

MONTHLY INSIGHTS

NOVEMBER 2021

Asset Class Performance

Index	Compound Annualized Returns (%) – as on 31-Oct-2021					
	1Y	3Y	5Y	10 Y	15Y	20Y
India – Equity (Nifty 50)	53.6	19.8	15.7	12.9	11.0	15.7
US – Equity (S&P 500 in INR)	42.1	19.8	19.4	18.9	12.1	10.0
Debt*	4.4	7.7	7.2	8.1	8.0	7.5
Gold (in INR)	-5.0	13.8	9.3	4.7	11.1	12.1

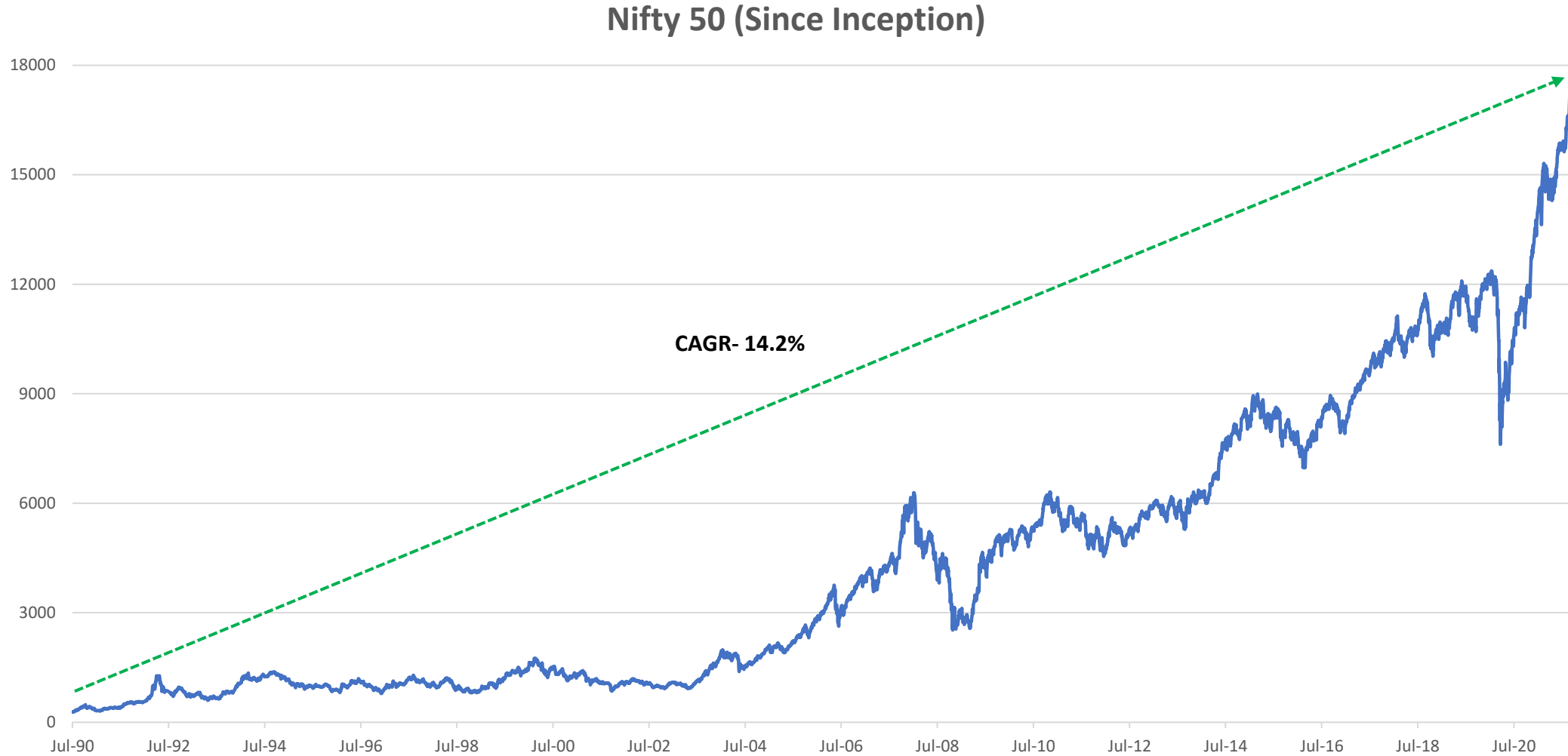
Returns as on 31-Oct-2021

Source: MFI, gold.org, Investing.com, FundsIndia Research. As on 31-Oct-21. S&P 500 returns are adjusted for USD-INR Exchange Rate. Debt*: Index calibrated based on the Debt Schemes - Aditya Birla SL Low Duration Fund, HDFC Low Duration Fund, Aditya Birla SL Corporate Bond Fund.



