

Handbook for the Financial Wellbeing Journey



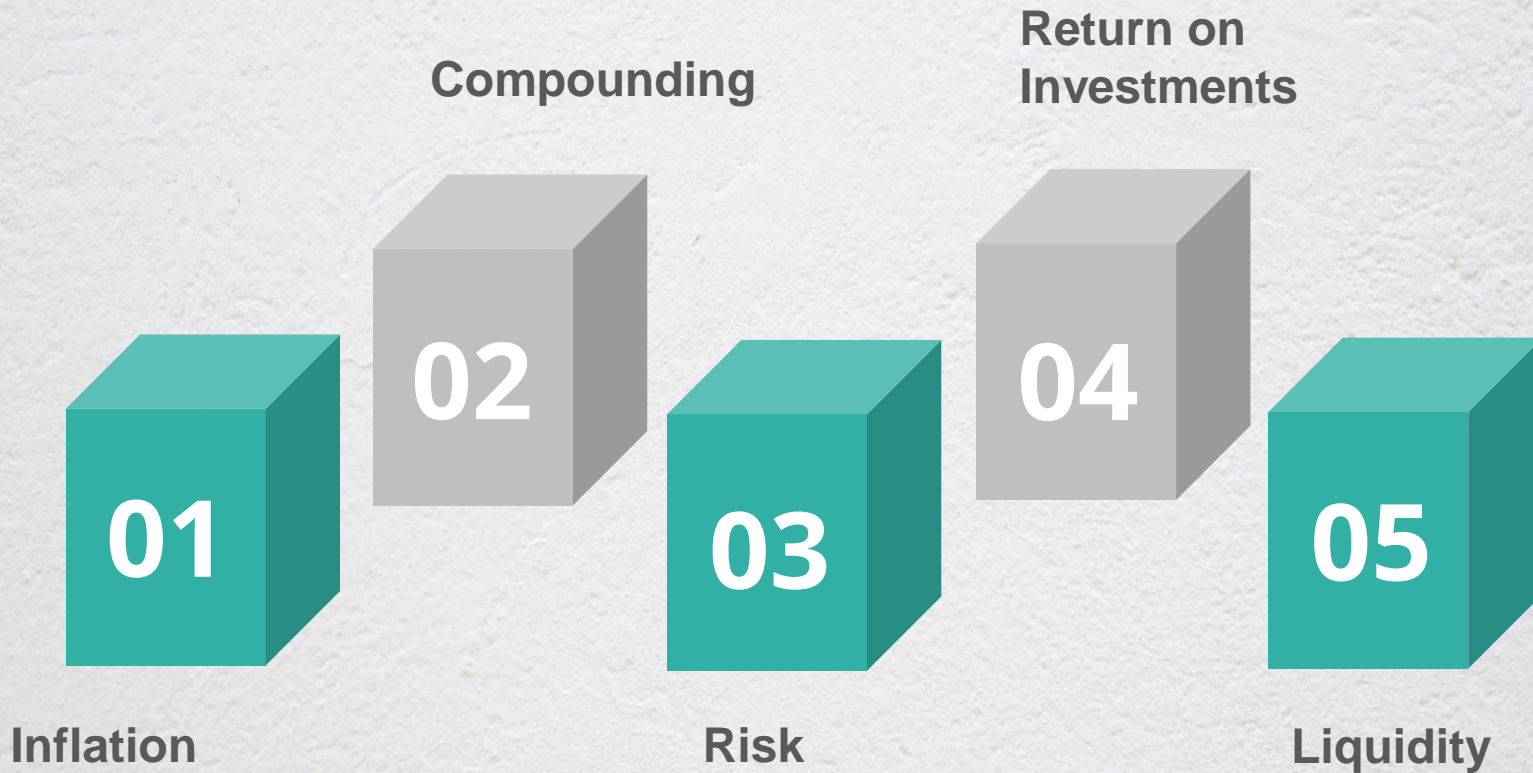
Introduction

Thank you for your interest in the Children Education Planning program. Hope the program was insightful with many implementable take-aways.

