

Wealth Creation Through **INDEX** Investing.

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What is INDEX Investing?

The Significance of Index Investing

What is **INDEX** Investing ?

- **INDEX** Investing is a way to **Passive Investment Strategy**.
- It is the **Barometer** of the Indian **Economy**.
- **INDEX** is a basket of **Top 50** or **Top 100 Largecap/Bluechip** (Higher Valuations) Companies. Means Your Investment risk is almost Zero/Nil. **(Why?)**
- In India Two Famous Indices are **NIFTY-50** & **NIFTY-100**.
- Companies are ranked from 1 to 50 & 1 to 100, according to the market capitalization of the companies e.g **Reliance Industries, TCS, HDFC Bank** etc are **top 3 companies** in both the indices in **2024**.
- It's a **Dynamic List**, in other words ranking of the companies may vary with the change in the market-capitalization/valuation of the company, for example **ADANI Enterprises** was at the top in 2020, **TCS** was at top in 2015 etc.
- Here you directly participate in the growth story of Indian economy because valuation of the index is always in synchronous of the GDP of the country.

Why Should I Invest in INDEX ?

The USPs of Index Investing.

Why Should I Invest In **INDEX (USPs)**?

- To Plan **Long-Term Goals** without worrying about market volatility e,g Retirement planning, Child Education Planning, Vacation Planning etc.
- Since Index will adjust itself as per market-cap, I need not to worry about rebalancing my **investment portfolio** everytime.
- Fair market return in Long-term (**12%-15%**) i'e **Nominal GDP** of India + (**1%-2%**).Growth of Industry will always $>$ the Nominal GDP of the country.
- Since Dividend will be reinvested every year, it will create enormous amount of wealth in long term.
- **Lower fund management fee** in comparison to actively managed MFs.
- **Bright future of Indian Economy** spots Greater opportunity for overseas investors like FPIs/FIIs/FDIs etc.

Why Longterm Investing?

Why should I go for long term investing when my friends, relatives, colleagues, TV Channels & Youtubers provide me daily current market updates about quick returns?

Why Should I Go For **Long-term INDEX** Investing?

- Magic Of Compounding works only in Long-Term, e.g **Sensex** was @ **Rs.100** in **1979** today in 2024 it is @ **80000** (approx.). If anyone would invested **Rs.1 Lakh**, it would become **Rs. 8.00 Cr** in 45 years without any active investment strategy.
- Do you know what was the **CAGR** of this growth?
- It is **15.81%** compounded annually.
- How Many people utilised this opportunity? None (Because of Lack of Awareness)
- Did Sensex gone straight from **100** to **80000** ?
- No, Market always move in '**Zig-Zag Motion**' for example it witnessed the Harshad Mehta Scam of **1992**, Dot-com Bubble of **2000**, Recession of **2008**, Satyam Computers' Scam of **2009** & Covid-19 Lockdown in **2020**.
- During all these fiascos market crashed badly(**30%** to **60%**) but very soon in coming years it corrected itself and performed well & reached at **80000** in **2024**.
- Short-term speculators always make loss in equity market.

Sensex Graph From 2013 to 2024.



NIFTY Graph From 2013 to 2024.



Magic Of Compounding Does Wonder Even with modest **ROI**.

- **$FV = PV(1+R)^N$**

- **FV** - Future Value, **PV** - Present Value, **R** - Rate of Interest (%), **N**- Number of periods.

It is worth to understand that 'PV & R' are not in our control, But We can Have our 'N' as per our wish. N creates the whole difference bcz it's in Power i'e Exponential Power.

