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Advantages of Mutual Funds



- Professional Management
- Diversification
- Convenient Administration
- Return potential
- Low cost
- Liquidity
- Transparency
- Flexibility
- Choice of schemes
- Well regulated
- Tax benefits



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Home



Vehicle



Your or your Child's Marriage



Your Life Goals could be...



World Tours



Children's Education



Comfortable Retirement



Investments



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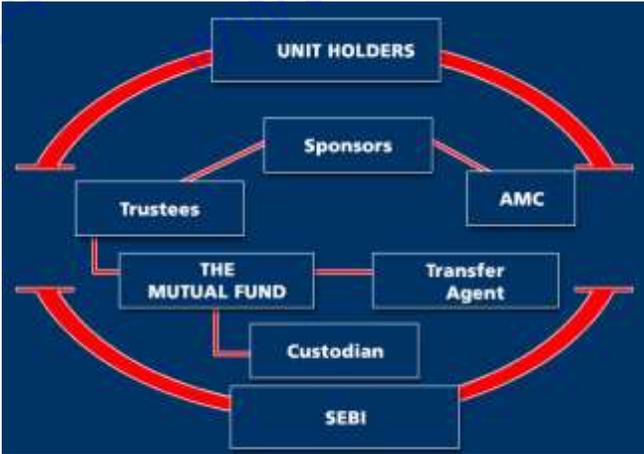
Inflation is eroding your Money



Rs. 500	Rs. 50	Rs. 50,000	Rs. 50,000
			
500 % ↑	400 % ↑	900 % ↑	900 % ↑
			
Rs. 3000	Rs. 250	Rs. 5,00,000	Rs. 5,00,000

ORGANIZATION OF A MUTUAL FUND





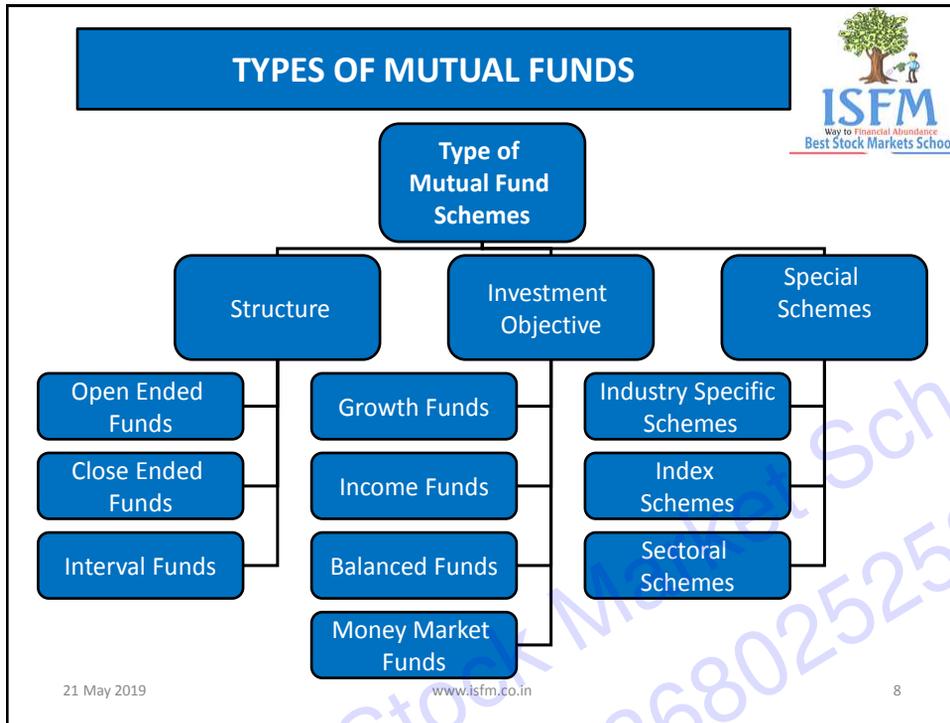
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graph TD
    UH[UNIT HOLDERS] --> MF[THE MUTUAL FUND]
    S[Sponsors] --> MF
    T[Trustees] --> MF
    AMC[AMC] --> MF
    TA[Transfer Agent] --> MF
    C[Custodian] --> MF
    SEBI[SEBI] --> MF
    
