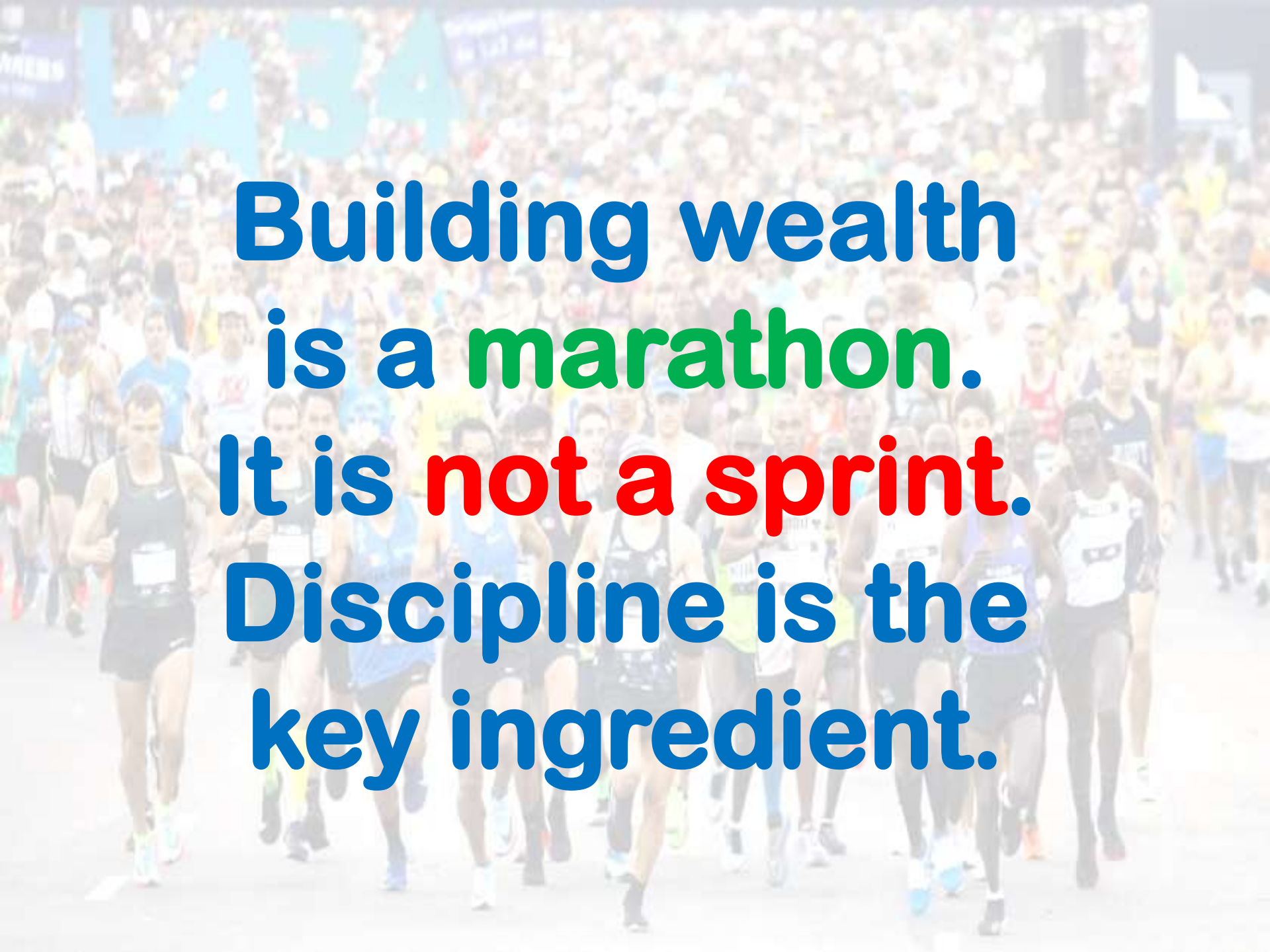


# Wealth Creation



**A venture by IIT Bombay  
alumnus**

**Aditee Amit Saoji**



**Building wealth  
is a marathon.  
It is not a sprint.  
Discipline is the  
key ingredient.**

# Art not Rocket Science

Wealth creation is an art.

You have to follow more don'ts than dos.



- Patience

- Low greed

- Trust on knowledge based planning

**Wealth Creation**

# Why do you invest?

- For capital growth
- At the same time, you want safety of capital and regular income

There are many avenues where you invest depending on your need and risk taking abilities.

# Various types of assets



Some assets are liquid and some are less liquid.

Where should you invest?

- In illiquid and non revenue generating assets?
- Or in revenue generating and commercial assets?

