



Financial Planning Workshop

Suruchi Jain, Managing Director and Founder

OPPORTUNE WEALTH ADVISORS

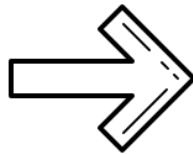


Inflation

2010



**22 grams
for Rs. 10**



2020



**24 grams
for Rs. 20**



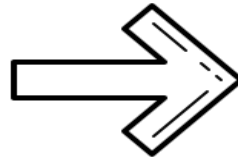
**13.2 grams
for Rs. 10**

Inflation

2010



**1 kg for
Rs. 60**



2020



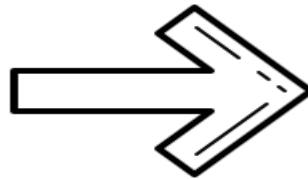
**1 kg for
Rs. 130**

Premiumization

2020



**150 gram
for Rs. 160**



2030



Rs. ???

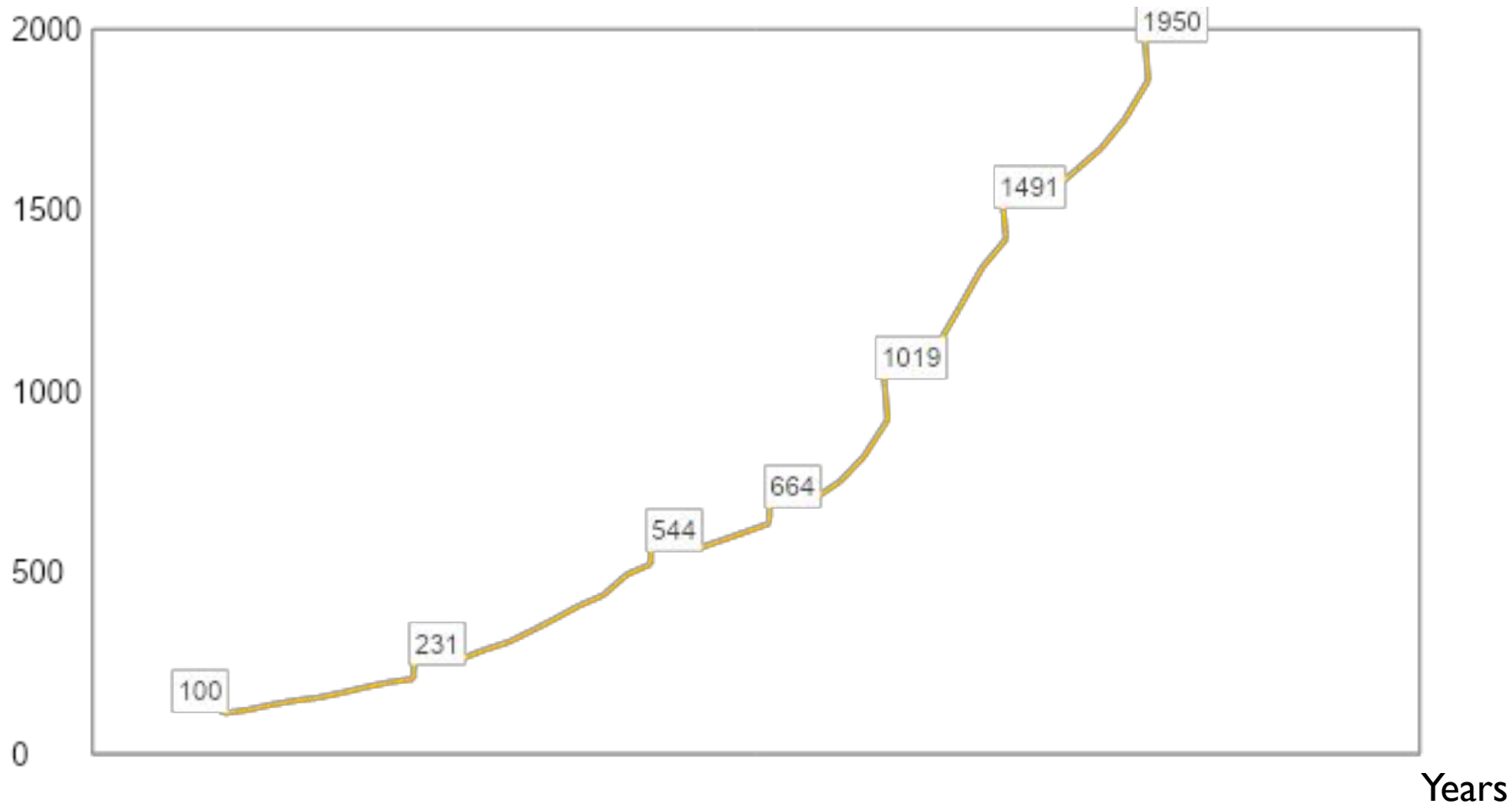
Past inflation in India (1980-2020)