Equity Returns & Volatility

Indian Equity Markets – The long term story so far...



India Equity Markets - Performance

Index	Compounded Annualized Returns (%) – as on 31-Oct-2021					
	1Y	3Y	5Y	10Y	15Y	20Y
Large Cap						
Nifty 50	53.6	19.8	15.7	12.9	11.0	15.7
Nifty 100	52.2	19.0	15.0	13.2	11.2	--
S&P BSE Sensex	49.7	19.9	16.2	12.8	10.7	16.1
Mid Cap						
S&P BSE Mid Cap	69.6	20.0	13.5	14.9	10.8	--
Nifty Midcap 150	75.4	23.5	16.6	17.7	13.6	--
Small Cap						
S&P BSE Small Cap	88.0	25.4	15.8	14.9	10.3	--
Nifty Smallcap 250	88.4	22.9	12.7	14.3	11.2	--
Flexi Cap						
Nifty 500	57.5	19.9	15.0	13.6	11.1	17.3

Index (in INR)	Compounded Annualized Returns (% in INR terms) – as on 31-Oct-2021					
	1Y	3Y	5Y	10Y	15Y	20Y
Nasdaq 100	44.7	32.1	29.9	26.3	19.9	--
S&P 500	42.1	19.8	19.4	18.9	12.1	10.0
MSCI World (represents Developed Markets)	39.7	16.7	16.1	--	--	--
MSCI Emerging Markets	15.6	10.3	9.4	--	--	--

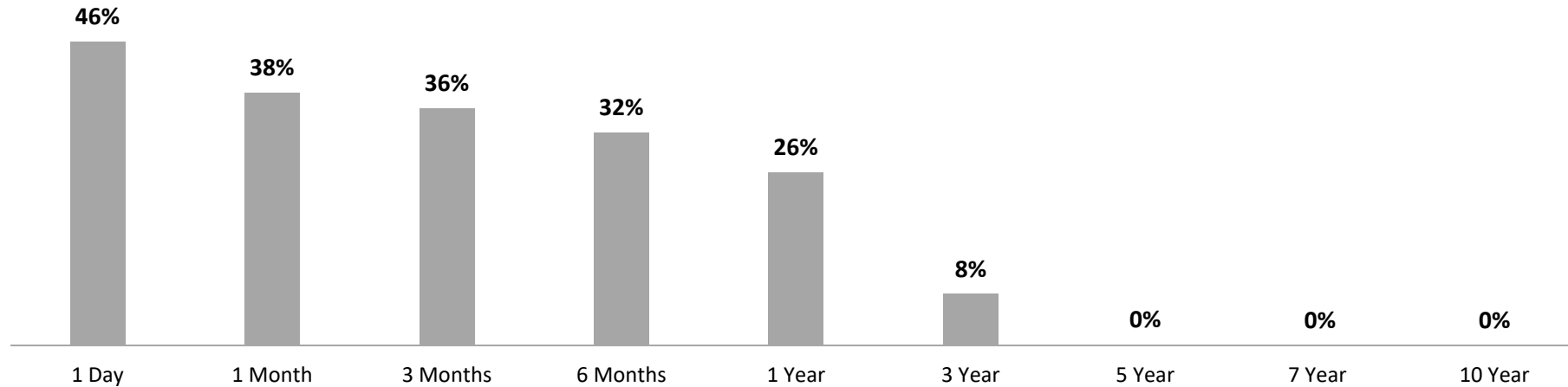
On a 15Y Rolling basis, Large cap Index (Nifty 50 TRI) gave
>12% returns ~96% of the times since Inception

	Rolling Returns Since Inception						
	15 Year	12 Year	10 Year	7 Year	5 Year	3 Year	1 Year
Average	15%	14%	14%	15%	16%	15%	17%
Maximum	19%	22%	22%	30%	47%	62%	108%
Minimum	11%	6%	5%	5%	-1%	-15%	-55%

