

Handbook for the Financial Wellbeing Journey



Introduction

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

Here is a Handbook which gives a glance about:

- Factors affecting retirement corpus
- How much risk to take
- Various investment options for retirement
- Useful video links to help you with further information
- Finsafe Tips

Factors affecting retirement corpus:

- Inflation
- Current Expenses & expected expenses
- Retirement Age
- Age till which you want to plan
- Return on Investment
- Risk

Learning Resources:

1) <https://www.youtube.com/watch?v=xp4gCAfgxvI>

Fixed Income Options

Particulars	PPF	EPF/ VPF	NPS	Debt Funds
Returns (% p.a)	7.1	8.5 (as per EPF)	6 – 12	3 - 8
Guaranteed returns	Yes	Yes	Market Linked	Debt Market Linked
Time frame	15 years	Till Retirement	Upto 60 years of age	Any period
Tax	Nil	Nil	Partially taxable	LTCG
Risk	Low	Low	Medium	Medium

How to choose the winning debt fund

Performance report card

Returns based on five-year rolling period

Median return Risk adjusted return Standard deviation

	Short term	Medium duration	Credit	Dynamic	Gilt
7 years	7.27	8.78	7.67	7.85	8.48
	2.52	2.3	1.49	2.24	1.84
	2.8	3.82	5.16	3.5	4.62
10 years	8	9.66	8.44	8.64	9.33
	2.31	2.11	1.36	2.06	1.68
	3.46	4.58	6.19	4.2	5.54
15 years	8.8	10.62	9.28	9.5	10.26
	2.12	1.93	1.25	1.88	1.54
	4.15	5.5	7.43	5.04	6.65

Data compiled by Pulse Labs

FinSafe Tips:

- Choose a fund as per investment horizon & risk
- Stick with Short term debt funds

Types of equity options

1

Stocks

2

**NPS -
Equity**

3

**Mutual
Funds**
- Equity
- Hybrid

4

**Insurance
- ULIP**

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>

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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
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	16.95	12.67	24.33	2.03			8,307.94
ICICI Prudential Bluechip Fund (Formerly ICICI Pru Prudence Bluechip Equity)	19.32	19.30	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 ²	11.28	16.30	9.98	—	0.20			935.94
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)	11.37	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	8.84	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	31.40	16.45	26.90	2.04			4,377.95
Category average	11.25	28.84	15.85					
Nifty Smallcap 250 Total Return Index	9.85	28.78	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
Investec 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			10,533.83
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	6.96	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			5,770.94
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	2.89	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					

Sample Retirement Plans

In 20s

- NPS
 - Aggressive auto choice option
- Equity Mutual Funds
 - Midcap
 - Smallcap
- PPF
- EPF plus VPF if not over 2.5 lacs per year

In 30s

- NPS
 - Aggressive auto choice option
- Equity Mutual Funds
 - Flexicap
 - Midcap
- PPF
- EPF plus VPF if not over 2.5 lacs per year

In 40s

- NPS
 - Aggressive or moderate auto choice option
- Equity Mutual Funds
 - Flexicap
 - Midcap
- PPF
- EPF plus VPF if not over 2.5 lacs per year

In 50s

- NPS
 - Moderate or conservative auto choice option
- Hybrid Balanced Fund
 - Aggressive Hybrid
 - Balanced Advantage Fund
- Short Duration Debt Fund
- EPF plus VPF if not over 2.5 lacs/yr

Pre- Retirement Checklist

- Plan to clear all debts by the time you retire
- Cash Flow analysis , estimated return from each source
- Consolidation of Bank accounts
- Cover all insurance needs
- Where do you want to live post retirement
- Will your spouse contribute to the income
- Look beyond retirement expenses
- Set up SWP
- Reduce equity exposure

Learning Resources:

1) <https://www.youtube.com/watch?v=oXEd47HxFE0>

Facebook Page:

Finsafeindia

You Tube Channel:

Finsafe India Private Limited

Twitter:

FinsafeIndia
Mrinagarwal

Telegram :

<https://t.me/finsafe>



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