□ Average rate – 7.65 ; Median – 7.25

Year	Inflation Rate (%)
1980	11.35
1981	13.11
1982	7.89
1983	11.87
1984	8.32
1985	5.56
1986	8.89
1987	9.06
1988	7.21
1989	4.57
1990	11.2
1991	13.48
1992	9.86
1993	7.28
1994	10.28
1995	9.96
1996	9.43
1997	6.84
1998	13.13
1999	5.7
2000	3.83

Year	Inflation Rate (%)
2001	4.31
2002	3.98
2003	3.86
2004	3.82
2005	4.4
2006	6.7
2007	6.2
2008	9.09
2009	12.31
2010	10.53
2011	9.5
2012	10
2013	9.4
2014	5.8
2015	4.9
2016	4.5
2017	3.6
2018	3.53
2019	4.76
2020	6.2
2021	4.89

Past inflation in India



What is your DREAM ?



HOUSE



CAR

HOLIDAY








Let's Do An Exercise

Your dream possession, or a current expense..

	<u>Today's Value:</u>	<u>Value 5 Years Later:</u>
- Car	20,00,000	25,52,000
- House		
- Vacation	7,00,000	8,93,000
- Household expenses		
- Child's education		

Assume 5% inflation and multiply today's value by $(1.05)^5$ or 1.276

Few Examples

		<u>Today's Value:</u>	<u>Value 5 Years Later:</u>
- Car		20,00,000/-	25,52,000/-
- House		1,50,00,000/-	1,91,00,000/-
- Vacation		7,00,000/-	8,93,000/-
- Household expenses		20,000/-	25,525/-
- Child's education		10,00,000/-	12,76,000/-

Assume 5% inflation and multiply today's value by $(1.05)^5$ or 1.276

Savings Equation



Monthly Income

Less: Daily Expenses

Less: Discretionary
Expenses

Funds left

Investments



Monthly Income

Less: Daily Expenses

Investments

Funds left

Discretionary Spends

Investment Options...

	<u>Pre-Tax</u>	<u>Taxation</u>	<u>Post-Tax</u>	<u>Inflation</u>
□ Real Estate, Fixed Deposit	6%	30%**	4.2%	5%
□ Debt Mutual Fund	8%	20%^	7.4%	5%
★ □ Equity Mutual Fund	12%	10%*	10.8%	5%
□ Opportune Wealth	15%	10%*	13.5%	5%

^ Debt Mutual Funds are taxed at 20% post inflation indexation; *Equity held >1 year; <1 year tax is 15%, on Dividends Tax rate is 15%

**Fixed Deposits are charged at the applicable tax slab rate. Real Estate taxed 20% on LTCG Sale

Asset Allocation Decision

- Conservative
- Low Risk Taker

Asset	Allocation	Return
RE, FD	60%	4.8%
Debt MF	30%	7.4%
Equity MF	10%	10.8%
	=sumproduct	6.2%

Average – Post Tax

6% p.a.

