

JOURNEY 2 MONEY

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Editorial



VCARE INVESTMENT
SERVICES PVT. LTD.

We are your MF Distributor... begin your Journey to Money with us.

Relax and wait for your meal

Why me??

I walked into a restaurant and after going through the menu, I ordered some food. After about 20 minutes a group of men and women walked in and ordered theirs. To my dismay, these folks got served first! I watched as they began to eat & laugh heartily.

I even overheard one of them bragging about how connected he is to everyone in the hotel and I felt mocked. I decided to leave. Unable to take it anymore, I called the waiter. He calmly told me: "Yours is a special order, being prepared by the chief chef himself. Their orders were prepared hurriedly by students on attachment because the top chefs are busy with yours Sir. That's why they were served first. Please have some juice as you wait". I calmed down and waited patiently. Shortly after, my meal was served by 6 waiters. Unknown to me, the owner of the hotel (who happened to be an old long lost friend of mine) saw me when I entered and decided to surprise me. She changed my simple meal to a five-star meal. The party at the other table was shocked. They couldn't stop staring. Suddenly, they were the ones murmuring, asking why they didn't get that kind of service and meal. Such is life!

Some people are ahead of you and are eating now, laughing at you and talking about how they are smarter, wiser and better than you, how they are well connected, blessed, have money and are enjoying life. You are waiting tirelessly wondering why it's taking so long to breakthrough, you endure mockery and humiliation.

Do not worry!

The owner of the world has seen you and doesn't want you to be served a simple meal like those making a mockery of you. You're waiting long because yours is a special meal. It takes time to prepare. And only chief chefs prepare them.

So relax and wait for your meal...!

Piyush Desai - CEO



Moral:

Sometimes when you compare your investment portfolio with others, you may feel that their portfolio has generated higher returns than yours.

Focus on your financial goals rather than returns from schemes. Past performance may or may not be replicated in future, therefore don't churn your portfolio frequently in chasing returns.

Be patient and you will definitely get the desired returns and ultimately achieve your financial goals.

Legendary investor Peter Lynch always emphasized the importance of being patient: 'Frequently, years of patience are rewarded in a single year'.

Francois Rochon

Why should Millennials look at ELSS?

Why is tax planning important for Millennials?

Most millennials are in the early stages of their careers; they can save up to Rs. 46,800* in taxes every year by investing up to Rs. 1.50 lakhs in specified schemes under Section 80C of the Income Tax Act 1961. This is significant amount of savings in the early stage of the investor's career and over the years may add up to a substantial sum. The money invested in 80C schemes also generates potential return on investments and over a long period of time may grow to a substantial corpus through the Power of Compounding.

*Assuming investor falls in the 30% Income Tax bracket.

Why is ELSS ideal for Millennials?

Millennials are in the 23 to 38 age group. Most of them have 25 to 35 years of working lives ahead of them and their financial liabilities are likely to be low. As such, they have high risk capacities and equity is one of the ideal asset classes for them. Though equity is volatile in the short term, it has the potential to generate superior returns in the long term. For example: Since inception (1979), S&P BSE Sensex has generated 15.08% annualized returns** outperforming all other asset classes.

**Source: www.bseindia.com

ELSS is essentially an equity mutual fund scheme which qualifies for tax savings under Section 80C. They have a lock-in period of 3 years. ELSS invests in stocks across market capitalization segments and industry sectors, diversifying stock specific and sector specific risks.

In the last 10 years, ELSS as a category delivered on average 14.97% CAGR returns (top performing schemes delivered much higher returns than the category average). ELSS has the highest wealth creation potential among all the 80C investments.

Millennials are a very important demographic segment in India, constituting nearly half of our workforce. Growing up in post liberalization lifestyle and spending habits of millennials are different compared to previous generations. The data from Registrars and Transfer agents (RTAs) show that around 47% of new mutual fund investors in FY 2018 -19 were millennials. One of the important financial goals for millennials is tax saving and Mutual Fund Equity Linked Savings Schemes (ELSS) can be one of the best tax saving investment options for millennials.

ELSS could be a tax efficient investment tool:

Individuals and HUFs can claim deduction under Section 80C of Income Tax Act up to an overall limit of Rs. 1.5 lakhs from taxable income by investing in ELSS mutual funds. Long Term Capital gains in excess of Rs. 1 lakh from sale of ELSS units are taxed at 10%.

ELSS is a flexible investment under Section 80C. These two are important factors for millennials. Unlike life insurance plans (both traditional and unit linked), there are no charges for pre-mature withdrawal or surrender in ELSS; you can stop investing at any point of time (though not recommended) without penalty.

Summary

Tax savings may be considered as one of the most important annual financial goals of millennials. ELSS Mutual Funds may help millennials not just with tax savings but with substantial wealth creation over a long investment horizon through disciplined investing. You should consult with your financial advisor about tax savings with ELSS and may consider the capacity of this segment for your long term investing.