```

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Categories of Schemes, Scheme Characteristics and Type of Scheme (Uniform Description of Schemes):

- The Schemes would be broadly classified in the following groups:
 - a. Equity Schemes
 - b. Debt Schemes
 - c. Hybrid Schemes
 - d. Solution Oriented Schemes
 - e. Other Schemes
- For More details click below :-
 - [SEBI MF classification](#)

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Definition of Large Cap, Mid Cap and Small Cap:



- In order to ensure uniformity in respect of the investment universe for equity schemes, it has been decided to define large cap, mid cap and small cap as follows:
 1. Large Cap: 1st -100th company in terms of full market capitalization
 2. Mid Cap: 101st -250th company in terms of full market capitalization
 3. Small Cap: 251st company onwards in terms of full market capitalization
- **Categorization and rationalization of schemes:**
 - Only one scheme per category would be permitted, except:
 - i. Index Funds/ ETFs replicating/ tracking different indices;
 - ii. Fund of Funds having different underlying schemes; and
 - iii. Sectoral/ thematic funds investing in different sectors/ themes

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Mode of Entry in Mutual fund



**Lump Sum
(One time)**



Systematic Investment Plans (SIP)

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What is a Systematic Investment Plan?

An investment plan to invest a fixed amount regularly at a specified frequency say, monthly or quarterly.



