

Introduction to Investment Planning

Investment means putting your money to work to earn more money. Done wisely, it can help you meet your financial goals like buying a new house, paying for a college education, enjoying a comfortable retirement, or whatever is important to you.

You do not have to be wealthy to be an investor. Investing even a small amount can produce considerable rewards over the long-term, especially if you do it regularly. But you need to make decisions about how much you want to invest and where to invest it. To choose wisely, you need to know the investment options thoroughly and their relative risk exposures.

Inside

Who needs investment planning ?

Choosing the best investment

Investment strategies

Types of investment risks

Getting started with investment planning

Different investment options

The inflation devil

The power of compounding

Risk Thermometer

Who needs investment planning

Investment planning is necessary for all individuals to achieve their financial goals. You have to plan your limited resources to avail the maximum benefit out of them. People should plan their investments to fulfill major needs like:

Financial Protection

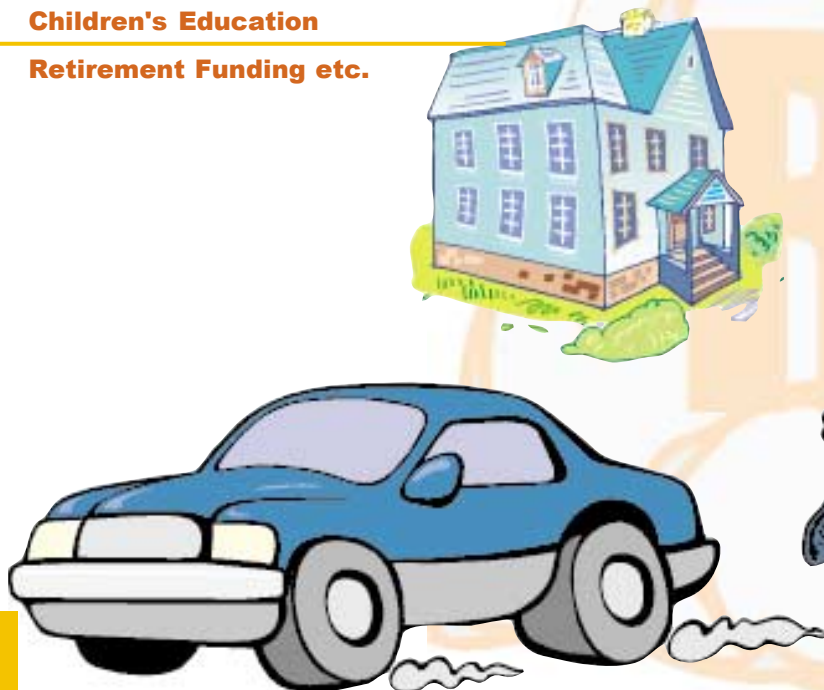
Career Building

Asset Purchase

Marriage

Children's Education

Retirement Funding etc.



Investment planning is a part of 'Financial Planning'

Financial planning is the process of meeting your life's goals through proper management of your finances. And your life's goals include the major financial needs like Financial Protection, Career Building, Asset Purchase, Marriage, Children's Education, Retirement Funding. Be it a regular income in your retired life, or savings for purchasing a new house; there is no way you can do it without investing your surplus money (apart from meeting your daily needs) in right kinds of instruments. And only a judicious investment plan can help you grow your money to achieve your goals.

Thus, investment planning is the most important part of financial planning, which is nothing but a holistic approach to meet your life goals.

Choosing the best investment

Choosing the best investment for you depends on your personal circumstances as well as general market conditions. For example, a good investment for a long-term retirement plan may not essentially be a good investment for higher education expenses. In each case, the right investment is a balance of three things: Liquidity, Safety and Return.

Basis of Selection

Liquidity - how accessible is your money?

How easily an investment can be converted to cash, since part of your invested money must be available to cover any financial emergencies.

Safety - what is the risk involved?

The biggest risk is the risk of losing the money you have invested. Another equally important risk is that your investments will not provide enough growth or income to offset the impact of inflation, which could lead to a gradual increase in the cost of living. There are additional risks as well (like decline in economic growth). But the biggest risk of all is not investing at all.

