, Commercial Papers, Certificate of Deposits, Debentures, Bonds etc.

Scheme Suitability – Risk and Return

Scheme Suitability – Risk and Return

Scheme Suitability – Horizon-wise

(envest Anytime, Anywhere

Scheme Nature	Suitable Tenure	Taxation
Liquid/Overnight	1 Day to 15 Days	Debt
Ultra Short Duration	15 Days to 6 Months	Debt
Low Duration/ Money Market / Short Duration	6 Months +	Debt
Equity Arbitrage	6 month+	Equity
Medium Term / Corporate Bond / Credit Risk	1 Year to 3 Year+	Debt
Medium to Long Duration/Long Duration/Gilt	> 3 Years	Debt
Agg. Hybrid Fund / Dynamic Asset Allocation	> 3 Years	Equity
Equity Fund	> 5 Years	Equity

FD Vs Debt Fund

	As per 30% tax slab		As per 20% tax slab		As per 5% tax slab	
Particulars	Debt Fund	Fixed Deposit	Debt Fund	Fixed Deposit	Debt Fund	Fixed Deposit
Principal Amount	10,00,000	10,00,000	10,00,000	10,00,000	10,00,000	10,00,000
Expected rate of return	6.5	5.5	6.5	5.5	6.5	5.5
Tenure of investment (in days)	1100	1100	1100	1100	1100	1100
Maturity Value	11,95,890	11,65,753	11,95,890	11,65,753	11,95,890	11,65,753
Interest Income	NA	1,65,753	NA	1,65,753	NA	1,65,753
Assumed Infaltion Rate (p.a.)	4.0	NA	4.0	NA	4.0	NA
Long Term Capital Gain	1,95,890	NA	1,95,890	NA	1,95,890	NA
Indexed cost of Investment	11,60,000	NA	11,60,000	NA	11,60,000	NA
Long Term Capital Gain after Indexation benefit	35,890	NA	35,890	NA	35,890	NA
Applicable tax rate	31.2	31.2	20.8	20.8	5.2	5.2
Tax on Interest Income/ Long Term capital gain	11198	51715	7465	34477	1866	8619
Net gain	184693	114038	188425	131277	194024	157134
Maturity Value	11,84,693	11,14,038	11,88,425	11,31,277	11,94,024	11,57,134
Post tax return at maturity	6.13%	3.78%	6.25%	4.36%	6.44%	5.21%

Human Life Cycle

Challenges We Face

Solution

Investment will build corpus for various Goals and Retirement

Unforeseen Expenses (Hospitalisation) will impact our corpus for planned goals

Solution Health Insurance

Solution

If we live through this phase; SIP will help us to achieve our goals

But what if the earning member is not present? How to protect family from Financial Hardship?

> Solution Term Insurance

Financial Freedom

Check These Out Before It's Too Late

Have you taken adequate life and health cover?

Contact your MF and insurance distributor

