Handbook for the Financial Wellbeing Journey





Introduction

Thank you for your interest in the Equity Investing program. Hope the program was insightful with many implementable take-aways.

Here is a Handbook which gives a glance about:

- Various equity options
- Pros and cons of various equity options
- Choosing funds and reviewing portfolio
- Useful video links to help you with further information
- Finsafe Tips



Equity options

Mutual Insurance NPS-**Funds Stocks Equity** - ULIP - Equity **Hybrid**

Direct Equities – Pros & Cons

Pros

- Potential for higher returns
- Freedom to create your own portfolio

Cons

- Figuring out what to buy, when & how long to hold it for
- Risk Management
- Research
- Time & Effort
- Investment size
- Asset allocation
- Concentration risk
- Your emotions
- Taxes
 - each time you exit
 - International stocks



Stocks or Mutual Funds?

- Make the right comparison
 - Time period
 - Balanced funds vs equity
 - Single share vs basket of stocks
 - Large cap stock vs midcap fund
- Can you identify winning stocks regularly?
- Will you be able to diversify?

Learning Resources:

1) https://www.youtube.com/watch?v
=jssRXk951e8



Advantages of Mutual Funds

No tax implication on exit calls taken Professionally within the fund managed Funds available across categories Diversification Expense ratios capped

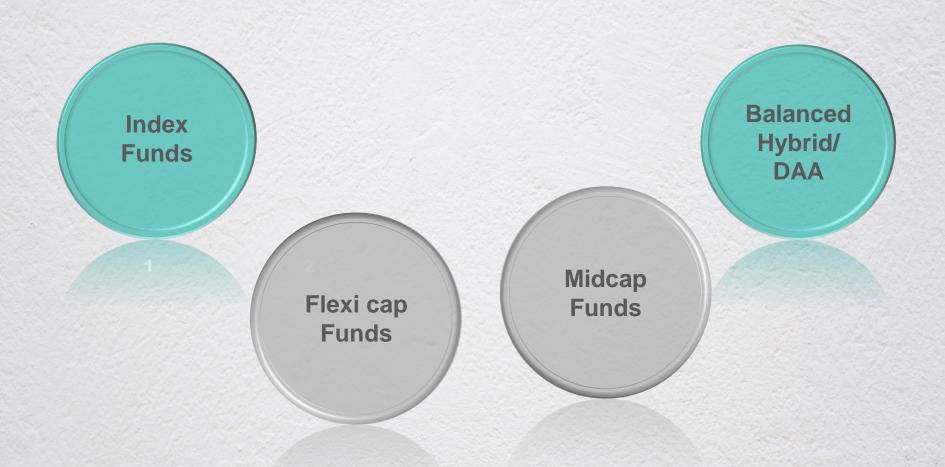


How to choose an equity fund?

- Goal & Risk appetite
 - Choose category based on goal duration & risk appetite
 - For eg: Midcap to be chosen if goal is above 10 years and for investors who can take volatility
 - Scheme selection based on consistent risk adjusted returns as well as volatility ratios



