

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?



ANITHA


ANITHA | ARN - 56442

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.”

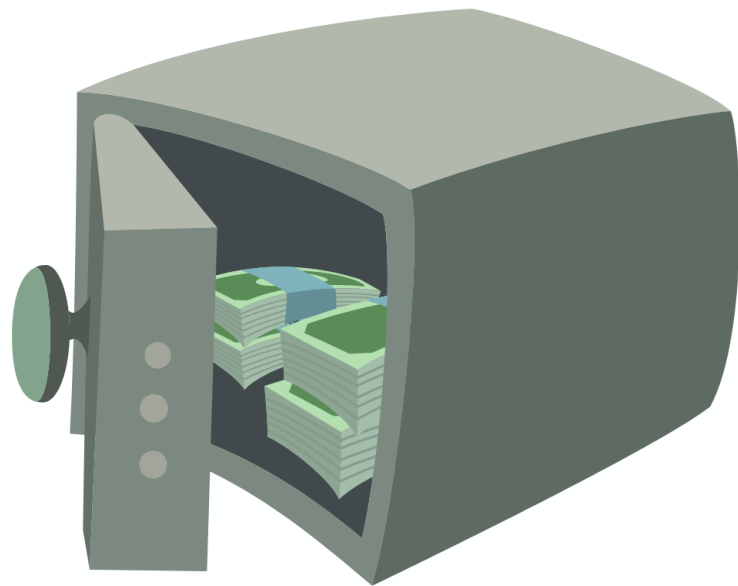
Warren Buffett

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

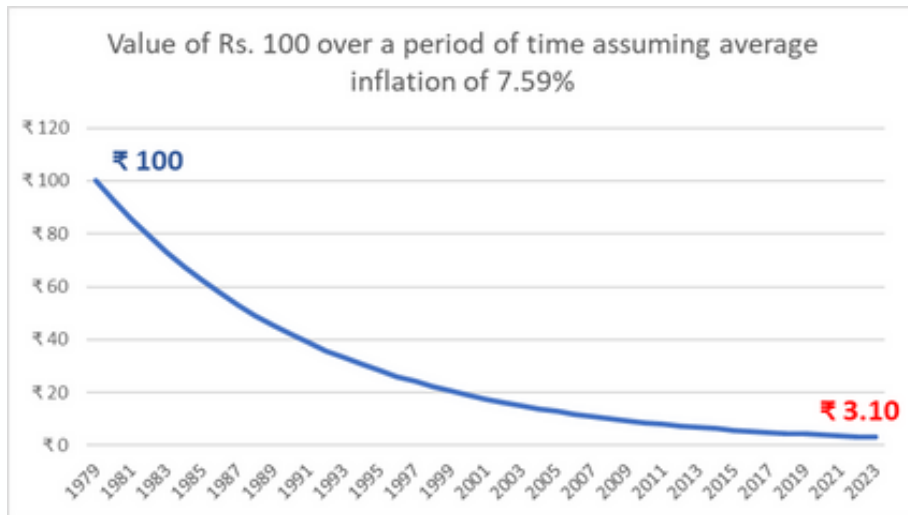


Definitions of Safety

- 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. 22
Dated 24/11/15 Table No. 22
Name

Qty.	ITEMS	Rate	Amount	
			Rs.	P.
1	Shahi pursey	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. : Shantisona Enterprises)

S. No. 715 Waiter No. 2
Dated 24/12/85 Table No. 2
Name

Qty.	ITEMS	Rate	Amount
		Rs.	P.
1	Shahi paneer	8/-	8-00
1	Dal Makhani	5/-	5-00
1	Raita egg.	5/-	5-00
9	Roti	9/-	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

PAY USING **Peasapay**

₹1,369.00 TOTAL Place Order >

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

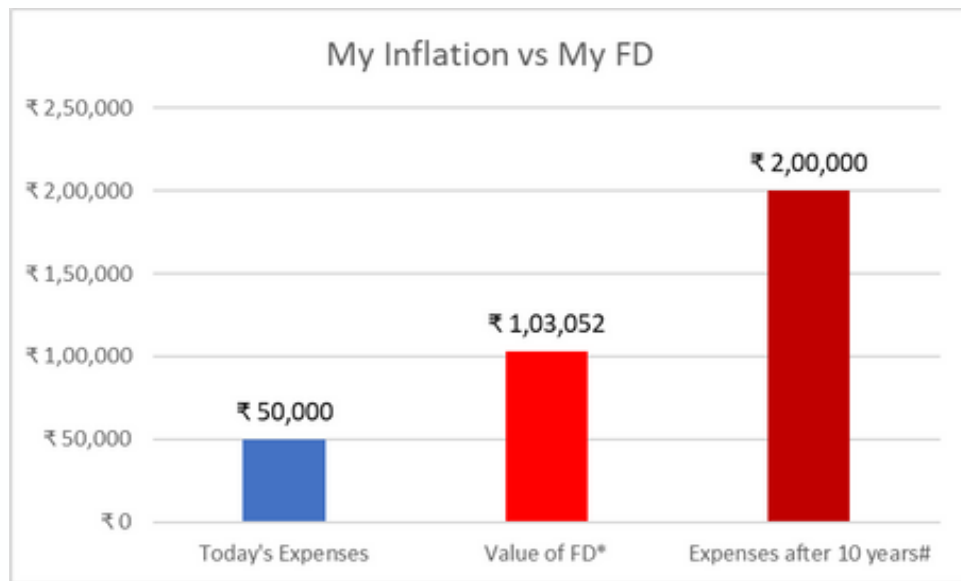
- If, your total monthly expense amount gets doubled every **6 years**.

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
31-03-2024	73651.35	Rs. 7,36,51,350

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

Let's understand Market Risk

Details	Rolling Returns starts from 1 st 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 and internal research

Two Major Risks



Inflation Risk



Market Risk



Final Conclusion

Low
High

Inflation Risk

- Short term
- Long Term

Market Risk

- Long Term
- Short Term



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