



Handbook for the
Financial Wellbeing Journey
Womantra



Introduction



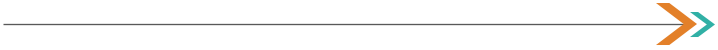
Thank you for your interest in the Financial Wellness program.
Hope the program was insightful with many implementable take-aways.

Here is a Handbook which gives a glance on the steps in managing money:

- Financial Security
- Goal Planning
- Investment Products
- Financial Journey
- Finsafe Tips



Managing Money



Budgeting



Financial Security



Goal Planning



Financial Documentation



Budgeting



Stick to Budgeting rule

- 30/30/40
- Create a spending plan
 - Don't deny yourself
 - $\text{Income} - \text{essential expenses} - \text{saving for goals} = \text{Spending}$
 -

<https://www.finsafe.in/expansecalc/>



Financial Security

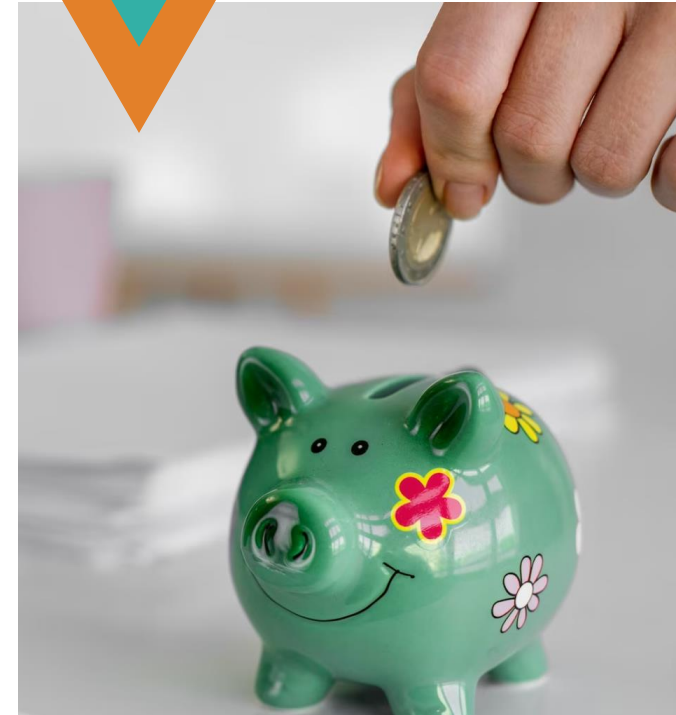


Emergency Cash

- Should cover at least 6 to 9 months of expenses
- Keep 25% in savings account and balance in FD's

Life Insurance

- Term insurance provides higher Sum Assured with lower premiums
- Compare policies online:
 - Premium amount
 - Claims Ratio



MWPA



Process:

- On contracting the objective of Insurance should state - Policy under MWPA- 1874
- NO Nomination to be filled. A separate form under Section 6 of MWPA should be filled.
- Nomination can be Wife or Wife and Children or Children only.
- All other benefits of IT (80 c and 10 (10 D) apply.

Details:

- Related specifically to Insurance policies to protect the Interest of the Spouse and Children.
- Policy under the Act, is free from any type of Encumbrances in any situation.
- The policy is a asset (TRUST) for the spouse and/ or the Children.
- Cannot be attached in case of insolvency or default by any creditors.
- The proposer has NO RIGHTS on the policy and it is a deemed asset in the name of the wife.
- The only way the policy can be attached is thru an act of parliament which can NEVER happen.



Health Insurance



- Health cover Required – **Rs 10-20 lakhs**
- Important to increase cover amount based on your income, health condition and medical inflation
- Critical Illness:
 - Covers life threatening diseases like cancer, paralysis, heart attack
 - Lump sum on diagnosis of serious ailments listed in the policy document
 - No hospitalization is required nor any bills or receipts to be submitted to claim