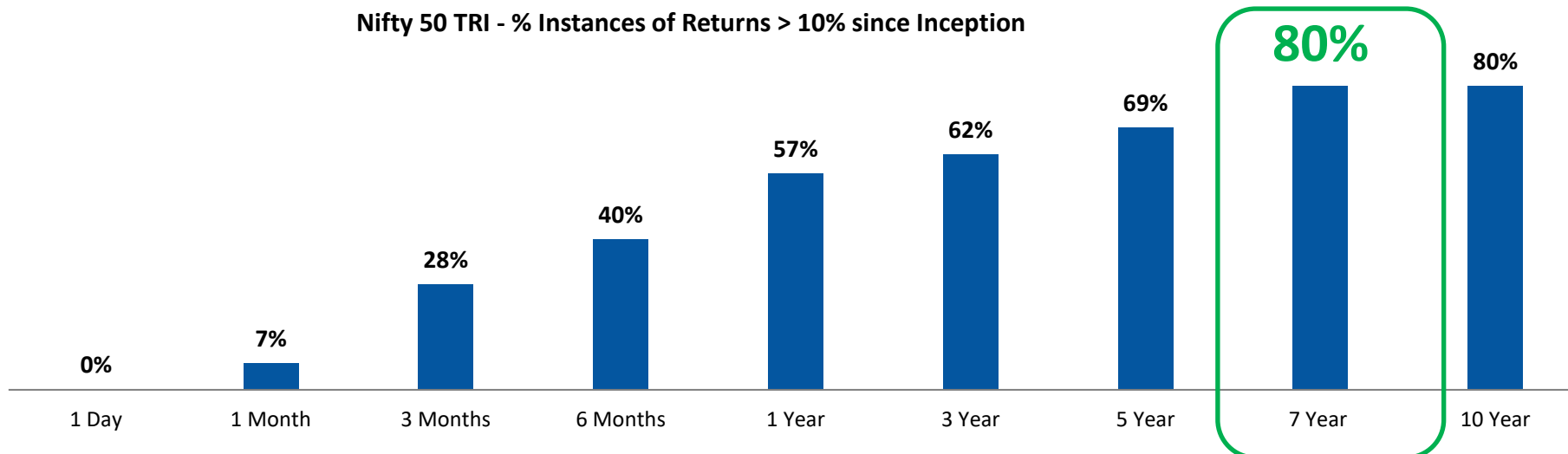
% No. of Times							
Less than 0%	0%	0%	0%	0%	0%	8%	26%
Less than 7%	0%	2%	2%	2%	16%	26%	38%
Greater than 7%	100%	98%	98%	98%	84%	74%	62%
Greater than 10%	100%	87%	80%	80%	69%	62%	57%
Greater than 12%	96%	76%	63%	63%	60%	52%	53%
Greater than 15%	41%	39%	48%	40%	37%	37%	46%

Longer the time frame, higher the odds of better returns

Nifty 50 TRI - % Instances of Negative Returns since Inception:
Historically, Increasing the investment time period has reduced the occurrence of Losses (Negative Returns)