Here is a Handbook which gives a glance about:

- Factors affecting education corpus
- Various investment options for child education planning
- Useful video links to help you with further information
- Finsafe Tips

Goal Planning - Factors Affecting Investments



Low Risk Investments

- SSY
 - ✓ At age 18, 50% of the corpus is available
- PPF
- Debt Funds
- Products not recommended
 - ✓ NSC
 - ✓ FD
 - ✓ Covered Bonds, NCDs
 - ✓ P2P Lending

Particulars	PPF	SSY	Fixed Deposit	Debt Funds
Returns (% p.a)	7.1	7.4	5 - 6	3 - 8
Guaranteed returns	Yes	Yes	Deb	Debt Market Linked
Time frame	15 years	21 Years	Upto 5 years	Any period
Tax	Nil	Nil	At Slab	LTCG
Risk	Low	Low	Low	Medium

Types of equity options

1

Stocks

3

Mutual Funds
- Equity
- Hybrid

4

Insurance
- Child plan

Recommended Categories Of Equity Funds

**Index
Funds**

**Balanced
Hybrid/
DAA**

**Flexi cap
Funds**

**Midcap
Funds**

Sources for unbiased Mutual Fund recommendations

<http://www.morningstar.in/featured-reports.aspx>

Fund Name	Category	Analyst Rating	Equity Stylebox	Fixed Income Stylebox	Star Rating	Report Date
Reliance Focused Large Cap Fund - Growth	Large-Cap	Under Review		-	★★★	05 Apr 2017
Reliance Regular Savings Fund - Equity Option - Growth	Flexicap	Under Review		-	★★★	05 Apr 2017
SBI Magnum Multiplier Fund Regular Dividend Payout	Flexicap	Under Review		-	★★★	20 Sep 2016
SBI Magnum Taxgain Scheme Regular Dividend Payout	ELSS (Tax Savings)	Under Review		-	★★	18 Sep 2016
HDFC Mid-Cap Opportunities Fund Growth	Small/Mid-Cap	Gold		-	★★★★	17 May 2017
HDFC Equity Fund Growth	Large-Cap	Gold		-	★★★★	30 Jan 2017
HDFC Top 200 Fund Growth	Large-Cap	Gold		-	★★★★	30 Jan 2017
Franklin India Bluechip Fund Growth	Large-Cap	Gold		-	★★★★	23 Dec 2016
Franklin India Prima Fund Growth	Small/Mid-Cap	Gold		-	★★★★	23 Dec 2016
Franklin India Prima Plus Fund Growth	Flexicap	Gold		-	★★★★	23 Dec 2016
Franklin India Ultra Short Bond Fund Super Institutional Growth	Ultrashort Bond	Gold		-	★★★★★	30 Nov 2016
Reliance Top 200 Fund - Growth	Large-Cap	Silver		-	★★★★	23 Aug 2017
Reliance Equity Opportunities Fund - Growth	Flexicap	Silver		-	★★★	14 Aug 2017
Mirae Asset Emerging Bluechip Growth	Small/Mid-Cap	Silver		-	★★★★★	24 Jul 2017
Mirae Asset India Opportunities Fund Regular Growth	Large-Cap	Silver		-	★★★★★	20 Jul 2017
IDFC Sterling Equity Fund - Regular Plan - Growth	Small/Mid-Cap	Silver		-	★★	14 Jul 2017
Axis Long Term Equity Growth	ELSS (Tax Savings)	Silver		-	★★★★	06 Jun 2017
IDFC Government Securities Fund - Investment Plan - Regular Plan - Growth	Intermediate Government Bond	Silver		-	★★★★	05 Jun 2017