SIP is a simple method of investing used across the world as a means to creating wealth

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POWER OF COMPOUNDING

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RS. 1CR. V/S RE. 1



Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30		Total: 30 Crores		

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RS. 1CR. V/S RE. 1



Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1 Rs.	2 Rs.	3 Rs.	4 Rs.	5 Rs.	6 Rs.
	1	2	4	8	16	32
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

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THE DEAL



Sun	Mon	Tue	Wed	Thu	Fri	Sat
	1	2	4	8	16	32
64	128	256	512	1,024	2,048	4,096
8,192	16,384	32,768	65,536	131,072	262,144	524,288
10,48,576	20,97,152	41,94,304	83,88,608	1.67 Crores	3.35 Crores	6.71 Crores
13.42 Crores	26.84 Crores	53.68 Crores		Total = Rs. 1,07,37,41,823 (107 crores – 30 crores)		

"COMPOUND INTEREST IS THE 8TH WONDER OF THE WORLD. . .

HE WHO UNDERSTANDS IT, EARNS IT . . .
HE WHO DOESN'T . . .
PAYS IT"--ALBERT EINSTEIN

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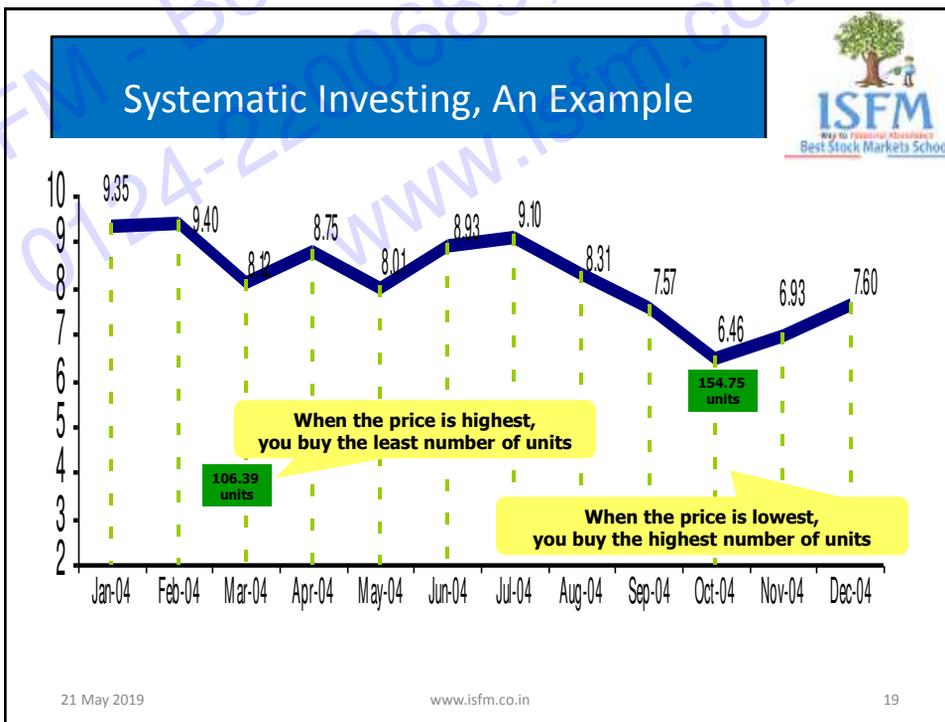
Why Systematic Investment Plan (SIP)



ADVANTAGES OF SIP

- AFFORDABLE**
SIP GIVES YOU THE OPTION TO INVEST EVEN A MINIMAL AMOUNT OF RS. 500 EACH MONTH
- EASY AND DISCIPLINED TRANSFER**
PAYMENT THROUGH POST DATED CHEQUES OR A DEBIT FACILITY
- DIVIDEND-GROWTH OPTION**
INVESTORS HAVE AN OPTION OF EITHER TAKING DIVIDEND PAYOUT OR TAKING A GROWTH OPTION
- SYSTEMATIC AND USER FRIENDLY**
