

# FINANCIAL Insights

Powered by CRK Financial Solutions



## Age of 20

No Proper Savings?  
Avoiding Investments?



## Age of 30

Unorganised Savings?  
Buying Flashy Products?



## Age of 40

Avoiding Investments  
Because of Loans?



## Age of 50

Using Retirement savings  
for other purposes?

# ARE YOU MAKING THESE MISTAKES TOO?

# Dear Friends



Wish you all a very safe and prosperous New Year 2021 !!!

Hope all of you are safe. We strongly believe that all our efforts with social distancing and self-disciplined way of living would help us to be safe in this

pandemic situation.

## TOP FINANCIAL MISTAKES

There is a saying that with age comes wisdom, but this may not always be true in the financial world. As people move through different life stages, there are new opportunities and potential pitfalls around every corner.

**At Age of 20**, one should also look for proper enhancement of medical insurance, as this age and progressing age levels might have many health challenges. It would be tempting to want all the latest and greatest in gadgets, entertainment and travel, but if you can't pay for most of your wants upfront, then you need to rein in your lifestyle. Many students who graduate from high school or college don't know the basics of money management. Learn as much as you can about saving, budgeting and investing. Discuss with investment consultants and start the good habit of savings and investment.

**At Age of 30**, again most of the people don't pay attention to creating assets but focus of flashy products like costly cars, motor cycles. There is certainly a need to have a vehicle for your travel or commute, but that should be economical considering your income. Investing in fixed assets like flat, plot is good at this age, but a prudent thought has to be given for not overstepping beyond your repaying capacities. This would require external financial support like loans from banks. Hence be with your own vigilance in understanding and estimating your repaying capacities. Further, this age is also crucial to think and plan for retirement savings, avoiding the same

is a mistake. At this age one should also look for proper medical insurance, as the premium will be minimum when entering at this age.

**At Age of 40**, this is a mid of anyone's career, be it a salaried employment or entrepreneurship, the opportunities for growth and challenges in earning will be equal. At this stage, every saving is important and every investment matters. If there was no proper investment practice adopted in the age of 20-30 and lavish lifestyle was followed, then there can be a risk of paying debts and hence avoiding investments and savings.

**At Age of 50**, it is unfortunate to see many involve themselves in signing of loans, thinking it as an investment. This situation is like eroding your home equity or retirement funds, in the event of inability to repay the loan. Committing to such situations must be given a clear thought else it would end up as an irreparable mistake. At every age we need to have specific wisdom to plan savings and investments for that age and subsequent age to have trouble free life.

Happy New Year and all the best!!!

*C. Ravikumar*

CEO., CRK Financial Solutions

Government has announced that the minimum balance to be maintained in Postal Savings account is revised from Rs 50 to Rs 500 effective from December 11, 2020.

## OUR MOTTO

**Don't find customers for the products,  
Find products for the customers**

*We're Social*



+91 99416 06398



*username*

CRK Financial Solutions



**I have an Insurance Policy with premium of Rs. 150000. My friend says I should surrender them because returns are low. If I surrender my policy now will I be in a loss .Will I gain in the long term if I surrender?**

**Mr. Ganapathy, Navalur**

It is not advisable to surrender your existing policy unless you are in urgent need for money. Insurance policies are by nature, long term contracts primarily aimed at providing life cover in the eventuality of a demise. Over the years, it gets compounded, thus providing returns as illustrated at the onset. In the case of traditional plans that provide pure protection, the risk is low and returns are moderate. Hence, you should review your policy terms and may discuss it with us in detail, before taking a decision on surrendering the policy.

**I Want to buy Medical Insurance for my Parents who are 60 and 67. Both are diabetic. Please suggest a suitable plan for them? Mr. Sridharan, Triplicane**

There are two types of plans that anybody with diabetes can take:

1) Comprehensive health insurance plans. These come with no restrictions. These plans typically have 1-4 Years Waiting Period. These Plans are recommended for diabetics on tablets. Diabetics on insulin can opt for diabetes specific Plans.

2) Diabetes Specific plans. These are specialized plans which offer early coverage and are available for diabetics on tablets and insulin. A lot of these plans also have restrictions such as room rent limits or co-pay .These are typically more expensive than comprehensive health plans.

*If you have any queries related to finance/ savings/ investments, we would be pleased to answer them.*

**e-mail** : radhukanna@gmail.com

**Whatsapp** : 9941606398.

## YOUR GOALS, OUR MF SUGGESTIONS

### 0-1 YEAR (SHORT TERM)

#### Goal



#### Our Suggestion in MF

*Overnight Funds, Liquid Funds, Ultra-short term funds.*

### 1-5 YEARS (MEDIUM TERM)

#### Goal



#### Our Suggestion in MF

*Short term funds, Hybrid Funds, BAF/Dynamic Funds*

### 6 YEARS AND MORE (LONG TERM)

#### Goal



#### Our Suggestion in MF

*Large Cap Fund, Mid Cap Fund  
Small Cap Fund, Multicap, Sectoral funds*

# Wealth that grows & Lasts Forever

PRINCIPLE NO: 6 - "Financial Pyramid"



**Mr. R. Gopinath., CEO**  
Gopast Centre for Learning Pvt Ltd

One of the wonders of this world is the Pyramids in Egypt. They are huge. They have stood the time even having been subjected to ferocious weather conditions. They are considered to be engineering marvels. The pyramid is the most stable structure in the world. It cannot be toppled easily. A Cuboid, or a Cube or any other structure can be toppled. They fall when subject to stress. But even in extreme situations a Pyramid stays stable.