Mint 50 Recommended Schemes

Category	Rank	Score	Assets	Assets	Assets	Assets	Assets	Assets	Assets
LARGE CAP (Core)									
Aditya Birla Sun Life Prudence Equity Fund	10.15	19.61	14.13	62.00	2.18				25,980.42
Franklin India Bluechip Fund	8.06	18.99	12.67	24.33	2.03				8,307.94
ICICI Prudential Bluechip Fund (Formerly ICICI Pru Prudence Bluechip Equity)	18.32	18.30	15.47	113.00	2.12				16,747.28
ICICI Prudential Nifty Next 50 Index Fund ¹	12.68	22.34	N/A	—	0.85				265.36
UTI Nifty Index Fund - Regular Plan ³	11.28	16.30	9.98	—	0.20				935.84
Category average	9.80	17.62	11.89						
Nifty 500 Total Return Index	16.98	18.29	13.98						
LARGE AND MID-CAP (Core)									
Mirae Asset Emerging Bluechip Fund - Regular Plan	16.13	33.65	N/A	87.00	2.09				5,729.87
Category average	10.43	20.49	12.50						
Nifty Large Midcap 250 Total Return Index	13.47	23.94	13.51						
MULTI-CAP (Core)									
Franklin India Equity Fund (Formerly Franklin India Prima Plus)	8.93	21.15	14.63	27.70	2.04				11,832.01
Parag Parikh Long Term Equity Fund - Regular Plan (Formerly Parag Parikh Long Term Value Reg)	13.41	20.78	N/A	11.37	2.00				1,986.00
UTI Equity Fund (For your satellite portfolio)	18.37	20.32	15.00	32.00	2.20				8,330.32
Category average	10.65	21.25	13.91						
Nifty 500 Total Return Index	12.01	18.64	11.50						
MID-CAP (Core)									
S&F Midcap Fund	14.73	31.44	17.87	39.34	2.01				3,066.22
Category average	6.84	27.56	16.76						
Nifty Midcap 250 Total Return Index	14.54	27.48	15.28						
SMALL-CAP (Core)									
Franklin India Small Cap Focus Fund	12.67	30.65	19.24	23.50	2.15				7,284.82
HDFC Small Cap Fund - Regular Plan	17.71	21.40	16.45	26.90	2.04				4,377.85
Category average	11.25	26.84	15.85						
Nifty Smallcap 250 Total Return Index	9.85	26.78	15.27						
ELSS (Core)									
ICICI Prudential Long Term Equity Fund (Tax Saving)	40.18	31.58	15.02	131.00	2.28				5,522.41
Invesco India Tax Plan	12.27	23.87	16.98	41.00	2.47				980.36
S&F Tax Advantage Plan	12.56	31.88	15.02	33.18	1.94				3,324.70
Category average	10.58	26.99	13.18						
Nifty 500 Total Return Index	12.11	19.32	11.63						
VALUE ORIENTED (Core)									
S&F India Value Fund	11.95	27.59	N/A	35.28	1.94				8,560.28
Category average	12.41	23.81	14.95						
Nifty 50 Value 20 Total Return Index	13.41	18.00	N/A						
AGGRESSIVE HYBRID (Core)									
Aditya Birla Sun Life Equity Hybrid 95 Fund (Formerly Aditya Birla SL Balanced 95)	9.78	18.87	14.63	2.33	2.29				14,844.34
HDFC Hybrid Equity Fund (Formerly HDFC Prudence Multi-Cap)	10.68	21.07	16.03	N/A	2.21				22,761.80
ICICI Prudential Equity & Debt Fund (Formerly ICICI Pru Balanced)	10.73	19.25	13.01	3.21	2.13				10,033.83
S&F Hybrid Equity Fund (Formerly S&F India Prudence)	9.62	19.62	N/A	N/A	1.93				10,935.86
Category average	9.45	18.78	12.28						
CONSERVATIVE HYBRID (Core)									
Franklin India Debt Hybrid Fund (Formerly Franklin India MPA)	6.64	10.22	8.98	2.88	2.36				3,761.60
HDFC Hybrid Debt Fund (Formerly HDFC MIP Long term)	7.06	11.38	10.52	N/A	1.81				3,442.34
Reliance Hybrid Bond Fund (Formerly Balance MIP)	7.05	10.83	11.31	2.45	1.86				2,043.41
UTI Regular Savings Fund - Regular Plan (Formerly UTI MIP - Advantage)	8.19	12.05	10.28	N/A ¹	1.61				2,832.57
Category average	7.87	10.37	9.34						
SHORT DURATION (Core)									
Axis Short Term Fund	1.69	2.83	4.65	1.60	0.99				5,070.94
HDFC Short Term Debt Fund (Formerly HDFC Short Term Opportunities)	1.94	3.25	5.62	N/A	0.40				10,504.76
ICICI Prudential Short Term Fund (Formerly ICICI Pru Short Term)	1.62	2.55	3.87	1.68	1.35				8,105.06
S&F Short Term Bond Fund (Formerly S&F Short Term Corp)	1.82	2.95	4.87	1.41	0.70				2,725.94
UTI Short Term Income Fund - Regular Plan	1.75	2.88	4.63	1.21	0.85				9,361.30
Category average	1.66	2.83	4.60						
CORPORATE BOND (Satellite)									
Kotak Corporate Bond Fund - Standard Plan	1.90	3.70	6.32	0.75	0.59				993.36
Category average	1.72	2.71	4.43						

