

MODEL PORTFOLIO

WEALTH CREATION
MF ONLY

Introduction to Model Portfolios

With Yadnya's Model portfolios, what we are offering is making complicated investing simple.

These Model Portfolios use same asset allocation philosophy that we use for some of the big investors and its pillars are our research-based products –

- [Mutual Fund Subscription](#)
- [Financial planning product](#)

The idea is to utilize quantitative and qualitative factors observed based on our extensive research for suggesting model portfolios that make sense for individual investors like you.

Fund Selection Approach

Mutual Funds help in easy diversification and tapping on professional fund management and research expertise via an easily accessible channel. It is truly an invest and forget type of product unless and until there is a significant change in management or a market event-based trigger.

Gold & International Funds (Mostly US based) are less volatile in nature than Indian Equity, help as a cushion from asset allocation perspective and by investing in a different asset class, we are diversifying our portfolio risk. These funds and asset classes are also very good hedge against Indian Stock market and have very low correlation.

ETFs and Index funds are passive investing funds that are linked to an underlying benchmark index and provide a low-cost alternative for taking exposures in the financial market.

We have utilized our proprietary fund selection methodology - MFYadnya.In for shortlisting and adding equity mutual funds and ETF/index funds in model portfolios.

Wealth Creation Portfolio

Investment Objective

The aim is to generate good growth with Equity based portfolio with reduced downside risk. We have used some good risk hedging mechanism by creating a multi-cap, multi-asset growth-oriented portfolio.

Strategy

Wealth Creation could be an ideal investment solution for investors seeking long-term wealth generation. Strategy is to Buy and Hold investments with a time horizon of 8 years+

Rationale for this Portfolio

Wealth Creation Goal comes after your all major life goals are met or being met with current monthly investments. Wealth Creation goal is for that extra savings which has capability to improve your lifestyle in future and gives you cushion over your major life goals like Retirement, Children Education, Marriage and Emergency.

Most of the time with the money you want to invest in Wealth Creation goal, you can take some extra risk than your other major life goals. Investors mostly have higher propensity to bear losses in short term on this goal.

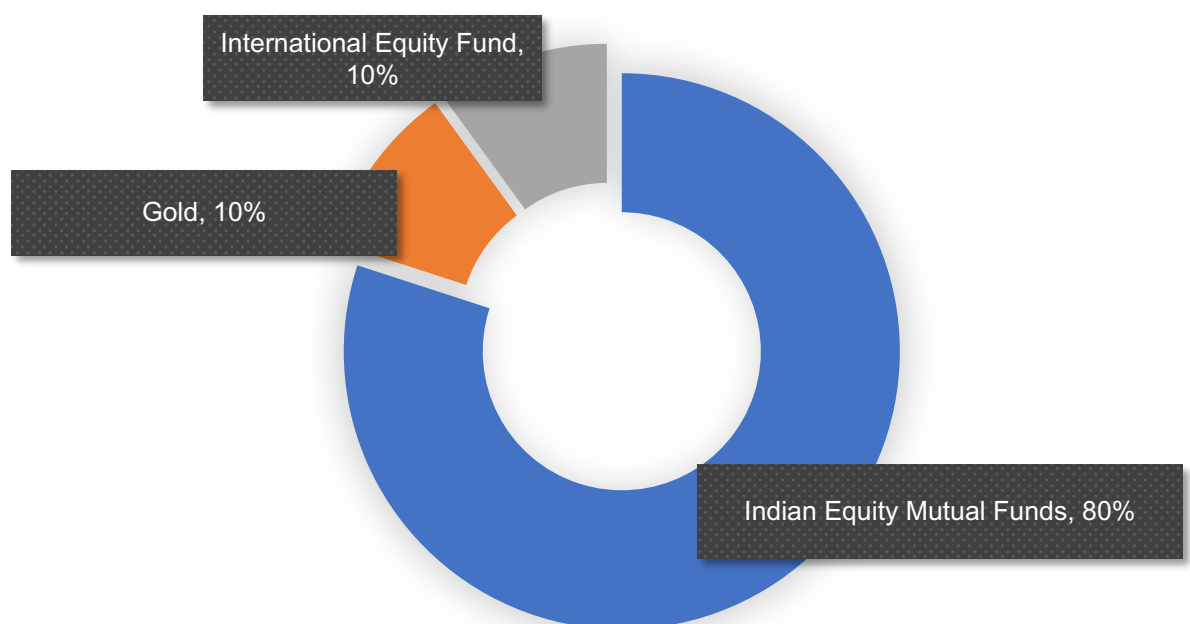
Considering this and assuming all your major life goals are achievable, we have not taken any Debt allocation in this goal. To hedge some Indian equity risk, we have taken allocation to Gold & International Stocks too.

