

WEALTHWISE®

Wiseinvest®
With YOU, in meeting
FINANCIAL CHALLENGES

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Wealthwise

“Wealthwise” is a monthly publication brought to you by Wiseinvest Advisors, which is a quality investment advisory firm that specializes in mutual funds. Our CEO, Hemant Rustagi, is a well known personal finance expert. He brings with him an experience of around 30 years in this field. He regularly writes articles for major national dailies and business magazines as well as appears as a personal finance expert on many investments related TV shows. Besides, our team of advisors has professionals who have spent years in the mutual fund industry. In the last fourteen years, thousands of our clients have benefitted from our quality advice and have made mutual funds as the mainstay of their portfolio. You can benefit too from our expertise for your existing as well as new investments. All you need to do is to just call up any of the offices or email your requirements at information@wiseinvestadvisors.com and our professional advisors will do the rest.

Dear Investor,

We're in the midst of 2019 general elections, and around 70 % of India has already voted. The BJP will be on test in the remaining 3 phases that include states of Madhya Pradesh and Rajasthan where it lost to the Congress in the recent assembly elections.



While the benchmark indices are up over 16 percent from February lows on hope that the BJP-led National Democratic Alliance will return to power for a second term, both small cap and mid-cap indices have bucked the broader market trend. It is evident that the market is waiting for the outcome of on-going general elections to set a decisive path for itself.

The sentiment has also been impacted by crude oil prices, which touched \$75 per barrel as the US declined to issue waivers to countries to continue to buy Iranian oil. Although oil prices dipped after the US President asked OPEC to raise output, oil remains the single biggest risk for Indian stock market. The factors such as US sanctions policy towards Iran and Venezuela, the state of the global economy, emerging markets growth, trade disputes, OPEC members' fiscal needs will determine where oil prices will be in coming quarters.

The trend in the March 2019 quarter results announced so far shows that revenue continues to grow in double-digits though at a slower rate. FIIs remained net buyers taking total inflows over ₹ 69,000 crore in February-March and April. However, during the same period, DIIs have been net sellers as they continued to prefer profit booking.

As widely expected, the Reserve Bank of India's Monetary Policy Committee (MPC) cut all monetary policy rates by 0.25 percentage points at its 2-3 April meeting, reducing the repo rate to 6.00%, the marginal standing facility to 6.25% and the reverse repurchase rate to 5.75%. The MPC also voted by a majority to maintain the current monetary policy stance as “neutral”.

Even though the stock market appears to be in an indecisive phase, there is no reason for investors following a disciplined approach and/or investing in equity funds with a clearly defined long-term time horizon to disrupt their investment process. Remember, events can drive the market in short-term but fundamentals rule in the long run. The father of value investing Benjamin Graham, explained this concept by saying that, in the short term, the stock market is a voting machine, but in the long run, it is a weighing machine.

Warm regards,

Hemant Rustagi

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Editor

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The Stock Market Performance During April 2019.

Indices	1st April 2019	30th April 2019	Change in (%)
Sensex	38,871.87	39,031.55	0.41
MIDCAP	15,560.12	14,889.42	-4.31
SMLCAP	15,144.40	14,624.56	-3.43
BSE-100	11,859.50	11,868.07	0.07
BSE-200	4,928.55	4,915.46	-0.27
BSE-500	15,373.98	15,293.75	-0.52

SIP
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What is SIP?

SIP stands for Systematic Investment Plan. A mutual fund industry tool that helps you invest in small amounts regularly in a disciplined manner, without disrupting your monthly budget.



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How to start SIP?

Starting a SIP online is simple 4-step process. Log on to: <https://www.kotakmf.com/sip>

- 1 Decide your investment amount
- 2 Select your investment frequency
- 3 Set a Date
- 4 Choose a Mutual Fund for SIP

Once the set-up is complete, the process takes place automatically.

Mutual fund investments are subject to market risks, read all scheme related documents carefully.

