

I want safety.

Equity is very risky and that's why I prefer bank FD.

- Equity Market is Risky.
- I want safety
- My Bank FD is giving me 7.5% (Guaranteed), Why should I invest in equity?



Aalps Wealth India Private Limited

Aalps Wealth India Private Limited | ARN - 181211

AMFI Registered Mutual Fund Distributor

## Total Deposit in bank FD

According to RBI data, bank deposits stood at Rs. 200 Lakh cr. at the end of calendar year 2023.



## Golden rule – Safety first



*“The first rule of an investment is don't lose [money]. And the second rule of an investment is don't forget the first rule.”*

*Warren Buffett*

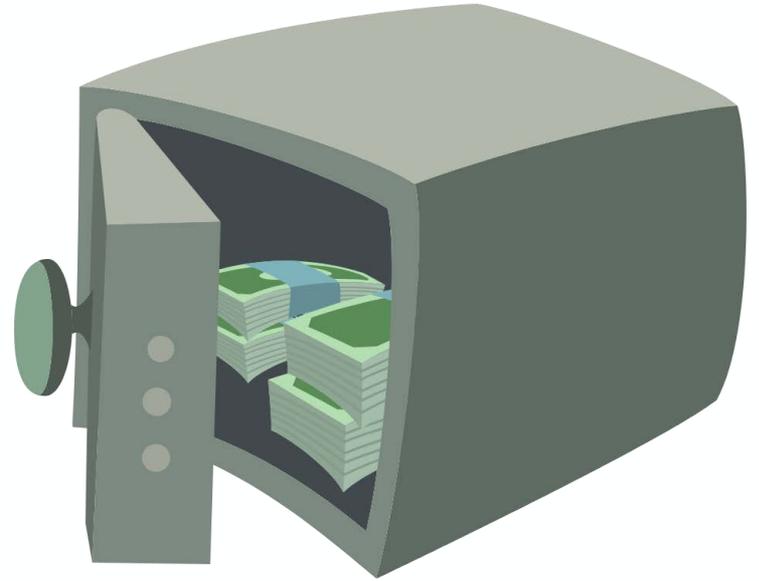
## Definition of Safety

# Safety of the **Money** vs. Safety of the **Value of the Money**

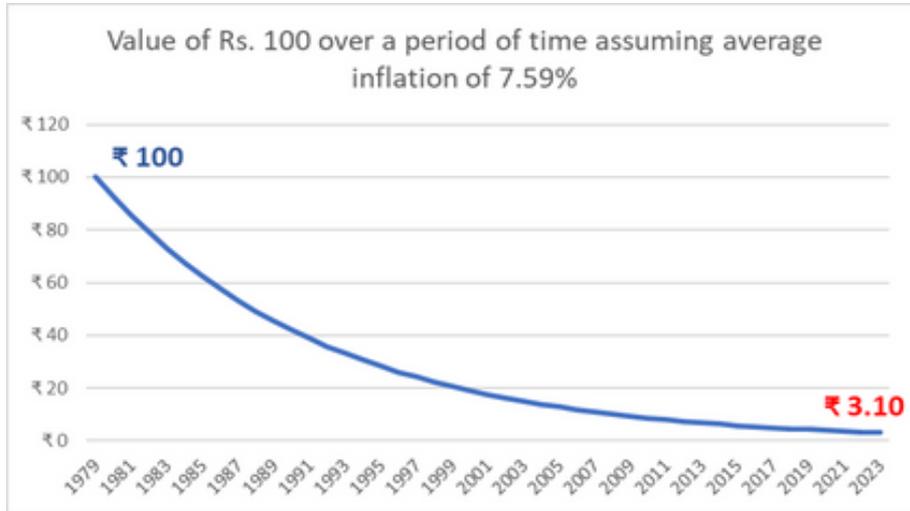


## Definitions of Safety

- What is the safest way to safeguard your money?
- Will you keep all your money into the locker?



# Rupee saved is not Rupee Safe



## Inflation Risk

Inflation erodes the purchasing power of your money every year.

Source: <https://www.focus-economics.com/country-indicator/india/inflation/> and <https://www.worlddata.info/asia/india/inflation-rates>

# Historical Inflation

Year	Inflation	Year	Inflation	Year	Inflation	Year	Inflation
1979	6.28%	1990	8.97%	2001	3.78%	2012	9.31%
1980	11.35%	1991	13.87%	2002	4.30%	2013	11.06%
1981	13.11%	1992	11.79%	2003	3.81%	2014	6.67%
1982	7.89%	1993	6.33%	2004	3.77%	2015	4.91%
1983	11.87%	1994	10.25%	2005	4.25%	2016	4.95%
1984	8.32%	1995	10.22%	2006	5.80%	2017	3.33%
1985	5.56%	1996	8.98%	2007	6.37%	2018	3.94%
1986	8.73%	1997	7.16%	2008	8.35%	2019	3.73%
1987	8.80%	1998	13.23%	2009	10.88%	2020	6.62%
1988	9.38%	1999	4.67%	2010	11.99%	2021	5.13%
1989	7.07%	2000	4.01%	2011	8.86%	2022	6.70%
						2023	5.10%

Historical avg. **Inflation**  
 (From 1979 till 2023)  
**7.59%**  
 Per annum

Source: <https://www.focus-economics.com/country-indicator/india/inflation/> and <https://www.worlddata.info/asia/india/inflation-rates>

Jane kaha gaye woh din?