Child Plans from Insurance

Traditional Endowment policy

- Traditional type of insurance
- Typically invests in Debt instruments
- Highly illiquid, as monies are usually locked in till 18 years of child's age
- Returns expected can be between 3 – 5 % p.a
- The bonus payable at maturity decides the returns

Unit Linked Insurance Plan (ULIP)

- Market linked investments
- Very High costs
- Funds locked in till 5 years
- Returns expected can be between 5 – 7 % p.a

Disadvantages:

- 1) Parent is insured, child is only beneficiary
- 2) Low returns
- 3) High costs
- 4) Conservative strategies as they may have return guarantees

Summary

- Investments in self or child's name
 - More tax efficient but would ownership of assets with child
- Invest early and regularly
- Balance Education goal with other goals
 - ✓ Retirement corpus cannot be compromised
 - ✓ Do not exit from EPF, NPS for education
- Create a trust and work with a planner and lawyer for children with special needs
 - ✓ Not at the cost of retirement corpus
 - ✓ Have children contribute
 - ✓ Marriage vs Wedding
- Financial Literacy is an essential life skill for children

Facebook Page:

Finsafeindia

You Tube Channel:

Finsafe India Private Limited

Twitter:

FinsafeIndia/ mrinagarwal

Telegram :

<https://t.me/finsafe>



Disclaimer

This program has been prepared solely for informational purpose and is not an offer to buy or sell or a solicitation of an offer to buy or sell any security, product, service or investment. The opinions expressed in this program do not constitute investment advice and independent advice should be sought where appropriate. Neither the information, nor any opinion contained in this program constitutes a solicitation or offer by Finsafe or its affiliates to buy or sell any securities or other financial instruments or provide any investment advice or service. Participants must take their own independent decisions and obtain own independent advice regarding any information, securities or financial instruments mentioned herein. The fact that Finsafe India has made available to you through the program, investment opinions and other information constitutes neither a recommendation that you enter into a particular transaction nor a representation that any financial instrument is suitable or appropriate for you. You should consider whether an investment strategy or the purchase or sale of any product is appropriate for you in the light of your particular investment needs, objectives and financial circumstances.

Finsafe India Pvt Ltd. will not be responsible for any loss or damage that could result from interpretation by third parties of any information made available to you via this program. Neither Finsafe, nor any of its affiliates, agents, directors, officers or employees, nor any third party vendor will be liable or have any responsibility of any kind for any loss or damage that you incur in the event of any direct, special, indirect, consequential, incidental damages or any other damages of any kind

The material in this handbook is intended to be used only by the participants enrolled for this program . All rights are reserved.

No part of this presentation may be reproduced in any form or by any means , without permission in writing.