Return - what can you expect to get back on your investment?

Investments are made for the purpose of generating returns. Safe investments often promise a specific, though limited return. Those that involve more risk offer the opportunity to make - or lose - a lot of money.

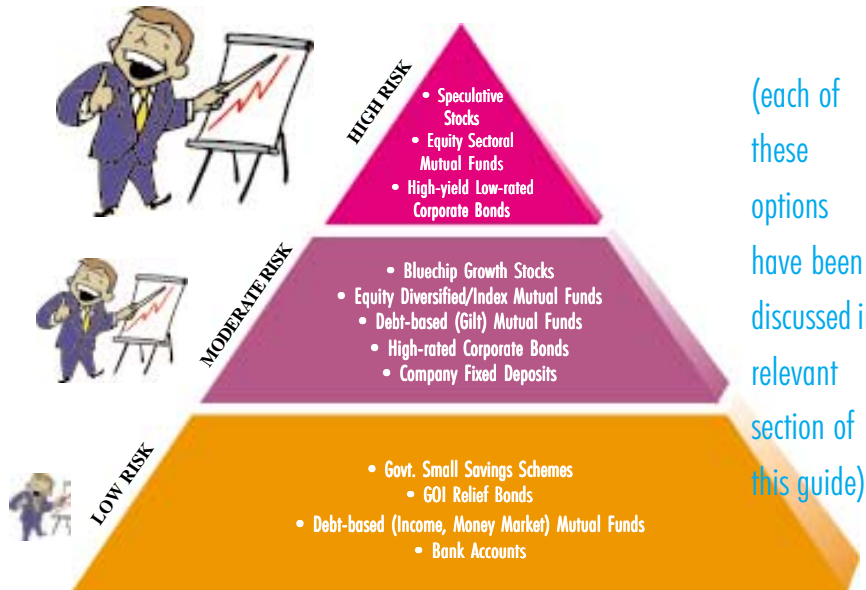
Risk vs. Reward

Risk is the chance you take of making or losing money on your investment. Greater the risk, the more, you stand to gain or lose. There is no such thing as zero risk. There are always factors you can not control-like recession, an oil embargo or high inflation.

Your range of investment choices and their relative risk factors is often described as a pyramid. The base of your investment pyramid consists of those investments only, which are highly liquid and safe (enough to cover 3-6 months of living expenses). The bulk of your portfolio (the mid-segment of the pyramid) should comprise limited and moderate risk investments, and only a small percentage of your total portfolio (or the top portion of the pyramid) should be invested in the highest risk category. Your expected returns will also increase accordingly as you go up the pyramid.

(see next page)

INVESTMENT PLANNING GUIDE



Investment Strategies

You can make your own investment picking approach or adopt one after consulting with financial experts or investment advisors. Whatever method you use, keep in mind the importance of diversification, or variety in your investment portfolio and the need for a strategy, or a plan, to guide your choices.

Investment approaches

The options you choose to put your money in, reflect the investment strategy

you are using - whether you realize it or not. Most people adopt the following approaches:

Conservative

Take only limited risk by concentrating on secure, fixed-income investments etc.

Moderate

Take moderate risk by investing in mutual funds, bonds, select bluechip equity shares etc.

Aggressive

Take major risk on investments in order to have high (above-average) returns like speculative or unpredictable equity shares etc.

Types of investment risk

You take different risks with different types of investments:



CREDIT RISK

The risk is that the issuer of the security will default, or not repay the principal amount. Valid for corporate bonds etc.

LIQUIDITY RISK

The risk is that the security is not sellable or tradable in the market, in other words, your money gets stuck unnecessarily creating an asset-liability mismatch. Valid for bonds, stocks etc.

MARKET RISK

The risk is that financial markets are volatile in nature. Volatility means sudden swings in value-from high to low, or the reverse. The more volatile an investment is, the more profit or loss you can make, since there can be a big spread between what you paid and what you sell it for. But you also have to be prepared for the price to drop by the same amount. Valid for stocks, mutual funds etc.

