

## EDITORIAL



Hello,  
**HAPPY NEW YEAR 2020 !!!**

Welcome, all in the new year 2020, with new enthusiasm, zeal, and zest.

In continuation of our 1st news bulletins published in **October 2019**. I discussed the importance of savings and how a person can become rich with this only tool of savings.

After reading this **first editorial**, a few of my friends/clients asked me how much one should save to provide for all his **future financial goals**. This become very crucial when a person prepare himself/herself to start saving. Then always the tendency is save minimum and spend maximum. Like I said in my previous article that savings are actually a crucial part of controlling expenses without which saving is almost impossible. The person earning money is obviously inclined to enjoy his money by spending on his requirements and therefore not prepared to discount current pleasure for future gain or pain and therefore tends to **save less** and **spend more**.

I am therefore thankful to all my friends who asked me this crucial question as to **“how much?”** savings. This may actually differ from person to person, depending upon various factors like family background, source of income, essential mortgage, etc. However for a salaried class especially where there is a statutory deduction of EPF(Employee Provident Fund) is taking place then it should be at least minimum **20%** to **25%** of his income (net of tax) and for a self-employed, businessman it should be minimum **30%** of the net savings. The question now is how one can secure this percentage of saving especially when it is difficult to save money and controlling expenses. And that is possible to start with the minimum possible percentage say **10%** to **12%** and gradually increase to the desired level. Savings always require deliberation.

Warm regards,  
**MILIND BANE.**



## EXPERT'S OPINION ON OUR 1ST ISSUE



## FINANCIAL PLANNING

Most of the people in cities are busy working and just surviving. They are earning their livelihood and are happy with their life in general. Since past decade or so we have seen decent disposable income available with people which they want to save for children's education, investment and contingencies. It's been observed that many still rely on bank Fixed deposits or Life Insurance policies as a conservative way and there are some who invest in share market and burn their hard earned money, for want of proper financial guidance. We have seen many just start investing in real estate without exploring other options to multiply their investments.

Life springs at us many surprises and challenges. One should ensure a steady growth oriented financial stability in order to focus energies on family, work and health.

In my career I worked Pan-India and spent money without much savings until 45 years of my life. What ever little savings I could do was in PPF, LIC, NSC at the beginning of my career. One fine day I realized that all this savings will not be sufficient during my retirement or difficulties. Hence I consulted Milind Bane who was introduced to me by my office colleague. He very professionally and intelligently handled my case, asked relevant questions about my life, lifestyle needs, commitments, children's education & daughters marriages, retirement plans, appetite to save etc. The very first meetings itself gave me confidence that I was talking to the right person.

Now at the age of 55 years, I have my savings, investments ( short term, long term ) sorted out and I see light at the end of the tunnel. It's a very comforting feeling and helps me focus on my work, take risks while Milind Bane and his team manages my investments, medical insurance and retirement needs ( when & if I eventually retire ).

There should be no regret in life due to wrong financial planning. I would highly recommend to talk to your financial advisor ( not necessary a Chartered accountant ) as early as possible in life and secure your financial goals their by leading a happy life through out. Wishing you all a very Happy & prosperous Diwali.

Best Regards,  
**VIKRAMSINHA MOHITE.**

## It's time to understand LIC as the most trusted and sound financial institution :

- The only public sector undertaking earning profit consistently since its formation in 1956.
- On December 27, 2019 LIC handed over a dividend cheque of Rs.2610.74 crores to Government of India towards the Government of India share. Government of India holds 5% equity sharing in LIC of India.
- During the Fiscal year 2018-2019 LIC generated a total valuation surplus of Rs. 53214.41 crores registering a growth of 9.9% over the previous year.
- LIC's life fund (policyholder's fund) is of Rs.31.11 lakh crores with an annual income of Rs.5.61 lakh crores.
- The total amount of claims settled in the year 2018-19 was Rs.1.63 lakh crores. The total number of claims settled 2 crores 59 lakhs.
- LIC's contribution to XI Five years plans was Rs.704151 crores, always been the fundamental reason for nation-building.
- As known to many people, LIC enjoys an advantage of sovereign guarantee compared to other insurance. As per insurance act 1938, every money on LIC policy is backed by a guarantee from Central Government; that is a Sovereign Guarantee.
- As on date, when even banks are not considered as a safe investment, LIC stands like a rock honouring all its commitments towards policyholders.

“The family should be established and run on a sound business basis. It should be protected against needless bankruptcy.”

**- Prof. Solomon S Huebner**

“Why is it not fully as reasonable to have a life insurance policy accompany a marriage certificate, as it is to have a marine insurance certificate invariably attached to a foreign bill of exchange ?