Recommended equity funds



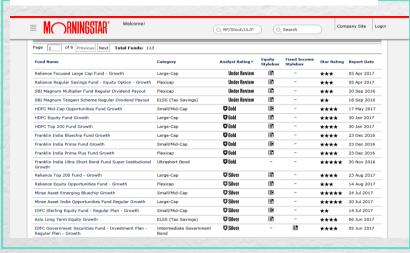


Sources for unbiased Mutual Fund recommendations

https://www.finsafe.in/schemes/



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



Mint 50 Recommended Schemes

	-	-	_	-	-		
LARGE CAP (Core) Astrya Birta Sun Life Froetine Equity Fued	10.15	79.67	14,57	62.00	2.19	1790	25,090.42
Franklin India Blanchyp Fund	8.06	10.00	12.67	24.33	2.03		8.107.94
Frankin Inou Buschip Fund (Formerly ICIC) Pro Focused Buschip Fautur)	9.52	19.10	15.47	113.00	2.12		16,747.28
AND THE PROPERTY OF THE PROPER				10.00		1,5	
ICICI Prudential Nifty Next 50 Index Fund ¹	12,08	22.34	NA	-	0.85	1	265.36
UTI Nefty Indies Fund - Regular Plan ¹ Category average	9.80	17,62	11.80	-	0.30		935,94
Nifty 100 Total Buttern Index	11.05	18,01	11.00				
LARGE AND MID CAP (Core)							
Mirze Asset Emerging Bluechip Fund - Regular Plan	16.52	33.66	NA	87.00	2.09	_	5,729.87
Category Average Nifty Large Midcap 250 Total Return Index	10.63	20.81	12.50				
MULTI CAP (Core)							
Franklin India Equity Fund (Formerly Franklin India Prima Plus)	0.93	25.16	14.63	27.10	2.04		11,832.01
Persig Parish Long Term Equity Fund - Regular Plan (Formerly Parag Parish Long Term Value Reg)	13.61	20.78	MA	19.37	2.00		1,196.00
UTI Equity Fund (for your satellite portfolio)	91.32	20.32	15.00	22.00	3.20	_	8,520.72
Category average Nefty 200 Total Return bydes	10.65	21.25	13.91				
	12.01	18.60	11.50				
MID CAP (Core)	14.72	25.66	17.87	29.34	2.01	-	
LSY Mickap Fund Category average	9.84	27,56	15.74	39.34	2.01	_	3,066.22
Nifty Midcap 150 Total Return Index	14,54	27.46	15.35				
SMALL CAP (Core)							
Franklin India Smaller Companies Fund	12.67	30.66	19.24	29.55	215	_	7,294.62
HDFC Small Cap Fund - Regular Plan	12.71	25.40	16.65	26.10	2.04	_	4,577.95
Category average Nifty Smallcap 250 Total Return Index	9.85	29.64	15.85				
ELSS(Core)							
(CICI Prodential Long Yerm Equity Fund (Tax Saving)	10.36	21.58	15.02	131.00	2:26	_	5,522.41
Investo India Tax Plan	12.27	23.87	16.94	41.00	2.47	1	592.16
LET Tax Advantage Fund	12.56	21.10	15.02	33.18	1.04	-	3.334.70
Category average	10.38	20.99	13.18				
Nifty 500 Total Return Index	12.11	19.33	11.63				
VALUE ORIENTED (Core)	11.95	27.59	NA	35.24	DUI DUI DUI	_	8,900.26
LST India Value Fund Category Average	12,41	23.81	14.95	35.26	1.94	1	8,960.26
Nifty 50 Value 20 Total Return Index	13.61	18.00	MA				
AGGRESSIVE HYBRID (Core)	-	and the	200	Statement In		All and	
Aditya Birla Sun Life Equity Hybrid '95 Fund (Formerly Aditya Birla St. Balanced '95)	9.78	10.07	14.65	2.13	2:29	_	34,641,34
HDFC Hybrid Equity Fund (Formerly HDFC Premier Multi-Cap)	10.68	21.07	16.00	NA	2.21	$\overline{}$	22,761.80
PCICI Prudential Equity & Debt Fond (Formally PCICI Pru Balanced)	10.79	19.25	13.91	2.25	2.13		WINCHOOM IS
L&T Hybrid Equity Fund (Formerly L&T India Prudence)	9.62	19.62	NA.	NA	1.93		10,935.86
Category Average	9.45	59,78	12.28				
CONSERVATIVE HYBRID (Core)							
Pranklin India Debt Hybrid Fund (Formerly Franklin India MIP A)	6.64	10.22	0.06	2.00	2.36	1	376.60
HDFC Hybrid Debt Fund (Formely HDFC MIP Long-term)	7.06	m.38	10.52	NA	1.01	_	3,442.34
Reliance Hybrid Bond Fund (Formelly Reliance MP)	7.05	10.83	11.01	2.45	1.86	=	2,043.41
UTI Regular Savings Ford - Regular Plan (Formely UTI MS - Advantage)	8.9	12.03	10.26	NA*	1.65	-	2,632.17
Category average	2.07	10.17	9.34				
SHORT DURATION (Core)	retain res	Name of Street	parties (The	Manther Dige		From 1000	1
Asis Short Term Fund	1.69	2.63	4.65	1.60	0.99	_	5,170.94
HDFC Short Term Debt Fund (Formerly HDFC Short Term Opportunities)	1.84	3.25	5.62	NA.	0.40	_	10,501,76
ICICI Prodential Short Term Fund (Formerly ICICI Pro Short-term)	1.62	2.55	3.87	1.68	1.35	_	8,955.06
L6T Short Term Bond Fund Fund (Formerly L6T Short Term Opp)	1.82	2.96	4.67	1.41	0.70	-	2,725.94
UTI Short Term Income Fund -	1.75	2.89	4.63	1.25	0.95	_	9,96130
Category Average	1.66	2.83	4.60				
CORPORATE BOND (Satellite)							
Kotak Corporate Bond Fund - Standard Plan	1.99	370	6.32	0.75	0.59	1	910.16
Category average	1.72	2.71	4.43				
				10000			



