

# Optimise Returns & Reduce Market Risks

*Webinar in association with **Anand Rathi Digital Wealth***

*By Jayesh Matani*



*Co-founder & Director **Matani Financial Services LLP***

Monday Dec 16 '24



**MATANI**  
FINANCIAL SERVICES  
*< adding value... > < creating wealth ... >*  
Based in India > serving clients worldwide

A Full Service Equity Broking House offering :  
Equity Broking | Mutual Funds SIP | Stock SIP | e-IPO | Goal Setting  
Advisory Services | Derivatives - F&O | Bonds, FD's & Fixed Income  
Low-Risk Structured Products | PMS | AIF | Algo Trading  
NRI Service | WealthBaskets | ETF's | International Investing  
Corporate Advisory | Managed Portfolios | Wealth Management  
Online Will | Finance & Loans against Security / Property  
Term, Life & Health Insurance for Individuals & Group

+91 9323 797 402 | +91 98692 72 573 | ifa.matani@gmail.com



AR DIGITAL WEALTH  
AN ANANDRATHI COMPANY

AR Digital Wealth Pvt. Ltd.  
AMFI-registered Mutual Fund Distributor

~ Family owned Boutique Wealth Management Firm ~

~ Equity Broking & Financial Services ~

~ Investments in India; serving client world over ~

~ Wealth Coaching ~

~ *Integrity > Transparency > Trust > Peace of Mind* ~

# Session flow

- 
1. Objectives ..
  2. Problem Statement.. *Survey Data*
  3. Current pains, *in numbers*
  4. Outlining the Solution
  5. Our approach..
  6. The Secret..
  7. A Sample..
  8. Our approach - how's it's been, so far?
  9. Addressing the pains.
  10. Next steps - the offer
  11. Thank-you !