For more details:-

- Contact your financial advisor
- Visit us at www.kotakmf.com
- Call us on our toll-free number 1800 222 626

Focus On Tax Efficiency Of Returns

Having an investment plan in place helps in keeping investments remain on track during one's defined time horizon. Unfortunately, not many investors follow this disciplined approach. In fact, investors establish their investment styles and strategies in different ways. While on the one hand, there are investors who begin investing with a clear strategy and objectives, on the other hand there are those who don't really plan and hence learn the ropes the hard way. However, an important aspect of investment process that is often overlooked by many investors in both the categories is the tax efficiency of returns.

No wonder, traditional instruments like bank deposits, bonds, debentures and small saving schemes remain the most favored options for millions of investors in our country despite offering lower returns as compared to market linked product offered by mutual funds. Tax inefficiency of returns, that is interest is taxed at one's applicable tax rate, for most of these options further makes a dent in what investors get to keep.

In reality, tax efficiency of returns has to be an essential element of one's investment strategy. In fact, tax efficiency becomes even more important when one invests for medium to long-term investment goals such as children's education, buying a house and retirement planning.

One of the ways to improve pre and post-tax returns is to look beyond traditional investment options and invest in tax-efficient options like mutual funds. On the capital gains front, short term capital gains in equity and equity-oriented hybrid funds i.e. gains on an investment redeemed within 12 months are taxed at a flat rate of 15%. However, long term capital gains i.e. gain on investments redeemed after 12 months are taxed @ 10 percent. Similarly, the applicable DDT for these funds is 10 percent. As regards debt funds, while short term capital gains are taxed at one's applicable tax rate, long-term capital

gains, that is, gains on investments redeemed after 36 months are taxed at 20% after indexation. The applicable DDT for dividend option is 25 percent (29.12 percent including surcharge and cess).

It is important to consider these tax rules while selecting option, that is, dividend, growth or dividend re-investment. For investment in equity and equity-oriented funds to achieve long-term goals like children's education, their marriage and one's own retirement planning, the obvious choice would be "growth option". It allows investors to benefit from power of compounding as well as tax efficiency of returns.

Similarly, in case of debt funds too, the choice of option will depend upon time horizon. For a time horizon of less than 36 months, it would be prudent to opt for dividend payout or dividend reinvestment if the applicable tax rate is 30 percent. However, growth option will be a better bet for investors in tax bracket of up to 20 percent. Similarly, for an investment with a time horizon of 36 months or more, growth option would be ideal as one benefits from indexation benefit.

As is evident, investing with a clearly defined time horizon goes a long way in letting one make the right choices. It is equally important to minimize portfolio turnover to improve tax efficiency of returns. This can be done by avoiding ad hoc decisions based on the market moods. In other words, by assessing the tax consequences before making abrupt changes in the portfolio and resisting the temptations to sell investments for reasons other than poor performance and changes in one's personal circumstances, the tax burden can be reduced. It also pays to make the right selection of funds and options therein to minimize the need to make changes in the portfolio in the short term. Last but not the least, by honoring one's time commitment, haphazard decisions can be avoided.

Power of SIP

It is a well known fact that regular investment through SIP in equity funds can produce amazing results. Of course, the key is to continue this process uninterruptedly for the defined time horizon. The table below highlights, how an investment of ₹ 10000 per month in different funds has grown over 5 & 10 Years. Data as on April 30, 2019. SIP - 10th of every Month.