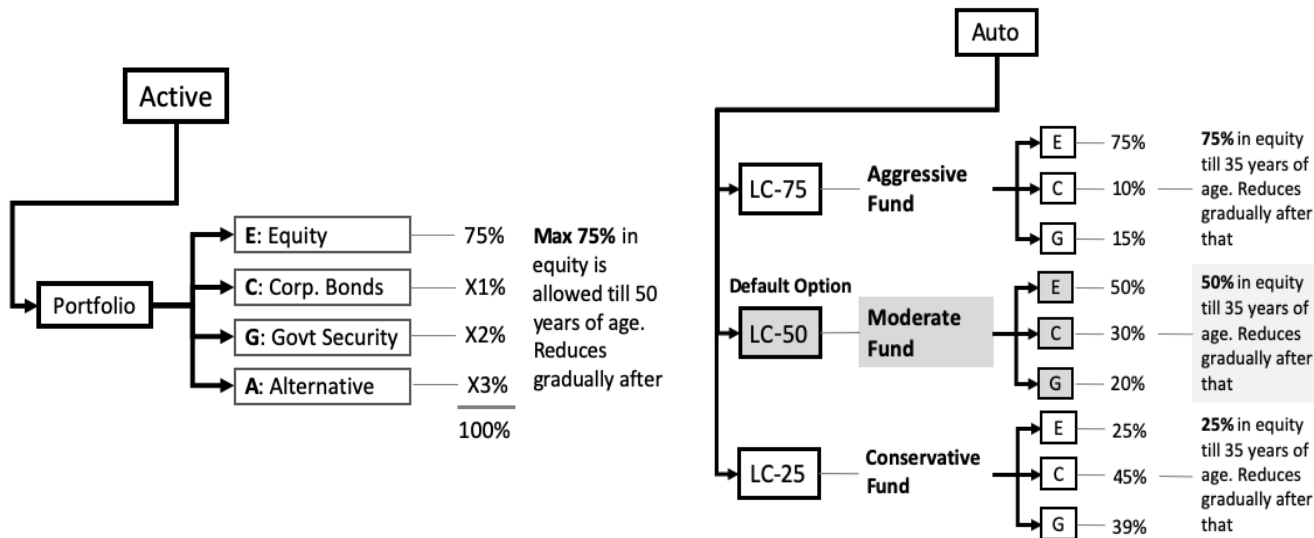


Retirement Products – National Pension Scheme

What is NPS?

- Defined contribution scheme
- Minimum Rs. 1,000 per year
- Lock in- upto 60 years
- 60% of corpus can be withdrawn tax free as lumpsum or periodically
- 40% needs to be invested into annuity plan

Investment Choices in NPS :



Learning Resources:

https://youtube.com/playlist?list=PLsRkc9JvTV2EVUk8OImwfYR44v8_2KFfg&si=IbM4GGTjsodTwnVS

Finsafe Tips:

- Invest in Active Equity Option if retirement is > 10 years away



Investment Products – Mutual Funds

What are Mutual Funds?

A mutual fund is a professionally managed trust, which pools the investors' money and invests them into stocks, bonds, commodities, money market instruments and other securities. A mutual fund is like a basket of investments and your investment in the fund is a part of that basket.

Different Types Of Mutual Funds

- Equity Funds
- Debt Funds
- Hybrid or Balanced Funds
- Gold Funds
- International Funds

Learning Resources:

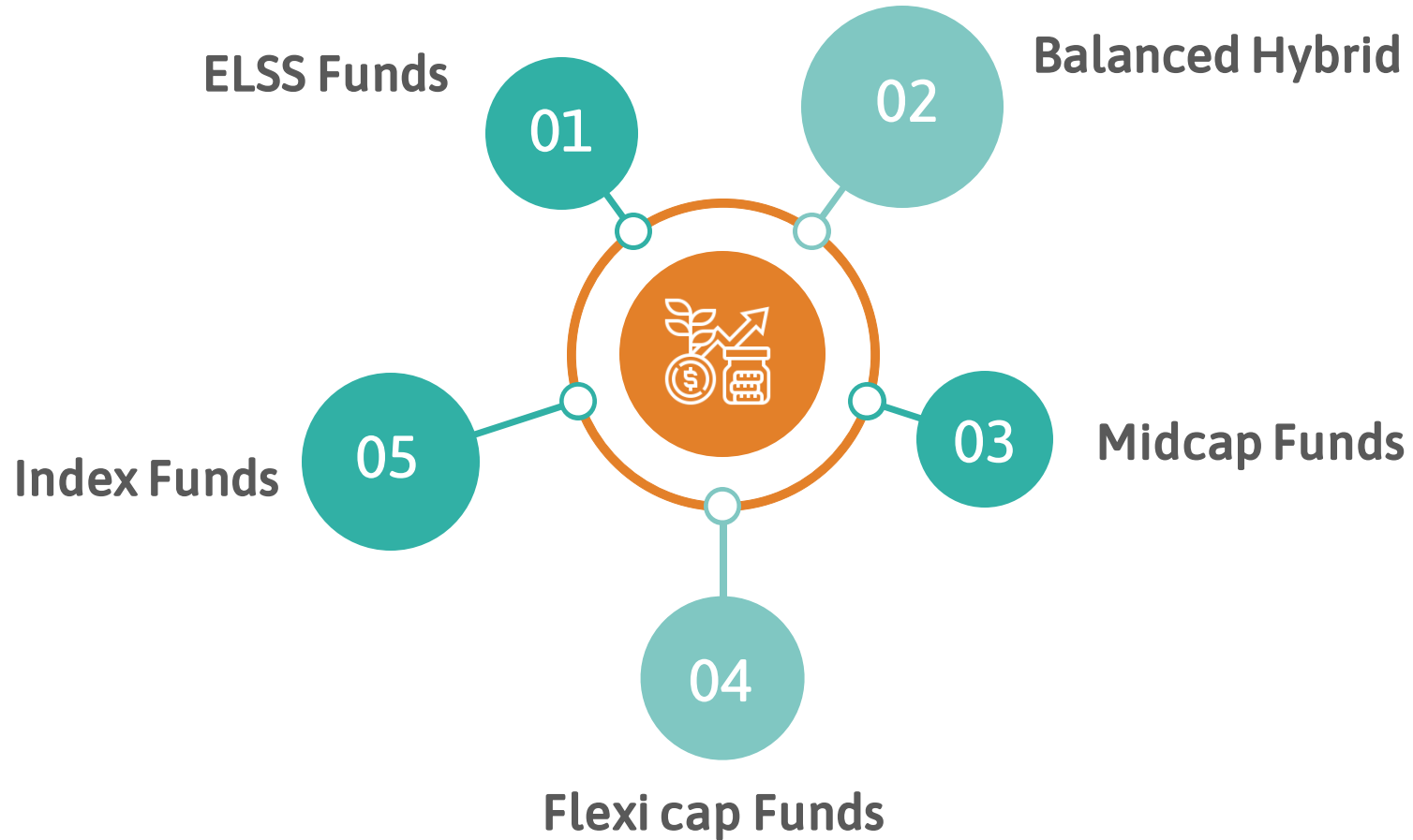
https://youtube.com/playlist?list=PLsRkc9JvTV2HebEHkdm0l5ychd-hQopv_&si=hHRATp6CoKGA4Mpg

Finsafe Tips:

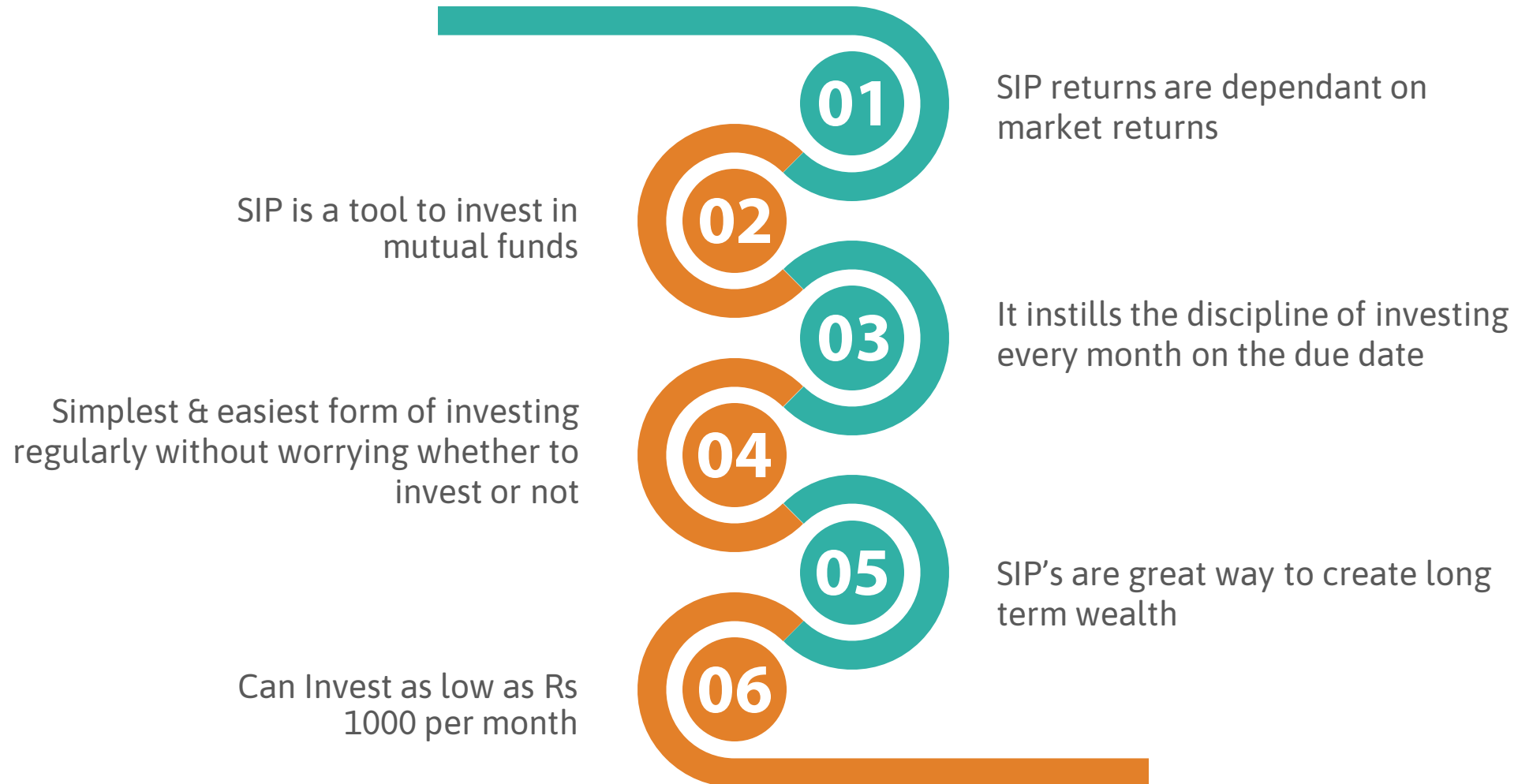
- Invest in debt funds for short term period
- Invest in Equity Funds for longer term goals (above 7 years)