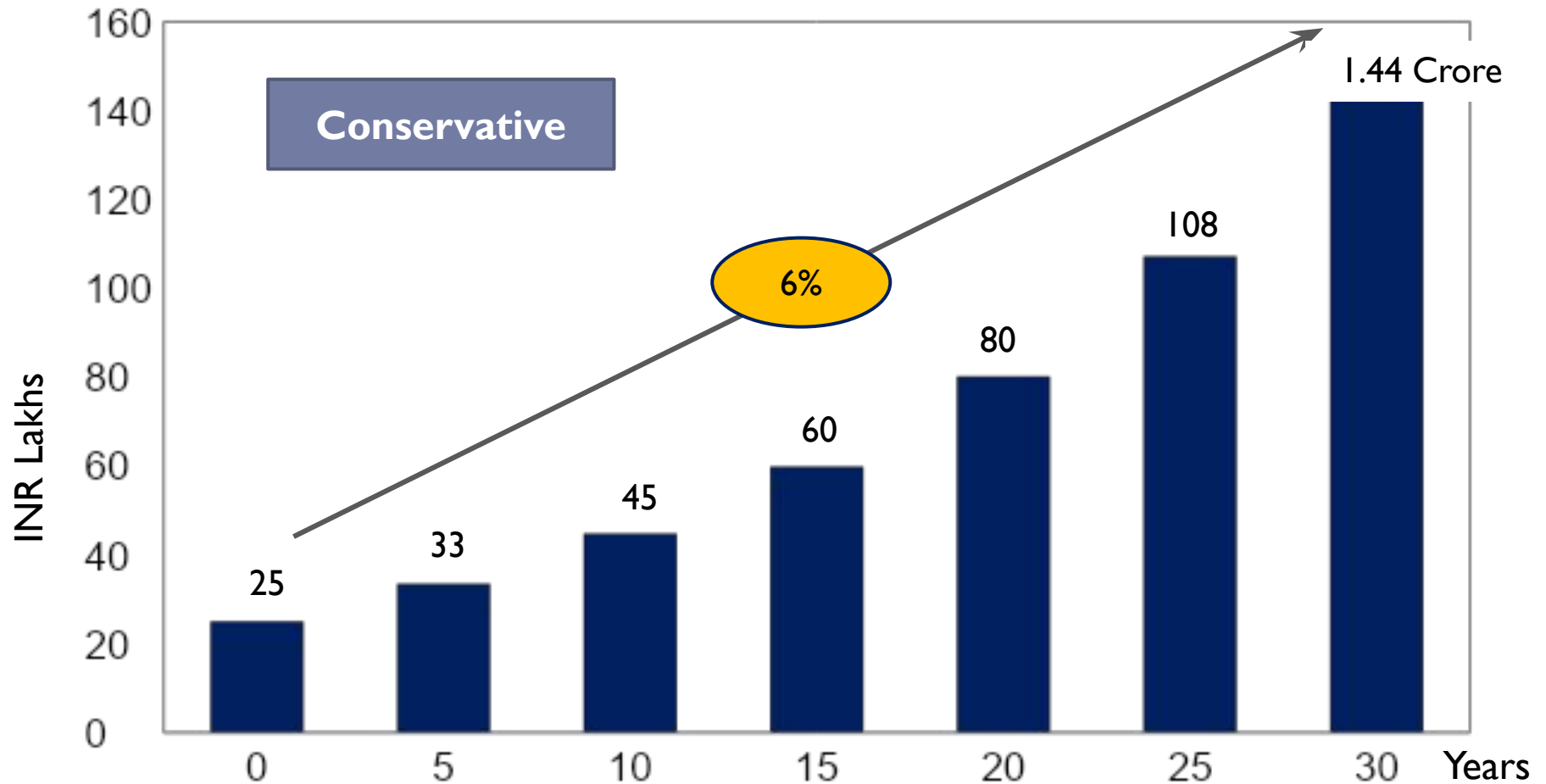
- Aggressive
- High Risk-Taker

Asset	Allocation	Return
RE, FD	0%	4.8%
Debt MF	30%	7.4%
Equity MF	70%	10.8%
	=sumproduct	9.8%