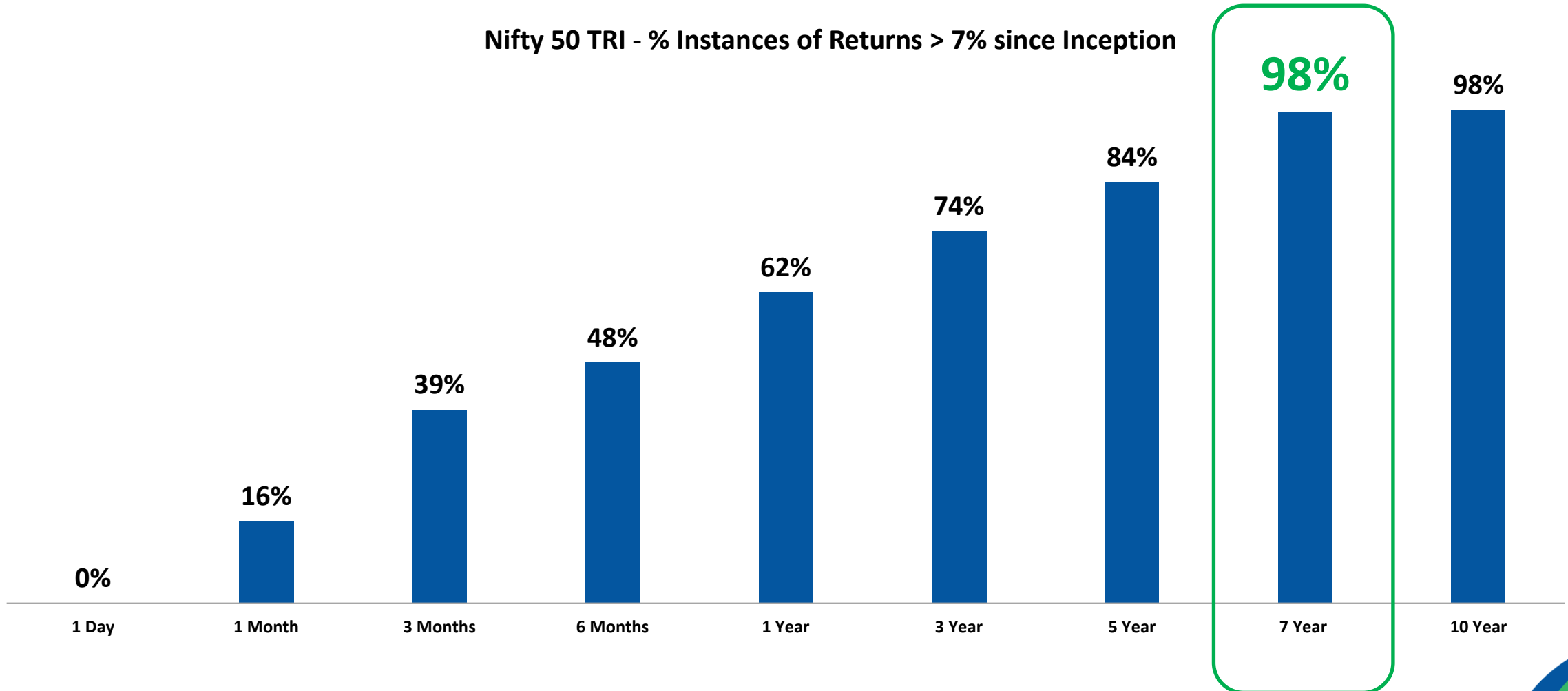


Nifty 50 TRI - % Instances of Returns > 10% since Inception



Longer the time frame, higher the odds of better than FD returns

Nifty 50 TRI - % Instances of Returns > 7% since Inception



Year wise Lumpsum Returns of Nifty 500 TRI (1996 to 2021)

Minimum	-56%	-23%	-12%	-9%	-1%	0%	5%	4%	4%	7%	6%	6%	7%	11%	12%	13%	13%	14%	13%	13%	13%	15%	14%	14%	14%
Maximum	108%	57%	51%	47%	50%	44%	32%	28%	30%	26%	24%	22%	21%	20%	20%	20%	18%	18%	18%	16%	16%	16%	15%	15%	14%
Average	20%	16%	15%	16%	15%	15%	16%	16%	16%	16%	16%	16%	15%	16%	16%	16%	16%	16%	16%	15%	15%	15%	15%	14%	14%
Years	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Jan-96	-1%	4%	0%	19%	9%	3%	5%	14%	15%	17%	18%	22%	13%	17%	17%	13%	15%	14%	15%	14%	14%	15%	14%	14%	14%
Jan-97	10%	1%	27%	11%	4%	6%	16%	17%	19%	21%	24%	14%	18%	18%	14%	16%	15%	16%	15%	15%	16%	15%	15%	15%	
Jan-98	-7%	36%	12%	3%	5%	18%	18%	20%	22%	26%	14%	19%	19%	15%	16%	15%	16%	15%	16%	15%	15%	15%	15%	15%	
Jan-99	99%	23%	6%	8%	23%	23%	25%	26%	30%	17%	22%	21%	17%	18%	17%	18%	17%	16%	17%	16%	16%	16%	16%	16%	
Jan-00	-24%	-23%	-12%	9%	11%	15%	18%	23%	10%	16%	16%	12%	13%	13%	14%	13%	13%	14%	13%	13%	13%				
Jan-01	-21%	-5%	23%	22%	25%	27%	32%	15%	21%	21%	16%	17%	16%	17%	16%	15%	17%	16%	15%	15%					
Jan-02	15%	55%	41%	41%	40%	44%	22%	28%	27%	20%	21%	20%	21%	20%	18%	20%	18%	18%	18%						
Jan-03	108%	57%	51%	47%	50%	23%	30%	28%	21%	22%	20%	22%	20%	19%	20%	18%	18%	18%							
Jan-04	19%	28%	31%	39%	11%	20%	20%	13%	15%	14%	16%	15%	14%	15%	14%	14%	14%								
Jan-05	39%	37%	46%	9%	21%	20%	12%	14%	13%	16%	14%	13%	15%	14%	13%	14%									
Jan-06	36%	50%	0%	17%	16%	8%	11%	10%	13%	12%	11%	13%	12%	12%	12%										
Jan-07	65%	-14%	11%	12%	3%	8%	7%	11%	10%	9%	11%	10%	10%	11%											
Jan-08	-56%	-9%	-2%	-9%	-1%	0%	5%	4%	4%	7%	6%	6%	7%												
Jan-09	86%	46%	16%	21%	17%	21%	17%	16%	18%	16%	15%	15%													
Jan-10	15%	-8%	5%	4%	11%	9%	8%	11%	10%	10%	11%														
Jan-11	-26%	0%	1%	9%	8%	7%	11%	9%	9%	10%															
Jan-12	35%	18%	25%	18%	15%	19%	16%	15%	15%																
Jan-13	4%	20%	13%	11%	16%	13%	12%	13%																	
Jan-14	39%	18%	14%	19%	15%	14%	14%																		
Jan-15	0%	3%	13%	9%	9%	11%																			
Jan-16	5%	20%	12%	11%	13%																				
Jan-17	37%	16%	14%	15%																					
Jan-18	-1%	4%	8%																						
Jan-19	9%	13%																							
Jan-20	18%																								

Illustration:

Years	1	2	3	4	5	6	7	8	9	10	11
Jan-10	15%	-8%	5%	4%	11%	9%	8%	11%	10%	10%	11%

For a Lumpsum investment started in Jan-10 in Nifty 500 TRI and continued for 4 years until Jan-14, the CAGR of the total investment was 4%. The same investment, when held for 8 years until Jan-18, the CAGR was 11%.