GET BETTER RETURN IN THE LONG RUN BY INVESTING EVERY MONTH

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Journey of a ROCKSTAR with baby steps!





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SIP of Rs. 500/month



No. of Years	Total Investment	Rate of Return per Year			
		8%	12%	15%	20%
5	30,000	36,738	40,834	44,287	50,879
10	60,000	91,473	1,15,019	1,37,609	1,88,048
15	90,000	1,73,019	2,49,790	3,34,253	5,57,850
20	1,20,000	2,94,510	4,94,628	7,48,620	15,54,826
25	1,50,000	4,75,513	9,39,423	16,21,765	42,42,643
30	1,80,000	7,45,180	17,47,482	34,61,640	1,14,88,919
35	2,10,000	11,46,941	32,15,480	73,38,590	3,10,24,661

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8th wonder of the world – Power of Compounding



Example : SIP of Rs.1000/- p.m.

Amount in INR

Expected Return	25 Yrs.	30 Yrs.	35 Yrs.
5%	5,95,510	8,32,259	11,36,092
9%	11,21,122	18,30,743	29,41,784
15%	32,43,530	69,23,280	1,46,77,180
18%	57,37,253	1,41,13,585	3,45,78,806

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INR 2,000/- (SIP every month)



No. of Years	Total Investment	Debt 8%	Balanced 12%	Equity 18%
5	1,20,000	1,46,954	1,63,339	1,92,429
10	2,40,000	3,65,892	4,60,077	6,62,576
15	3,60,000	6,92,076	9,99,160	18.1 Lakhs
20	4,80,000	11.8 Lakhs	19.8 Lakhs	46.1 Lakhs
25	6,00,000	19 Lakhs	37.6 Lakhs	1.14 Crs
30	7,20,000	29.8 Lakhs	69.8 Lakhs	2.82 Crs
35	8,40,000	45.8 Lakhs	1.28 Crs	6.91 Crs

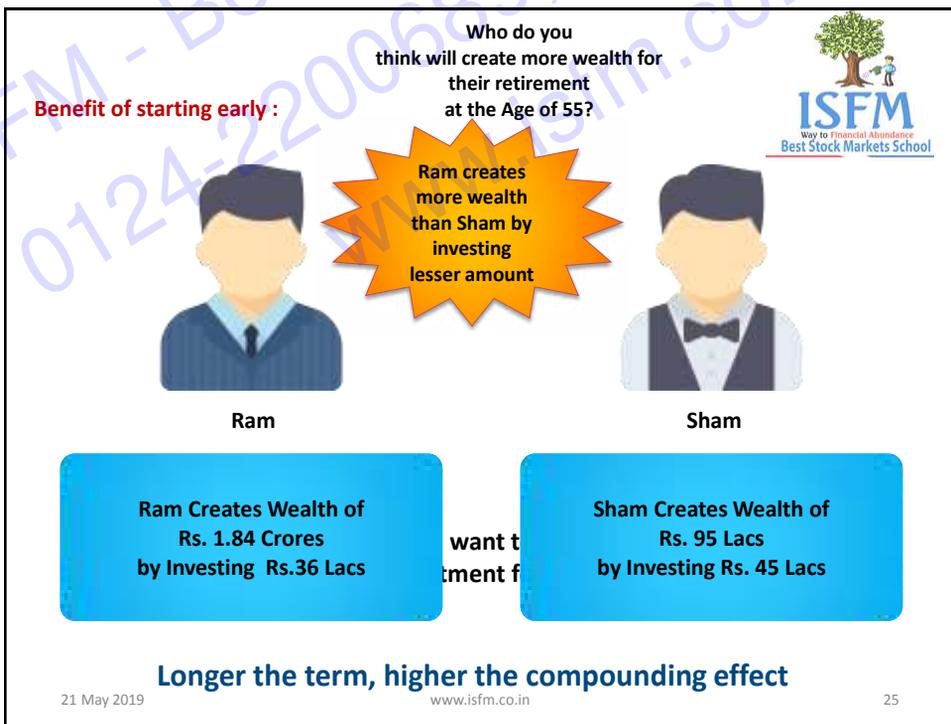
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POWER OF COMPOUNDING



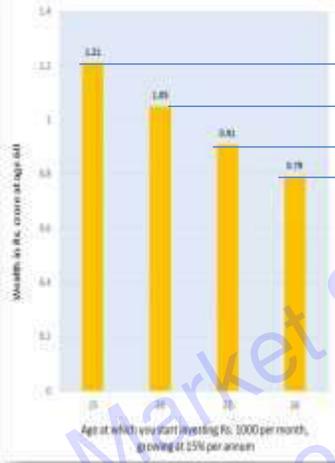