# Investment Avenues



**Real Estate**

**Gold**

**Insurance**

**Bonds**

**FDs**

**Stocks**

**Mutual Funds**

**Cash/ Savings Account**

# Real Estate

- Investing in real estate at good valuations and in an area with potential growth makes sense

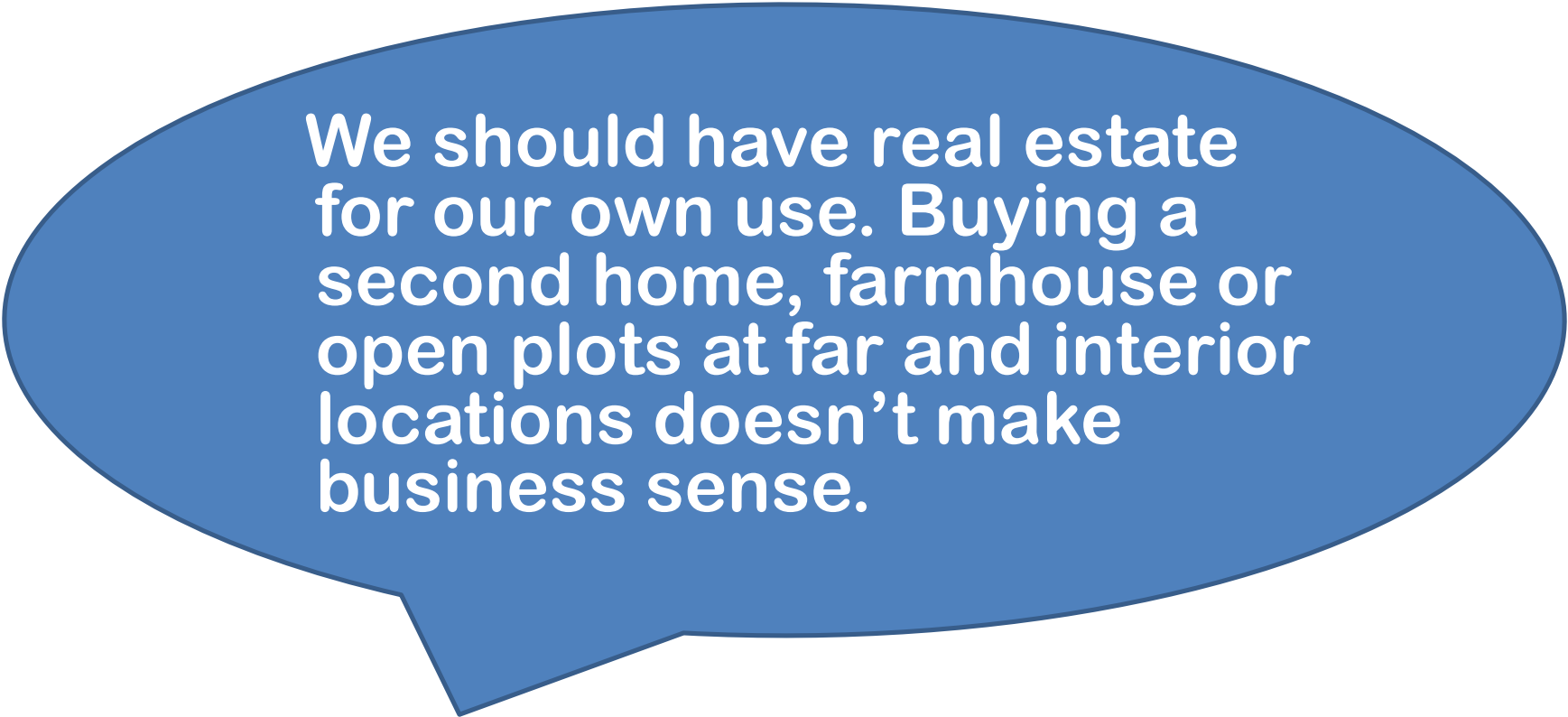


You have to invest lumpsum amount to acquire a good property

**Real estate investment is highly illiquid**

For selling the real estate, it takes roughly 6 months for the deal to materialize and get the money.

# Real Estate



We should have real estate for our own use. Buying a second home, farmhouse or open plots at far and interior locations doesn't make business sense.

**Investment Gurus**



A natural hedge to  
investment in  
riskier assets

Historically  
proven to be a  
good asset class

A certain  
percentage of  
investment is must  
in gold (**not jewelry**)

Gold

```
graph TD; A[A natural hedge to investment in riskier assets] --> D((Gold)); B[Historically proven to be a good asset class] --> D; C[A certain percentage of investment is must in gold (not jewelry)] --> D;
```

# Gold

- In Indian context, gold has given phenomenal returns due to Dollar appreciation compared to Rupee. Going forward, it may reverse.
- Currently, there is an import duty of 12.5% on gold. Whenever the import duty is taken off, gold prices will come down.