Year wise Lumpsum Returns of HDFC Flexi Cap Fund (1996 to 2021)

Minimum	-49%	-12%	-1%	-1%	6%	5%	11%	9%	9%	9%	10%	10%	9%	12%	14%	16%	17%	20%	19%	18%	18%	22%	21%	21%	20%
Maximum	154%	86%	67%	59%	58%	52%	43%	41%	42%	42%	40%	34%	34%	33%	29%	28%	28%	28%	26%	26%	25%	24%	23%	22%	20%
Average	28%	24%	24%	24%	23%	23%	24%	24%	24%	23%	23%	23%	22%	23%	23%	23%	23%	23%	23%	23%	22%	23%	22%	22%	20%
Years	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Jan-96	-22%	-3%	8%	34%	21%	16%	18%	28%	28%	31%	31%	33%	24%	28%	28%	24%	24%	23%	25%	23%	22%	23%	21%	21%	20%
Jan-97	20%	28%	61%	35%	26%	26%	37%	36%	39%	38%	40%	28%	33%	33%	28%	28%	26%	28%	26%	25%	25%	24%	23%	22%	
Jan-98	37%	86%	40%	28%	28%	41%	38%	41%	41%	42%	29%	34%	34%	28%	29%	27%	28%	26%	25%	26%	24%	23%	22%		
Jan-99	154%	42%	25%	25%	41%	39%	42%	41%	42%	29%	34%	34%	28%	28%	26%	28%	26%	24%	25%	24%	23%	22%			
Jan-00	-20%	-12%	-1%	22%	23%	29%	30%	33%	19%	26%	26%	20%	22%	20%	22%	20%	19%	20%	19%	18%	18%				
Jan-01	-3%	10%	41%	37%	42%	41%	43%	25%	32%	32%	25%	26%	24%	26%	24%	22%	23%	22%	21%	20%					
Jan-02	26%	69%	53%	56%	52%	52%	30%	37%	36%	28%	29%	26%	28%	26%	24%	25%	23%	22%	21%						
Jan-03	128%	69%	67%	59%	58%	31%	39%	38%	28%	29%	27%	29%	26%	24%	25%	23%	22%	21%							
Jan-04	26%	43%	41%	44%	17%	28%	28%	20%	21%	19%	22%	20%	19%	20%	18%	17%	17%								
Jan-05	63%	49%	51%	15%	29%	29%	19%	21%	19%	22%	19%	18%	19%	18%	17%	16%									
Jan-06	36%	45%	2%	21%	23%	13%	16%	14%	18%	15%	15%	16%	15%	14%	14%										
Jan-07	54%	-11%	17%	20%	9%	13%	11%	16%	13%	13%	15%	13%	13%	12%											
Jan-08	-49%	1%	10%	-1%	6%	5%	11%	9%	9%	11%	10%	10%	9%												
Jan-09	102%	61%	24%	27%	22%	27%	22%	20%	21%	19%	18%	17%													
Jan-10	29%	-3%	9%	7%	15%	12%	11%	14%	12%	11%	11%														
Jan-11	-27%	0%	1%	12%	8%	8%	12%	10%	9%	9%															
Jan-12	36%	18%	29%	20%	17%	20%	16%	15%	14%																
Jan-13	3%	26%	15%	13%	17%	13%	12%	12%																	
Jan-14	54%	21%	16%	21%	16%	14%	13%																		
Jan-15	-5%	1%	11%	8%	8%	7%																			
Jan-16	6%	20%	12%	11%	10%																				
Jan-17	36%	15%	12%	11%																					
Jan-18	-2%	2%	4%																						
Jan-19	7%	7%																							
Jan-20	7%																								

Illustration:

Years	1	2	3	4	5	6	7	8	9	10	11
Jan-10	29%	-3%	9%	7%	15%	12%	11%	14%	12%	11%	11%

For a Lumpsum investment started in Jan-10 in HDFC Flexi Cap Fund and continued for 4 years until Jan-14, the CAGR of the total investment was 7%. The same investment, when held for 8 years until Jan-18, the CAGR was 14%.