Cash Memo

**RESTAURANT**  
(Prop. : Shantisana Enterprises)

S. No. 715      Waiter No. \_\_\_\_\_  
 Dated 24/11/15      Table No. 22  
 Name \_\_\_\_\_

Qty.	ITEMS	Rate	Amount	
			Rs.	P.
1	Shahi paneer	8/-	8	00
1	Dal Makhani	5/-	5	00
1	Raita aagg.	5/-	5	00
9	Roti	070	6	30
Total			24	30
S. T.			2	00
S. C.				
G. Total			26	30

Signature  


How much will the same Menu cost today?

# Past vs. Present

1985

Rs. 26.30

Cash Memo

**RESTAURANT**  
(Prop. : Shantisons Enterprises)

S. No. 715 Waiter No. 2  
 Dated 24/11/85 Table No. 2  
 Name \_\_\_\_\_

Qty.	ITEMS	Rate	Amount	
			Rs.	P.
1	Shahi paneer	8/-	8	00
1	Dal Makhani	5/-	5	00
	Raita egg.	5/-	5	00
9	Roti	070	6	30
Total			24	30
S. T.			2	00
S. C.				
G. Total			26	30
Signature				

2023

Rs. 1369

ITEM(S) ADDED

- Shahi Paneer ₹380 - 1 +  
₹380
- Boondi Raita ₹150 - 1 +  
₹150
- Dal Makhani ₹320 - 1 +  
₹320
- Butter Roti ₹50 - 9 +  
₹450

YOU CAN'T MISS THIS

- Orange Juice ₹190 ADD +

⊙ Add more items >

📍 Delivery at Home Change

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PAY BY CARD  
 PAY BY CASH  
 PAY BY NEFT

₹1,369.00 Place Order  
TOTAL

# Your Inflation

## Price Inflation & Lifestyle Inflation



## What's your inflation number?

14.40%

**Can't ignore the possibility**

- If your total monthly expense amount gets doubled every **5 years**.

12.00%

**More Likely**

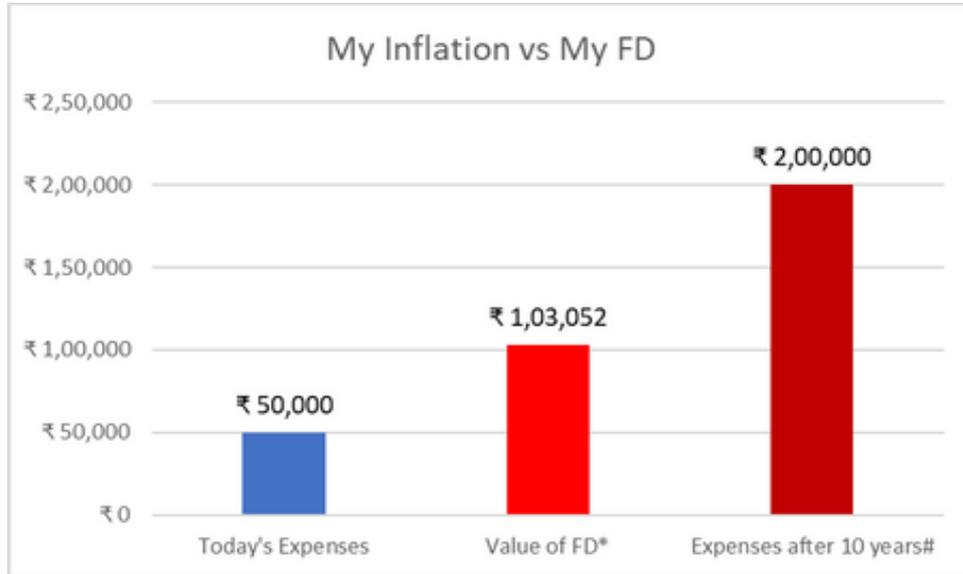
- If, your total monthly expense amount gets doubled every **6 years**.

10.23%

**Less Likely**

- If your total monthly expense amount gets doubled every **7 Years**.

# Profit or Loss?



\*FD interest - 7.5%

#My inflation is the combination of price inflation and lifestyle inflation. Assuming House Hold Expenses are getting doubled every year.

## Ostrich Effect

The ostrich effect, also known as the ostrich problem, is a cognitive bias that describes how people often avoid negative information, including feedback that could help them monitor their goal progress. Instead of dealing with the situation, we bury our heads in the sand, like ostriches.



# Sensex – Historical Performance

Year	Sensex	Investment / Value
31-3-1979	100	Rs. 1,00,000
<b>31-03-2024</b>	73651.35	<b>Rs. 7,36,51,350</b>

Sensex has delivered a **15.80% CAGR** return in the past 45 years (**736.51 times**)

Source: [https://www.bseindia.com/markets/keystatics/Keystat\\_index.aspx](https://www.bseindia.com/markets/keystatics/Keystat_index.aspx)

# Let's understand Market Risk

Details	Rolling Returns starts from 1 <sup>st</sup> Day of Financial Year					
	1 Year	3 Years	5 Years	10 Years	15 Years	20 Years
Total Observations	45	43	41	36	31	26
Positive Observation	31	36	38	35	31	26
Probability of Positive Return	69%	84%	93%	97%	100%	100%
Probability of Negative Return	31%	16%	7%	3%	0%	0%

From 31st March 1979 to 31st March 2024.

Source: [www.bseindia.com](http://www.bseindia.com) and internal research

# Two Major Risks



Inflation Risk



Market Risk

# Final Conclusion

Low  
High

Inflation Risk
<ul style="list-style-type: none"><li>• Short term</li><li>• Long Term</li></ul>

Market Risk
<ul style="list-style-type: none"><li>• Long Term</li><li>• Short Term</li></ul>

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