Interest rate risk is part of market risk, which is valid for all market-related debt-based investments. Depending on the interest rate movement in the economy, the rates of interest on the investment instruments may go up or come down resulting in a subsequent reverse movement of their prices, thus creating big risk in times of economic uncertainty. Valid for bonds, Govt. securities, mutual funds etc.

Getting started with investment planning

The following steps would enable you to get started on your path to becoming a successful investor.



Step 1 : Identify your financial needs and goals

The starting point of a sound investment decision is to begin with a clear understanding of your financial needs and goals. Typically, any financial need or goal would translate into determining the tenure of your investment (investment horizon). All investment needs and goals can therefore be translated into short-term (less than 1 year), medium-term (more than 1 year) and long-term (more than 5 years). Here is an example of a typical

household (a couple with two kids) and their financial needs and goals.

Mr. Sunil Kumar, 35, lives with his wife Surekha, aged 32 and their two children Anil and Sunita, aged 5 and 3 respectively. Their monthly household expenditure is Rs.20,000.

Financial Goals	Expected Cost (at today's prices)	Years To Achieve Financial Goal	Investment Horizon
Anil's computer	0.5 lacs	Next month	Short-term
Sunita's school admission	0.35 lacs	6 months	Short-term
Vacation	0.5 lacs	1-2 years	Medium-term
Buying a second car	5 lacs	2-3 years	Medium-term
Anil's education	2 lacs	10-12 years	Long-term
Sunita's education	2 lacs	12-15 years	Long-term
Retirement	20 lacs	20-25 years	Long-term

Step 2 : Understanding Investment choices

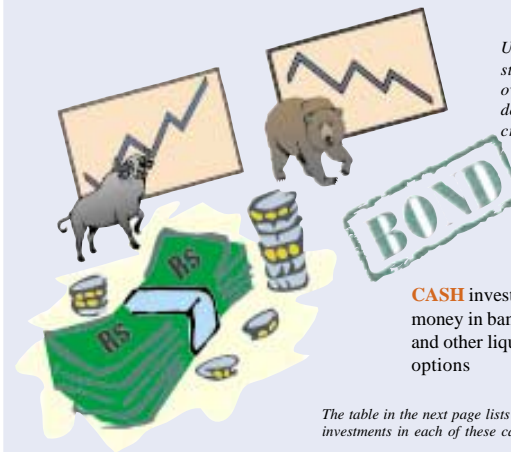
There are three basic investment categories: Equity, Debt and Cash. Any investment can be classified into these categories. They are also known as three basic asset classes. The key to investment success is in understanding how each asset class performs over the various



investment horizons, the choices within each category and the risks involved in making investment decisions in each of these choices.

EQUITY or Stocks are ownership shares investors buy in a corporation. When you make equity investments, you become part-owner (to the extent of your shareholding) of the company you invested in. However, there is no particular rate of return indicated while investing. The current value of your holding is reflected in the price at which the stock/share is traded in the stock markets. Hence, these constitute a relatively riskier form of investment.

DEBT INSTRUMENTS or Bonds are loans investors make to corporations and governments. They promise a fixed return at the time of making the investment. Also the promise of getting the money back is dependent on who is making the promise. In case of the Government, the promise will certainly get fulfilled, but if the issuer of debt is a company or an institution, the quality of the issuer needs to be adjudged, to ascertain its ability to keep the promise. Debt investments, therefore, provide you with the promise that your principal will be returned along with the interest payable thereof.



Unlike buying equities or stocks, which make you a part-owner in a company, buying debt securities makes you a creditor.

CASH investments include money in bank savings accounts and other liquid investment options

The table in the next page lists some of the examples of investments in each of these categories.