We have included three modes of investment vehicles in this model portfolio – Large, Mid & Small Cap Mutual Funds, Gold and International Mutual Funds. For meeting the investment objective of a growth oriented multi-cap, multi-asset portfolio, looking at the long-term expected returns and risk levels of each asset class based on our long-term view of Indian economy, Gold markets & Global financial markets, we suggest this strategic allocation of 80% in Indian Equity Mutual Funds, 10% in Gold and 10% in International Fund.

Methodology



Strategic Allocation by Asset Class



Is this model portfolio for you?

This Wealth Creation portfolio is appropriate for an investor whose all major life goals are already achieved or are on target to be achieved with regular monthly investments. This is planning for that extra savings (monthly or lumpsum) with a medium to high risk tolerance and a time horizon longer than eight years. These investors are willing to accept periods of high market volatility in exchange for the possibility of receiving returns that outpace inflation by a significant margin. We also tried to reduce the downside risk by hedging the portfolio with Gold & International Funds.

This portfolio might get an average annualized return of 12-15%. Its best yearly gain might be 20-25% and its biggest decline in a year may range from 15-20%.

Time Horizon – Min. 8 years

Benchmark – BSE 500 TRI

Rebalancing – 6 Monthly

Important Dates

Launch Date – May 30th, 2020

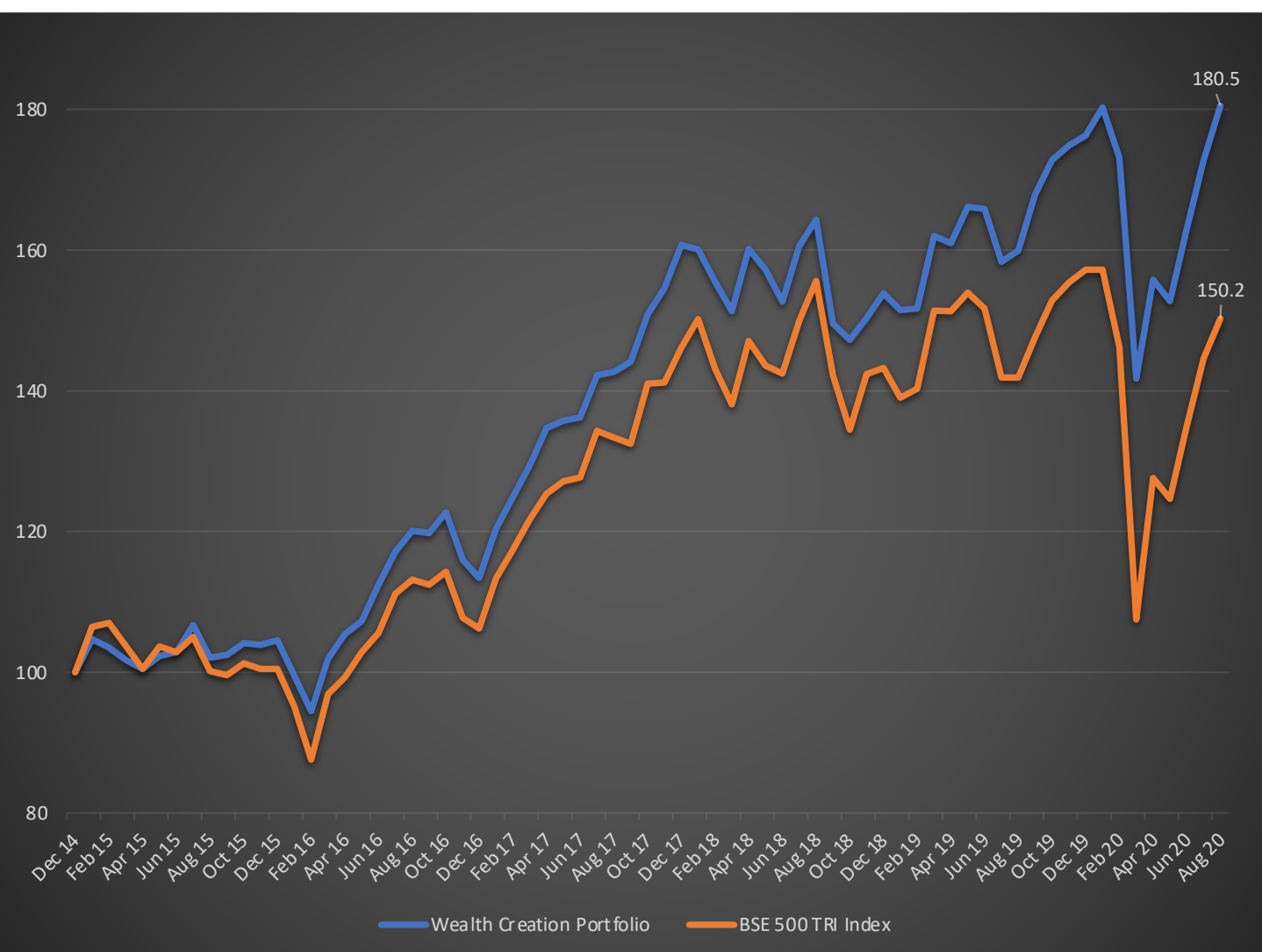
Last reviewed – May 30th, 2020

Next Rebalancing on – December 1st, 2020

Performance

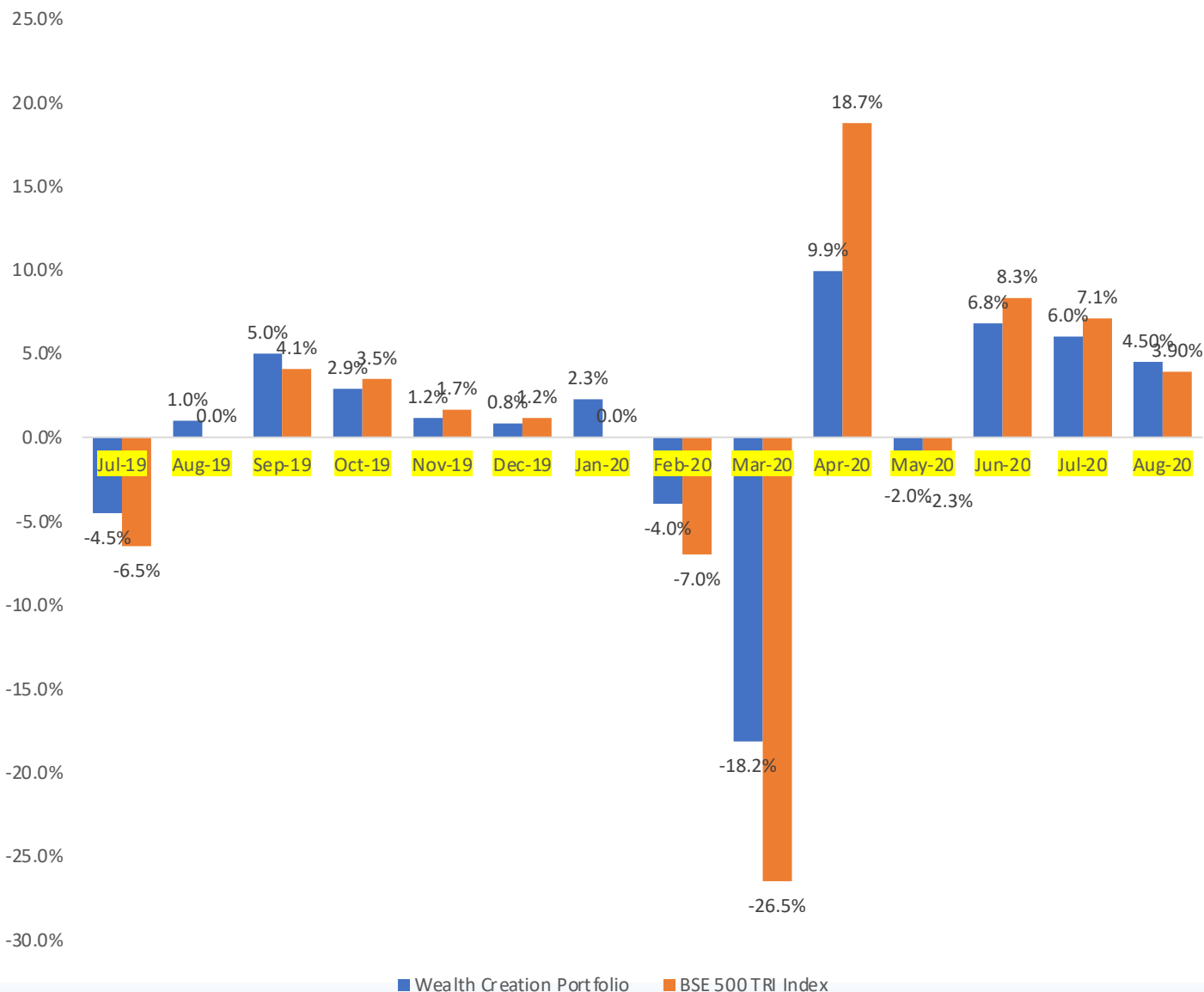
This chart shows the portfolio's cumulative performance starting from Jan 2015 until 31st August 2020. The Model Portfolio is compared against BSE500's cumulative returns.

Wealth Creation Model Portfolio Cumulative Performance



Wealth Creation Portfolio Last 1 Year Monthly Returns

The chart below shows last one year's monthly performance of the Wealth Creation Model Portfolio against the monthly returns of benchmark BSE500.



Disclaimer: The information on this site is provided for reference purposes only and should not be misconstrued as investment advice. Under no circumstances does this information represent a recommendation to buy or sell stocks or MF. All these portfolios are created based on our expert's experience in the market. These Model Portfolio are prepared by SEBI Registered RIA.