

New Age India

New Investment Horizons



ASHUTOSH

New Investment Horizons

Indian Economy in the present time

Positives

- Stable and decisive government at the center.
- Commodity prices on a decline.
- Inflation on a decline.
- Interest rates on a decline.
- FII and FDI flows on a rise.
- DII emerging as a strong pillar to stock market.
- Forex reserves at all time high.

Negatives

- Government unable to pass important laws.
- Achchhe din still illusive.

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Growth of Major developed economies



U. S. A.

2.60%



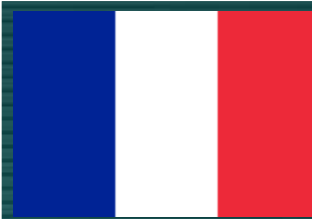
Japan

0.60%



Germany

1.50%



France

1.20%



U. K.

2.50%

source : www.wikipedia.org

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Growth of Major developing economies



India is a “bright spot”...

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**Where can I Invest
to participate in the
India Growth Story ?**

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(1) **Debt**

- **Bank Fixed Deposit**
- **PPF / NSC / Post Office Schemes**
- **Company Fixed Deposit**
- **Debt Based Mutual Funds**

(2) **Equity**

- **Direct Equity Schemes**
- **Portfolio Management Services**
- **Equity Based Mutual Funds**

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(3)

Precious Metals

- Gold
- Silver
- Gold ETF
- Gold Mutual Funds

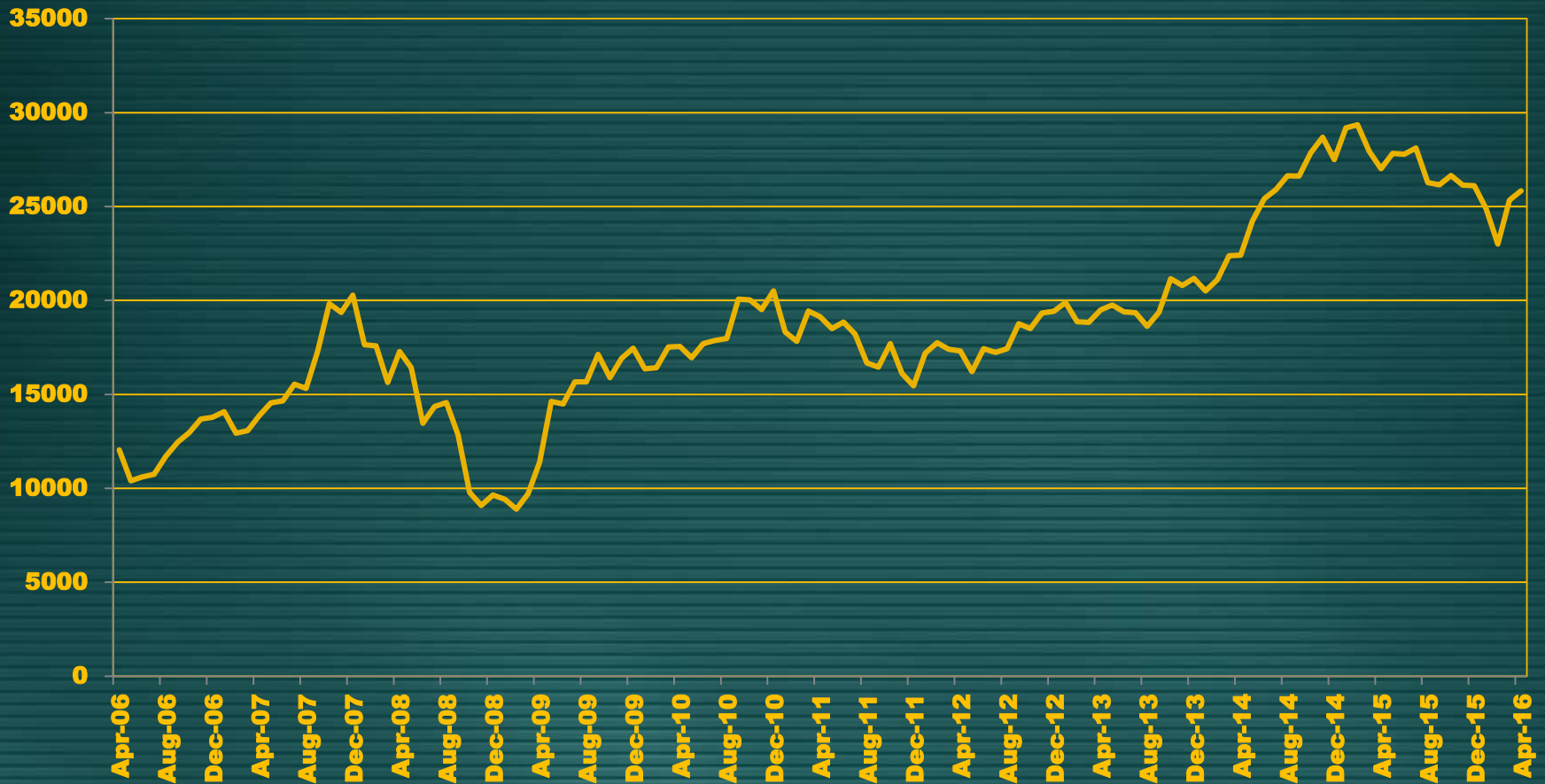
(4)