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Asset Classes	Example	Risk
Cash	Savings deposits in a bank Liquid Mutual funds	Low
Debt	GOI Relief Bonds Public Provident Fund National Savings Certificate Company Fixed Deposits Debt-based Mutual funds Debentures/Bonds	Low to Medium, Contingent on the type of issuer. In case the issuer is Govt.-the risk of default is particularly nil
Equity	Equity-based Mutual funds Stocks/shares issued by various companies	High



Step 3 : Decide an appropriate mix of various investment choices (Asset Allocation Plan)

Making an asset allocation plan is all about determining the proportion of investments in each of the three basic asset classes. This is to be done on the basis of pre-decided formulae according to various investment approaches discussed earlier i.e. aggressive, moderate and conservative. Whatever stage of life you are at, you would need to invest part of your money for security and liquidity, part of it for regular income and part of it for growth and capital appreciation. The proportion however will vary based on individual goals, time horizons available to meet those goals and one's risk profile (the tolerance reaction to any down turn in the stock/debt markets). The key to

investment success lies in determining the appropriate mix of the above mentioned categories and not just the individual investments that are done within each category.

Suitability - This portfolio is suitable for young investors (less than 35 years), who are just starting out. Early in your profession, retirement is still a long way off. You are probably just married or planning a family, or perhaps building a home. The younger you are, the greater is your ability to withstand higher risk. The equity part of the portfolio is meant for capital growth to meet the long-term goals while the debt portfolio is to provide for medium-term needs.



AGGRESSIVE PORTFOLIO	
Cash -	10%
Debt -	60%
Equity -	30%



MODERATE PORTFOLIO	
Cash -	10%
Debt -	70%
Equity -	20%

Suitability - This portfolio is suitable for you if your age is within 35-50 years and you are at your peak earning years, might have to probably finance your child's education and other social obligations. The extra debt portion will take care of your extra medium-term liabilities while equity portion continue to provide the potential for long-term growth.

Suitability - This portfolio is suitable for you if you are over 50 and it would aim to keep your savings secure while at the same time would generate enough income to help you relax and enjoy your retirement years. Moreover, since your source of income after retirement may be limited, your savings would need to go a long way. And the small equity part can assist you in staying ahead of inflation.



CONSERVATIVE PORTFOLIO	
Cash	10%
Debt	80%
Equity	10%

We can further be specific regarding the asset allocation plan depending on individual need and two more portfolio variants can be added along with the ones discussed above. The asset allocations for these two portfolios are given next page.