Scheme Name	Date of Launch	Investment Amount Per Month (₹)	5 Years			10 Years		
			Total Investment (₹ in lacs)	Current Value (₹ in Lacs)	Return % (XIRR)	Total Investment (₹ in lacs)	Current Value (₹ in Lacs)	Return % (XIRR)
Axis Bluechip Fund	Jan-10	10000	6	8.32	12.76	-	-	-
Kotak Bluechip Fund	Dec-98	10000	6	7.73	9.86	12	22.23	11.73
Mirae Asset India Equity Fund	Apr-08	10000	6	8.56	13.89	12	28.75	16.48
Reliance Large Cap Fund	Aug-07	10000	6	8.26	12.48	12	25.50	14.27
Axis Focused 25 Fund	Jun-12	10000	6	8.45	13.39	-	-	-
Kotak Standard Multicap Fund	Sep-09	10000	6	8.43	13.28	12	-	-
Reliance Multi Cap Fund	Mar-05	10000	6	7.68	9.61	12	25.40	14.20
UTI Equity Fund	May-92	10000	6	7.88	10.64	12	24.30	13.38
Axis Midcap Fund	Feb-11	10000	6	8.11	11.75	-	-	-
HDFC Mid-Cap Opportunities Fund	Jun-07	10000	6	7.77	10.09	12	30.28	17.43
Kotak Emerging Equity Scheme	Mar-07	10000	6	7.96	11.04	12	28.94	16.60
Invesco India Contra Fund	Apr-07	10000	6	8.37	13.00	12	27.54	15.69
Kotak India EQ Contra Fund	Jul-05	10000	6	8.25	12.42	12	23.86	13.04
L&T India Value Fund	Jan-10	10000	6	7.90	10.74	-	-	-

Past Performance may or may not be sustained in future.

As with any investments in securities, the NAV of units can go up or down depending on the factors and forces affecting capital markets.

Plan For Your Child's Requirements Early

Nothing brings more joy to a family than birth of a child. In fact, the excitement and expectations start building up as soon as the pregnancy is confirmed. As expected, the adequate precautions are taken about the diet and health of the mother to be. However, very rarely do we see parents to be focussing on financial implications of this very important event at an early stage. It is estimated that parents spend around 70 lakhs on child from conception to college education. Needless to say, inflation will add to the cost going forward. The cost can be even more if the child either goes for education abroad or decides to go for a professional course.

Hence, parents would do well to start planning much before the child is born so as to ensure that they neither face any financial stress nor compromise on any aspect of this very important goal of their lives. Here's what they need to do.

Maternity Insurance

It is important for every pregnant women to get the best care during and after the pregnancy. However, medical facilities and childbirth has become a costly affair. Therefore, it would be prudent to accumulate a large enough corpus to take care of expenses during this entire period. One of the options is to buy a maternity insurance, which is usually provided as add on or rider on health insurance policy. However, the premium for maternity insurance is higher on account of almost 100 percent claims ratio. Group insurance policies also offer maternity coverage with a sub-limit of up to ₹ 50,000, which must be considered while buying maternity insurance.

Considering the high premium, it may actually be a wise decision to plan early for covering maternity expenses rather than paying high premium for low coverage under maternity insurance. If one does decide to buy maternity insurance, it must be done at an early stage as there is waiting period of 2 to 6 years as well as a pre-existing clause.

Spend carefully during child's early years

It is common to see parents spending a lot of money on buying expensive clothes, shoes and toys even at a very early stage of the child. While the urge to see a child wearing fancy clothes and be surrounded by fancy toys is understandable, it is of little importance to babies who grow very fast. Needless to say, parents could use this money for essential expenses like baby food as well as diapers and save some money in the process.

Similarly, parents spend a lot of money on birthday celebrations even when the child is small. Considering that child can't appreciate this gesture of the parents at such a young age, it does nothing more than making the parents happy. This money, if kept aside for important goal like child's education, can reduce the financial burden on parents considerably.

Follow a goal-based investment approach

It is evident that putting some money aside much before the child is born goes a long way in building the corpus required to cover initial expenses as well as for future needs. In fact, while doing so, it pays to plan separately for regular expenses and for the lump sum required mainly for education. By following a goal-based approach, it becomes easier to ascertain the time horizon, corpus required and how to invest to achieve that target. One mustn't forget to consider inflation while setting the target for long-term child related goals.

