



# Making Productive Investments

An Investor Education & Awareness Initiative By Franklin Templeton Mutual Fund



# What Is Savings?



The money left with you after paying for all your expenses and liabilities

**Savings = Income – All expenses including obligations towards borrowed money**

# What Is Investing?



Productively utilising your savings with an **expectation of earning return over and above the rate of inflation**

A process of **making your savings work for you**

## Some Well-known Investment Avenues (Asset Class wise...)

- **Equity**
- **Debt**
- **Gold**
- **Real Estate**



# Key Points To Consider Before Investing In...



Traits	Asset Classes			
	Equity	Debt	Gold	Real Estate
Return	High [Capital Appreciation & Dividend Income]	Low [Interest Income]	Medium [Capital Appreciation]	Medium to High [Capital Appreciation & Rental Income]
Risk	High	Moderate To Low	Moderate	High
Liquidity	High	Medium	Medium	Low
Taxation*	STCG# - Taxable LTCG## – Non Taxable	Interest Income - Taxable	Capital gains - Taxable	Capital gains - Taxable Rental Income - Taxable
Suitability	For long term Investors having high risk appetite	For short term Investors having low risk appetite	For long term Investor having moderate risk appetite	For Long term Investors having high risk appetite

#: Short Term Capital Gain tax

##: Long Term Capital Gain Tax

\* As per current tax laws. Please consult you advisor for implications of the investment/participation in the aforesaid asset classes. Please confirm the same.

# Can You Fulfil Your Desire?



**Cost of your Favourite Car today = Rs. 5 lakh**

**Assuming Inflation @ 10% p.a.**



**Cost of your Favourite Car after 1 year = Rs. 5.50 lakh**

(Inflation @ 10% p.a. is used for illustrative purposes only)

## Can You Fulfil Your Desire? (Continued...)



**Your Investment in a Fixed Deposit for 1 year = Rs. 5 lakh**

**Expected Rate of Interest = 8% p.a.**

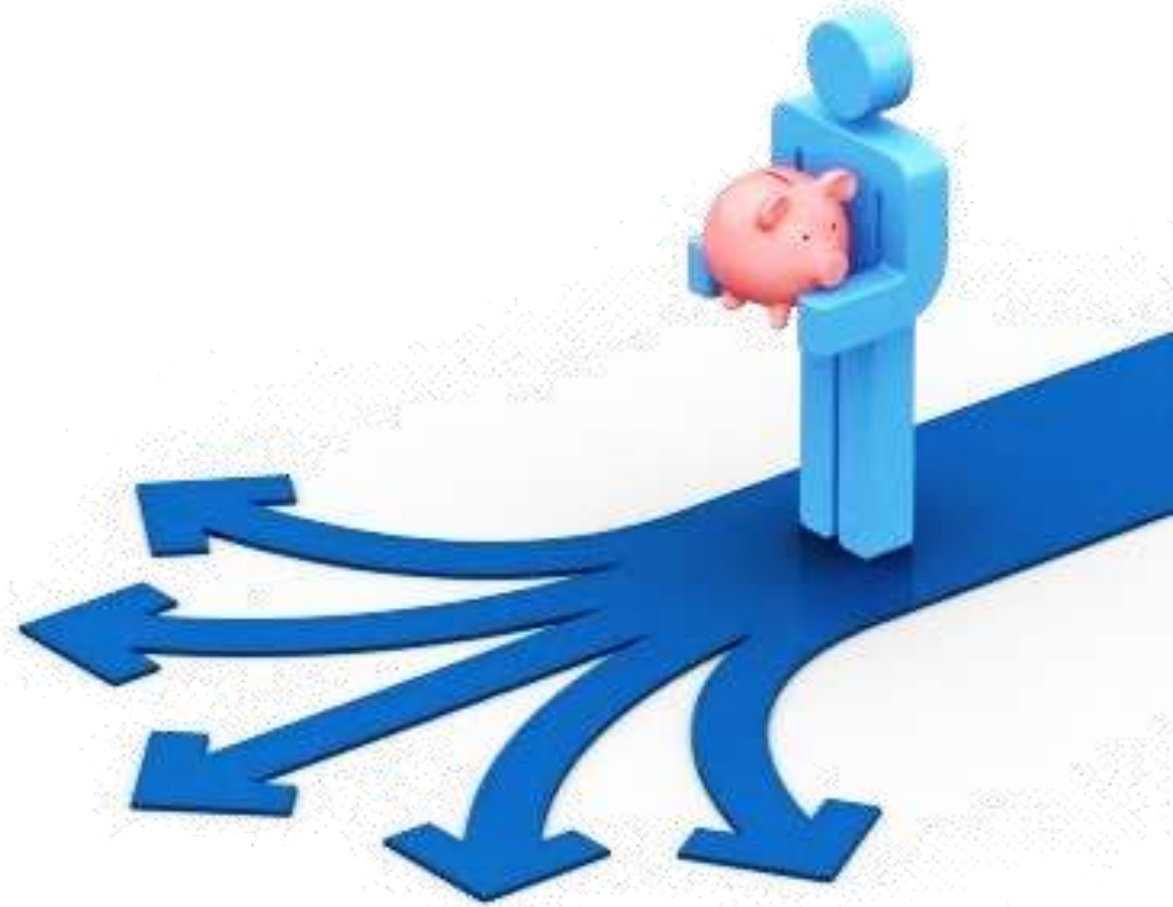


**Maturity Value of Fixed Deposit after 1 year = Rs. 5.40 lakh**

(Rate of interest of 8% is used for illustrative purposes only)