Recommended Categories Of Equity Funds



Features of SIP



Sources for unbiased Mutual Fund recommendations

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

EQUITY FUNDS

Index & Large Cap	Multi Cap	Mid & Small Cap	ELSS	Balanced Fund
UTI Nifty Index Fund	Quantum LT Equity Fund	Mirae Asset Emerging BlueChip	Franklin India Tax Shield	L&T India Prudence Fund
SBI BlueChip Fund	BSL Equity Fund	SBI Magnum Mid Cap Fund	DSPBR Tax Saver Fund	Tata Balanced Fund
BSL Advantage Fund	Kotak Select Focus	DSP Small & Midcap Fund	Reliance Tax Saver Fund	ICICI Pru Balanced Advantage Fund
ICICI Pru Top 100	Most Focused Multi Cap 35 Fund			HDFC Balanced Fund

FIXED INCOME FUNDS FOR SPECIFIC INVESTMENT HORIZON

0 - 3 Months	3 Months-1.5 Years	1.5 - 3 Years	> 3 Years
BSL Cash Plus	ICICI Pru Flexible Income Plan	Birla SL Short Term Fund	ICICI Pru Short Term Plan
HDFC Liquid	IDFC Ultra Short Term Fund	HDFC Medium Term Opportunities Fund	L&T Resurgent India Corp Bond Fund
	L&T Ultra Short Term Fund(G)	SBI Short Term	Birla SL Treasury Optimizer Plan
		TATA Short Term	

<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	III	-	★★★	05 Apr 2017
Reliance Regular Savings Fund - Equity Option - Growth	Flexicap	Under Review	III	-	★★★	05 Apr 2017
SBI Magnum Multiplier Fund Regular Dividend Payout	Flexicap	Under Review	III	-	★★★	20 Sep 2016
SBI Magnum Taxgain Scheme Regular Dividend Payout	ELSS (Tax Savings)	Under Review	III	-	★★	18 Sep 2016
HDFC Mid-Cap Opportunities Fund Growth	Small/Mid-Cap	Gold	III	-	★★★★	17 May 2017
HDFC Equity Fund Growth	Large-Cap	Gold	III	-	★★★★	30 Jan 2017
HDFC Top 200 Fund Growth	Large-Cap	Gold	III	-	★★★★	30 Jan 2017
Franklin India Bluechip Fund Growth	Large-Cap	Gold	III	-	★★★★	23 Dec 2016
Franklin India Prima Fund Growth	Small/Mid-Cap	Gold	III	-	★★★★	23 Dec 2016
Franklin India Prima Plus Fund Growth	Flexicap	Gold	III	-	★★★★	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	III	-	★★★★	23 Aug 2017
Reliance Equity Opportunities Fund - Growth	Flexicap	Silver	III	-	★★★	14 Aug 2017
Mirae Asset Emerging Bluechip Growth	Small/Mid-Cap	Silver	III	-	★★★★	24 Jul 2017
Mirae Asset India Opportunities Fund Regular Growth	Large-Cap	Silver	III	-	★★★★	20 Jul 2017
IDFC Sterling Equity Fund - Regular Plan - Growth	Small/Mid-Cap	Silver	III	-	★★	14 Jul 2017
Axis Long Term Equity Growth	ELSS (Tax Savings)	Silver	III	-	★★★★	06 Jun 2017
IDFC Government Securities Fund - Investment Plan - Regular Plan - Growth	Intermediate Government Bond	Silver	-	III	★★★★	05 Jun 2017