For example, while planning for child's higher education, the rate of inflation should be considered at around 10 percent. Hence, the current cost of ₹ 50 lakhs for education is likely to grow to ₹ 1.50 crore after 15 years. To achieve this target, a monthly investment of 22,000 pm has to be made through SIP in equity funds over the next 15 years. If parents are not in a position to invest the required amount, they must begin with whatever amount they can and make every effort to increase it as early as possible to cover the gap. Besides, investing in efficient investment option like mutual funds provide flexibility, liquidity, variety, right level of diversification in the portfolio and healthy returns.



Are your dreams matching reality?

Mutual Funds
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Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

Performance Of Select Funds

Data as on April 26, 2019

EQUITY FUNDS

Large Cap, Large & Midcap, Multi Cap

Fund	Launch	6 Mth*	1 Year*	2 Year**	3 Year**	5 Year**	7 Year**	10 Year**	15 Year**
ABSL Frontline Equity Fund	Aug-02	13.53	3.89	7.12	12.12	13.82	15.57	16.82	16.96
Aditya Birla Sun Life Equity Fund	Aug-98	13.27	0.76	6.80	14.63	16.87	17.74	17.42	17.61
Axis Bluechip Fund	Jan-10	16.57	9.96	14.79	14.70	14.27	15.76	—	—
Axis Focused 25 Fund	Jun-12	12.05	0.91	11.59	16.47	16.52	—	—	—
Franklin India Equity Fund	Sep-94	14.26	3.46	6.70	10.56	15.57	15.92	17.07	17.42
HDFC Equity Fund	Jan-95	17.81	10.58	9.83	15.50	14.35	14.81	18.18	18.01
HDFC Top 100 Fund	Oct-96	17.35	13.47	10.39	15.82	13.96	14.29	16.71	17.66
HSBC Large Cap Equity Fund	Dec-02	15.75	3.54	8.12	13.33	11.91	12.26	12.11	13.77
ICICI Prudential Bluechip Fund	May-08	12.31	5.98	10.06	13.97	14.21	15.01	17.39	—
IDFC Core Equity Fund - Regular Plan	Aug-05	9.98	-1.81	5.15	13.64	13.05	13.55	13.18	—
Kotak Bluechip Fund - Regular Plan	Dec-98	17.13	5.51	7.88	11.35	13.67	13.90	14.35	15.25
Kotak Standard Multicap Fund	Sep-09	17.55	8.01	8.80	15.95	18.38	18.20	—	—
L&T Equity Fund	May-05	11.09	-2.33	5.81	11.63	13.55	13.71	16.18	—
Mirae Asset India Equity Fund	Apr-08	15.61	10.03	12.05	16.75	17.86	18.29	20.88	—
Mirae Asset Emerging Bluechip Fund	Jul-10	15.89	6.44	9.60	19.36	24.63	24.74	—	—
Motilal Oswal Multicap 35 Fund	Apr-14	14.30	-5.63	4.59	14.30	—	—	—	—
Reliance Large Cap Fund	Aug-07	17.04	10.48	11.72	16.00	16.55	16.38	16.31	—
Reliance Multi Cap Fund	Mar-05	17.80	6.19	9.58	12.91	14.40	15.18	20.47	—
Invesco India Contra Fund	Apr-07	12.67	-0.13	11.05	15.64	18.91	18.00	19.30	—
SBI Bluechip Fund	Feb-06	15.29	1.04	6.88	10.98	15.19	16.32	16.18	—
Principal Emerging Bluechip Fund	Nov-08	9.93	-6.33	4.51	15.00	20.17	20.95	22.15	—