Year wise Lumpsum Returns of Franklin India Flexicap Fund (1995 to 2021)

Minimum	-47%	-20%	-9%	-2%	4%	4%	10%	9%	9%	11%	9%	9%	9%	12%	14%	16%	17%	18%	17%	16%	16%	19%	20%	19%	18%	18%
Maximum	209%	107%	68%	55%	55%	49%	39%	39%	41%	40%	37%	32%	31%	29%	27%	26%	27%	26%	25%	25%	24%	23%	22%	21%	20%	18%
Average	26%	22%	22%	22%	22%	21%	22%	22%	22%	22%	22%	22%	21%	21%	22%	22%	22%	22%	22%	21%	21%	21%	21%	20%	19%	18%
Years	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26
Jan-95	-23%	-18%	-9%	1%	26%	14%	11%	12%	20%	21%	23%	25%	27%	19%	22%	22%	19%	20%	19%	21%	20%	19%	20%	19%	18%	18%
Jan-96	-13%	-2%	10%	42%	23%	18%	18%	27%	27%	29%	30%	32%	23%	26%	26%	23%	23%	22%	24%	23%	22%	22%	21%	20%	20%	
Jan-97	11%	24%	68%	34%	25%	24%	34%	33%	34%	36%	37%	27%	30%	29%	25%	26%	24%	26%	25%	24%	24%	23%	22%	21%		
Jan-98	38%	107%	43%	29%	27%	38%	36%	37%	39%	40%	28%	31%	31%	26%	27%	25%	27%	26%	24%	25%	23%	22%	22%			
Jan-99	209%	45%	26%	24%	38%	36%	37%	39%	41%	28%	31%	30%	26%	26%	24%	26%	25%	24%	24%	22%	21%	21%				
Jan-00	-32%	-20%	-8%	13%	15%	20%	24%	27%	16%	20%	20%	17%	18%	17%	19%	18%	17%	18%	17%	16%	16%					
Jan-01	-5%	7%	33%	31%	34%	37%	39%	24%	28%	27%	22%	23%	22%	24%	22%	21%	22%	20%	19%	19%						
Jan-02	20%	58%	47%	47%	47%	49%	28%	33%	31%	26%	26%	24%	26%	25%	23%	24%	22%	21%	21%							
Jan-03	108%	62%	57%	55%	55%	30%	35%	33%	26%	27%	25%	27%	25%	23%	24%	22%	21%	21%								
Jan-04	25%	36%	40%	44%	18%	25%	24%	18%	20%	18%	21%	20%	19%	19%	18%	17%	17%									
Jan-05	48%	48%	51%	16%	25%	24%	17%	19%	18%	21%	19%	18%	19%	17%	16%	16%										
Jan-06	49%	52%	7%	20%	20%	13%	16%	14%	18%	17%	16%	17%	15%	14%	14%											
Jan-07	55%	-9%	12%	14%	7%	11%	10%	15%	14%	13%	14%	13%	12%	12%												
Jan-08	-47%	-5%	3%	-2%	4%	4%	10%	9%	9%	11%	9%	9%														
Jan-09	69%	42%	19%	22%	19%	24%	21%	19%	20%	18%	16%	16%														
Jan-10	19%	0%	10%	8%	17%	15%	13%	15%	13%	12%	12%															
Jan-11	-16%	5%	5%	16%	14%	12%	14%	12%	11%	12%																
Jan-12	32%	18%	30%	23%	19%	21%	17%	15%	15%																	
Jan-13	5%	28%	20%	16%	19%	15%	13%	13%																		
Jan-14	57%	28%	20%	22%	17%	14%	15%																			
Jan-15	5%	5%	12%	8%	7%	9%																				
Jan-16	4%	16%	9%	8%	9%																					
Jan-17	30%	12%	9%	11%																						
Jan-18	-4%	0%	5%																							
Jan-19	3%	10%																								
Jan-20	16%																									