# Objectives

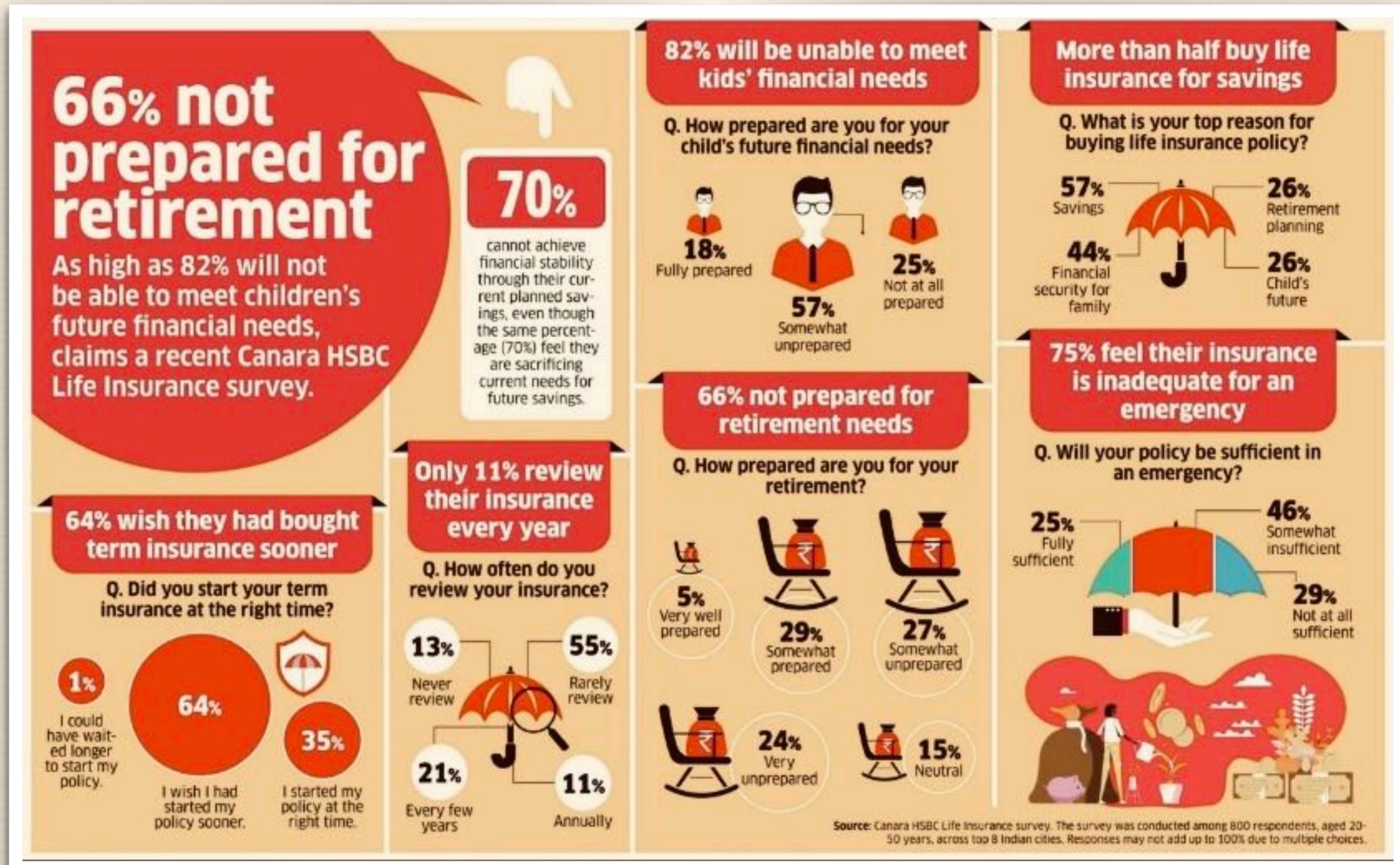
- **Peace of Mind**

- by **outgrowing the inflation**, maintain same lifestyle throughout the retired life,

- **sustain** *unexpected market conditions*, without getting worried about your future - **extracting regular monthly cash flow** and **liquidity** at all times,

- finding **Your comfort** - for risk, so that we aim to reduce it and, grow Your investments

# Problem Statement.. Survey Data (General)

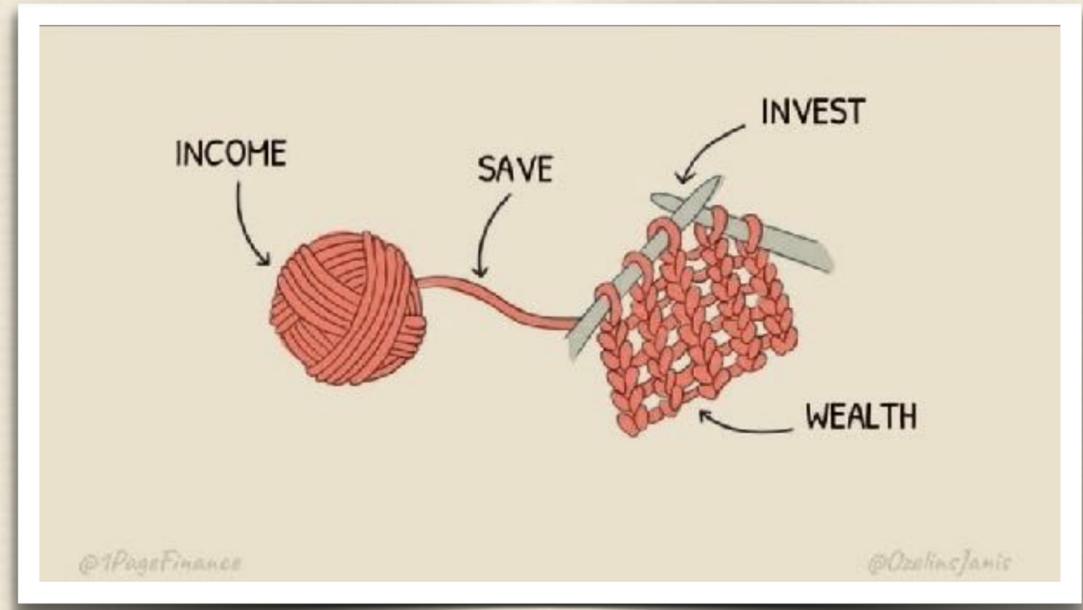


## Targeted Survey\* Data.. *Current pain, in numbers..*

- 87% of respondents are **concerned about Inflation** eating away their savings,
- 33% are **not ready for unexpected market corrections** - affecting their investment portfolio,
- 38% **haven't objectively evaluated** their investment portfolios' for **potential risks & performance**,
- 81% have shown interest to learn about a **proven method to safeguard their investment without losing returns** or higher costs of fund management,
- Nearly 20% of **portfolio are not aligned to goals or milestones.**