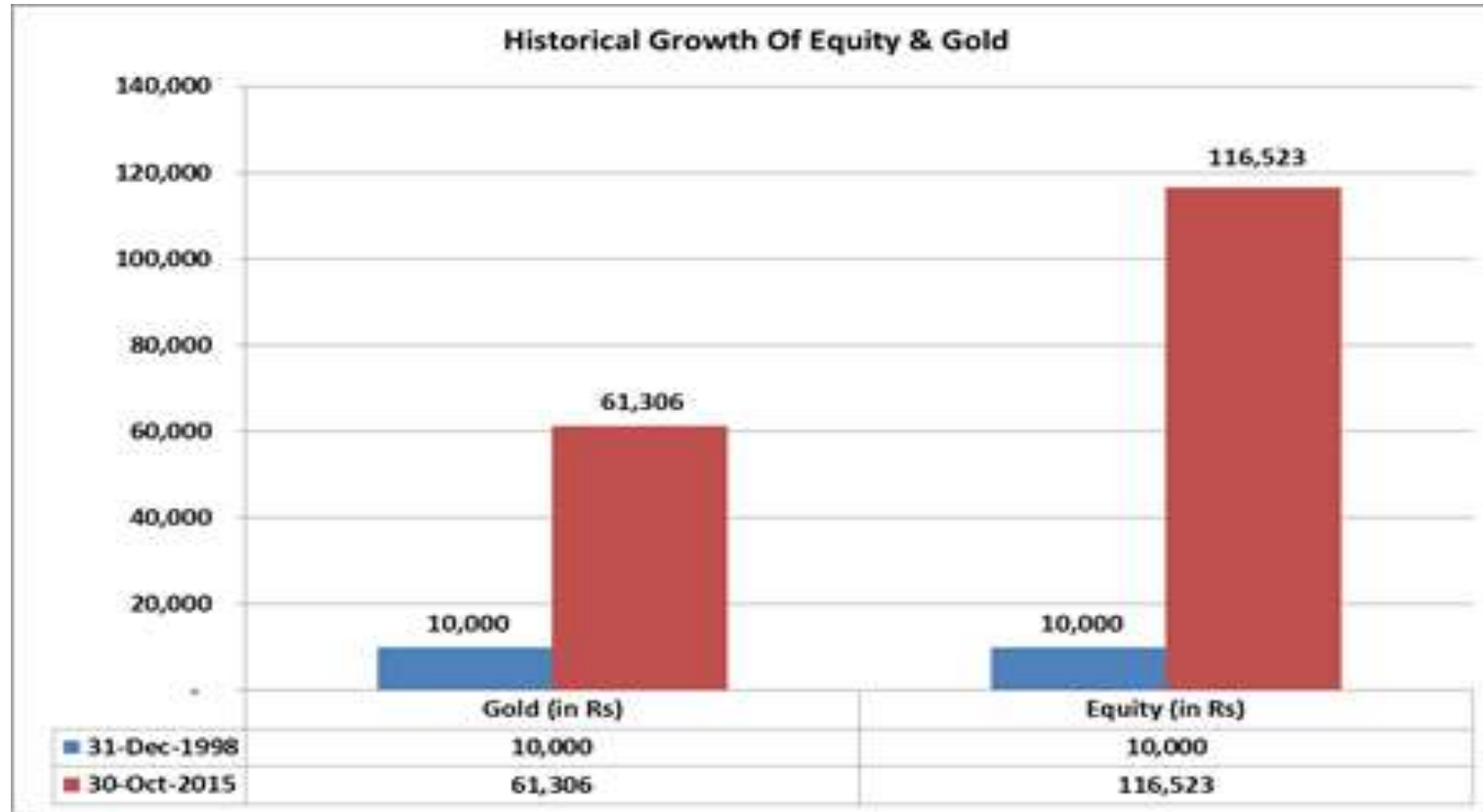
# How To Achieve Long Term Financial Goals?

- **Asset Allocation**
- **Diversification**
- **Power of Compounding**





# Investing Wisely Helps!



Source – Accord Fintech MF Research Tool

The value of equity investment is derived from the performance of S&P BSE Sensex - TRI,  
While the value of gold investment is derived from the performance of Gold-London AM (INR)  
Past performance may or may not be sustained in the future

# So What Do We Understand?

- **Equity**  
One of the Best Asset Class in the **Long run**
- **Debt**  
Preferred Asset Class in the **Short run**
- **Gold**  
An Asset Class to Preserve the **Value of Money**
- **Real Estate**  
An Asset Class to serve your **Basic Needs first**



# Points to Remember



- Just investing your savings is not enough. You should **invest wisely!**
- Know the **pros and cons** of the asset class before investing
- **Less risky assets** may not be able to beat the inflation rate
- **Equity** has potential to generate high returns in the long term
- **Debt** is suitable in the short term
- **Gold** is considered a hedge against inflation
- **Real Estate** should fulfill your Basic Needs First

# Lets Do A Short Quiz!



**we now invite you to test your learning by taking up this simple quiz  
(and win exciting prizes!)**

# Quick Quiz



- 1) Merely investing your savings is enough to achieve your long term financial goals?
  - A. True
  - B. False
  
- 2) \_\_\_\_\_ is a process of making your money saved work for you.
  - A. Saving
  - B. Investing
  - C. Compounding
  
- 3) Which asset class has the potential to generate high returns in the long term?
  - A. Gold
  - B. Debt
  - C. Equity

# Quick Quiz



- 4) Which asset class is considered a hedge against inflation?
  - A. Gold
  - B. Debt
  - C. Equity
  
- 5) Which asset class has the lowest investment risk?
  - A. Debt
  - B. Real Estate
  - C. Equity



**Thank You For Participating!**



Mutual Fund Investments Are Subject  
To Market Risks, Read All Scheme  
Related Documents Carefully.





FRANKLIN TEMPLETON  
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