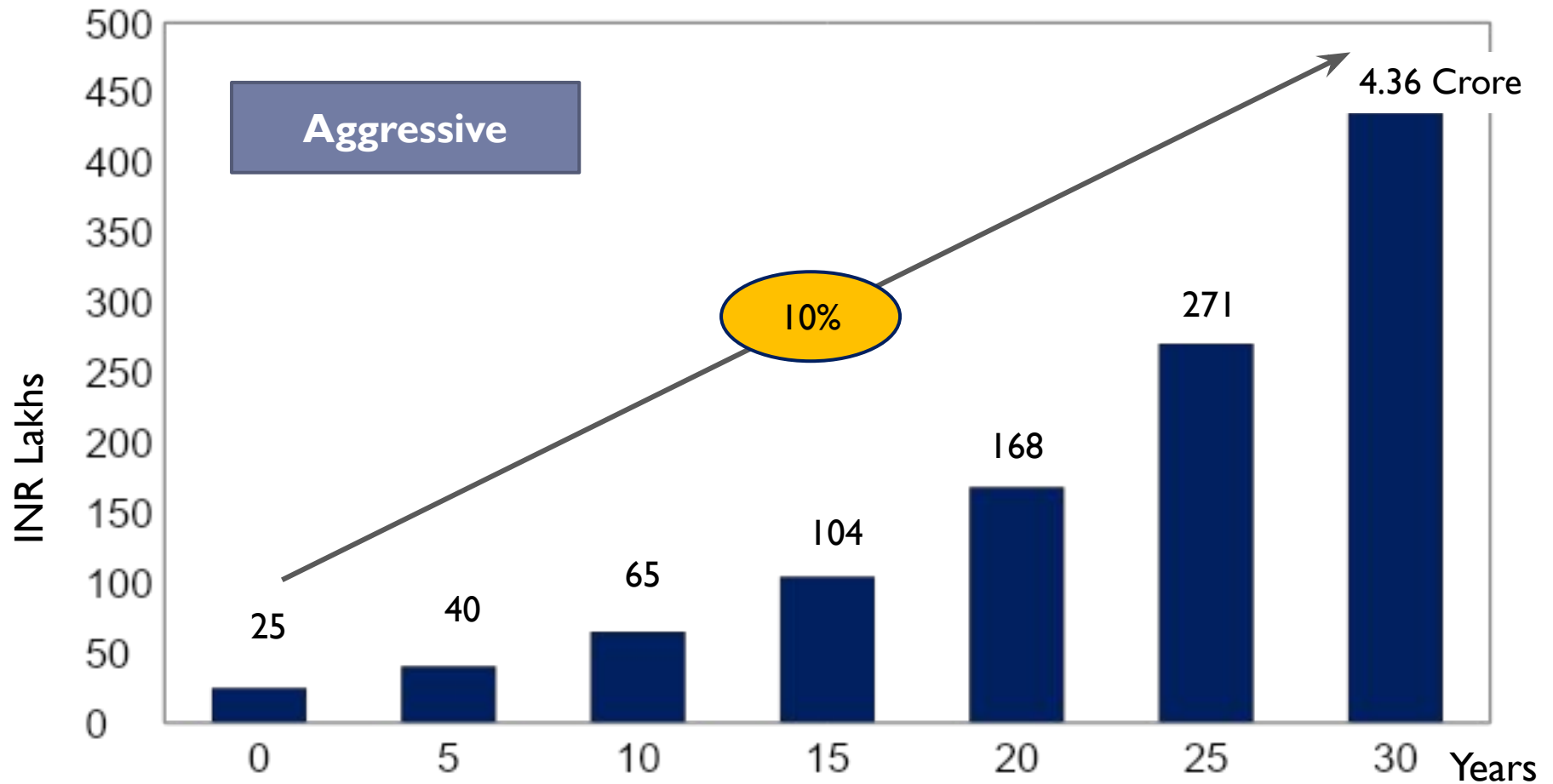
Average – Post Tax

10% p.a.