*\*Survey results from 267/500 replies; individuals aged between 40-50 yrs*

# Outlining the Solution



- **Invest:** *in appreciating Assets*
- **Optimise returns:** *by way of Asset Allocation*
- **Lower risks:** *by 'bucketing' the capital (Solution: ensuring planning a regular inflation adjusted cashflow, safety + growth of capital)*

- *Retirement Planning,*
- *Risk Management,*
- *Portfolio Diversification,*
- *Tax friendly, Wealth Protection & Preservation,*
- *Achieving Financial goals*

# Our approach..



- **Debt Funds:** To ensure steady cash flow without taking any risk on capital. (*Bucket-1, 0-5 yrs*)
- **Structured Product:** to enhance the chances of securing inflation beating return with a higher probability and almost no chance of losing capital. (*Bucket-2, 5-10 yrs*)
- **Equity Mutual Funds:** to create significant wealth in long term. (*Bucket-3, 10 yrs & beyond*)

# Our approach.. contd..

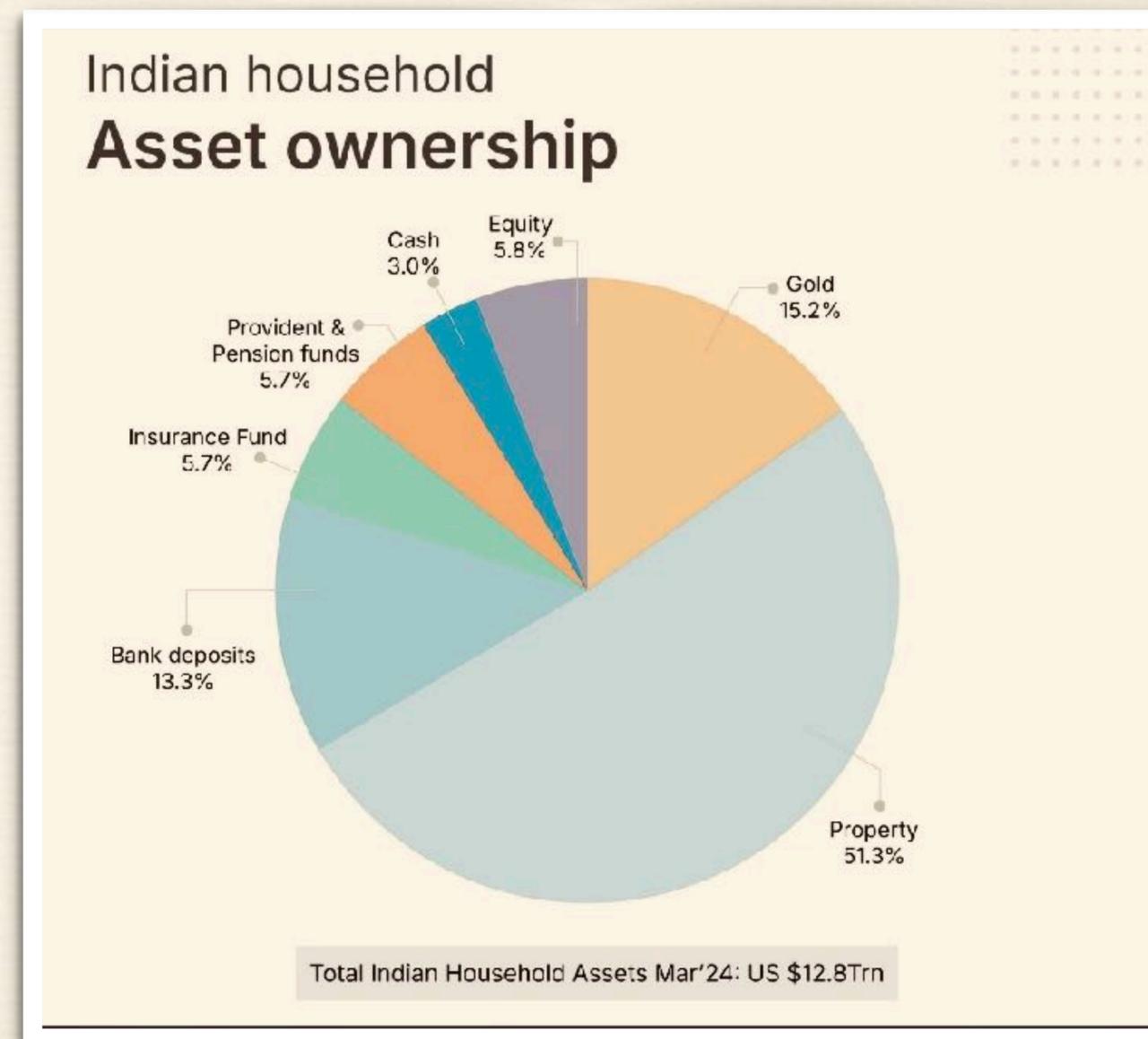


- Tax efficient withdrawal mechanism – Use Systematic Withdrawal Plan (**SWP**) to fund regular monthly income at a family level.
- **Liquidity** – Allows lump-sum withdrawals at all times *in case of emergencies*