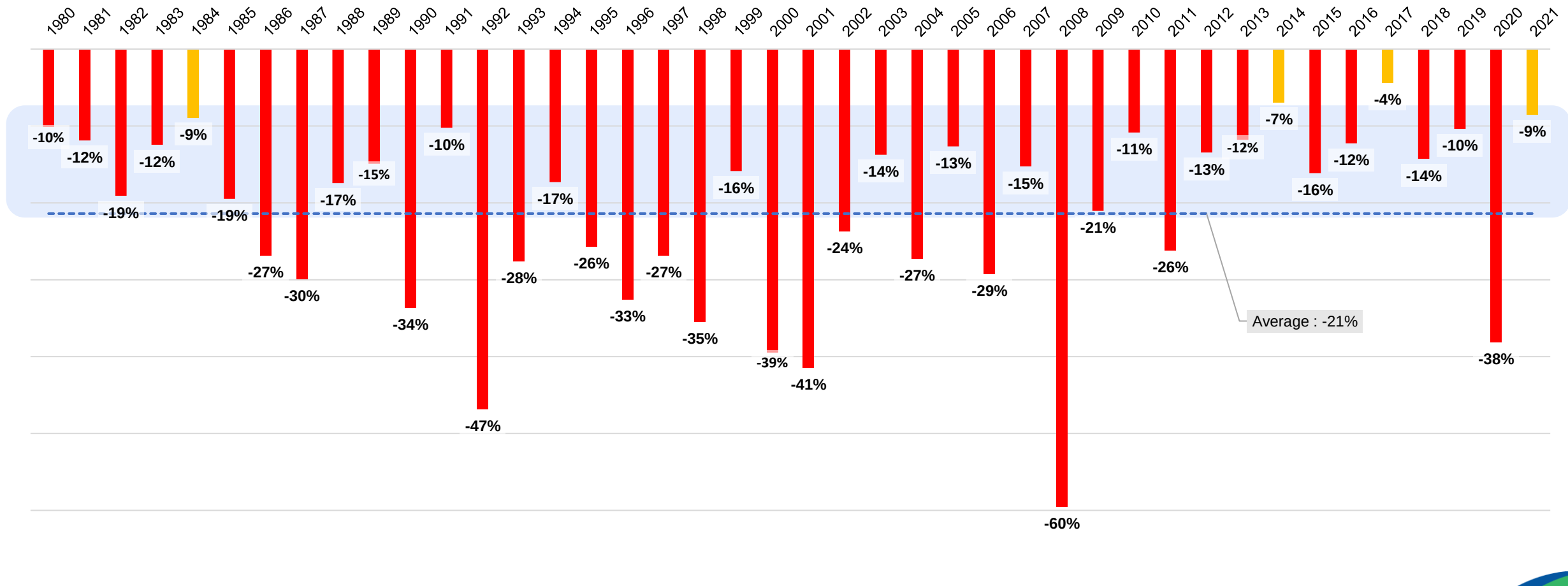
Illustration:

Years	1	2	3	4	5	6	7	8	9	10	11
Jan-10	19%	0%	10%	8%	17%	15%	13%	15%	13%	12%	12%

For a Lumpsum investment started in Jan-10 in Franklin India Flexicap Fund and continued for 4 years until Jan-14, the CAGR of the total investment was 8%. The same investment, when held for 8 years until Jan-18, the CAGR was 15%.

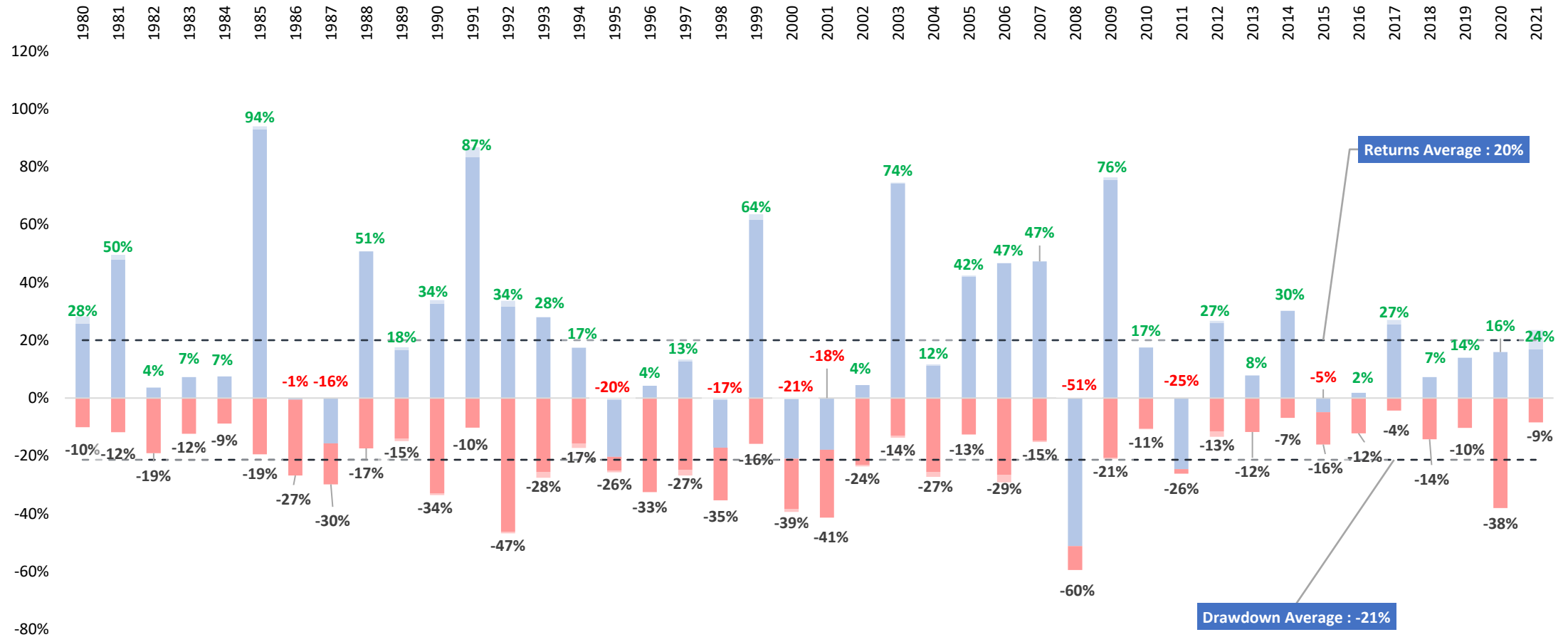
Equity Markets have 10-20% temporary declines almost every year