VERY AGGRESSIVE PORTFOLIO	
Cash -	10%
Debt -	50%
Equity -	40%

VERY CONSERVATIVE PORTFOLIO	
Cash -	10%
Debt -	90%
Equity -	0%

INVESTMENT PLANNING GUIDE

Step 4 : Understand the role of different investment options

MUTUAL FUNDS

Options	Objective	Instruments	Price Volatility/Risk	Investment Horizon	Tax Benefits	Suitability
Liquid Fund (like PrudICI Liquid, FT Liquid, Alliance Cash Manager, DSP ML Liquid etc.)	Regular income with stability of capital	Call Money, Repos, Commercial Papers, Certificate of Deposits, T-Bills, NCDs, Floating Rate Bonds, Corporate Bonds etc.	Low	1 day - 3 months	Tax Free Dividends in the hands of the investors	Corporates and individuals for short-term parking of surplus
Short-term Debt						
Fund (like HDFC Short-term, Birla Bond Plus, FT Short-term etc.)	Income and growth of capital	Corporate Bonds, G-Secs and Money Market Instruments	Low	1 - 12 months	Tax Free Dividends in the hands of the investors	Conservative investors having short-term investment horizon
Dynamic/						
Flexincome/ Floating Rate Debt Fund (like Grindlays Dynamic Bond, FT Floating Rate Bond, PrudICI Flexincome etc.)	Income and growth of capital	G-Secs, Money Market Instruments, Bonds etc. (Dynamic portfolio with varying maturity and exposure as per interest rate scenario)	Low-Medium	6 months - 1.5 years	Tax Free Dividends in the hands of the investors	Conservative investors having investment horizon of about 1 year, do not want to take a view of the interest rate movement
Debt/Income Fund						
(like HDFC Income, FT Income, Zurich HIF, IL&FS Bond, Sundaram Bond, HSBC Bond etc.)	Income and growth of capital	Corporate Bonds, G-Secs and Money Market Instruments	Medium	>1 year	Tax Free Dividends in the hands of the investors	Conservative investors having investment horizon of more than 1 year
GIIT Fund (Med to long-term) (like Birla GIIT Plus, K-GIIT, Tata GIIT etc.)						
Monthly Income Plan (like Birla MIP, IDBI MIP, Alliance MIP, Sun F&C MIP etc.)	Income and growth of capital	G-Secs and Money Market Instruments	Medium	>1 year	Tax Free Dividends in the hands of the investors	Moderate investors having more than 1 yr. inv. horizon, can digest volatility associated with gilts
Balanced Fund (like FT Balance, Birla Balance)						
Alliance 95, Zurich Prudence, etc.)	Regular income and growth of capital	Corporate Bonds, G-Secs, Money Market Instruments and Stocks	Medium	>18 months	Tax Free Dividends in the hands of the investors	Investors want to have regular income along with capital appreciation to the extent possible
Equity Diversified Fund (like FT Bluechip, Zurich Equity, Alliance Equity, Reliance Vision etc.)						
Equity Tax Relief Fund (ELSS) (like Alliance Tax Relief, FT TaxShield, SBI Magnum TaxGain etc.)	Income and growth of capital	60% in Stocks, 40% in Debt Instruments	Moderately High	3-5 years with systematic profit/loss booking as & when targeted return is achieved depending on market conditions	Tax Free Dividends in the hands of the investors	Moderate investors who want to enjoy the benefits of both the world: Equity & Debt
Equity Sectoral Fund (like Alliance New Millennium, Birla IT, K-Tech etc.)						
Equity Sectoral Fund (like Alliance New Millennium, Birla IT, K-Tech etc.)	Growth of capital	Stocks across all potential sectors of economy and a small portion in Debt & Money Market Instruments	High	3-5 years with systematic profit/loss booking as & when targeted return is achieved depending on market conditions	Tax Free Dividends in the hands of the investors	Aggressive investors who want to grow their capital through the stockmarket
Magnum TaxGain etc.)						
Equity Sectoral Fund (like Alliance New Millennium, Birla IT, K-Tech etc.)	Growth of capital with tax saving purpose	Stocks across all potential sectors of economy and a small portion in Debt & Money Market Instruments	High	3 years lock-in, after that systematic profit/loss booking as & when targeted return is achieved depending on market conditions	Tax Rebate under Section 88 on a maximum investment limit of Rs.10,000. Tax Free Dividends in the hands of the investors	Aggressive investors who want to grow their capital through the stockmarket
Very aggressive investors who want to have a view about a particular sector						
	Growth of capital	Stocks of companies in a specified sector/sectors, a small portion in Money Market Instruments	Very High	3-5 years with systematic profit/loss booking as & when targeted return is achieved depending on market conditions	Tax Free Dividends in the hands of the investors	Very aggressive investors who want to have a view about a particular sector

POST OFFICE SCHEMES

Type Of Scheme	Objective	Rate of Interest (% p.a.)	Maturity Period	Tax Benefits	Suitability
Public Provident Fund	Long-term tax efficient corpus building	8%	15 years	Tax Rebate under Section 88. Interest is tax free	For everybody for tax saving purpose u/s 88 (upto Rs. 70,000). Interest totally tax free
Monthly Income Scheme	Regular income	8% + 10% Maturity Bonus	6 years Lock-in: 1 year	Tax Deduction under Section 80L upto a maximum limit of Rs.12,000	For everybody willing to have regular income. Single A/c limit: Rs. 3 lac, Joint A/c limit : Rs. 6 lac
National Savings Certificate	Long-term tax efficient corpus building	8%	6 years	Tax Rebate under Section 88. Interest is eligible for deduction under Section 80L upto a maximum limit of Rs.12,000	For everybody for tax saving purpose u/s 88. No maximum limit on investment
Kisan Vikas Patra	Capital appreciation	8.46%	8 years 7 months Lock-in: 2.5 years	Nil	For everybody, no age limit, no maximum limit on investment