# Insurance

## Mediclaim insurance

- must
- takes care of your hospital bills

## Term insurance

- must
- takes care of any unfortunate event

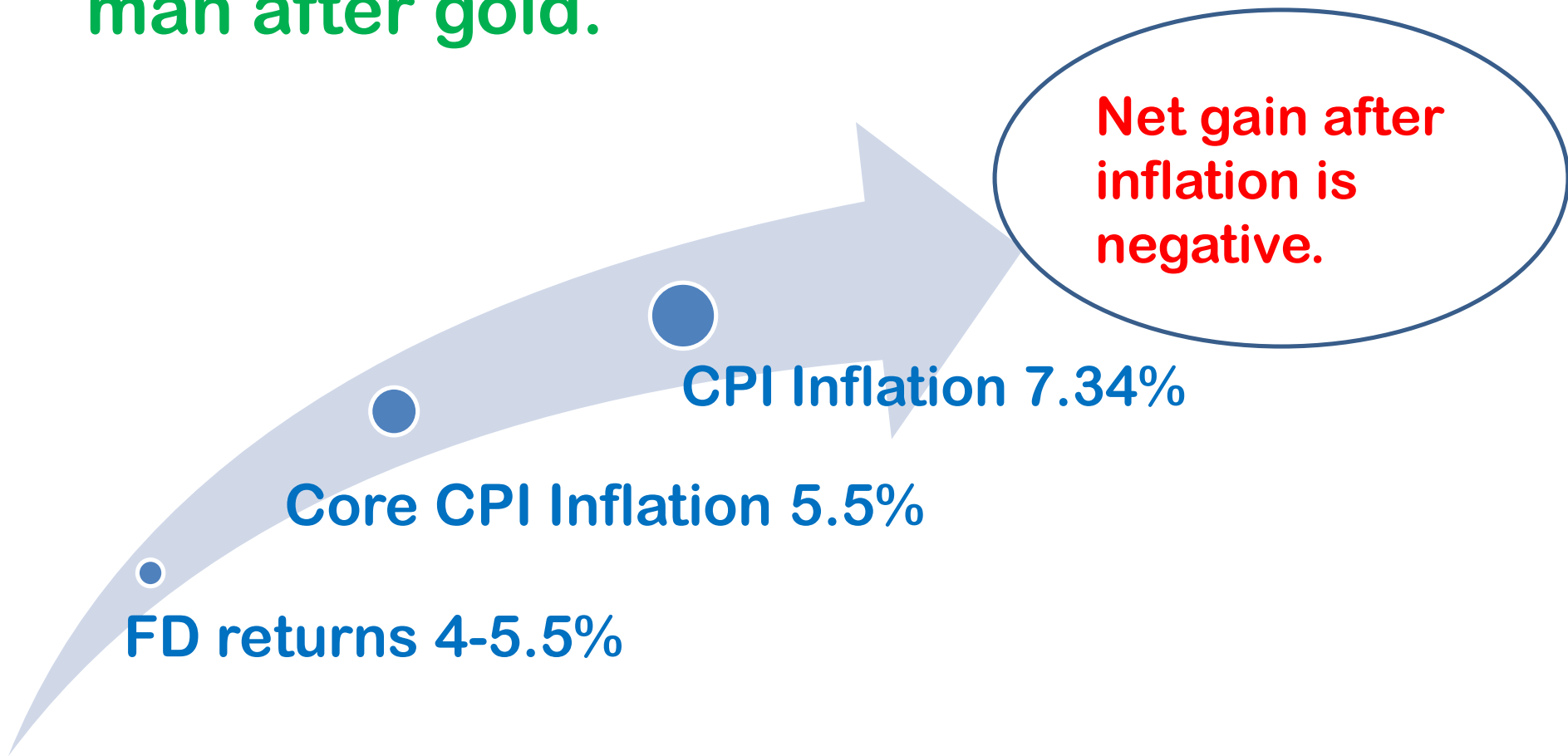
Premium cost is very low. For ex. you can get a term insurance cover for Rs 1 cr for a nominal cost of 9850 Rs per year. ( Age assumed 30)

# Insurance

- Remember, this is not an investment instrument.
- You should keep investment and insurance separate.
- Mixing of investment and insurance will cost you a huge amount in the form of commission which could be as high as 35%.

# FDs

- Due to safety and fixed returns, this is the most preferred asset class for common man after gold.



# FDs

- Investor has to pay tax according to his/her tax bracket on interest earned irrespective of inflation
- If the amount has to be withdrawn before maturity, investor has to pay a cost.



