



THE SAVING PLUS VIEW

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On the spot Brokerage
plus Collection of forms.

THE INVESTOR'S MANIFESTO

I AM AN INVESTOR I AM NOT A SPECULATOR.

IT'S NOT HOW MUCH MONEY I MAKE THAT MATTERS,
BUT HOW MUCH MONEY I KEEP, HOW HARD IT WORKS,
AND HOW MANY YEARS I LET IT WORK.

PATIENCE IS A VIRTUE FOR ME.
I RESIST THE NATURAL HUMAN BIAS TO ACT.

I AM NOT AS BRAVE
AS MY BROKER THINKS I AM.
FOR ME, LOSS PREVENTION
IS MORE IMPORTANT THAN
PURSUIT OF GAIN.

I KNOW IF I KEEP AT HARD WORK AND HONESTY,
I WILL GET ALMOST ANYTHING IN LIFE. INVESTING ISN'T DIFFERENT.

I DON'T TRY TO
PREDICT THE FUTURE.
I ALWAYS TRY TO
PREPARE FOR IT.

I KNOW THAT TO MAKE MONEY
IN STOCKS, I MUST HAVE
VISION TO SEE THEM,
COURAGE TO BUY THEM,
AND PATIENCE TO HOLD THEM.

MY GOAL AS AN INVESTOR IS
NOT TO BE THE NEXT
WARREN BUFFETT, BUT TO
BECOME A MORE AUTHENTIC
VERSION OF MYSELF.

I UNDERSTAND THAT KNOWING
WHAT I DON'T KNOW
IS MORE USEFUL
THAN BEING BRILLIANT.

I KNOW LEVERAGE WHEN COMBINED
WITH STOCK MARKET VOLATILITY
EQUALS DYNAMITE, AND THUS I
KEEP MYSELF FAR AWAY FROM IT.

I KNOW WHAT I OWN,
AND WHY I OWN IT.

I KNOW THERE IS NO EASY ROAD.
THE MOMENT I BELIEVE THE ROAD IS EASY,
I WILL PUT MYSELF AT GREAT RISK.

FOR ME, THERE IS NO
SUCH THING AS GETTING
RICH QUICK.

I KNOW TO ACHIEVE SUCCESS AS AN INVESTOR I DON'T
HAVE TO BE BRILLIANT, BUT ONLY A LITTLE BIT WISER THAN
THE OTHER GUYS, ON AVERAGE, FOR A LONG, LONG TIME.

I KNOW THAT IN INVESTING,
I ONLY HAVE TO DO FEW THINGS RIGHT
SO LONG AS I DO NOT DO
TOO MANY THINGS WRONG.

I REMEMBER THAT THE
MOST DANGEROUS WORDS
IN INVESTING ARE
'THIS TIME IT'S DIFFERENT.'

I CAN'T LIVE LONG ENOUGH TO MAKE ALL INVESTING MISTAKES MYSELF.
I MUST THUS LEARN FROM THE MISTAKES OF OTHERS.

HUMILITY AND COURAGE
ARE MY GREATEST ASSETS
AS AN INVESTOR.
I MUST NOT LOSE THEM.

I TRY TO KEEP MY HEAD WHEN OTHERS ARE LOSING THEIRS.
SUCCESSFUL INVESTING FOR ME IS
99% TEMPERAMENT AND 1% INTELLIGENCE.

I REMIND MYSELF OFTEN:
I AM AN INVESTOR

ELSS TAX SAVING SCHEME

Invest in **Equity Linked Saving Scheme**
upto Rs. 1,50,000/-

Why ELSS ?
(u/s 80 C)

Save Tax upto
Rs. 46,350/-

Reason 1 :

Lowest lock - in period of 3 years only

Reason 2 :

Better Return in Long Term, as compared to
all the other Products available u/s 80 C.

Reason 3 :

Returns & Dividends are **TAX FREE.**

Various Products Available u/s 80 C

Investment Instrument	Tax Free Contribution	Tax Free Income	Tax Free On Maturity	Lock in Period (Years)
ELSS Fund	✓	✓	✓	3
PPF	✓	✓		15
NSC	✓	X	X	5 Or 10
5 Yrs Bank Deposit	✓	X	✓	5

GET DOUBLE TAX BENEFITS

₹ 1 Lac
Invested
Every Year



Total Investment of 15 Lacs has grown to

₹ 30.22 Lacs → PPF

Actual Return of PPF over period of time

₹ 132.87 → ELSS

Assumed return of 24.46%*

Average return of 18 available schemes with
the period of more than 12 years as on 31st March, 2015

Tax Exemption U/S 80 (C) of IT Act is now ₹ 1,00,000/-
₹ 1,50,000/-

SAVE TAX & EARN MORE With

ELSS

DON'T MISS THE OPPORTUNITY

Mutual Fund Investments are subject to market risk. Please read the scheme related documents carefully before investing.