Midcap & Smallcap

Axis Midcap Fund	Feb-11	10.47	2.06	12.20	13.94	18.15	19.31	—	—
DSP Midcap Fund - Regular Plan	Nov-06	14.05	-5.59	2.70	14.31	19.19	18.06	22.17	—
HDFC Mid-Cap Opportunities Fund	Jun-07	11.10	-7.52	3.12	13.46	18.27	18.95	23.18	—
Kotak Emerging Equity Scheme	Mar-07	13.93	-6.47	3.02	12.88	21.22	18.96	20.10	—
Franklin India Smaller Companies	Jan-06	10.33	-11.44	0.65	10.18	19.04	21.84	23.03	—
HSBC Small Cap Equity Fund	May-05	9.36	-21.77	-2.48	8.57	15.74	15.16	15.34	—
L&T India Value Fund	Jan-10	12.00	-4.75	3.07	13.30	20.05	19.44	—	—
SBI Magnum Global Fund	Sep-94	8.75	-5.18	5.94	8.32	15.31	16.58	20.96	20.27

Sectoral / Thematic Fund & Tax Saving

ICICI Prudential Banking and Financial	Aug-08	24.14	11.63	10.36	23.17	21.49	21.24	22.73	—
Reliance Banking Fund	May-03	22.34	6.88	10.01	19.27	18.26	17.40	20.52	19.45
Reliance Pharma Fund	Jun-04	5.04	8.75	8.14	4.86	11.67	14.91	22.30	—
Canara Robeco Consumer Trends Fund	Sep-09	17.42	5.12	9.98	16.64	18.07	16.82	—	—
SBI Consumption Opportunities Fund	Jul-99	10.52	-4.30	11.23	15.71	15.34	16.42	23.98	20.13
Tata India Consumer Fund - Regular	Dec-15	4.55	-6.94	11.13	19.82	—	—	—	—
Axis Long Term Equity Fund	Dec-09	13.90	2.57	11.55	13.94	17.94	19.53	—	—
HDFC Tax saver Fund	Mar-96	12.50	3.34	4.83	12.87	12.81	13.45	16.77	17.98
HSBC Tax Saver Equity Fund	Jan-07	14.00	-3.66	3.26	11.97	13.42	15.26	16.03	—
IDFC Tax Advantage (ELSS) Fund	Dec-08	12.78	-4.66	8.67	14.76	16.39	17.40	17.51	—
Mirae Asset Tax Saver Fund - Regular	Dec-15	15.07	7.91	12.49	20.37	—	—	—	—

HYBRID

ABSL Equity Hybrid '95 Fund	Feb-95	9.03	-0.55	4.14	9.76	13.49	13.95	15.44	15.26
Canara Robeco Equity Hybrid Fund	Feb-93	12.63	6.33	8.30	12.43	14.85	14.12	15.81	16.44
HDFC Hybrid Equity Fund	Sep-00	12.28	4.09	7.43	12.30	14.98	15.02	18.17	—
ICICI Prudential Balanced Advantage	Dec-06	9.43	5.49	7.81	10.40	11.89	—	—	—
ICICI Prudential Equity & Debt Fund	Nov-99	10.40	6.19	8.11	13.14	14.93	15.66	16.70	14.77
Invesco India Dynamic Equity Fund	Oct-07	8.92	-0.45	6.48	10.83	11.81	—	—	—
Kotak Equity Hybrid Fund - Regular	Nov-99	14.13	1.46	3.89	9.67	10.63	11.19	12.45	13.41
L&T Hybrid Equity Fund	Feb-11	8.56	-1.51	4.62	10.10	14.21	14.82	—	—
Principal Hybrid Equity Fund	Jan-00	8.71	1.04	10.00	15.42	14.57	14.91	14.38	13.12
Reliance Equity Hybrid Fund	Jun-05	9.86	0.20	6.15	10.52	13.92	14.14	15.87	—
SBI Equity Hybrid Fund	Dec-95	12.63	5.51	10.28	11.52	14.61	16.01	15.22	15.89
HDFC Equity Savings Fund	Sep-04	6.72	5.55	5.72	10.83	9.46	—	—	—
IDFC Equity Savings Fund - Regular	Jun-08	5.60	3.71	4.49	5.17	5.87	—	—	—
Kotak Equity Savings Fund - Regular	Oct-14	6.58	6.09	7.62	8.80	—	—	—	—
Reliance Equity Savings Fund	May-15	5.27	1.03	4.63	7.37	—	—	—	—