# Bonds, Govt securities, debt instruments

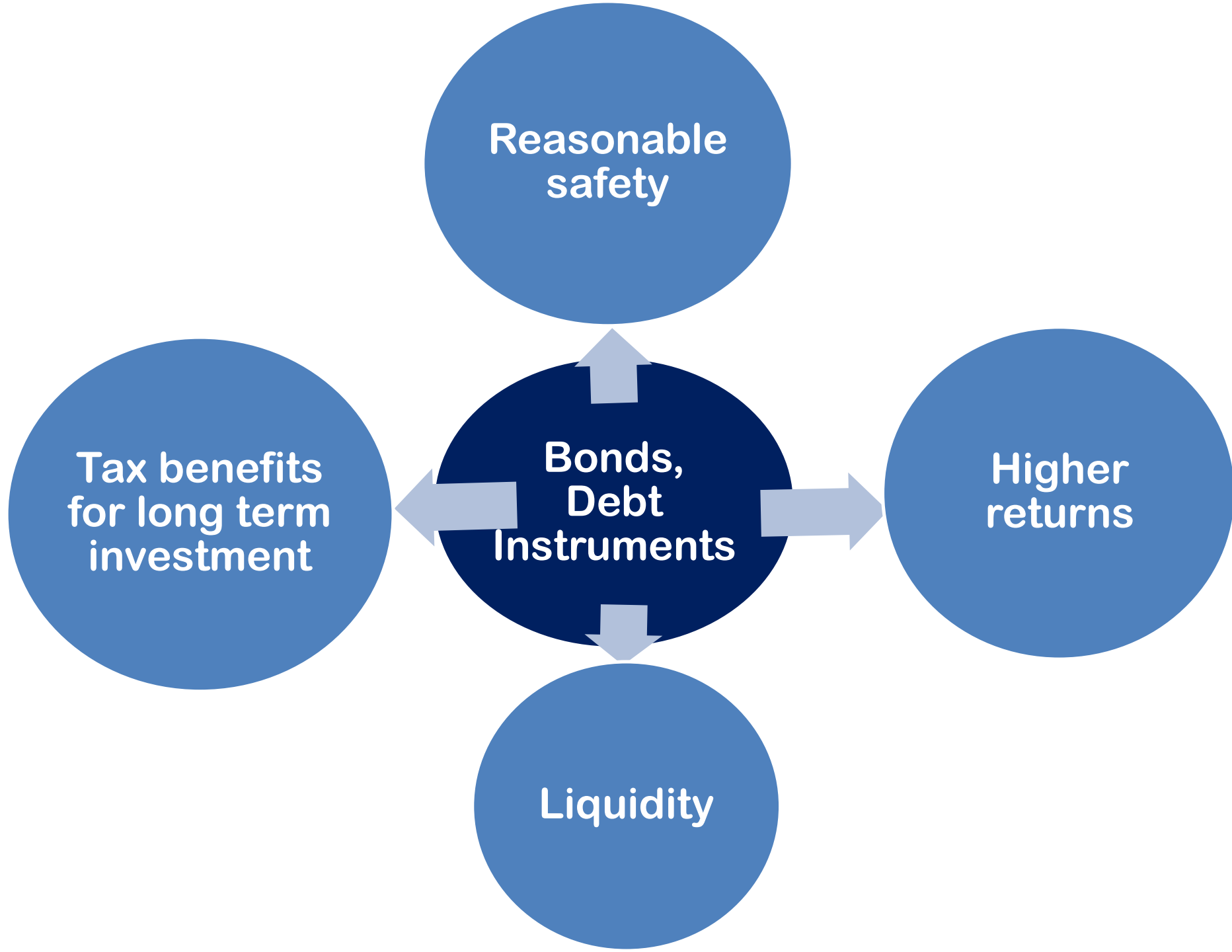
Not so famous among common investors but very famous with intelligent investors

Generates regular interest income which can beat inflation

Choose according to risk reward ratio

An option of zero credit risk investment such as central government securities

Other categories where investor can expect higher returns with some credit risk.





# Stocks

Maximum return generating asset class

Highly liquid with great returns

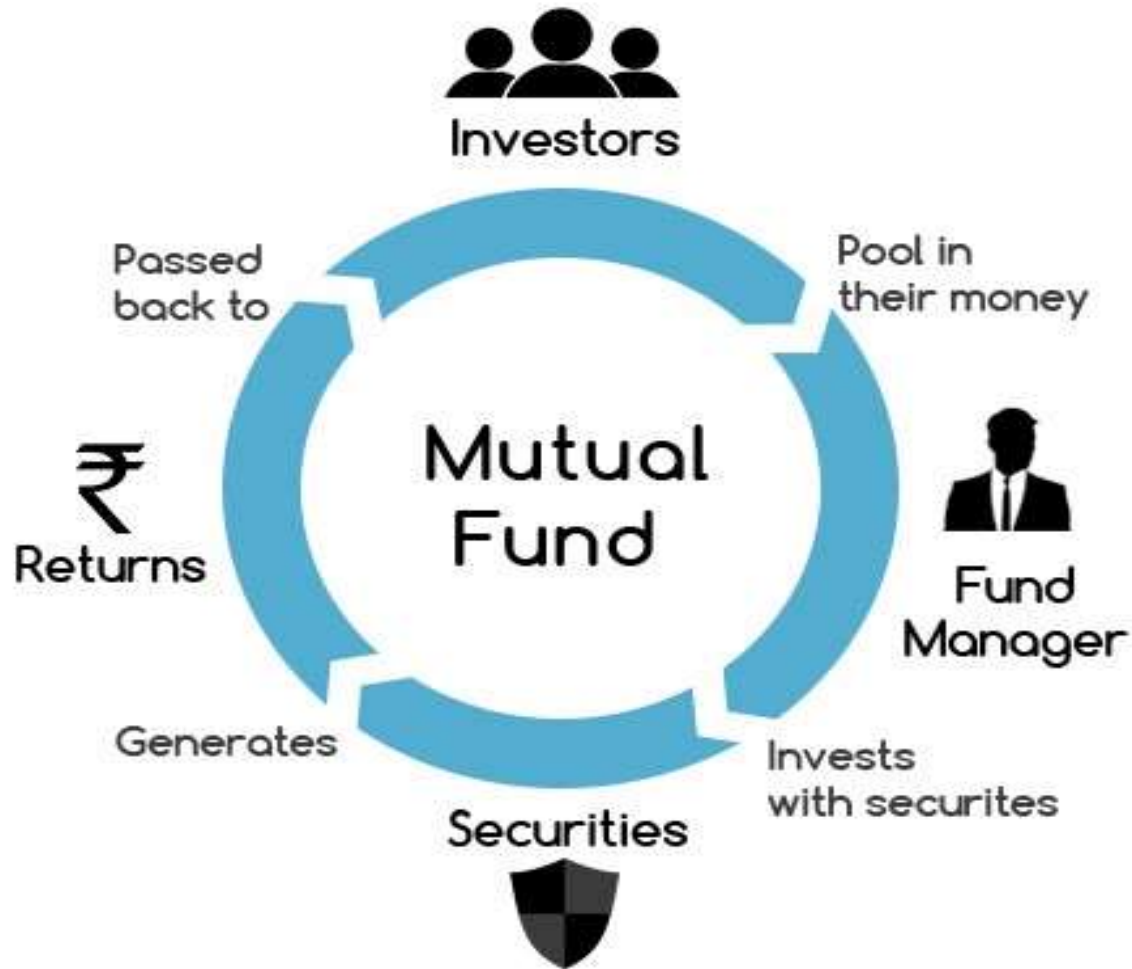
Long term investment in well researched stocks rewarding