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SIP SCHEME : BEST WAY TO CATCH YOUR DREAMS

What is *Systematic Investment Plan (SIP)*?

SIP is a smart process that help in creating wealth by investing small sums of money every month. And Over the years, it can really add up and give handsome returns.

- 01** You can choose any amount
- You can choose any period **02**
- 03** You can stop any time.



Finance your future dreams through SIPs

Any dream can be achieved if you work towards it. Building wealth is no different. A Systematic Investment Plan (SIP) can help you work towards your financial goals. Let us look at the features of a Systematic Investment Plan and how it can help you fulfil your investment objectives.

- 1) Finance your future dreams :** The ultimate objective of investing is to achieve financial goals like buying a house or creating a corpus for your children's future education SIPs can help you achieve these goals over a period of time through small but regular investments.
 - 2) Become disciplined with savings :** SIPs help you inculcate a regular saving habit as they require you to invest a fixed sum of money on regular basis investing regularly in small amounts may often lead to better results than investing a lump sum.
 - 3) SIPs offer flexibility :** SIPs offer you the flexibility to select an amount that you intend to invest. SIP is a simple, convenient and affordable way to invest for your future with as little as Rs. 500 every month.
 - 4) Minimise your exposure to stock market volatility :** Through an SIP, you have the option to invest regularly in equity markets irrespective of the bull and bear phases. By investing a fixed amount every month, you may be able to pick up more units when the prices are low and vice versa so that, over a period of time the acquisition cost per unit may come down. This is called rupee cost averaging
 - 5) Create wealth with the power of compounding :** Compounding is a disciplined investor's best friend. A Systematic Investment Plan (SIP) is one of the most effective means to beat market volatility and benefit from the enormous power of compounding over time.
- With SIPs, you can dream bigger and achieve much more over a period of time. Start investing a SIP today and work towards realising your dreams.

Advantage of SIP

- Encourages Regular and Disciplined Investment
- Rupee Cost Averaging Benefit to counter volatility
- Advantage of Power of Compounding
- Save money regularly to meet your financial goal
- You can start investing with small amount

Market timing does not help

Even if an investor managed to miss the 10 biggest market declines in 5 years, he would have earned less than investor who continued SIPs.

INVESTOR	WHAT HE DID	CORPUS VALUE AFTER FIVE YEARS	RETURNS
Regular investor	Continued SIPs started in July 2011.	9.26 lakh	17.3%
Market Timer I	Withdrew before 10 biggest falls and reinvested on next SIP date.	8.91 lakh (plus short term loss of 58,333 which can be adjusted against other gains)	15.62%
Market Timer II	Advanced the next SIP and invested it when markets fell.	9.33 lakh	17.27%

SIP of Rs. 10,000 started in an equity diversified fund (Birla Sun Life Frontline Equity) for five years from July 2011 till June 2016

WHAT YOU PAY FOR DILLY-DALLYING

Don't spend too much time on deciding where, how and when to invest. The faster you invest money, the more it earns, says **Vinay Dwivedi**.

<p>Money lying in a savings bank earns</p> <p>4%</p> <p>₹10,000 WILL GROW TO ₹10,100 IN THREE MONTHS</p>	<p>If you put it in a debt fund or FD</p> <p>8%</p> <p>₹10,000 WILL GROW TO ₹10,200 IN THREE MONTHS</p>	<p>If you put it in a balanced fund</p> <p>10%</p> <p>₹10,000 WILL GROW TO ₹10,250 IN THREE MONTHS</p>
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You could lose up to 0.5% for every month you postpone the investing decision.