ARBITRAGE FUNDS

Funds	Launch	3 Mth*	6 Mth*	1 Year*	2 year**	3 Year**	5 Year**
ICICI Prudential Equity Arbitrage Fund	Dec-06	1.52	2.80	6.27	6.03	6.17	6.74
Invesco India Arbitrage Fund	Apr-07	1.33	2.50	5.74	5.83	5.94	6.57
Kotak Equity Arbitrage Fund Regular	Sep-05	1.59	2.92	6.41	6.29	6.28	6.84

DEBT

Debt Oriented & Ultra Short Term Debt Fund

Funds	Launch	1 Mth*	3 Mth*	6 Mth*	1 Year*	2 Year**	3 Year**	5 Year**
ABSL Short Term Opportunities Fund	May-03	0.28	1.81	4.24	7.46	6.53	7.31	8.35
Aditya Birla Sun Life Medium Term Plan	Mar-09	0.08	0.51	1.86	3.73	5.23	6.53	8.19
HDFC Credit Risk Debt Fund	Mar-14	0.31	1.80	4.25	6.57	5.90	7.21	8.60
Kotak Credit Risk Fund Regular Plan	May-10	0.37	1.70	4.10	6.82	6.34	7.45	8.44
Invesco India Short Term Fund	Mar-07	0.28	1.98	4.56	6.83	5.86	6.68	7.29
Reliance Credit Risk Fund	Jun-05	0.03	1.42	3.92	6.77	6.34	7.36	8.32
SBI Magnum Income Fund	Nov-98	-0.09	1.85	4.46	6.30	5.20	7.43	8.30
L&T Credit Risk Fund	Oct-09	0.05	1.37	3.67	5.91	5.99	7.25	8.43
Kotak Savings Fund Regular Plan	Aug-04	0.61	1.94	4.23	7.81	7.21	7.40	7.96
L&T Ultra Short Term Fund	Apr-03	0.61	1.91	4.13	7.70	7.20	7.40	7.93
Kotak Banking and PSU Debt Fund	Dec-98	0.31	2.06	5.19	8.07	6.88	7.58	8.04

*Absolute ** Annualised. Past performance may or may not be sustained in future.

Dividends declared by equity and equity-oriented funds during the month of April 2019

Scheme name	Date	Dividend declared in ₹ Per unit
IDBI Diversified Equity Fund (D)	04/04/2019	1.24
IDBI India Top 100 Equity Fund (D)	04/04/2019	1.33
IDBI Equity Advantage Fund - Regular (D)	04/04/2019	0.89
UTI-Master Equity Plan Unit Scheme	11/04/2019	0.89
DSP Equity Fund (D)	11/04/2019	5.00
ICICI Pru Large & Mid Cap Fund - (D)	16/04/2019	1.42
Reliance Large Cap Fund (D)	18/04/2019	0.09
Sundaram Mid Cap Fund - (D)	23/04/2019	0.20
L&T Large & Midcap Fund (D)	23/04/2019	0.19
BNP Paribas Multi Cap Fund (D)	25/04/2019	0.12
Franklin India Dynamic PE Ratio Fund of Funds (D)	26/04/2019	0.85
Aditya Birla SL Inter Equity - Plan B (D)	30/04/2019	1.08
Aditya Birla SL Inter Equity - Plan A (D)	30/04/2019	1.26

Please check whether you have received dividend for the fund/s that you may have in your portfolio out of this list. In case, you do not maintain any portfolio statement, Wiseinvest Advisors can do that for you free of charge. Once we have the details, we would send your updated statement every month. You can contact our corporate office or our branch to avail of this free service.

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Make Your Bucket List - An Inspiration To Do Well

There are a few things that all of us would love to do, see or achieve during our life time. However, “when” and “how” to do these things can be quite a challenge for most of us. Hence, it is always a great idea to prepare a bucket list as that helps in prioritizing and living life to the fullest.