# The secret.. *backed by Data*



A widely cited study of pension plan managers said that **91.5%** of the **difference** between one portfolio's performance and another's are explained by **asset allocation**.



# A Sample - Secret at play !!

- A client with 1 cr of retirement corpus having monthly requirement of Rs. 50,000.
- Monthly expenses expected to grow at 6% p.a

Portfolio	Sugg. Investment (Lacs)	Sugg. All (%)	ERR (post tax)
Debt Funds (Arbitrage)	30.24	30%	5.0%

← 1<sup>st</sup> 5 yrs withdrawals

Portfolio	Sugg. Investment (Lacs)	Sugg. All (%)	ERR (post tax)
SP	25.00	25%	8.5%

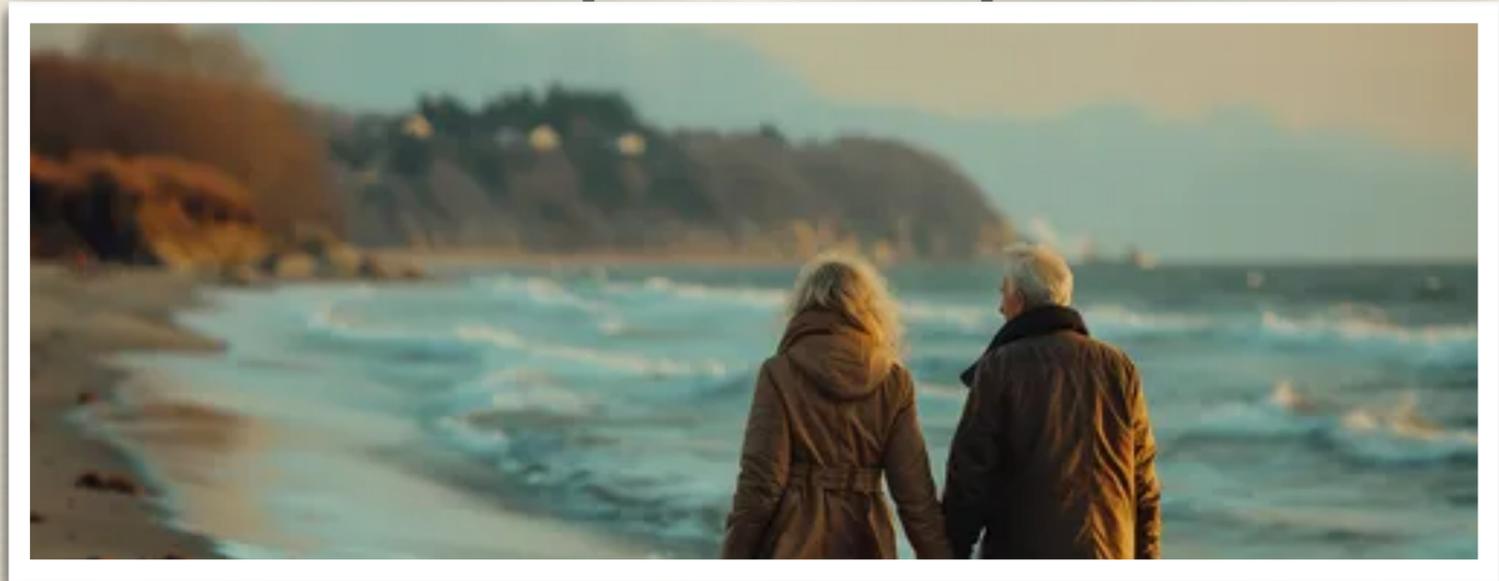
← 6<sup>th</sup> to 9<sup>th</sup> yr withdrawal

Portfolio	Sugg. Investment (Lacs)	Sugg. All (%)	ERR (post tax)
Equity Funds	44.76	45%	12.0%

← 10<sup>th</sup> yr onwards withdrawal

Returns assumed and taxation for arbitrage funds at 12.5%/20% and returns of 6%, 30% on SP & LTCG tax on Equity