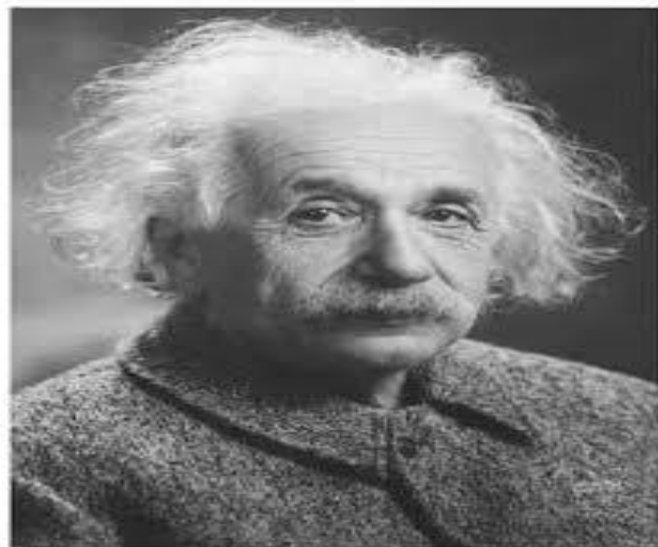
- **Rule of 72**

Amount will be doubled in = **$72/R$ Years.**

- Conclusion is that **R is not much in my control**, but **N is completely in my control**.
- With a modest ROI i'e **R** & Longer period of time i'e **N**, we can create enormous wealth from market without any expertise.

Ex. If **R=18%** => My Wealth will increase **$2^4 = 32x$** in just **20 years**.

- So it is prudent to do **Long-term Investing** to garner the benefit of Compounding



COMPOUND INTEREST
IS THE 8TH WONDER OF
THE WORLD.
HE WHO UNDERSTANDS IT
EARNS IT...
HE WHO DOESN'T,
PAYS IT...

Compounding has a snowballing effect on your corpus

Monthly SIP of Rs 10,000 @ 12% per annum	
Duration	Future Value of Investment
10 Years	23.2 Lac
15 Years	50.5 Lac
20 Years	99.9 Lacs
25 Years	1.9 Cr
30 Years	3.5 Cr

You will earn Rs 50.5 Lacs in 15 years and Rs 3 Cr in the later half!