Day trading, tip based trading can result in huge losses

# Stocks

- Few multibaggers of past period are Infosys, Asian paints, Cipla etc
- Investor has to keep himself up-to-date with the current market conditions and it's a huge task to identify good stocks from thousands of listed stocks

# Mutual Funds



# Mutual Funds



Historically  
best asset class  
worldwide

Long term  
investment

Generates  
good returns

# Mutual Funds

## Flexible

- invest lumpsum amount OR
- invest small amounts at regular intervals in the form of (SIP)

## Transparent

- purchase amount debited from and redemption amount credited to your bank account directly.

## Highly liquid

- redeem at a short notice
- 1 day (for debt funds)
- 3 days (for equity funds)

# Why Mutual Fund is best asset class?

**You deposit money in bank**

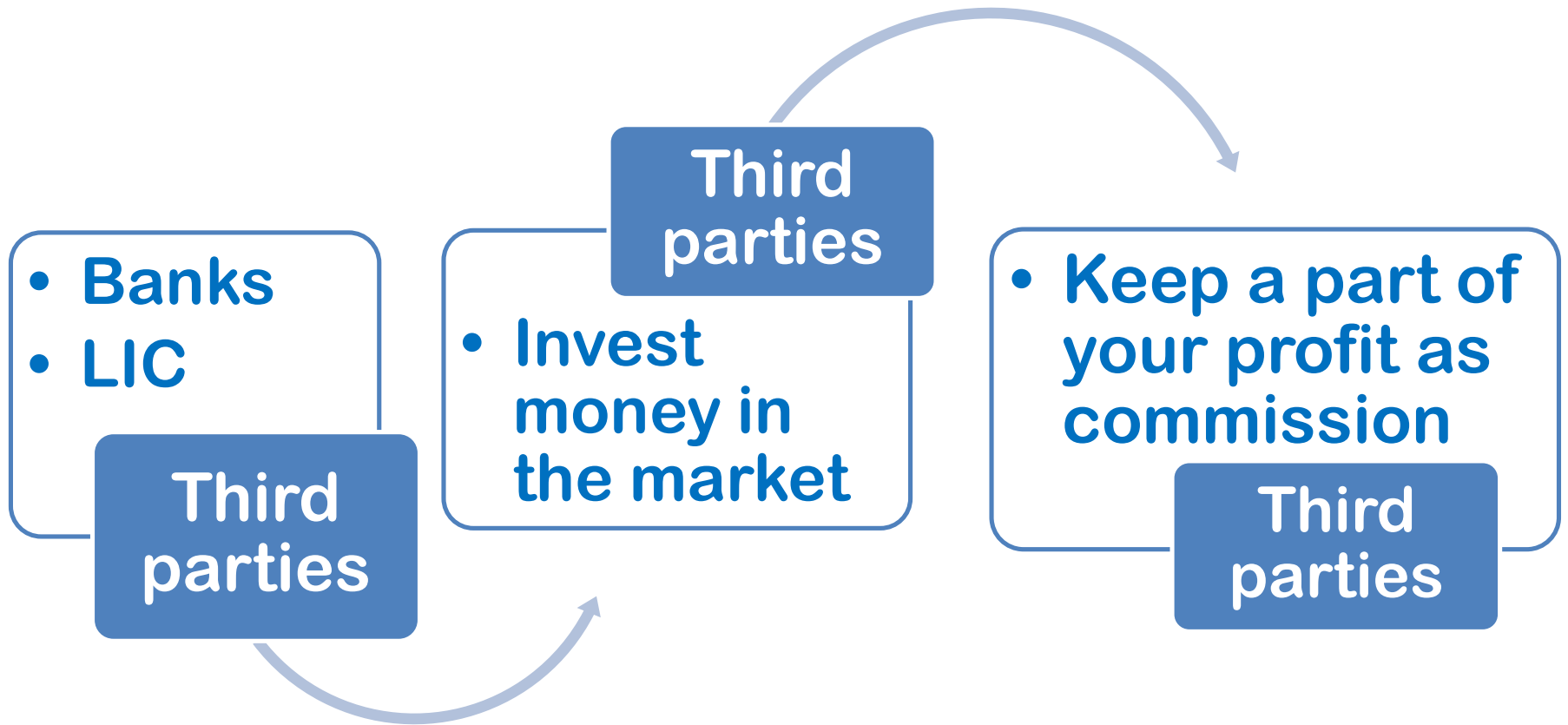
**Bank pays you interest**

**From where does bank generate income?**

**Bank gives loans to industries and gets interest**

**You buy an LIC policy**

**LIC invests your money in equity and debt markets**



Can we skip the third parties?