Real Estate

- Land
- Building
- Rented Property
- Real Estate of
Nationally renowned
Real Estate Developers

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Our belief
Equity Market is risky



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Our belief

Real Estate gives the best returns

Particular (Amt in Rs.)	Purchase Value (Amt in Rs.)	Sale value (% p.a.)	Returns	Tax	Sale Value Minus Tax	Post Tax (% p.a.)
Sensex	30 Lakhs	Rs. 27 Cr	16.13%	NIL	27 Cr.	16.13%
Flat	30 Lakhs	Rs. 21 Cr	15.20%	4 Cr.	17 Cr.	14.42%
Gold 17 K.g.	30 Lakhs (@ Rs. 1,800)	Rs. 5 Crore (@ Rs. 29,450)	9.76%	50 Lakhs	4.5 Cr.	9.32%

Purchase : 1983 – 84

Sale : 2015 – 16

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Our belief

Fixed Deposits are the best

Sleep peacefully – Relax – No tensions

What is the real rate of return?

Rate of Return – Rate of Inflation = Real Return

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Factors to be considered in taking investment decision on asset allocation

- **What is my investment goal?**
- **How well does it beat inflation?**
- **Taxation on investments.**
- **Time period for investment.**
- **Risk tolerance.**
- **Age and Net worth.**

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Factors to be considered in taking investment decision on asset allocation

- **No asset class is good or bad.**
- **What is important is, does it suit me ?**
- **Consult a Financial Advisor not an investment or insurance agent but having knowledge of Debt, Equity, Real Estate, Taxation and Financial Laws.**

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Mutual Fund – A Vehicle for Investment in Debt, Equity

How does it operate?



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Advantages of Mutual Funds

1. Professional Management
2. Diversification
3. Convenient Administration
4. Return potential
5. Low cost
6. Liquidity
7. **Transparency**
8. Flexibility
9. Choice of schemes
10. **Well regulated**
11. **Tax benefits**



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Returns generated by Debt Based Mutual Funds

Name of the Fund	1 Year	3 Years	5 Years
Birla Sun Life Dynamic Bond Fund	8.8	9.98	10.17
Franklin India Low Duration Fund	9.28	9.63	9.83
ICICI Prudential Long Term Fund	7.97	12.22	11.18
SBI Corporate Bond Fund	9.75	10.41	10.08

Source : www.valueresearchonline.com

Returns : As on 20 April 2016

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Returns generated by Equity Based Mutual Funds

Name of the Fund	3 Years	5 Years	7 Years
ICICI Prudential Focused Bluechip Equity Fund	16.73	10.63	19.23
Franklin India Prima Fund	30.37	19.67	27.02
UTI Mid Cap Fund	34.56	19.56	27.63
Franklin India Prima Plus	22.99	14.31	20.17
DSP Micro Cap Fund	42.23	22.34	32.83