Mint 20 Mutual Fund Schemes

EQUITY	3-year return (%)	5-year return (%)	Corpus (₹ cr)
LARGE-CAP			
UTI Nifty Index	17.81	16.73	5,380
HDFC Index	17.51	16.53	4,085
Category average	17.52	16.37	
EQUITY FLEXICAP			
Canara Robeco Flexi Cap	21.67	19.23	6,143
Parag Parikh Flexi Cap	28.80	22.38	17,220
Category average	20.31	17.47	
EQUITY SMALL AND MIDCAP			
Axis Midcap	26.43	22.68	15,988
SBI Small Cap	28.57	23.56	10,626
Category average Midcap	23.67	17.47	
Category average Smallcap	27.28	19.12	
EQUITY (TAXSAVER)			
Canara Robeco Equity Tax Saver	23.78	19.96	2,893
Mirae Asset Tax Saver	23.56	21.30	10,146
Category average	18.82	16.07	
HYBRID			
BALANCED ADVANTAGE			
Edelweiss Balanced Advantage	16.23	14.12	6,331
ICICI Prudential Balanced Advantage	12.97	11.35	36,816
Category average	11.54	9.67	
ARBITRAGE			
Kotak Equity Arbitrage	4.80	5.35	24,430
Tata Arbitrage*	5.10	-	11,980
Category average	4.41	4.91	
DEBT			
SHORT TERM			
HDFC Corporate Bond	4.41	8.85	28,807
IDFC Corporate Bond	3.87	8.05	20,613
Category average	4.23	6.30	
CREDIT RISK			
HDFC Credit Risk Debt	7.44	8.94	8,757
ICICI Prudential Credit Risk	6.61	8.62	8,304
Category average	2.51	3.53	
DEBT (LESS THAN 1 YEAR)			
HDFC Money Market	1.88	3.77	15,828
Kotak Money Market	1.86	3.68	11,454
Category average money market	5.85	6.19	
OUT OF THE BOX			
BHARAT Bond ETF - April 2031	Returns since launch	Date of launch	Corpus (₹ cr)
Motilal Oswal S&P 500 Index Fund	30.52	28 Apr 2020	2,398

