



PORTFOLIO

A Session to Smart Investing



Warren Buffett

“Never depend on a single income.

Make an investment to create a second source.”

Core Pillars of Financial Health



Emergency Fund

Maintain 4-6 months of expenses in liquid, low-risk accounts like savings or liquid mutual funds



Insurance Protection

Ensure adequate Health Insurance & Pure Term Insurance to protect family against unforeseen situations



Retirement Planning

Build an independent retirement corpus by disciplined tools like Provident Fund and NPS



Invest to create wealth

Invest in efficient products to create wealth for yourself and next generation

Successful investing requires a balance between risk and reward

What Is Capital Allocation?

One who does well, creates wealth

↑ Appreciating Assets

Tend to grow in value, or produce income, over time

Equity / Mutual Funds — Ownership in growing businesses

Home / Land — Value keeps growing in a populated economy

Gold — As good as liquid currency

↓ Depreciating Assets

Lose value the moment you own them, and keep falling

Car — Loses ~15–20% of value every year

Furniture & Gadgets — Wears out, becomes outdated fast

Disputed or non control assets – Uncertainty

The Golden Capital Allocation Rule

For every rupee that one allocates to depreciating assets, allocate minimum 5 rupee to appreciating assets class for wealth creation

Where Can You Invest?



Fixed Deposit (FD)

6.5% – 7% p.a.

Low risk



PPF (Public Provident Fund)

~7.1% p.a.

Low risk · Tax-free



NPS (National Pension System)

9% – 11% p.a.*

Moderate risk



REIT

12% - 13% p.a.*

Moderate risk



Mutual Fund SIP

13%-15% p.a.*

Moderate risk



SIF / AIF

16% - 20%+ p.a.*

Higher risk

**Market-linked; returns are historical averages, not guaranteed — some years can be negative.*

Power of Compounding (20% post tax CAGR # 65 yrs)



Warren Buffet's networth

Age	Networth
30	\$1 Mn
40	\$25 Mn
59	\$3.8 Bn
66	\$17 Bn
95	\$ 150 Bn

From \$25 M (at 40 years) to \$ 150 B at (95 years)
? 6000x growth

Compound interest is the eight wonder of the world. He who understands it,
earns it... he who doesn't... pays it!

--- Albert Einstein

Power of Compounding...

Investment Mode	Fixed Deposit	PPF	NPS	REIT	Gold	Mutual Fund SIP	Equity SIF / AIF
Initial Investment	₹ 10 lakhs	₹ 10 lakhs	₹ 10 lakhs	₹ 10 lakhs	₹ 10 lakhs	₹ 10 lakhs	₹ 10 lakhs
Return %	6.5%	7.1%	10%	12%	13%	14%	16%
Tenure	20 years	20 years	20 years	20 years	20 years	20 years	20 years
Future Value	₹ 35 lakhs	₹ 39 lakhs	₹ 67 lakhs	₹ 96 lakhs	₹ 115 lakhs	₹ 137 lakhs	₹ 195 lakhs
X times multiple	3.5x	3.9x	6.7x	9.6x	11.5x	13.7x	19.5x

Assumed SIP future return ~14% return (10-year Industry NIFTY Return is 16%)

2000-2020 Gold CAGR ~13%