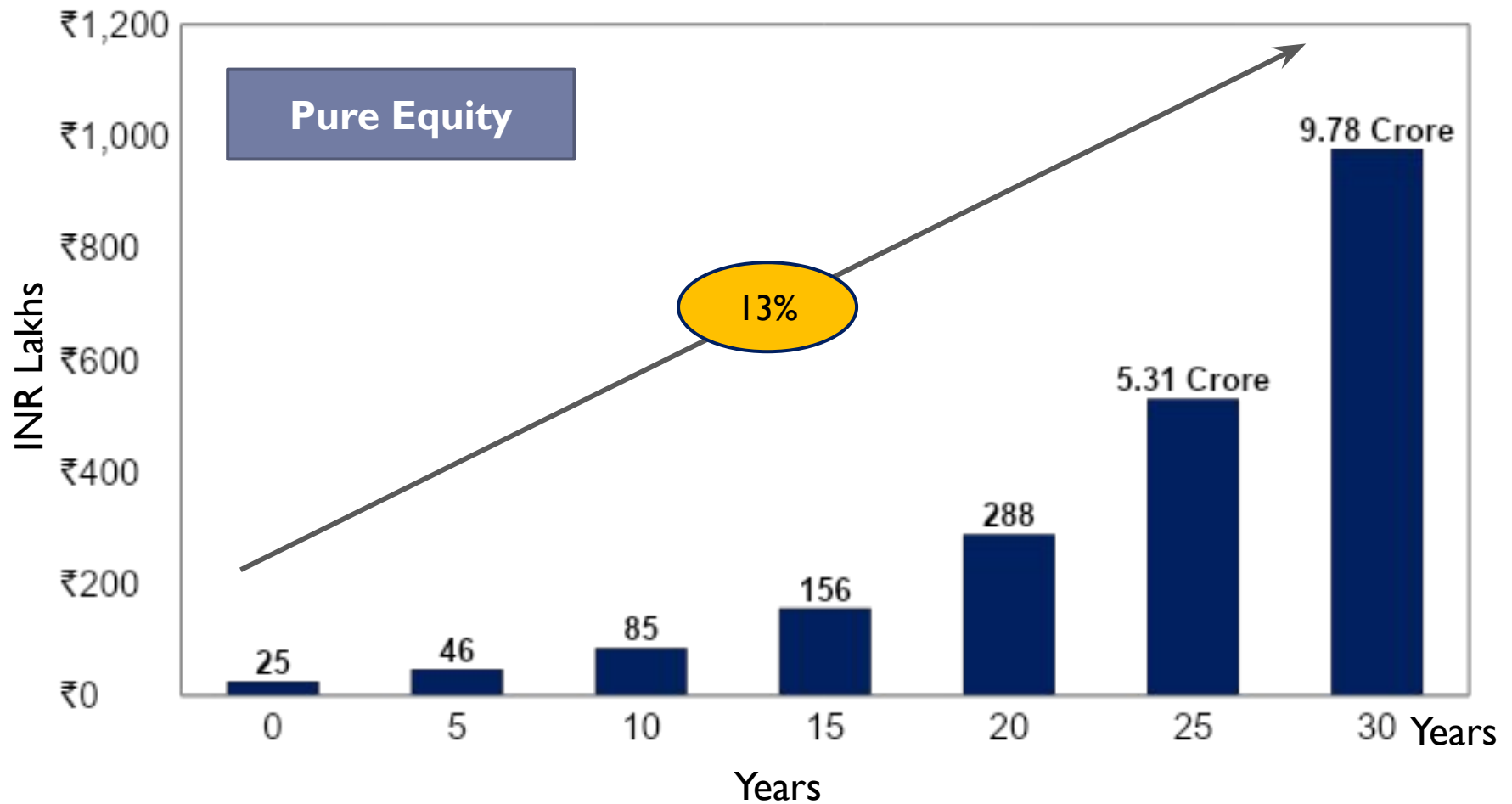
Compounding – 8th Wonder of the world



Compounding at 10%

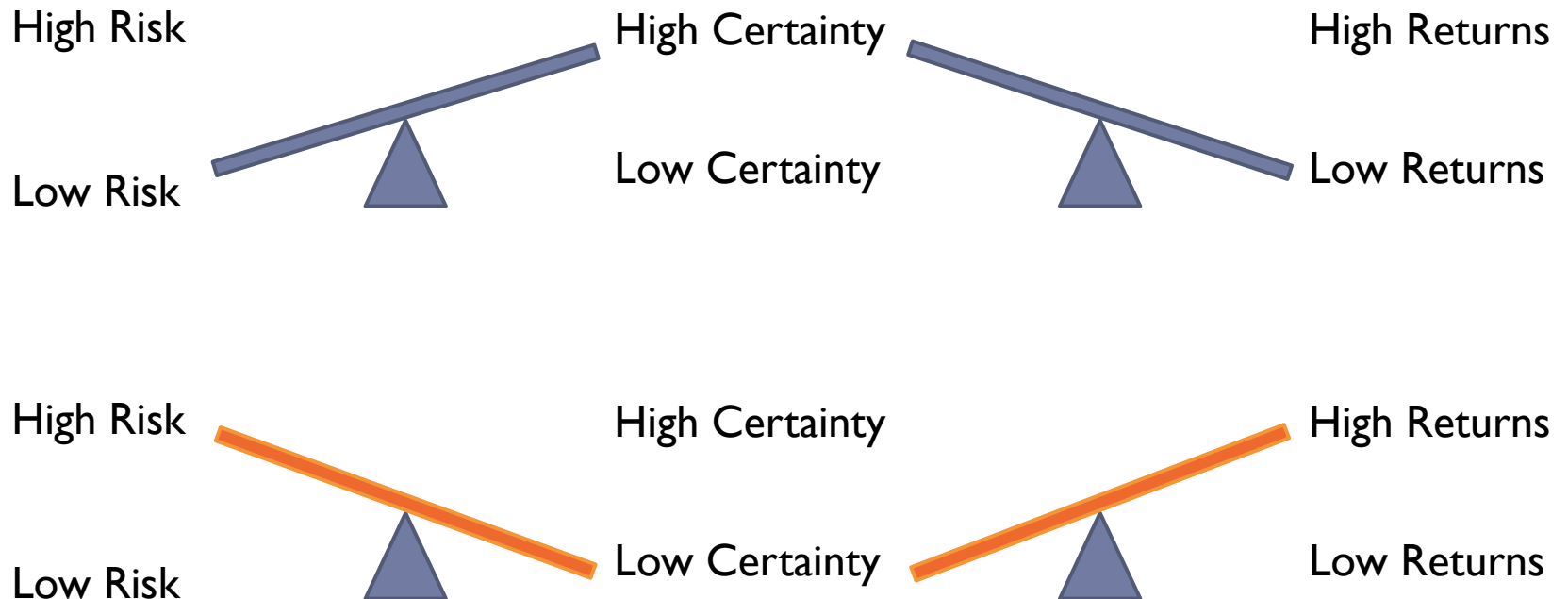


Compounding at 13%