One More Ex.- Annual Investment Strategy

Accumulating \$1 Million

By investing \$10k annually at a 7% annual rate of return



fourpillarfreedom.com



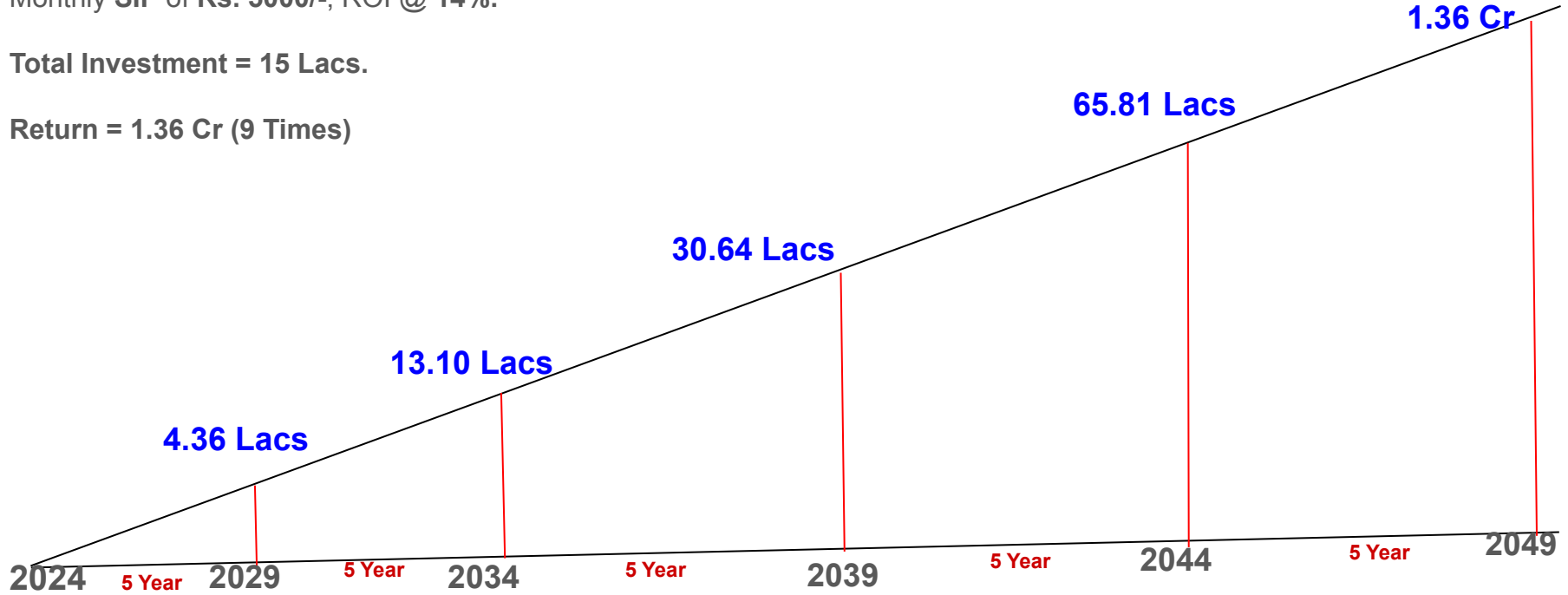
TOTAL TIME

How can I achieve my Financial freedom? Ex.1

Monthly SIP of Rs. 5000/-, ROI @ 14%.

Total Investment = 15 Lacs.

Return = 1.36 Cr (9 Times)

