

Steps Involved in the Investing:

1. Understand why you want to start investing?

Are you doing it for family financial goals?

You want to secure your own financial future?

2. Understanding the purpose of investment is important because:

It will help to define the time period for investing

In turn, It will decide the Asset Class in which you should invest

3. Look at Various type of asset classes

Equity:

75% to 90% Invested in Equity Shares

Average Returns: 12% to 15%

High Risk

Ideal for Long Term Growth

Suitable for Aggressive Investors

Multi Asset:

40% - 60% in Equity and Min 10% in other Asset Classes

Average Returns: 8% to 12%

Medium Risk

Ideal for Medium to Long Term

Suitable for Moderate Investors

Fixed Income:

100% in Fixed Income like Bond and Debt.

Average Returns: 4% to 8%

Low Risk

Ideal for Short to Medium Term

Suitable for Conservative Investors

Gold & Alternative Investments

4. Know about the Asset Classes

How they function and their benefit and drawbacks

Which Asset class is suitable for your time frame?

5. Final step is to balance of Risk vs Return.

High Risk – High Return vs. Low Risk – Low Return