A bucket list helps you look beyond your To-do-list. To-do-list usually consists of those things that you do as a part of your routine life. For example, investment goals like creating a corpus for child's education, marriage, buying a house and planning for retirement form a part of it.

A bucket list usually has two types of goals, that is, those that are self-indulgent like holidaying at an exotic location or buying a latest gadget and those that are more purposeful like further studies. Since it may not be possible for you to focus on all of them, the key is to prioritize them and make the list achievable. Remember, making your bucket list achievable doesn't mean compromising on your dreams. In fact, it helps you avoid including impossible indulgences in the list. This is crucial as unachievable bucket list can be counter-productive. Simply put, instead of being an inspiration, it can make you feel depressed and compromised.

Similarly, “when” is as important as “what”. For example, in a situation where you have to decide between buying a car or going for a desired trip, you may have to prioritize one over the other. In fact, even if you prefer to buy a car, you may still like to opt for the trip if it is for an adventurous sport as you may find it difficult to do that at a later stage.

As is evident, a bucket list is important as it involves goals that inspire you to do well in your life. It's not to say that things you do for your loved ones are

not motivating enough for you to do well in life. The difference being that bucket list goals help you recharge your batteries and inspire you to excel in life.

To ensure that your bucket list is not vague, you must list out everything that you would like to be a part of it. To simplify this process, make your bucket list goals a part of your overall investment plan and provide for them like any other goal.

Therefore, the next step should be to ascertain how much money you will need for the goals in your bucket list and assign a time horizon and a target to each one of them. It is important to ensure that target for each of the goals in the bucket list is worked out in a manner that there are no shortfalls.

For example, if one of the goals is to travel to a specific place after a defined period, inflation has to be considered while working out the cost of travel as well as other related expenses. It is equally important to execute the plan in a cost-effective manner. For example, planning for the trip well in advance can reduce the cost considerably as you can get attractive rates for airline tickets and hotel bookings.

While planning creates a road map, it is equally important to choose the right investment options. Mutual funds can be an ideal investment vehicle as they offer variety, flexibility, potential of higher returns and tax efficient returns which can help you design a suitable portfolio to achieve the goals in your bucket list.

It's Time To Embrace Financial Planning

Financial planning is the process of making informed money management decisions to secure your future. Financial planning helps to achieve financial goals and meet personal priorities, taking into consideration available resources, responsibilities, risk appetite and lifestyle. A financial plan lays down the allocation of savings across various asset classes to achieve an appropriate risk-reward balance.

Do you need a financial plan?

All individuals and families regardless of age or income need a financial plan so that they know that they are saving enough for retirement, education funds or a new home. A financial plan gives you the discipline necessary to save money. A qualified and experienced financial planner can help you plan your investments so that you get the best returns for your risk level by spreading your investments into the different asset classes as well as investment options.

Wiseinvest Advisors is a SEBI registered Investment Adviser (Registration No. INA000000664). To maintain an arm's length distance between our Advisory and Execution services, we have set up a separate department named Investment Adviser Department (IAD).

We can help you achieve your goals by providing comprehensive fee based financial planning and making recommendations of financial products that suit your requirements the most. Our mission is to help you overcome uncertainty and take control of your finances and move confidently towards achieving your goals. The basis of fee calculation is the complexity of the engagement.

Remember, financial planning doesn't have to be an intimidating process. We have qualified and experienced advisers who can make financial planning a simple and fruitful process for you.

Our process:

- Step 1:** The first meeting provides an opportunity for you and us to get to know each other. You also get an opportunity to decide whether we have the capability to fulfill all your requirements.
- Step 2:** Establish a clear understanding of your goals and objectives as well as analyze your current situation. We have a discussion to determine what you want to achieve with your wealth.
- Step 3:** Determine your risk profile through discussion and a psychometric test. This enable us to find out how much risk you would like to and need to take to achieve your goals.
- Step 4:** Develop your unique financial plan. This will also include the recommended asset allocation and various investment options that suit your needs. While doing this, we also analyze your current investments. We present a final version of your customized financial plan so that you're positioned to move forward.
- Step 5:** Implement the investment plan. There would be no obligation on you to choose Wiseinvest Advisors to implement the recommendations made in the financial plan.
- Step 6:** We'll meet regularly to proactively address changes in your circumstances, as well as those in the markets, economy and taxes.