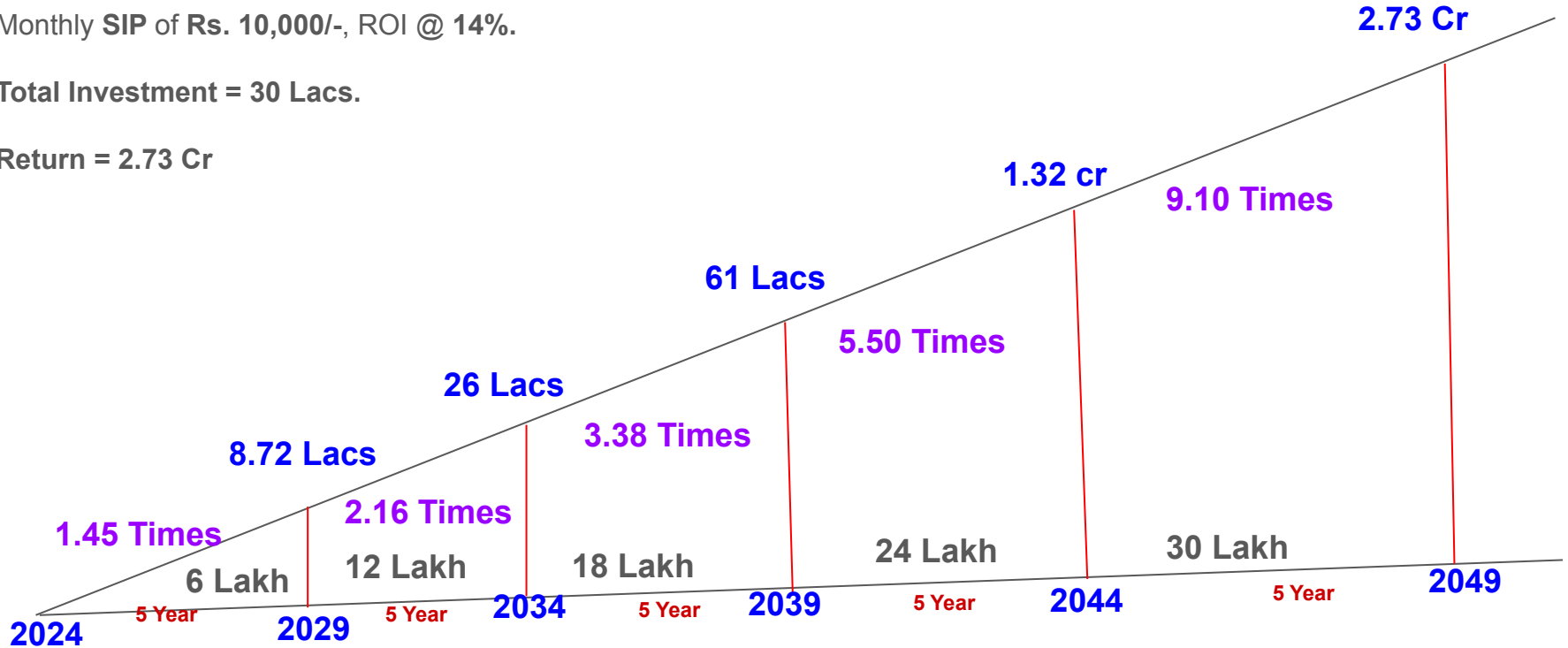


Ex.2 : Investment Journey

Monthly SIP of Rs. 10,000/-, ROI @ 14%.

Total Investment = 30 Lacs.

Return = 2.73 Cr



Why Then People Did'nt Get Benefited from investing.

Why most of the people are not financially free?

Why They struggle for finance at their old age, despite having handsome salary during their working age?

Then **Why People Don't Get Benefited From Compounding?**

- Attitude of **Instant Gratification** & Gen-Z Suffering From : **Parkinson's Law**.
- Confusion between **Investment** vs **Speculation**.(Daily Price Check/Mkt Updates).
- High level of **Consumerism** & easily available **EMI** option on purchase.
- **Lack of Patience** to have the vision of a Long-Term investing.
- When there is Euphoria in the market, people invest but when there is Pessimism people withdraw their investments.
- Availability of easy liquidity made people psychologically undisciplined towards investing.
- This is the **IRONY** of **SIP investment** that is they were created for long term investment but there is no Lock-in which beats the purpose.
- According to a research in Capitalist Countries, **90% of the SIPs** never reach to their goal i'e they **are broken in between**.
- India is not far away from this phenomena.
- Frequent withdrawal reduces the net ROI & Makes MF houses rich instead of You.

What's The Remedy ? : **INDEX PLUS (USPs)**

- Plan is designed exclusively for **Wealth Creation** via **Long-Term investing** in Top Large Cap & Midcap Companies of India (via **NIFTY-50/NIFTY-100**).
- Charges are compensated via different means e,g periodic **Free Gauranteed Units Additions** (Upto **90%** of **annualized premium**) and **Revert of Mortality Charges** at the end of the term.
- Low Fund Allocation Charge & Management fee @ **0.80% pa**.
- To Make you a disciplined investor & to Garner the Benefit of '**Magic of Compounding**' there is a **Lock-in of 5 -Years**. Once you adopt the '**Mindset of a Disciplined Investor**' it becomes easy to reach your **Long-Term Goals**.
- With your this equity investing you will gain the '**Sovereign Gaurantee**' of **Govt. of INDIA**.
- You can peacefully enjoy your life without any worry as you know how the longterm investing works well.

Shining Growth Story Of Indian Economy.

- India is currently the **5th Largest Global Economy @ \$ 3.60 Trillion** (31st March 2024).
- It is going to be **3rd Largest Economy by 2030 @ \$ 5.0 Trillion.**
- **INDIA** is going to be the **LARGEST Economy by 2047 @ \$ 26.0 Trillion.**
- **FDI Inflow in 2023-24 @ \$ 18.00 Billion & FDI in Equity @ \$ 11.54 Billion.**
- **CONCLUSION-**

There is global confidence in our economy & huge potential for Indian Economy in Coming Time. Only those who will invest right now will enjoy the fruit of Wealth in coming years.

So What Are You Waiting For ??

Take a right step today to enjoy your life peacefully & Make a better tomorrow with financial freedom.

The Final Advice For Long-Term Investors.

**When We Start Investing in Great
Companies, We Do Believe That
The Market Will Be Closed for
Next 5 Years.**

~ Warren Buffet

A Well Early Start is Half-Way Done. Good Luck.

Thank You

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