# Why Mutual Fund & Why not Direct Stock Market?





# Percentage of stock in overall portfolio matters

- We need to have maximum allocation to the best performing sectors!
- At times we need to book profits and enter again!
- It all depends on market condition.
- It is relatively tough for individual investor to identify and act upon.
- Mutual fund managers take care of these things with a dedicated team for market research and analysis.

# Sector allocation

Plays an important role while constructing the portfolio



Recent COVID pandemic has changed sector allocation in NIFTY



IT, Banking, Pharma were the growth sectors



After US elections, the perception has changed



Value stocks will outperform growth stocks

By investing in Mutual Funds, you will not miss out on sector opportunities.

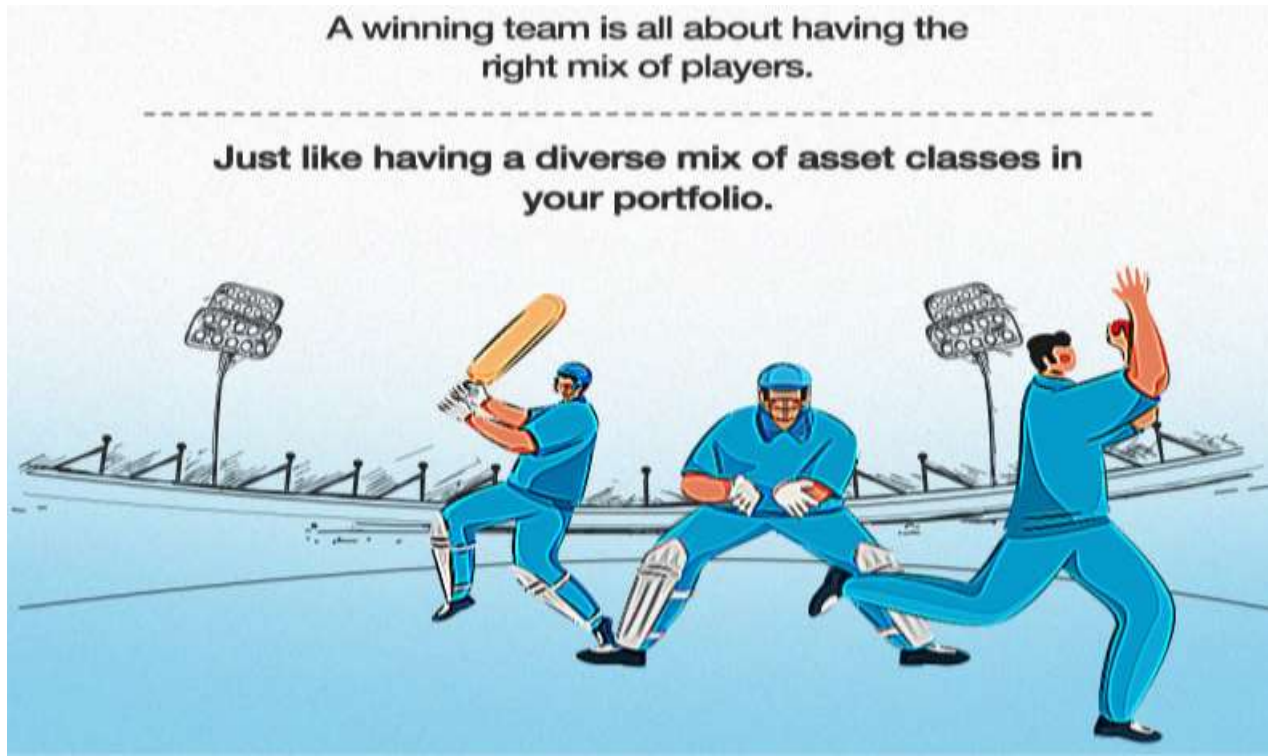
# Discipline is the way of life



- Whether it is your personal life or professional life, discipline is very important.
- Mutual fund is the disciplined way of investment which will help in generating good returns.

# Asset Allocation

- Selecting proper asset classes with safety and good returns is a must for wealth creation.
- Just like selecting a batting line up to score and defend 200+ score in T20.