MC 30 Funds

EQUITY	
LARGE CAP (CORE)	
Canara Robeco Bluechip Equity Fund - Regular Plan - Growth	Despite being large-cap, has managed to beat benchmark consistently
Mirae Asset Large Cap Fund - Regular - Growth	Among the largest in its category, size not an issue for performance
FLEXI CAP (CORE)	
UTI Flexi Cap Fund - Growth	Follows a growth-styled approach and managed conservatively. Stable long-term performance
Parag Parikh Flexi Cap Fund - Growth	Investments in international equities and timely deploying cash, helped
Kotak Flexi Cap Fund - Growth	Large-size has pushed the fund towards large-caps, but remains adequately diversified
MID-CAP (CORE)	
Kotak Emerging Equity - Growth	Size is bit large for a mid-cap fund, but so far fund has managed well
Invesco India Mid Cap Fund - Growth	Small corpus bodies well for a midcap fund. Takes lesser risks
DSP Midcap Fund - Regular Plan - Growth	Despite a conservative portfolio, performance is good. Well-diversified
Axis Midcap Fund - Growth	Consistent performer and manages risks well. Takes active cash calls
SMALL CAP (SATELLITE)	
Axis Small Cap Fund - Growth	Strong pedigree. Did well in 2018 and 2019, despite tough markets
SBI Small Cap Fund - Regular Plan - Growth	Good stock picking skills. Did well in rising and falling markets
ELSS (CORE/SATELLITE)	
Kotak Tax Saver Scheme - Growth	Same manager for over seven years now. 3-year lock-in helps in stock picking
Canara Robeco Equity Tax Saver - Regular Plan - Growth	Despite a high churn, the scheme has done well across market cycles
FOCUSED (SATELLITE)	
SBI Focused Equity Fund - Regular Plan - Growth	Invests across large, mid and small sized companies and up to 30 stocks
Axis Focused 25 Fund - Growth	Invests in up to 25 stocks. Tilted towards large-caps last year
HYBRID	
AGGRESSIVE HYBRID (CORE)	
DSP Equity & Bond Fund - Regular Plan - Growth	Ideal for first-time equity investors. Invests ahead 65% in equities. Well-diversified
Canara Robeco Equity Hybrid Fund - Regular Plan - Growth	Ahead 65% in equities. Well-diversified, tilts towards large-caps
DEBT	
SHORT TERM (CORE)	
ICICI Prudential Short Term Fund - Growth	Actively-managed. Small portion in perpetual bonds, though monitors risks closely
HDFC Short Term Debt Fund - Growth	Despite investing 8-10% in AA-rated securities, fund has managed credit risks well
Axis Short Term Fund - Growth	Consistent performer. Actively-managed. Does not take credit risks
CORPORATE BOND (CORE)	
Sundaram Corporate Bond Fund - Growth	Invests significantly in high-rated securities. Despite small-size, the fund is well-diversified
HDFC Corporate Bond Fund - Growth	Largest fund in this category. Invests almost entirely in AAA-rated assets
BANKING AND PSU DEBT (CORE)	
IDFC Banking & PSU Debt Fund - Regular Plan - Growth	Fund manager's track record in avoiding credit risks, inspires confidence
Kotak Banking and PSU Debt Fund - Growth	Tilt to label, avoids private sector firms. Uses Government securities opportunistically
Nippon India Banking & PSU Debt Fund - Regular Plan - Growth	Ideal for investment around 3 years. Avoids AT1 bonds. Well-diversified
OTHERS	
INDEX FUNDS/ETFs	
Nippon India ETF Nifty BEES	Oldest ETF in India. One of the most liquid
Nippon India ETF Gold BEES	An ideal way to invest in gold, without bothering about storage
Motilal Oswal Nifty Next 100 ETF (NIFTY NEXT 100)	Invests in the US companies. Passively-managed. No fund manager risk
ICICI Prudential Nifty Next 50 Index Fund - Growth	A good way to invest in the next lot of emerging large-cap companies
UTI Nifty Index Fund - Growth	Oldest index fund in India. Low tracking error



Choosing Investment Products based on Goal period



1

0 – 3 months:
Liquid Funds

2

6 months – 3Years:
Low Duration Funds

3

> 3 Years:
Short Duration Funds

4

5-7 Years: Balanced
Hybrid Funds

5

> 7 Years:
Equity Funds

6

15 Years:
PPF

7

> 15 Years:
SSY/PPF/VPF/NPS/
Equity funds



Next Steps



- Believe in your abilities
- Have open conversations around finance at home
 - Get over Money & Investment biases –
 - FOMO,
 - Herd Mentality
 - Loss Aversion
- Become an informed investor
 - Focus on Financial Documentation
 - Be aware of family finances
 - Nominations
 - Estate Planning

Learning Resources:

<https://youtube.com/playlist?list=PLsRkc9JvTV2EacmW7CrV8HBSgEc8Jq5yp&si=-g3fBa6Gn4T7zBAg>

- Financial Matters that need focus
 - Budgeting
 - Emergency Cash to be increased
 - Have enough life & health insurance
 - Nominate Children
 - Invest as per goals
 - <https://www.finsafe.in/dreamcalc/>
 - Invest in products which beat inflation & are tax efficient
 - PPF, VPF, NPS, Mutual Funds
 - At least 30% in equities
 - Index Funds, Flexicap Funds, Midcap Funds
 - Avoid
 - ULIP, Endowment policies
 - Stocks
 - Trending investments
 - Plan for a regular return for the later years of your life
 - Start investing early and regularly
 - Remain Invested



Finsafe – Other facilitated services

Financial Counselling

1:1 Financial Counselling with Certified Financial Planners



Tax Filing

List of Practicing Chartered Accountant



Legal Counselling

1:1 with the practicing lawyer



Insurance Counselling

1:1 with the Insurance Counsellor



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Women and Money 4:



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