Start investing today!



-35%

Impact on wealth if one delays investing by just 3 years



Age at which you start investing (Rs. 1000 per month, growing at 15% per annum)	Wealth in Crores at age 60
27	1.21 Cr
30	1.05 Cr
33	0.91 Cr
36	0.79 Cr

Disclaimer : This calculation is for illustration purpose only. The return shown are XIRR returns. Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

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I made my first investment at the age of 11

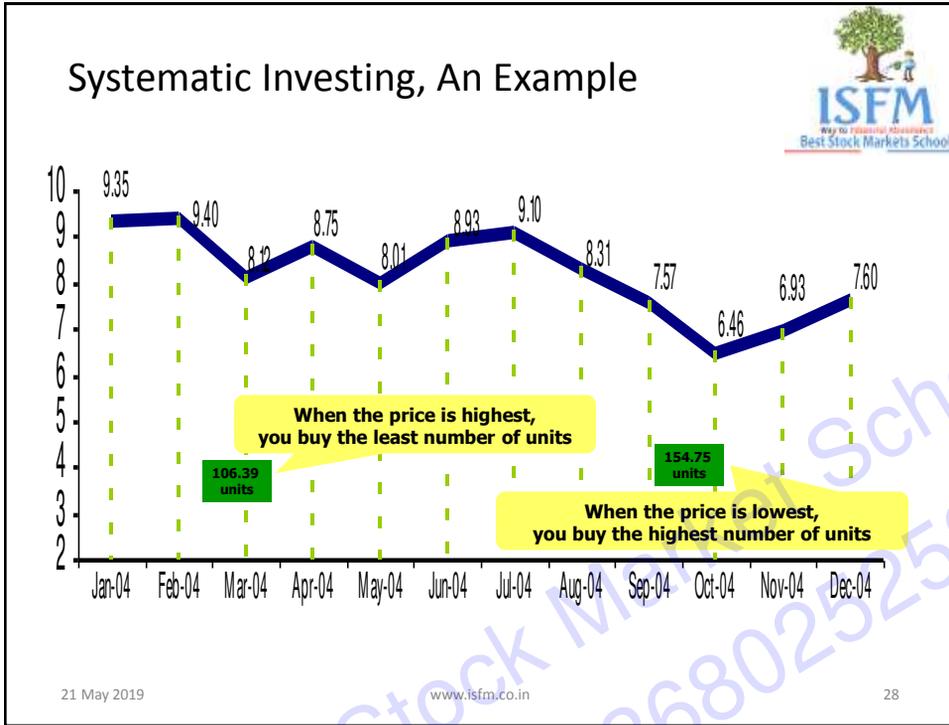
I was LATE!

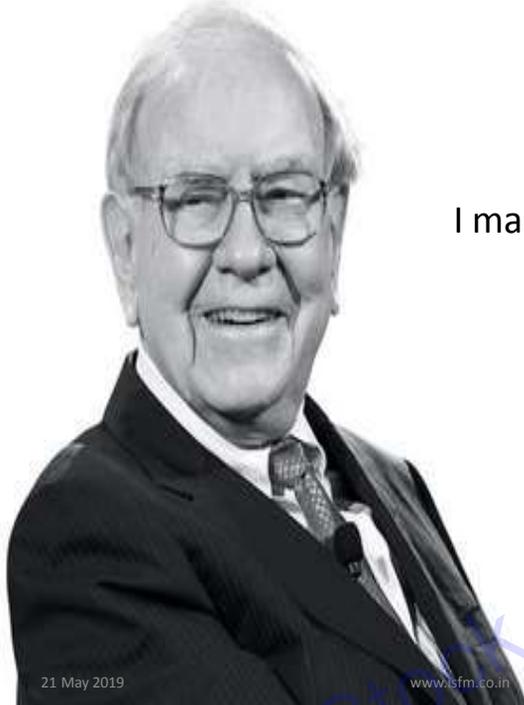
PHOTO COURTESY OF WARREN BUFFETT INVESTMENT COMPANY

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Warren Buffet (Net worth of \$65 billion)





I made my first investment at the age of 11

I was LATE!

21 May 2019 www.isfm.co.in Warren Buffet (Net worth of \$65 billion)



EQUITY

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MUTUAL FUNDS

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MUTUAL FUND

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What is Equity & Why is it the Best?



1. Any country today is developed or wealthy mostly because of 2 major factors,
 - a. Natural Resources
 - b. Labour
2. When you invest in equity you are actually either investing in the Natural Resource or Labour

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80 C Qualified Tax Saving Investments



Parameter	PPF	NSC	FD – Bank & PO	ELSS	ULIP
Tenure	15	6	5	3	5
Returns	8.7%	8.50-8.80	8.5	Market Linked	Market Linked