If you are keen to start the process of financial planning, you can get in touch with Investment Adviser Department at our Andheri office or mail us on iad@wiseinvestadvisors.com

Manage Your Windfall Carefully

While receiving a lump sum of money as bonus brings cheer to the working class, it often causes dilemma in their minds about where and how to invest/utilize it. This is also that time of the year when salaried employees get their annual increment. In such a situation, there can be a temptation to do things that one may have been longing to do for long like going on a vacation, buying something on a whim or starting home renovation that may cost much more than bonus received and hence putting one's finances in disarray.

Of course, there are those who are very careful with their money and hence make this lump sum money a part of their overall investment process thereby either using it to repay expensive loans or allocate it towards some of their investment goals.

If you have received lump sum money recently and are wondering what to do with it, here are some do's and don'ts:

Avoid putting it to use in a hurry

Any lump sum money, if put to use properly, can make a difference to your finances in more than one way. Hence, it is important not to act in a hurry. The right way would be to invest it straightaway in options like liquid or ultra-short term funds of mutual funds and then consider all the best possible options carefully to make an informed decision.

Repaying credit card and personal loans

It is a well known fact that these are the most expensive loans and hence if you have any such outstandings, repaying them has to be the top priority. Once this is done, you will get an opportunity to put your finances back on track and start investing to achieve different investment goals. Needless to say, it would require a change in your spending habits to ensure that such a situation does not arise again.

Repaying housing or education loan

While repaying a part of any loan sounds like a good idea, it may not always be the case. For example, considering that there are many investment opportunities with a potential to earn handsome returns over the next 7 to 10 years, it may not be a great idea to repay say a housing loan. Before making a decision, you must consider tax benefits on repayment of principal amount as well as interest payable. If you have taken a joint housing loan with your spouse, the impact can be huge. Another consideration has to be the number of years left for repayment of loan. Similarly, interest on education loan is eligible for tax benefit. Hence, unless there is a specific situation that may warrant repayment of such loans, it will be a good idea to invest this money judiciously.

Creating an emergency fund

Creating an emergency fund is an important aspect of your investment process. However, at times one may not be able to do so due to paucity of funds. A windfall can be a good starting point to create an emergency fund that is sufficient enough to cover one's six months expenses. This could go a long way in ensuring that you continue your investment process un-interruptedly without disturbing a planned investment process.

Investing to achieve investment goals

If you have been following a goal-based investment process, it will be a great idea to allocate this lump sum amount towards those goals that have to be given priority. Of course, you have to be careful in terms of strategy to invest this amount. If money has to be invested in debt funds or an option like equity savings fund, you can go ahead and invest the entire amount at one go. However, if amount is assigned to long-term goals and has to be invested in balanced or equity funds, it may be a good idea to invest either thru STP rather than investing as a lump sum or a combination of both. Investing through STP also goes a long way in allowing you to redefine your risk profile and enhance exposure to equities in a carefully planned manner. In addition, a significant part of the increment must also be aligned to goals especially the ones that require a large corpus like children's education and retirement planning.

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Edited, Published and Printed by Mr. Hemant Kumar Rustagi, on behalf of **Wiseinvest Advisors Pvt. Ltd.** from 602, 6th Floor, Sri Krishna Complex, Opp. Laxmi Ind. Estate, New Link Road, Andheri West, Mumbai 400053 at **AdvantEdge Offset Printers**, K-7 Rizvi Park, S V Road, Santacruz (W), Mumbai 400 054. Design by **Mosaic Design**. Copyright reserved © 2007. All rights reserved in favour of Wiseinvest Advisors Pvt. Ltd.