# A Sample - post 20 yrs !!



• Snapshot for 20 years

Particulars	Amt.(In lakhs)
Initial Investment	100.00
Total of monthly payouts over 20 years	220.71
Investment Value after 20 years	201.79
Monthly payout in the year 20	1.51
Projected XIRR (20 years)	11.1%

### What Is Your Requirement ?

Target Amount	SIP Amount	SIP Period
₹ 25 Lacs	₹ 11,159	10 Years
₹ 50 Lacs	₹ 10,506	15 Years
₹ 1 Cr.	₹ 44,636	10 Years
₹ 1 Cr.	₹ 21,011	15 Years
₹ 1 Cr.	₹ 10,871	20 Years
₹ 1 Cr.	₹ 5,875	25 Years
₹ 1 Cr.	₹ 3,246	30 Years
₹ 2 Cr.	₹ 11,749	25 Years
₹ 5 Cr.	₹ 29,374	25 Years
₹ 5 Cr.	₹ 16,229	30 Years

\*Rate of Return assumed at 12.00% pa. The above is for illustration purpose only. Mutual Fund Investments are subject to market risk. Read all scheme related documents carefully.

# Our approach - How's it been, so far ?

Financial Year	AR Model Portfolio return in %	Nifty 50 return in %	Alpha in %	Rs. Alpha Value on 10 Cr. Portfolio
2013-14 ( from Jun' 13)	16.8	12	4.8	0.48
2014-15	51.4	26.7	24.7	3.50
2015-16	-6.0	-8.9	2.9	3.70
2016-17	26.1	18.6	7.5	5.64
2017-18	10.6	10.3	0.3	6.30
2018-19	6.0	14.9	-8.9	5.17
2019-20	-23.5	-26.0	2.5	4.45
2020-21	68.0	70.9	-2.9	7.06
2021-22	20.0	18.9	1.1	8.73
2022-23	0.4	-0.6	1.0	9.05
2023-24	44.9	28.6	16.3	17.83
<b>Jun'2013 –Mar' 2024</b>	<b>17.1</b>	<b>12.9</b>	<b>4.2</b>	
<b>Jun'13-Mar'24 (absolute)</b>	<b>451.30</b>	<b>273</b>	<b>178.31</b>	<b>17.83 Cr</b>

AR Model portfolio has delivered 4% alpha p.a., in line with the expectation. However, the alpha is not distributed linearly as there were 6 years where the alpha was below 3%. Therefore, one should stay invested in the model portfolio over a longer period and not be anxious if we witness a year of lower alpha.

# Addressing the pain..

The best math you can learn is how to calculate the future cost of current decisions.

- Retirement Planning,
- Risk Management,
- Portfolio Diversification,
- Tax friendly, Wealth Protection & Preservation,
- Achieving Financial goals

- **Our approach: Designed to beat inflation** and hence a favourable alternative - with lower risks.. specially for **Retirement Planning**.
- **Diversification & Asset allocation** at play.. using a **smarter combination** of Equity, SP & Debt Funds **ensures inflation beating returns** and **reduces dependency** on falling interest rates/unexpected market conditions.
- **Wealth Protection & Preservation**: Risk of losing principal for increased monthly inflows in future – **Principal is expected to double even after inflated monthly payouts for 20 years (Effective Risk Management)**
- Liquidity at the cost of compromised monthly inflows – Portfolio being liquid, **can withdraw higher amounts in case of emergencies**
- Taxable at marginal rates – **Tax efficient** portfolio for **Your Financial Goals**

# Next steps.. the offer

## Complimentary Investments review:

> Existing MF Investments, Direct Equity Stocks, PMS and, Insurance Policies

**Deliverable:** A **detailed review report** of each of your Mutual fund holding and our **Unique proprietary health card**.

## Build & Re-align your portfolio for:

> Immediate Withdrawals for retirement or  
> Long term Wealth creation

Mail us Your **CAMS** Statement on [<ifa.matani@gmail.com>](mailto:ifa.matani@gmail.com)

Subject: Portfolio Review



thank you

### Our services..

1. Wealth **Coaching**.
2. Assessing & **de-risking** of Investment portfolios - *optimise return, reduce risks.*
3. **Curating & Alignment** to family's milestones - improvise **Asset Allocation**.
4. **Solutions** *tailored* to your requirement.
5. **Mentoring** for young professionals.