Eligibility Under 80 C	150000	150000	150000	150000	150000
Taxation for Interest	Tax Free	Taxable	Taxable	Tax free	Tax Free
Lock In Period	15	5-10	5	3	5

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Making your investment



1. Ensure that you are KYC Compliant
2. Form Filling and Submission




Mutual Fund investments are subject to market risks, read all scheme related documents carefully

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Steps to become securities market investor



- Know Your Client (KYC) form and documents
 - PAN Card
 - Personal identification proof
 - Address proof
- Demat accounts & trading accounts required for equity investing
- For investing in MF, Demat is optional

What is KYC?



KYC – Know Your Client

1. This is a mandatory requirement for all investors
2. It is a due diligence process that MF companies have been mandated to ascertain relevant client information



Mutual Fund investments are subject to market risks, read all scheme related documents carefully

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What documents do I need to submit with during my KYC?



PAN Card



Address Proof



Passport Size Photograph

You also need to ensure In-Person Verification with the Distributor / AMC Personnel

Mutual Fund investments are subject to market risks, read all scheme related documents carefully

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Some Do's and Don'ts



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Myth # 1

People who earn more are Rich



	RAM	SHYAM
Monthly investment	7,500	5,000
Investment period	20 Years	30 Years
Rate of return	8%	8%
Total investment	18.00 Lakh	18.00 Lakh
Value at the end of the invt. term	44 Lakh	75 Lakh

RAM will need to invest Rs 12,700 p.m. to match the early starter

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Mistake # 2



- **My Savings are Safe – no one is stealing out of it**

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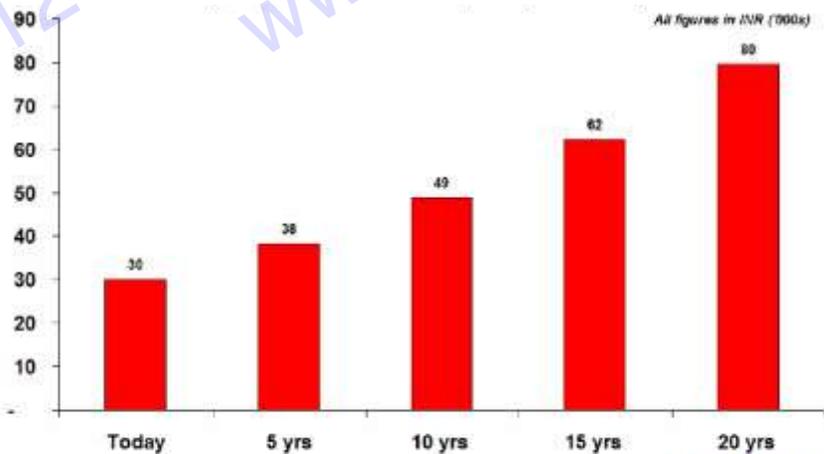
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Time value of Money

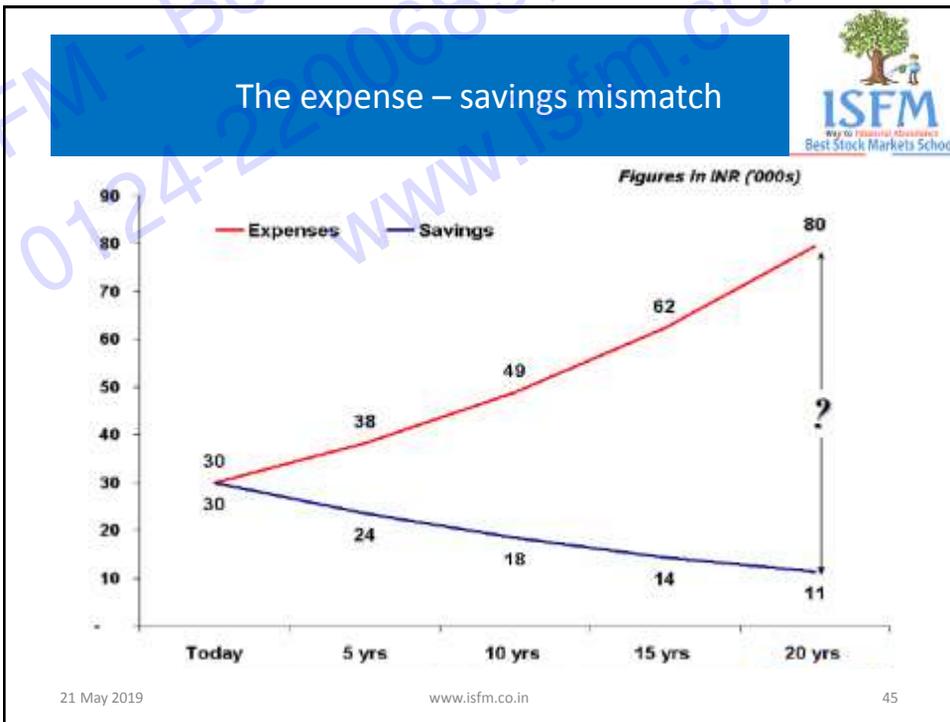
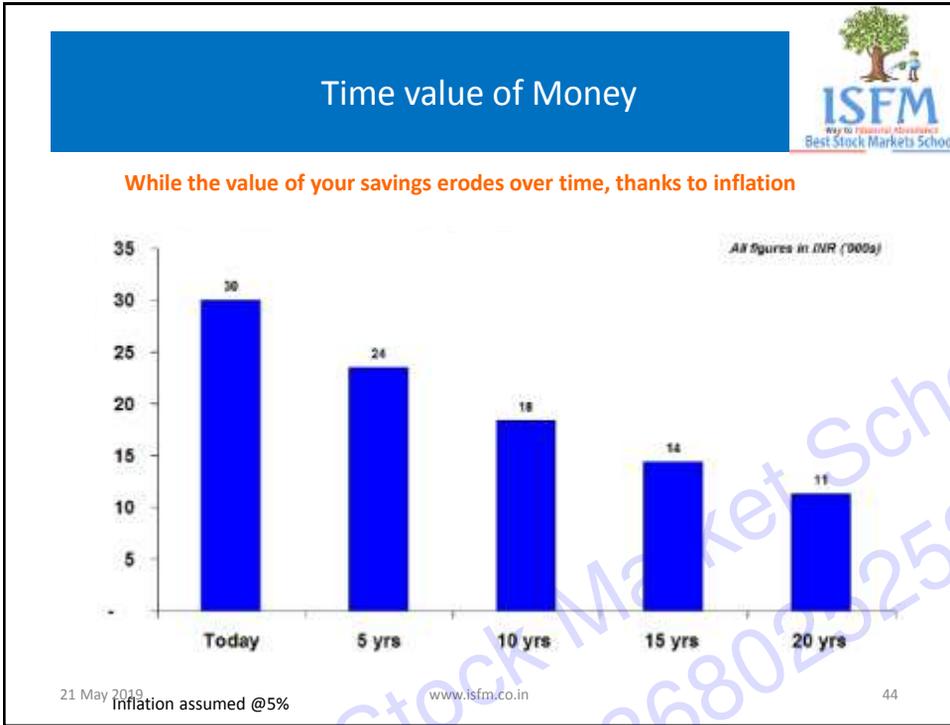


A fixed monthly expense of Rs. 30,000 pm today over time...

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Inflation assumed @5%

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Mistake # 3

Not enough money to start Investing

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Mistake # 4

We know all wonders of World

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The 7 Wonders of the World





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8th wonder of the world – Power of Compounding



Amount in INR

Example : SIP of Rs.1000/- p.m.

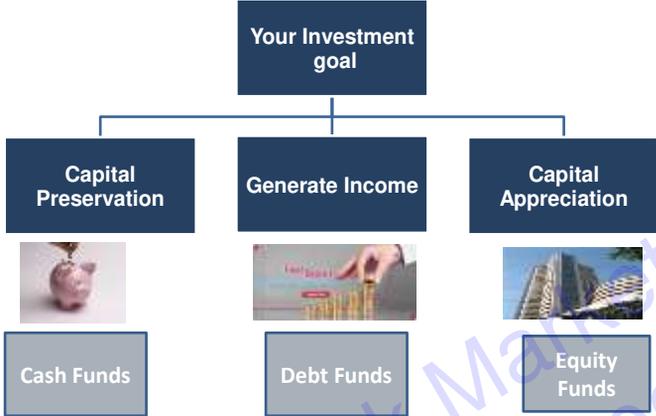
Expected Return	25 Yrs.	30 Yrs.	35 Yrs.
5%	5,95,510	8,32,259	11,36,092
9%	11,21,122	18,30,743	29,41,784
15%	32,43,530	69,23,280	1,46,77,180
18%	57,37,253	1,41,13,585	3,45,78,806

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Mutual Fund- Which one to buy?



Based on your goals and risk tolerance