GOI BONDS

Options	Objective	Rate of Interest (% p.a.)	Investment Horizon	Tax Benefits	Suitability
Savings Bond		8%	5 years	Interest is taxable	For everybody, to have tax-efficient income at a market friendly rate
Savings Bond (Regular & Cumulative)	Tax free income	6.5%	3 years	Interest is tax free	

LIFE-INSURANCE SCHEMES

Type Of Plan	Objective	Name of Product & Company	Premium Paying term	Tax Benefits	Suitability
Investment Plan	To make investments grow at a market friendly rate, at the same time having insurance cover to the extent possible.	Jeevan Asha II - LIC, Assure Invest, ReAssure, Life Link - ICICI Prudential	5-20 years	Tax Rebate under Section 88 on premium paid towards the policy	For people who are looking for a fixed-term investment which is safe, offers high returns and at the same time provides for an insurance protection
Term Assurance Plan	To get insured for a fixed-term with no return of premiums	Anmol Jeevan, New Bima Kiran - LIC, Life Guard - ICICI Prudential	5-30 years	Tax Rebate under Section 88 on premium paid towards the policy	For people who want to have high risk cover for a fixed-term at low cost
Endowment Plan	To get insured for a fixed-term at the end of which a sum assured is paid back along with accumulated bonus	Jeevan Mitra, Endowment Assurance, Jeevan Anand - LIC, Save 'n' Protect - ICICI Prudential	5-30 years	Tax Rebate under Section 88 on premium paid towards the policy	For people who want to have risk cover for a fixed-term but at the same time a return on the investment
Money Back Plan	Unlike Endowment Plan, it gives back a portion of sum assured at periodic intervals during the term	Jeevan Surabhi, Jeevan Samridhii, Marriage Endowment & Education, Jeevan Rakha - LIC, Cash Back - ICICI Prudential	7-35 years	Tax Rebate under Section 88 on premium paid towards the policy	For people who want to have risk cover for a fixed-term but at the same time need cash inflows at periodic intervals
Children's Plan	To make provisions for children's secured future	Komal Jeevan, Jeevan Kishore, Jeevan Chhaya, Jeevan Sukanya - LIC, Smart Kid - ICICI Prudential	0-18 years	Tax Rebate under Section 88 on premium paid towards the policy	For people who want to meet children's future financial needs by making it secure through insurance protection
Pension Plan	To make provision for a secure pension after retirement	New Jeevan Suraksha 1, New Jeevan Dhara 1, New Jeevan Akshay 1 - LIC, Forever Life, LifeTime Pension, LifeLink Pension - ICICI Prudential	2-40 years	Tax Rebate under Section 88 on premium paid towards the policy. Deduction from taxable income under section 80CCC(1) with a maximum limit of Rs.10,000	For people not having any regular income option after working life and willing to make post-retirement life financially secured by having a regular income in form of pension
Whole-Life Plan	To get a protection for the entire life	Jeevan Anand, Whole Life Plan Table 2 & 5 - LIC	5 years-till maturity	Tax Rebate under Section 88 on premium paid towards the policy	For financially secured people who want to create an estate for their legal heirs after their death

(updated as on March 31, 2003)

Step 5 : Review the progress of the portfolio at specified intervals

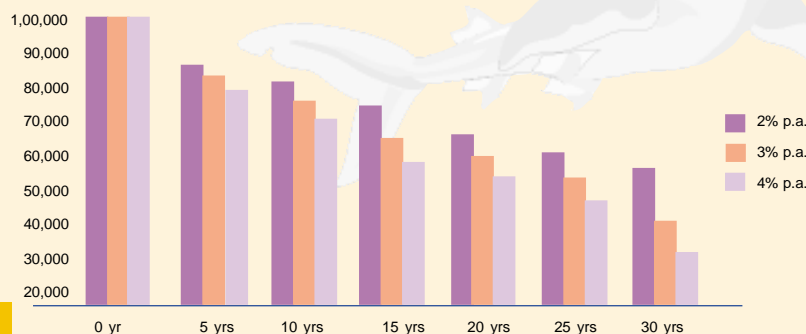
It is extremely important to keep a regular check on your investment portfolio. Though the broad strategy is determined by your investment approach as mentioned earlier, but you can not afford to ignore market conditions completely, if you want to maximise your returns. It is extremely important to rejig your portfolio frequently depending on market dynamics.