There are four surface sides to a pyramid. This issue we are going to cover one side of the financial pyramid by name "The financial pyramid structure".

## PROTECTION

This refers to the financial products that offer protection of income.

These products protect our earning capacity. The products that will appear at this stage of the pyramid

are: Life Insurance, Critical Illness Insurance and Disability Insurance.

## RISK FREE GROWTH

This refers to the safety of the money saved for future. These products serve to provide holding capacity during turbulent times. These products are also meant to be encashed at a short notice.

The products that will appear at this stage of the

pyramid are: Bank term deposits, Post office Savings schemes, PPF, Government Bills and Bonds, Life insurance Endowment type of policies which offer a savings element along with protection.

## GROWTH WITH RISK

This refers to financial products that carry an element of risk on the capital invested with a hope of getting more yield on the money invested. These products provide an answer to inflation and expected to yield more returns. But we must understand the capital invested is at the risk of diminishing or even completely consumed in volatile times.

Then why would anyone take such a risk? One needs to take that risk, since not taking risk at all can be the biggest risk in life. These instruments

are meant to give adequate amount to meet big expenses and commitments as a reward for the risk taken.

By and large a long-term holding of these assets reduce the risk involved as they perform in some cycles and during an upward cycle they give good returns. The products that will appear at this stage of the pyramid are: Mutual Funds, ULIPs, Equities, Metals, Currencies and Commodities.



## HI-GROWTH

This refers to financial products which require huge amounts to be invested. These products also carry the risk on the capital invested with a hope of getting more yield on the money invested, just like the products at the Growth with risk stage.

Since the capital invested is huge, investors get carried away by the big volumes of sale of the assets and generally there is a myth that they yield a very high ROI (30%+).

The products which appear at this stage of the pyramid are: Real Estate, Venture Capital investments, Big Solitaire diamonds, Highly priced art and antique pieces.

## SPECULATION

Speculation in normal terms mean “Thinking”. Financial instruments keep getting different prices at different times. When a person thinks about these movements and takes a position either to buy or to sell at a particular price at a particular time, that decision is

called speculation. Mostly these instruments are held for a short term period. However some investors keep trading for a long term by sell/buy/sell and absorb the losses in-between through a few big gains made over a period.

Products like Derivatives, F&O and Swaps are examples of speculative products. The bottom two levels of the pyramid provide the holding capacity and therefore increase the risk absorbing strength to the investor so that he can truly benefit from the higher parts of the pyramid. But people who do not provide adequate amounts in the first two stages of the pyramid, so as to earn more ROI on the whole portfolio generally loose heavily.

This is what happens in the financial industry also, while the stock markets, funds and all occupy most of the space in the media, the insurance or the debt instruments get seldom noticed. As a result the public or the common men get drawn by products in the upper levels of the pyramid.



திருக்குறள் - குற்றங்கடதல் - 449

முதலில்லார்க்கு ஊதிய மிக்கை மதகையாகு  
சார்பிலார்க்கு இக்கை டிகை.

விகாக்கம் :

Do an act after a due consideration of the (following) five, viz. money, means, time, execution and place.



Mr. C. Ravikumar has completed the prestigious Executive Director Club and was honoured by Managers of Star Health Insurance.



Hello Arivu, I just saw a poster with a phrase like "Have proper asset allocation", what is it Arivu?

Hi Selvam, How are you? the term refers to an investment strategy in which individuals divide their investment portfolios between different diverse asset classes to minimize investment risks.

01



I am able to get some basic idea from what you explained now, can you share more inputs?

Sure, Selvam. it goes this way. When making investment decisions, an investor's portfolio distribution is influenced by factors such as personal goals, level of risk tolerance, and investment horizon.

02



Can you brief them. Not elaborately but to some extent

Yes Sure. Goals are factors are individual aspirations to achieve a given level of return or saving for a particular reason or desire. Risk tolerance refers to how much an individual is willing and able to lose a given amount of their original investment in anticipation of getting a higher return in the future.

03



The time horizon depends on the duration an investor is going to invest. Most of the time, it depends on the goal of the investment.

04



Thanks, but how does this work?

See, each of the goal should be treated differently. Based on the term, the asset class should be chosen. Ideally this is where 'Financial pyramid' should be considered.

05

SELVAM

# Be Prudent, Be Wealthy

ARIVU

EPISODE - 07



Can you give me more insights on this?

Asset allocation precisely is investment into Life insurance, Postal and Term Deposits, Mutual funds, Equity and in gold (physical as well as paper form)

06



Oh!! truly this reduces the investment risk!!

Your understanding is right. "Don't put all eggs in one basket" is the best saying that explains asset allocation. To diversify your investments, call CRK financial solutions now!!