Reviewing Portfolios

Yearly

- Use a tracking tool to track performance
- Relative to benchmark &category Average
- How much of goals have been covered?
- Is there any underperformance in any of the investments relative to benchmark?
- Fresh funds to be allocated

Summary on Mutual Funds

- No NFOs
- No closed ended funds.
- Track growth on NAV not NAV.
- Number of funds to be held should not be more than 5-7 funds.
- Diversify a MF portfolio
 - -Too many funds of the same style or same fund house
- Managing volatility in funds.
- Choose funds based on goals.
- Subcategory based on time horizon & risk appetite.
- Scheme selection based on quantitative & qualitative parameters (20 years+, Not changes in FM, Star FMs, funds above 10K cr).
- Review Funds regularly
- Do not churn

Learning Resources:

- 1) https://www.you
 tube.com/watch?
 v=HIhNhsqWP_E
 &t=11s
- 2) https://www.youtube.com/watch?
 v=MuLY9cwdbCk
- 3) https://www.youtube.com/watch?
 v=d-01Evm7Q8g



NPS Options-Active & Auto Choice

Learning 01 **Government Bonds** Equity & related 03 Resources: & related instruments instruments https://ww w.youtube. com/watch 04 **Alternative** 02 Corporate Debt and $?v=V_oRpf$ Investment Funds related instruments VDt4s

Under Active choice in NPS, investor gets to choose how their contribution to NPS can be invested into the various asset classes

The maximum permitted equity investment is 75% of the total asset allocation

In Auto Choice option, funds are invested across the asset classes in a predetermined manner





Taxation of Equities

Category	Lockin	STCG	LTCG
Stocks	Nil	< 1 yr : 15%	> 1 yr 10%, if gains above 1 lakh
Intra day trading	Nil	At slab (Treated as business income)	At slab (Treated as business income)
International Stocks	Nil	< 2 yrs : slab	> 2 yrs : 20% with indexation
Derivatives	Nil	At slab	At slab
Mutual Funds	Nil	< 1 yr : 15%	> 1 yr 10%, if gains above 1 lakh
ULIP	5 / 10 years	Tax Free	New rule
NPS	60 years	NA	60% tax free, 40% into annuity which is taxed as per slab



Facebook Page:

Finsafe India

You Tube Channel:

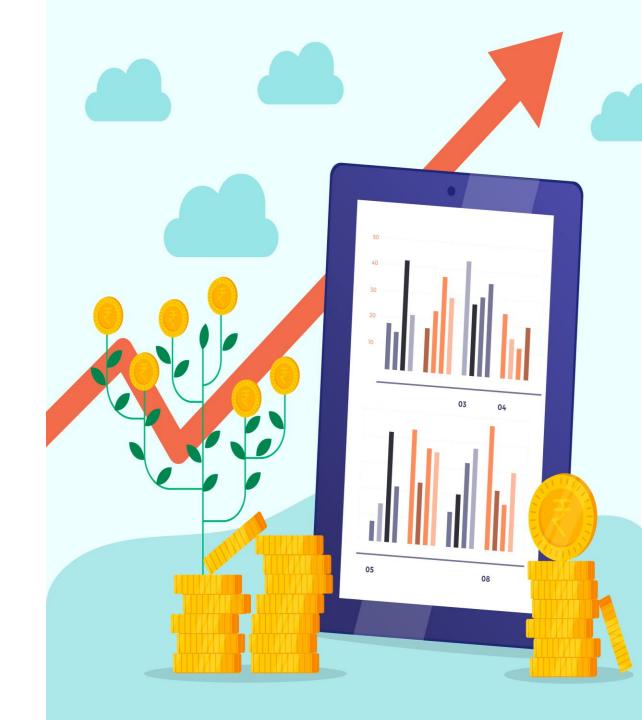
Finsafe India Private Ltd

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.