Source : www.valueresearchonline.com

Returns : As on 20 April 2016

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Returns of PPF Vs. ELSS

Year	Total Investment	PPF Interest Rate	Value in PPF	Depreciation of Rupee by Inflation (WPI)	Sensex Value Level	Value if Invested in Sensex	ICICI Pru Long Term Equity Plan NAV	Value in ICICI Long Term Equity Plan
03 April 2000	70000	12.00%	70,000	70,000	5,053	70,000	18.62	70,000
02 April 2001	140000	11.00%	148,400	143,448	3,566	119,405	10.10	107,970
01 April 2002	210000	9.50%	234,724	220,520	3,500	187,192	13.06	209,613
01 April 2003	280000	9.00%	327,023	298,413	3,081	234,771	11.49	254,414
01 April 2004	350000	8.00%	426,455	379,370	5,741	507,458	27.01	668,061
01 April 2005	420000	8.00%	530,571	462,806	6,605	653,848	48.68	1,274,044
03 April 2006	490000	8.00%	643,017	553,292	11,564	1,214,782	90.70	2,443,784
02 April 2007	560000	8.00%	764,458	657,407	12,455	1,378,378	80.34	2,234,648
01 April 2008	630000	8.00%	895,615	764,393	15,627	1,799,326	92.28	2,636,758
01 April 2009	700000	8.00%	1,037,264	900,063	9,902	1,210,164	57.72	1,719,260
01 April 2010	770000	8.00%	1,190,245	1,082,571	17,693	2,232,290	128.04	3,883,825
01 April 2011	840000	8.00%	1,355,465	1,265,243	19,420	2,520,284	141.23	4,353,916
02 April 2012	910000	8.60%	1,533,902	1,443,232	17,478	2,338,229	136.32	4,272,548
01 April 2013	980000	8.80%	1,735,818	1,660,604	18,865	2,593,729	146.24	4,653,461
01 April 2014	1050000	8.80%	2,036,970	1,950,925	22,446	3,156,117	187.21	6,027,156
01 April 2015	1120000	8.80%	2,450,947	2,269,522	28,260	4,043,640	273.57	8,877,484
Value as on 31st March 16	1120000	8.80%	2,450,947	2,269,522	25,342	3,626,074	255.32	8,285,262

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Investment in Mutual Funds through SIP

SIP – Systematic Investment Planning

...it is a method of investing a fixed sum, at a regular interval, in a mutual fund.

It is very similar to monthly saving schemes like a recurring monthly deposit / post office deposit

Advantages of Systematic Investment Planning

- Encourages Regular Investments (just like recurring deposit schemes)
- A Convenient way to invest regularly
 - Lower initial investment without cutting into regular expense
- Long term perspective
- **Rupee Cost Averaging Benefit** to counter volatility - it brings down the average cost of your Investments
- No timing the market!!!
- Meet investment objective with investment needs
- Helps to match the risk / return profile



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SIP – How Rupee Cost Average Works

Month	Amount	Rising Market		Falling Market		Volatile Market	
		NAV (Rs)	Units Allotted	NAV (Rs)	Units Allotted	NAV (Rs)	Units Allotted
1	10000	10	1000.00	10	1000.00	10	1000.00
2	10000	10.5	952.38	9.75	1025.64	10.5	952.38
3	10000	12	833.33	9	1111.11	9	1111.11
4	10000	14	714.29	7	1428.57	11	909.09
5	10000	17	588.24	6.5	1538.46	13	769.23
6	10000	18	555.56	6	1666.67	11.5	869.57
Total	60000	81.50	4643.79	48.25	7770.45	65.00	5611.38
Avg. Purchase NAV (Total of NAVs/No. of investments)		13.58		8.04		10.83	
Avg. cost per unit (Total Investment /No of units held)		12.92		7.72		10.69	

Put aside an amount regularly

Discipline is the key

Rupee cost averaging

Control volatility

This example uses assumed figures and is for illustrative purposes only.

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Save Regularly

Invest Regularly

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Power of Compounding

Year of Investment

Rate of Return

Savings Per Month	Total Amount Saved	For Years	Value of Investment			
			8%	12%	15%	20%
Rs. 10,000	Rs. 6,00,000	5	7,39,675	8,24,864	8,96,817	10,34,554
Rs. 10,000	Rs. 12,00,000	10	18,41,698	23,23,391	27,86,573	38,23,735
Rs. 10,000	Rs. 24,00,000	20	59,29,769	99,91,479	1,51,59,550	3,16,16,708
Rs. 10,000	Rs. 36,00,000	30	1,50,04,175	3,52,99,138	7,00,98,206	23,36,31,069

Power of compounding is the 8th Wonder of the World - Albert Einstein

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Tax Planning & investments

- **Fixed Deposit.** Vs **Debt Based Mutual Fund.**
- **Gold bars** Vs **Gold Deposit with monitisation scheme.**
- **Equity Shares** Vs **Equity Based Mutual Fund**
- **Land** Vs **Let out property**

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Tax Planning & investments

- **Urban Land Vs Agricultural Land**
- **Investments Vs Equity Linked U/s- 80C PPF, 5 Years FD, Life Insurance Premium Savings Scheme (ELSS)**
- **Traditional Life Insurance Vs Life Insurance Term Plan**
- **Profit on Capital Asset – Investment Option**

Questions?

Thank you...