07



# Financial Trends

## HIGHEST INTEREST RATES ON FIXED DEPOSITS SCHEMES

FD Name	Rating	Interest Rate * (Up to)
Govt of India Bonds (RBI) Taxable	FLOATING RATE HALF YLY INTEREST PAYOUT	7.15%
Shriram Unnati Deposits	MAA+ by ICRA, FAA+ by CRISIL	8.30%
Bajaj Finance Ltd	FAAA by CRISIL, MAAA by ICRA	6.85%
PNB Housing Ltd	CRISIL FAAA	6.85%
Sundaram Home Finance Ltd.	ICRA MAA+	6.75%
Mahindra & Mahindra Financial Services Ltd	CRISIL FAAA	6.55%
ICICI Home Finance	FAAA by CRISIL, MAAA by ICRA	6.20%
HDFC Ltd.	FAAA by CRISIL, MAAA by ICRA	6.20%

\* Highest rate including additional interest for Senior citizens, employees etc. wherever applicable.

\* As of December 2020.

## FUND PERFORMANCE CHART - TOP EQUITY FUNDS SECTORWISE

Fund Name	Sector	NAV*	1 Year	3 Year	5 Year
Mirae Asset - Emerging Bluechip Reg-G	Large & Mid Cap	68.69	21.29	10.33	17.25
SBI - Small Cap-G	Small Cap	69.71	30.11	5.29	16.54
Axis - Focused 25-G	Multi Cap	35.66	17.41	11.41	15.85
Axis - Bluechip-G	Large Cap	36.73	15.36	13.72	14.58
Kotak - Emerging Equity Reg-G	Mid Cap	48.23	21.84	6.12	13.30

## FUND PERFORMANCE CHART - TOP DEBT & DYNAMIC FUNDS

Fund Name	Sector	NAV*	1 Year	3 Year	5 Year
Mirae Asset - Hybrid Equity Reg-G	Hybrid	17.46	12.66	8.56	12.32
ICICI Prudential - Balanced Advantage-G	Dynamic	42.09	12.15	8.18	10.50
HDFC - Short Term Debt-G	Debt	24.45	11.00	9.05	8.68
Aditya Birla SunLife - Banking & PSU Debt Reg-G	Debt	282.62	10.91	8.97	9.07
ICICI Prudential - Floating Interest-G	Hybrid	322.00	9.40	7.99	7.99

All Equity funds ranked on 5-year returns. Debt funds ranked on 1-year returns.

\* NAV as of 14.12.2020.

## MF TAXATION - CAPITAL GAIN TAX RATES - FY 2020-21

	Equity Oriented Funds		Debt Funds	
	Resident	NRI (TDS)	Resident	NRI (TDS)
Long Term Capital Gain	10% above Rs 1 Lakhs Gain	10%	Listed - 20% (with Indexation) Unlisted - 10% ( Without Indexation)	
Short Term Capital Gain	15%	15%	Based on Individual's Slab	30%

## Hear from our Clients



"CRK Ravi is known to us well over a decade. Most dedicated and an honest person with updated knowledge of market for meaningful guidance. We are comfortable with our investments - hard earned - because of Ravi's foresight and intelligent guidance. We wish him all success. CHEERS."

- Mr. Subramanian & Mrs. Lakshmi,  
Ullagaram, Chennai



"My relationship with CRK is around 2 decades now. If CRK has grown from ground zero to this stage, it is purely because of Ravi's hard work, commitment and passion in this field. As leader, his people (yatha raja thatha praja in Sanskrit) I see his team also as very dedicated, prompt and highly committed. I wish him and his team all success and grow greater heights in the years to come."

- Mrs. G. Geetha  
Homemaker

### Dear customers,

Are you having your DEMAT Account with Karvy Stock Broking Ltd? It should be migrated to other service providers. Requesting you to contact us to know more details on this.

### A NOTE TO OUR DEAR READERS

"Financial Insights" is an investor awareness publication by CRK Financial Solutions. It is being sent to some of you on a complimentary basis as part of our humble effort to ensure that more & more investors are made financially aware so that they get the best from their savings & investments. We sincerely hope that you like the contents of Financial Insights and in some way benefit from the same. Moreover, we would be happy to receive your feedback on the contents of this publication, we request you to please let us know by sending us an email on [webmaster@chequeleaf.com](mailto:webmaster@chequeleaf.com). Alternatively, you can even write to us at our office address:

**CRK Financial Solutions, New No 75, Arya Gowda Road, West Mambalam, Chennai 600 033.**

You can buy Gold in paper form.

## Sovereign Gold Bond 2020-2021

The date of issuances shall be as per the details given in the calendar FY 2020-2021 below.

2020-21 Series 10

11th to 15th January 2021

2020-21 Series 11

01st to 05th February 2021

2020-21 Series 12

01st to 05th March 2021

- ₹ Earn Interest Half Yearly
- ₹ Tradability
- ₹ Safety - No Storage
- ₹ Demat/Physical
- ₹ Security - RBI's
- ₹ Purity
- ₹ 8 Year Tenure