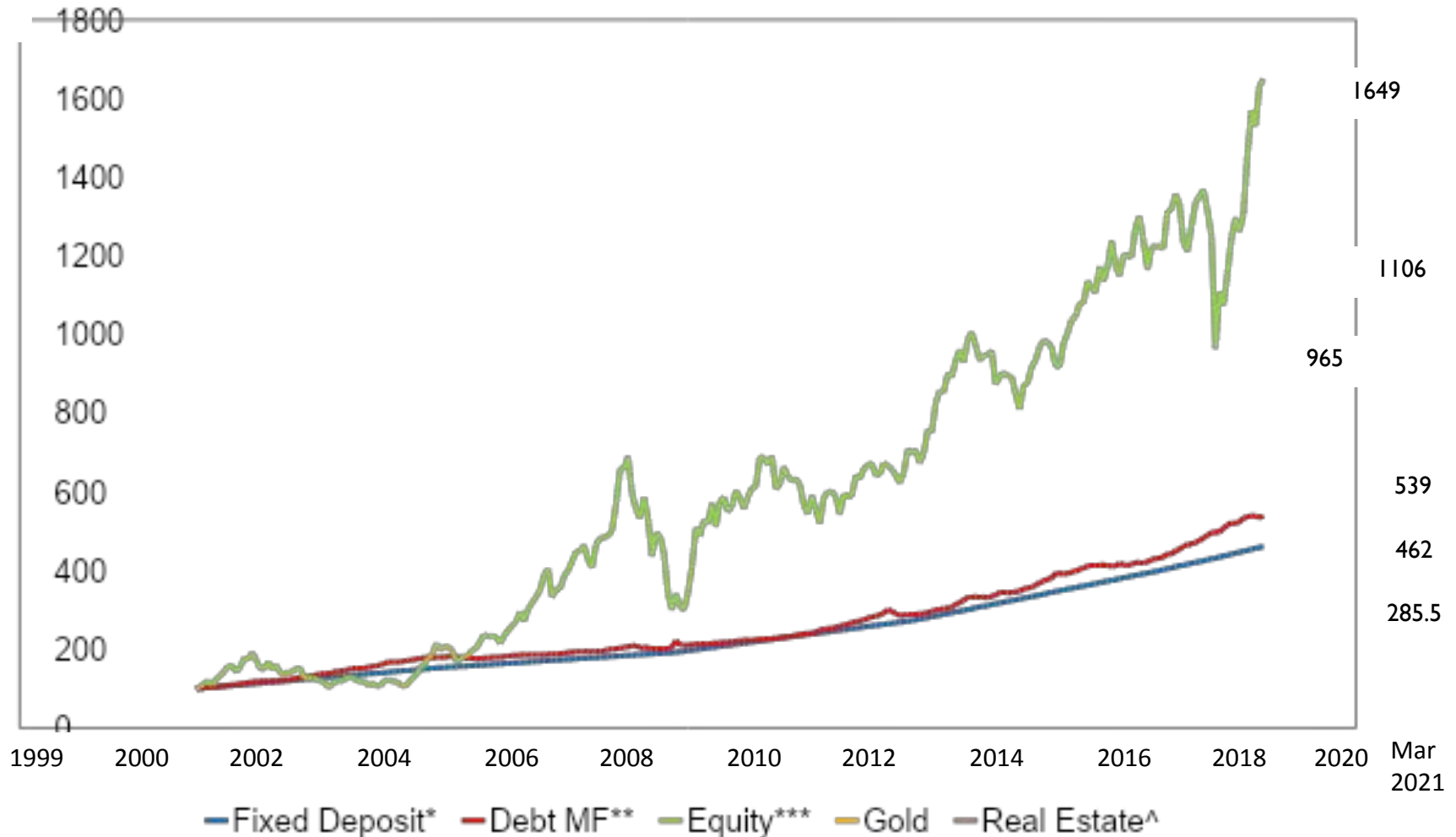
Risk-Uncertainty-Reward

Low Risk means more Certainty and vice versa...



Equity Markets are Non-Linear

You have to have the stomach for this spicy dish before you order it...



Where should you invest?

- Bank Fixed Deposit?
 - Mutual Fund?
 - Equity?
-

How does a Bank use money?