The voyage in the first instance is, on the average, much longer, subject to much greater risk and in case of a wreck, the loss is of infinitely greater consequence.”

**- Prof. Solomon S Huebner**

## MUTUAL FUND

## TOP PERFORMING FUNDS AS ON 31ST DECEMBER 2019

## LARGE CAP FUND

NAME OF FUND	TOTAL INVESTMENT UNDER THE FUND AS ON 31ST DEC 2019 IN CRORES	CAGR (YIELD %)			
		1 YR	3 YR	5 YR	10 YR
MIRAE ASSET LARGE CAP FUND	16520	13.31	15.96	12.02	14.50
AXIS BLUE CHIP FUND	9480	19.39	20.64	10.94	-
CANARA ROBECO BLUE CHIP EQUITY FUND	270	16.47	16.45	9.97	-
ABSL FRONTLINE EQUITY FUND	21260	9.11	12.13	9.44	-
KOTAK BLUE CHIP FUND	1470	15.02	13.26	9.34	10.49

## MULTI CAP FUND

NAME OF FUND	TOTAL INVESTMENT UNDER THE FUND AS ON 31ST DEC 2019 IN CRORES	CAGR (YIELD %)			
		1 YR	3 YR	5 YR	10 YR
MOTILAL OSWAL MULTICAP 35 FUND	13090	8.61	12.65	12.31	-
KOTAK STANDARD MULTICAP FUND	29100	12.93	14.51	11.22	13.48
SBI MAGNUM MULTICAP FUND	8320	11.69	12.89	11.01	11.24
ABSL EQUITY FUND	11860	9.28	11.75	10.74	11.83
DSP EQUITY FUND	3180	17.64	14.99	9.58	11.39

## MID CAP FUND

NAME OF FUND	TOTAL INVESTMENT UNDER THE FUND AS ON 31ST DEC 2019 IN CRORES	CAGR (YIELD %)			
		1 YR	3 YR	5 YR	10 YR
MOTILAL OSWAL MIDCAP 30	1770	11.19	7.87	9.26	-
INVESCO INDIA MIDCAP FUND	640	4.16	12.32	9.08	15.58
FRANKLIN INDIA PRIMA FUND	7600	4.02	9.46	8.95	14.58
NIPPON INDIA GROWTH FUND	6820	7.76	11.14	8.85	10.39
HDFC MID-CAP OPPORTUNITIES FUND	22790	0.84	8.04	8.43	15.83

## LARGE &amp; MID CAP FUND

NAME OF FUND	TOTAL INVESTMENT UNDER THE FUND AS ON 31ST DEC 2019 IN CRORES	CAGR (YIELD %)			
		1 YR	3 YR	5 YR	10 YR
MIRAE ASSET EMERGING BLUECHIP FUND	9500	15.29	17.44	15.85	-
CANARA ROBECO EMERGING EQUITIES FUND	5260	9.35	14.57	12.12	18.05
SUNDARAM LARGE AND MID CAP FUND	950	11.18	14.86	11.13	18.73
DSP EQUITY OPPORTUNITIES FUND	5620	11.90	12.34	10.96	12.10
INVESCO INDIA GROWTH OPPORTUNITIES FUND	2110	11.37	15.66	10.81	12.47

“You can never be at peace with yourself if you want everybody to be happy with you.”

- T.T. Rangarajan

“Let us sacrifice our today so that our children can have a better tomorrow.”

- Dr. A. P. J. Abdul Kalam

“You only have to do a very few things right in your life so long as you don't do too many things wrong.”

- Warren Buffett

## NEWS IN BRIEF

- MF added over Rs 4,00,000 crores in 2019. Expect the same momentum in the new year.
- SIP AUM touches all-time high of Rs 3.12 lakh crores in November 2019.
- Corporate tax cuts may boost growth in GDP in the medium term.
- Reliance Mutual fund has taken over by Nippon India Mutual Fund.
- PPF will continue to fetch the same interest rate of 7.9% till March 31, 2020.
- Due date to link PAN with AADHAR extended up to 31st March 2020.
- Deposit Insurance Corporation (DICGC) faces claims around Rs 14000 crores from defaulting cooperative banks, including PMC Bank.
- EPFO to restore the commutation of pension which was withdrawn earlier. The labor ministry will issue notification on January 1, 2020.
- Budget 2020 may see spending stimulus instead of income tax relief.
- PFRDA to become regulator for all pension products, once the amendment to PFRDA Act is effected.
- No need to worry about the withdrawal of Rs. 2000 notes by Government. Anurag Thakur, Minister of State for Finance (PTI, December 10, 2019, 4.48 PM IST).
- RBI urges the Government to cut rates on small saving schemes.

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