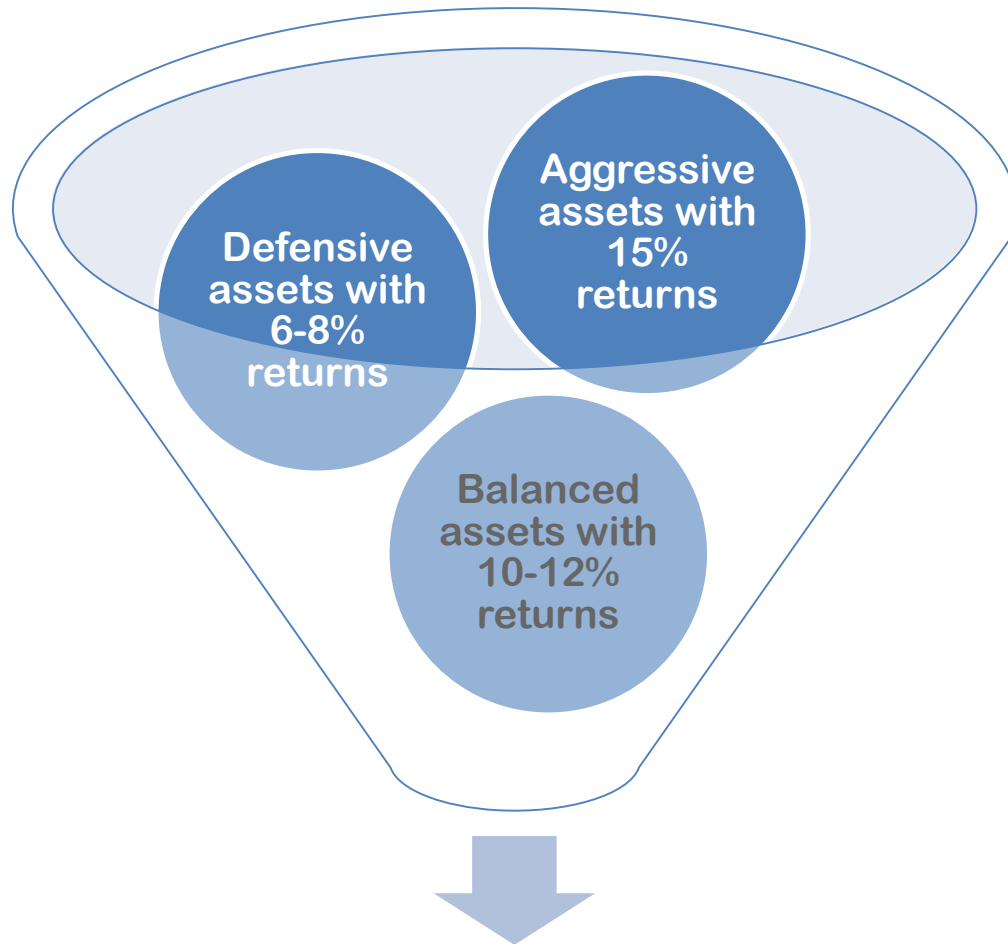
# Hockey team Asset allocation



# Portfolio Asset Allocation

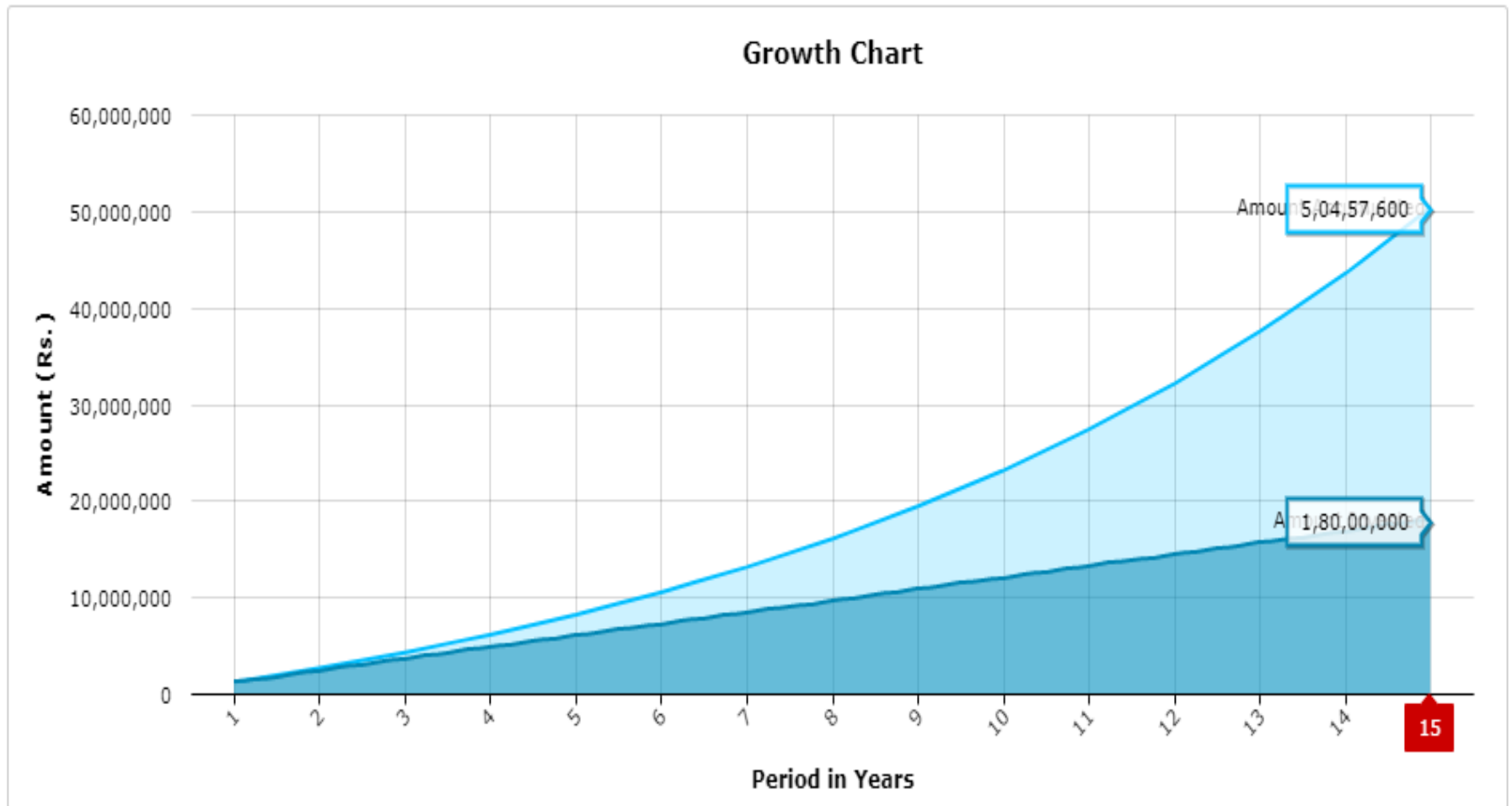


# Portfolio returns



**12-15% Compounded Annual Growth (CAGR) - a great value for your portfolio**

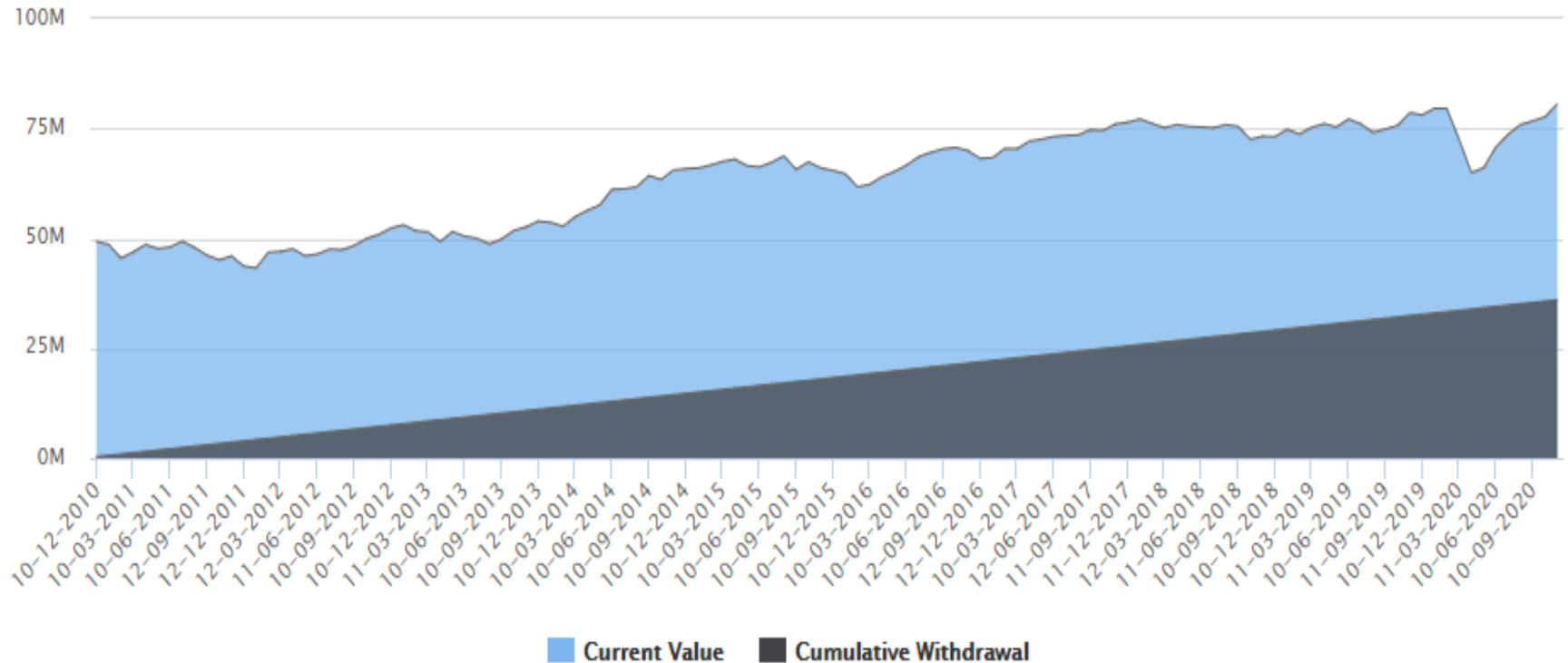
# An SIP of 1 lac per month will accumulate 5 cr amount in 15 years\*



\*Assuming Expected rate of return 12% per annum



**After 15 years, even if you withdraw Rs 3 lac per month, your invested corpus is not only preserved, but appreciated**



**This is the actual data of initial amount of 5 cr invested in balanced advantage fund and withdrawn at the rate of 3 lac per month.**

**Get in touch with us to know more**

## **A1 Investments**

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