When you invest in Bank Fixed Deposits

You deposit money in the bank and earn 6% interest in Fixed Deposits

Bank gives out loan to people and companies and earns 16% interest on Loans



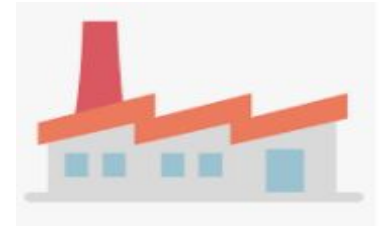
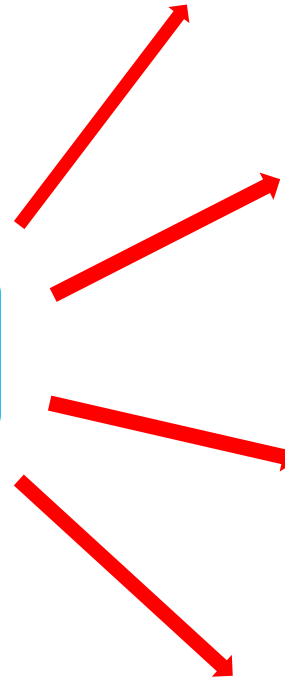
The bank makes a profit of
 $16\% - 6\% = 10\%$ - Cost

When you invest in Mutual Funds

Each Mutual Fund in turns
invests in over
30-50 companies



**MUTUAL
FUND**



As the value of company invested
in grows, your money grows

Equity Investing



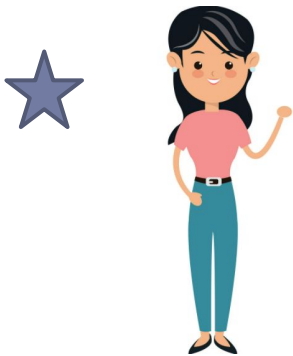
The perceived value of company goes up

Profits
Dividends (Rs.)



Revenues
(-) Cost

Profits!!



Equity
Rs.100



Company A



If you don't find a way
to **make money while you sleep**,
you will **work until you die**.

– *Warren Buffett*



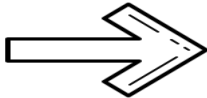
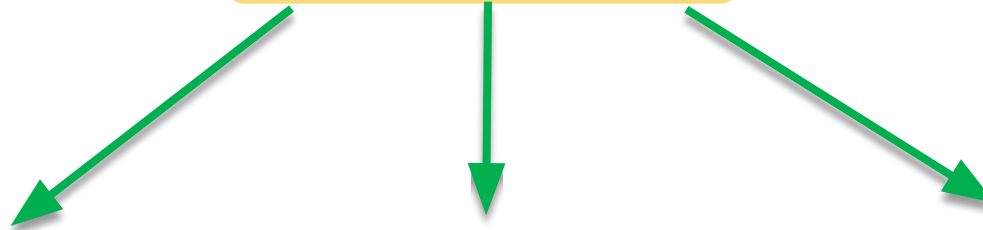


“
Investing should be
more like watching
paint dry or watching
grass grow. If you want
excitement, take \$800
and go to Las Vegas.

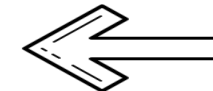
Paul Samuelson

Smallcase-Portfolios for You

YOU



PORTFOLIO ADVISOR



TRADE EXECUTOR



SMALLCASE TECHNOLOGY

Parting Thoughts

- Savings is about delaying gratification.. Investing is all about having options in the future.
 - Make your money work hard for you...
-

Summary

- Inflation
 - Future value / cost of an asset
 - Investment Options
 - Asset Allocation Game
 - Compounding
 - Risk and Reward
 - Volatility and Uncertainty
 - How money works?
 - Equity Portfolios
-

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A decorative header at the top of the slide features a series of overlapping circles in shades of orange and yellow. Each circle contains a white icon representing various financial concepts: a classical building, a piggy bank, a bar chart with an upward arrow, a rupee coin, gold bars, rupee and dollar signs in speech bubbles, money bags with rupee symbols, a briefcase, a pie chart, a safe, and another piggy bank.

QUESTIONS?

THANK YOU !!!

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