AN EVERGREEN INVESTMENT MANTRA

SIP

SYSTEMATIC INVESTMENT PLAN IN EQUITY MUTUAL FUND



19.55%

SIP From January 2008 to May 2016		
Monthly SIP Amount	Total Amount Invested	Current Value
Rs. 5,000	Rs. 5,05,000	Rs. 11,83,000
Rs. 10,000	Rs. 10,10,000	Rs. 23,66,000

*Average SIP Return of Top 50 MF Equity Schemes as on 31st May, 2016

"Anyone who is not investing now is missing a tremendous opportunity." - Carlos Slim

1) Investment done in Mutual Funds, Company Fixed Deposits, Bonds etc. are subject to Market Risk. Investors are required to read the offer documents and application forms carefully before investing. 2) We act as the distributor between the company and the investor, we won't be responsible for any market losses occurred in investments in mutual funds & company fixed deposits. 3) Please confirm interest rates before applying, we don't take any responsibility for change in interest rates & loss occurred due to same. 4) Company FD investments are unsecured in nature. 5) We don't promote or recommend any schemes, investors need to clarify & understand the details of every investments done by them. 6) Dividend is declared after distribution surplus (It cannot be taken as a guarantee by Company). 7) Images are shown are used for illustrative purpose only. None of the person present in image are promoting the scheme.

Your Problem, Our Solution

The Problem : How to invest in Mutual Funds every month ?

25-year-old Arpan Magoo has a monthly budget of Rs. 3,000-5000 to invest for a span of 20-30 years. However, he is confused as to how to go about with it. His target is to get good returns on investment.

The Solution : Identify your goals and invest each month for every goal through a Systematic Investment Plan (SIP). You can select the Fund for each goal as under.



Volatility
is not risk.
In fact it is a
friend
for all of you who do
SIPs

GOAL BASED INVESTMENT

At What Age ?	30-35 years	38-40 years	45 years	50 years	55 years	60 years
Goal	Buy House	Child Education	Higher Education	Foreign trip	Second Home	Retirement
Monthly Investment	₹2000	₹800	₹650	₹110	₹450	₹1000
Where	Balance Funds	Diversified Equity Funds	Bluechip Equity Funds	Multi Cap Equity Funds	Mid Cap and Small Cap Equity Funds	Large Cap Equity Funds
Expected Annual Return	12-13%	14-15%	14-15%	14-15%	14-15%	14-15%
Expected Value of Investment	₹5 lakh for downpayment	₹5 lakh	₹5 lakh	₹5 lakh	₹5 lakh	₹1.5 Crore

Keep your idle Saving Money / Fixed Deposit Money in Liquid / Cash Scheme & get Tax Free Dividend monthly.

ELSS : A Tax-Efficient Investment Option.

You pay Taxes on your income on a yearly basis. But do you know that you can save some money by investing in Equity Linked Savings Schemes. It offers a host of other benefits too.

1

What is ELSS : ELSS schemes are Equity based Mutual Funds (MFs) that allow you to reduce your taxable income by up to Rs. 1.5 lakh

2

How it works : It's very simple you invest in a Tax-saving Mutual Fund. Then, while filing your Taxes, reduce your taxable income by the amount you invested.

3

Save upto Rs. 45,000 : The government capped the Tax deduction limit at Rs. 1.5 lakh. This means you can save upto Rs. 45,000 if you fall in the 30% Tax bracket.

4

Long Term Benefits : The best part about ELSS is that the long-term benefits are far superior. Unlike other investment options, any return you get from ELSS is completely Tax-Free.

8

30Year lock-in : When you invest in ELSS, you cannot redeem your Funds for three years. This lock-in period is the shortest of all Tax-savings instruments like Public Provident Fund (PPF)

7

SIP it : You may not be able to shell out Rs. 1.5 lakh in one go. ELSS offers you the option to invest in small portions every month through the Systematic Investment Plan (SIP)

6

Equity benefits : The Stock Market, on an average, gives about 12-15% returns in the long run. Plus, this is Tax free. No other Tax-savings investment option gives this much of returns.

5

No dividend Tax : When you invest in a Fix Deposit your interest payments are taxable. In contrast, when you invest in ELSS, your dividend payments are not taxable.

A TO Z OF STP



In the previous edition we introduced you to Systematic Transfer Plan (STP). This time, know how to use it better

WHAT

Consider STP a version of the Systematic Investment plan (SIP). It helps you to invest a fixed amount in a particular Fund on a monthly basis.

STP V/S SIP

In an SIP, your money moves from your bank account to a Mutual Fund. In an STP, it moves one Fund to another.

HOW TO WORKS

It's simple. First step involves accumulating investments in a Fund. When you want to exit this MF scheme, you sign up for an STP and specify a new Fund and monthly amount. The STP will exit your previous investment and move your money to the new Fund every month.

LIQUID TO EQUITY MF

The most common use of STP is to first invest your entire investment amount in a Liquid Fund in lump sum and then transfer it to an Equity Fund every month. This helps you earn by Equity Funds at different market prices, thus averaging your cost and lowering risks.