HOW CAN YOU SAVE TAX?

Annual Taxable Income (Rs)	Max Amount of ELSS Investment (Rs)	Taxable Income of ELSS Investment (Rs)	Tax Before ELSS Investment (Rs)	Tax After ELSS Investment (Rs)	Total Savings (Rs)
2,50,000	1,50,000	1,00,000	-	-	-
5,00,000		3,50,000	13,000	5,200	7,800
10,00,000		8,50,000	1,17,000	85,800	31,200
15,00,000		13,50,000	2,73,000	2,26,200	46,800

*Illustration purpose only. Calculations based on the tax rate FY 19-20 under Section 80C including education cess of 4%

Assuming investor falls in 30 % income tax bracket, of Income Tax Act, 1961.

^Source: Mirae Asset Mutual Fund

Top Performing Mutual Fund ELSS (Tax Saving) - As On Date : 27/11/2022

Scheme Name	Launch Date	AUM (Crore)	1 Year Return (%)	2 Year Return (%)	3 Year Return (%)	4 Year Return (%)	5 Year Return (%)	7 Year Return (%)	10 Year Return (%)
Quant Tax Plan	08-03-2000	2126.60	10.95	43.96	37.63	28.68	21.83	23.02	21.16
Parag Parikh Tax Saver Fund	26-07-2019	848.19	10.69	25.82	23.85	—	—	—	—
Tata India Tax Savings Fund	13-10-2014	3190.55	7.52	23.23	16.44	15.86	11.21	14.08	16.40
PGIM India ELSS Tax Saver Fund	11-12-2015	437.12	6.75	26.57	19.50	16.79	12.38	—	—
IDFC Tax Advantage (ELSS) Fund	26-12-2008	3986.13	6.41	31.39	23.34	17.37	12.42	15.43	17.14
Kotak Tax Saver Fund	23-11-2005	3062.89	6.34	24.15	18.67	17.07	12.71	14.49	15.13
Mahindra Manu ELSS Kar Bachat	18-10-2016	517.39	5.12	26.10	18.43	15.24	9.81	—	—

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

##Above mentioned returns are in CAGR (Compound Annual Growth Rate)



Tata AIA Life Insurance Fortune Guarantee Plus

Individual, Non-Linked, Non-Participating, Life Insurance Savings Plan (UIN: 110N158V03)



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and **Premium**
Paying Term



Get **return of premium[^]** at
the end of
Income Period



Flexibility to
choose **Income**
Period from 20
to 45 years



Enhance your
protection with
optional
Riders^{^^}

**No Medical up to
Applied Sum Assured
of 55 Lacs per life for
all Ages**

Sample Illustration is for Male age[#] 40 years, Standard Life paying Annual Premium* of ₹ 5,00,000 for Plan Option 1

PPT	PT	Annual Income Period	Guaranteed ¹ Annual Income	Return of Premium ^{^^} on Maturity	Total Benefit (Total GAI ¹ + ROP ^{^^})	Total Benefits ³ by Total Premium
5	6	30 Years	177,650	25,00,000	7,829,500	313%
6	7		228,450	30,00,000	9,853,500	328%
10	11		497,650	50,00,000	19,929,500	399%
12	13		659,050	60,00,000	25,771,500	430%



VCARE INVESTMENT
SERVICES PVT. LTD.

For any of your requirements in:

- Mutual Funds
- Health Insurance (Mediclaime)
- Life Insurance (Term Plan)

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HDFC SAPPHIRE DEPOSITS



CELEBRATING
HDFC's **45th** ANNIVERSARY

HDFC
SAPPHIRE
DEPOSITS

7.50%*
p. a.
FOR 45 MONTHS

INTRODUCED W.E.F OCTOBER 14, 2022

FOR INDIVIDUALS & TRUSTS

INTEREST RATES ON DEPOSITS UPTO ₹ 2 CRORE
(LIMITED PERIOD SCHEME)

Period of Deposit	Monthly Income Plan	Quarterly Option	Half-Yearly Option	Annual Income Plan	Cumulative Option*
45 Months	7.25%	7.30%	7.35%	7.50%	7.50%
Minimum Amount (₹)	40,000	20,000	20,000	20,000	20,000

*FOR CUMULATIVE OPTION INTEREST IS COMPOUNDED ANNUALLY

Senior Citizen (60 years and above)		Online Deposits	
Additional Interest Rate (for Deposits upto ₹ 2 crore only)	0.25% p.a.	Additional Interest Rate (Only for Individual deposits)	0.05% p.a.

OTHER TERMS & CONDITIONS AS PER DEPOSIT APPLICATION FORM.

MISSION IMPOSSIBLE



HEAVEN

&

WEALTH



Everyone wants to go to
heaven, but no one likes to die

Everyone wants high return
but don't like the risk

**CHOOSE AN INVESTMENT PRODUCT
THAT SUITS YOUR RISK PROFILE**

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



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AMFI Registered Mutual Fund Distributor

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