The Inflation Devil

Inflation, the rate at which the general level of prices for goods and services rises, can steadily erode the purchasing power of your income. That is why you should invest a portion of your savings at a rate higher than the inflation rate to recover the loss of purchasing power. This means that over time a rupee will be able to buy a lesser amount of goods and services. If the inflation rate is 5%, then Rs. 100 worth of goods will cost Rs. 105 after a year.

The value of Rs. 1,00,000 will become

No. of Yrs.	Inflation (% p.a.)				
	2	3	4	5	6
0	1,00,000	1,00,000	1,00,000	1,00,000	1,00,000
5	90,392	85,873	81,537	77,378	73,390
10	81,707	73,742	66,483	59,874	53,862
15	73,857	63,325	54,209	46,329	39,529
20	66,761	54,379	44,200	35,849	29,011
25	60,346	46,697	36,040	27,739	21,291
30	54,548	40,101	29,386	21,464	15,626



Power of Compounding

Regardless of where you choose to put your money - cash, stocks, bonds, or a combination of these - the key to saving for future is to make your money work for you. This is done through the power of compounding. Compounding investment earnings is what can make even small investments become larger given enough time.

You are probably already familiar with the principle of compounding. Money you put into a bank account earns interest. Then you earn interest on the money you originally put in, plus on the interest you have accumulated. As the size of your account grows, you earn interest on a bigger and bigger pool of money.

The table below shows two different

examples.

- How much would your money grow when you invest Rs.1,000 per month over a period of 10, 15, 20, 25, and 30 years
- How much would your money grow when you invest Rs.1,00,000 once over a period of 10, 15, 20, 25, and 30 years

The real power of compounding comes with time. The earlier you start saving, the more your money can work for you. Look at it another way. To attain certain amount of corpus within a set period of time pro-active investment style is preferable. Thus, no matter how young you are, the sooner you begin saving for future, the better it is.

Period (Years)	Total savings @ Rs.1000 per month	Grows @						
		6 % per annum	7 % per annum	8 % per annum	9 % per annum	10 % per annum	11 % per annum	12 % per annum
10	120,000	164,699	174,094	184,166	194,966	206,552	218,987	232,339
15	180,000	292,273	318,811	348,345	381,244	417,924	458,858	504,576
20	240,000	464,351	523,965	592,947	672,896	765,697	873,573	999,148
25	300,000	696,459	814,797	957,367	1,129,530	1,337,890	1,590,581	1,897,635
30	360,000	1,009,538	1,227,087	1,500,295	1,844,474	2,279,325	2,830,228	3,529,914
10	Rs.1,00,000 once invested	179,085	196,715	215,892	236,736	259,374	283,942	310,585
15		239,656	275,903	317,217	364,248	417,725	478,459	547,357
20		320,714	386,968	466,096	560,441	672,750	806,231	964,629
25		429,187	542,743	684,848	862,308	1,083,471	1,358,546	1,700,006
30		574,349	761,226	1,006,266	1,326,768	1,744,940	2,289,230	2,995,992

In 10 Years



In 20 Years



In 30 Years



Rs. 1,000 invested every month for 30 years (Rs. 3.6 lacs in total) will become Rs. 12.27 lacs @ 7% per annum
 Rs. 1 lac invested once for 30 years will become Rs. 7.61 lacs @ 7% per annum

Step I

Investment Style Check

RISK AND RETURNS ALWAYS GO HAND IN HAND. HIGHER THE RISK, GREATER THE RETURN AND VICE VERSA. TO EVALUATE YOUR RISK BEARING CAPACITY, ANSWER THE FOLLOWING SIMPLE QUESTIONS:

1. My Age is
 - (a) Above 50
 - (b) Between 30-50
 - (c) Between 24-30
2. I have following dependents
 - (a) More than 2 dependents
 - (b) 1-2 dependents
 - (c) None
3. My job is
 - (a) Secured
 - (b) Not secured
 - (c) Does not affect me whether it secured or not
4. My approach in making an investment
 - (a) I take educated view of the investment
 - (b) I take friendly advice and make decisions
 - (c) I rely on my guess
5. While investing in my funds, I am most concerned about:
 - (a) Safety of my principal
 - (b) Earning returns above the inflation rate
 - (c) Earning high returns
6. My current portfolio includes majority of:
 - (a) Govt. Securities and Bonds
 - (b) Mutual Funds and Company FDs
 - (c) Equity Share
7. I would like my investment to grow
 - (a) Steadily
 - (b) At an average rate
 - (c) Fast
8. Imagine that the stock market drops immediately after you invest in it
 - (a) I would withdraw my money
 - (b) I would wait and watch
 - (c) I would invest more in it
9. How long have you been investing?
 - (a) for the last 1-5 yrs
 - (b) for the last 5-10 yrs
 - (c) for over 10 yrs and above
10. What percentage of your income do you invest?
 - (a) Upto 5%
 - (b) 5% - 10%
 - (c) More than 10%
11. My knowledge about various investment schemes is
 - (a) Nil
 - (b) Average
 - (c) Good
12. How has your portfolio allocation changed over time.
 - (a) My portfolio allocation has remained consistent over long time.
 - (b) My portfolio allocation has changed somewhat over time
 - (c) My portfolio allocation has changed significantly over time
13. Which of the following statements truly describe you
 - (a) I am very much concerned with short-term volatility
 - (b) I am concerned if my investment does not give me return which is higher than inflation
 - (c) I am very much concerned with long-term volatility
14. How easily could you replace the loss suffered on an investment with future income
 - (a) Impossible
 - (b) Not easy but possible
 - (c) Very easily
15. Which statement best describes your investment objective
 - (a) I just need regular income
 - (b) I need regular income but would like some growth as well
 - (c) I need only growth in my investments
16. How often do you monitor your investments
 - (a) Daily
 - (b) Monthly
 - (c) Occasionally
17. What kind of return would you like on your investments
 - (a) You may gain a return up to 25% but there is a chance of losing 10% of your principal
 - (b) You may gain a return up to 10% with little chance losing your principal.
 - (c) You are assured to gain 5% return without any chance of losing your principal

Step II

Portfolio health check-up

Please give details of your investments
If you already are a Bajaj Capital Client, then your existing Relationship Manager can help you in assimilating this information.
(Use separate sheet, if necessary)

Your Name _____

Address _____

Pin _____

Phone _____ Cell Phone _____

Email _____

PLEASE GIVE DETAILS OF YOUR INVESTMENTS

Name & Scheme	Amount	Company/Scheme
Bank Deposits	_____	_____
Fixed Deposits	_____	_____
Mutual Funds	_____	_____
Shares	_____	_____
Bonds/Debentures	_____	_____
UTI Schemes	_____	_____
Post Office Schemes	_____	_____
Insurance Schemes	_____	_____
Others	_____	_____
Total	_____	_____

CUT HERE

Evaluate yourself

Give 10 points

20 points

30 points

Between 170-238

Between 239-306

Between 307-374

Between 375-442

Between 443-510

for answer 'a',

for answer 'b' and

for answer 'c'

PLEASE TICK what type of investor you are

Very Conservative Investor

Conservative Investor

Moderate Investor

Aggressive Investor

Very Aggressive Investor

Score



Our Learnings

- Start investing early and invest regularly
- Be wary of inflation
- Invest in an instrument that can offer post-tax returns higher than inflation

Most important - make a start

Points to remember-DOS

- Monitor your investments once a month and take corrective action if required immediately
- Take a long term approach to equity investments
- Be fully insured for all risks, which you are exposed to

Points to remember-DON'Ts

- Do not put all your eggs in one basket
- Do not put your money in a scheme which is offering unrealistically high returns
- Do not make direct investments in stock markets unless you have the expertise
- Do not let inflation eat your money which is parked in a savings bank account