LIQUID TO DEBT MF

Another common use of STP is when you want to lower the risk of your investment, say at the age of 55. You then systematically move the Funds to a Debt scheme that can help you protect your month until retirement.

CAPITAL GAINS

When you start an STP, you are essentially selling your investments in an old MF scheme and buying a new one. This means you could be eligible for Capital Gains Tax either for the short term or long term. Consider this before making your decision.

EXIT LOAD

Before you start an STP, don't forget to consider the Exit Load on your prior MF investment. This could eat into your returns. This is explained below.

Advantages of a Balance Fund

Balanced Mutual Funds are hybrid equity oriented *mutual fund schemes*. These funds usually invest 65 – 75% of their portfolio in equity securities and the remaining portion in debt or money market securities. The hybrid portfolio moderates the fund volatility to a certain degree while enabling **potential wealth creation in the long term**. Since at least 65% of the portfolio is invested in equity or equity related securities, balanced funds are subject to equity taxation. Long term capital gains, for investment period of more than 1 year, is tax exempt. Short term capital gains, for investment periods of less than 1 year, is taxed at 15%. **Dividends from balanced fund schemes are also tax free.**

Why Balanced Funds may be the best investments for new mutual fund investors, we had seen that while volatilities of balanced funds are considerably lower than equity funds, balanced funds also produce superior risk adjusted returns.

The intent to get aggressive returns is what drives you to invest in equity and equity-oriented mutual funds. On the other hand, if you believe in taking lower risks then it is very likely that you will opt for debt-oriented investment options to have predictable returns and fixed income.

But if you want to draw the maximum out of your investment and yet not take high risk, then going for a Balanced Fund makes perfect sense.

Advantages of a Balanced Fund

- A Balanced Fund offers the best of both worlds – the potential of higher returns from the equity component and stability of the debt component. This makes Balanced Funds less volatile.

- The returns that you get from Balanced Funds are risk-adjusted. This factor is governed by how Fund Manager allocates the assets. By selecting small cap and mid cap stocks, the gains that the equity component can give are much higher and the associated risk is well taken care of by the debt investment.

- If your Balanced Fund is equity focussed and for the long term, then the major part of your investment is exempt from long term capital gains tax and the debt component comes with indexation benefit for holding periods beyond a year. That makes Balanced Funds a good tax saving investment as well.

From a broader outlook, Balanced Funds tick all the boxes for a Conservative investor who wants to benefit from the stock market as well as fixed income options and it represents a very sensible long-term investment option that can give steady yet promising capital appreciation and provide respectable returns for the later phase in life.

Many balanced funds are declaring regular dividends, the options available to investor are: MONTHLY, QUARTERLY, ANNUALLY, CUMULATIVE

DONT MAKE THESE MISTAKES

Small investors get unnered when markets fall. Here are common mistakes they should avoid.

1. **Don't stop mutual fund SIPs** when markets are down. You lose the very advantage that the SIP offers by averaging out the cost of purchase.

2. **Leveraged bets can be devastating** when markets drift down. If you buy stocks directly invest only in the cash segment, not F & O.

3. **Small-cap stocks can be very rewarding** but don't get lured into buying obscure scrips or low priced penny stock.

4. **Diversify your investments** across at least 3-4 stocks and sectors. Betting too much on a single stock or sector can be risky.

5. **Invest for at least 4-5 years.** Don't invest money which might be required in the next 1-2 years. Put in short-term debt funds or bank deposits.

SCHEME	Interest Rate in (%)			AMOUNT	Senior Citizen
	12 M	24 M	36 M		
Bajaj Finance	8.00	8.00	8.00	75,000	0.25
Mahindra & Mahindra Financial Services Ltd	7.90	8.00	8.05	10,000	0.25
DHFL	7.90	8.00	8.25	10,000	0.25
DHFL	8.25 (14 Months Deposit)			10,000	0.25
DHFL - Trust	8.35 (13 Months Deposit)			10,000	
DHFL	8.35 (40 Months Deposit)			10,000	0.25
DHFL - Wealth 2 Health	8.25	8.30	8.30	25,000	0.25
Gruh Finance	7.25	7.50	7.50	10,000	0.25
HDFC Regular Deposits	7.40	7.40	7.40	20,000	0.25
HDFC Premium Deposits	7.50 (15 & 30 Months)			20,000	0.25
HDFC Premium Deposits	7.55 (20 & 40 Months)			20,000	0.25
REC Capital Gain Bond	5.25 (36 Months)				
NHAI Capital Gain Bond	5.25 (36 Months)				
Shriram FD	7.75	7.85	8.00		

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