```

graph TD
    A[Your Investment goal] --> B[Capital Preservation]
    A --> C[Generate Income]
    A --> D[Capital Appreciation]
    B --> E[Cash Funds]
    C --> F[Debt Funds]
    D --> G[Equity Funds]
    
```

Disclaimer:-As the value of securities in the fund increases, the fund's unit price will also increase. You can make a profit by selling the units at a price higher than at which you bought.
 Although Mutual Fund does not guarantee the same.

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Tax Savings



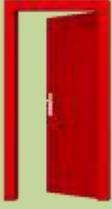
JAN – FEB – MARCH
THE SEASON OF WORRIES FOR TAX PLANNING...



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What you can achieve by investing to save tax?



Hybrid	Equity	Others	Fixed Income
<p>Unit Linked Insurance Plan (ULIP)</p>  <p>Protection</p>	<p>Equity Linked Savings Schemes (ELSS)</p>  <p>Wealth Creation</p>	<p>Insurance Premiums, Pension Premiums, National Pension Scheme etc.</p>  <p>Protection</p>	<p>PPF/EPF/VPF/NSC Tax Saving Bank FDs, Post Office Time Deposits, Senior Citizen Savings Scheme</p>  <p>Income Generation</p>



You can save tax and...

CHOOSE THE CORRECT OPTION

*As per the prevailing tax laws for financial year 2016, eligible investors (individual/ Hindu Undivided family(HUF)) are entitled to deduction from their gross total income of the amount invested in equity linked saving scheme (ELSS) upto 1,50,000 along with other prescribed investments under Section 80C of the Income Tax Act. **Tax benefits are subject to the provisions of the Income Tax Act, 1961 and are subject to amendments from time to time. PPF= Public Provident Fund, EPF= Employee Provident Fund, VPF= Voluntary Provident Fund, NSC= National saving certificate, FDs= Fixed Deposits.

What makes ELSS right tool for you ??





- Tax Benefits under Section 80C
- Only 3 Years of Lock in period
- Benefit from Long Term Capital Gains
- High return Potential*
- Systematic Investment Plan(SIP) Facility
- Scope for tax free dividend**

* Subject to market risk.

**Tax free dividends as per the prevailing tax laws, pursuant to payment of dividend, the NAV of the respective options of the Schemes would fall to the extent of payout and statutory levy (if applicable)

ELSS – Equity Linked Saving Scheme, SIP – Systematic Investment Plan

21 May 2019 Tax benefits u/s 80C under the Income Tax Act, 1961, exemptions are subject to prevailing tax laws

ELSS v/s other investment options



Tax Saving options	Minimum Investment Amount (Rs.)	Tenure / Lock in period	Interest / Return	SIP Facility	Maturity Amount Taxability
Equity Linked Savings Scheme (ELSS)	500/-	3 Years	Market linked *	Yes	Dividends & Long Term Capital gains are tax free, subject to STT
Public Provident Fund (PPF)	500/-	15 Years**	Fixed#	Not available	Interest accrued is Tax-free
Tax-Saving Term Deposit with Scheduled Banks	100/-	5 Years	Fixed	Not available	Interest is added to income and Taxed accordingly
Infrastructure Bonds	5000/-	3-10 Years	Fixed	Not available	Interest is added to income and Taxed accordingly
National Savings Certificate (NSC)	100/-	5 Years	Fixed#	Not available	Interest is added to income and Taxed accordingly##

* Market linked – Returns are subject to market risk.
 ** Premature withdrawal under PPF is available from 6th financial year. However, the full amount can be withdrawn after 15 years.
 # Reviewed periodically. ## The interest portion reinvested is also eligible for tax rebate u/s 80C of IT Act, 1961
 Tax benefits are subject to the provisions of the Income Tax Act, 1961 and are subject to amendments, from time to time.
 For more information on the tax provisions, please refer to prevailing IT laws in India.
 SIP – Systematic Investment Plan, STT- Securities Transaction Tax

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Do I have enough money right now to invest



If Yes, Invest Now!



Choose the lump-sum option to Invest in ELSS, up to Rs. 1.50 lakhs to avail the tax exemption u/s 80C of IT Act, 1961



If No, Plan SIP!

Invest small amounts at regular intervals rather than investing lump sum amount at one time.

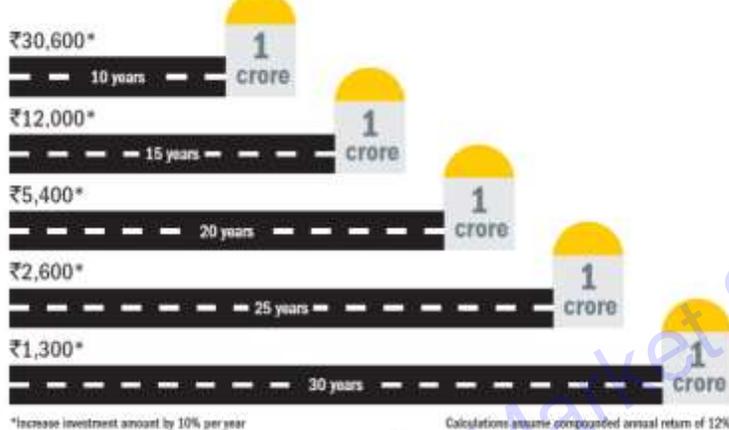
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How to Become a Crorepati

Here's what you need to invest per month to achieve your goal in the mentioned time period



An apple a day keeps the doctor away. `1,300 a month is your apple for achieving financial health. Couple that with spinach, and milk - higher savings invested regularly every month, and you improve your financial health dramatically.

How to grow your small savings to Rs.1 crore?

A simple step guide to bring 1cr dream to life.

1. Pick 3 good funds
2. Create a monthly SIP
3. Review annually
4. Don't get swayed – Stay on court

If you follow these simple steps, becoming a crorepati will surely call for a celebration.

Thank You



**KEEP
CALM
AND
LET YOUR
MONEY
WORK FOR YOU**

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