Sensex : Year-wise Drawdown (1980 to 2021)



3 out of 4 years ended up with positive returns despite the intra-year decline...

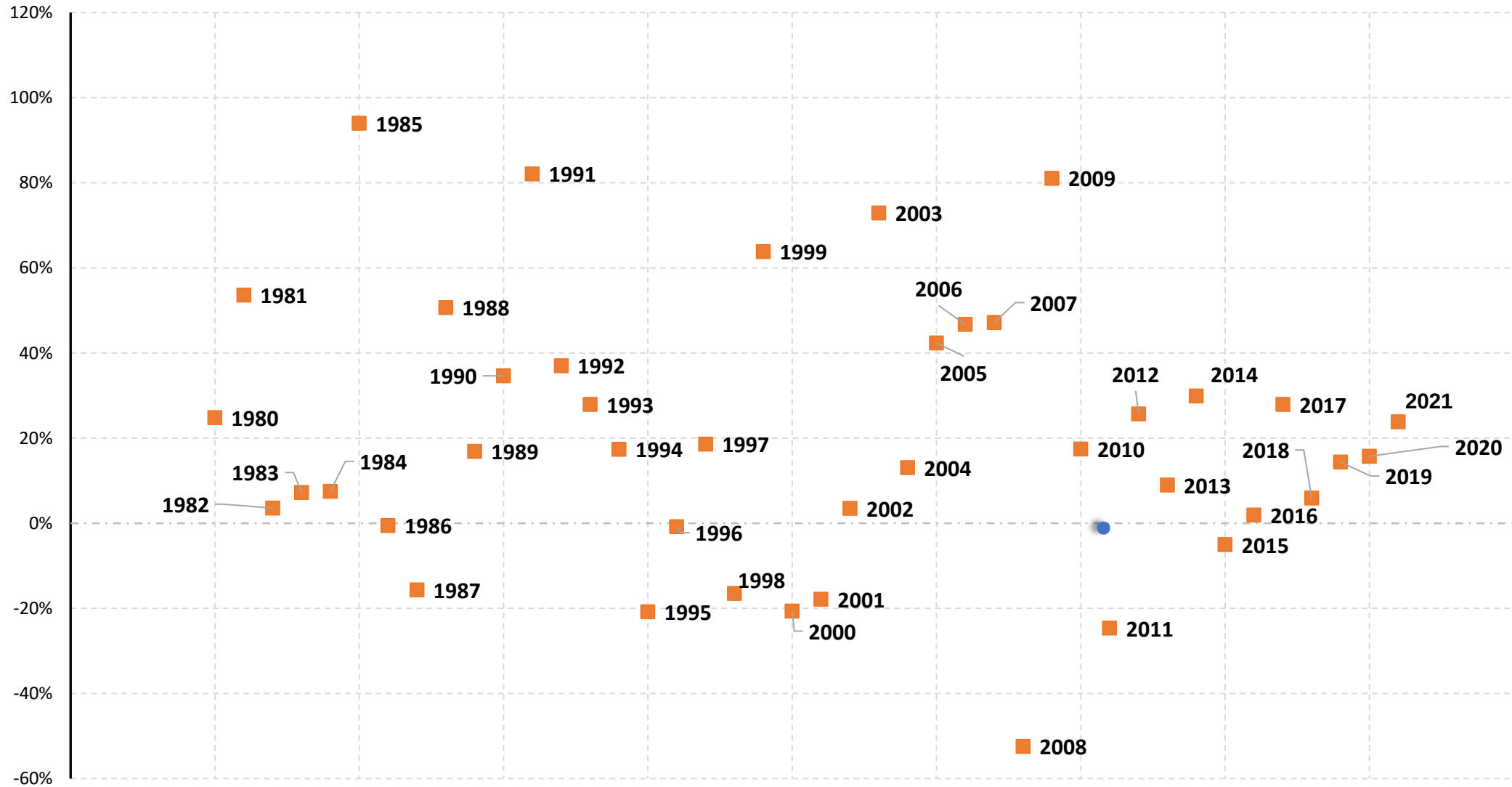
Sensex (1980 to 2021) - CY Returns vs Drawdown



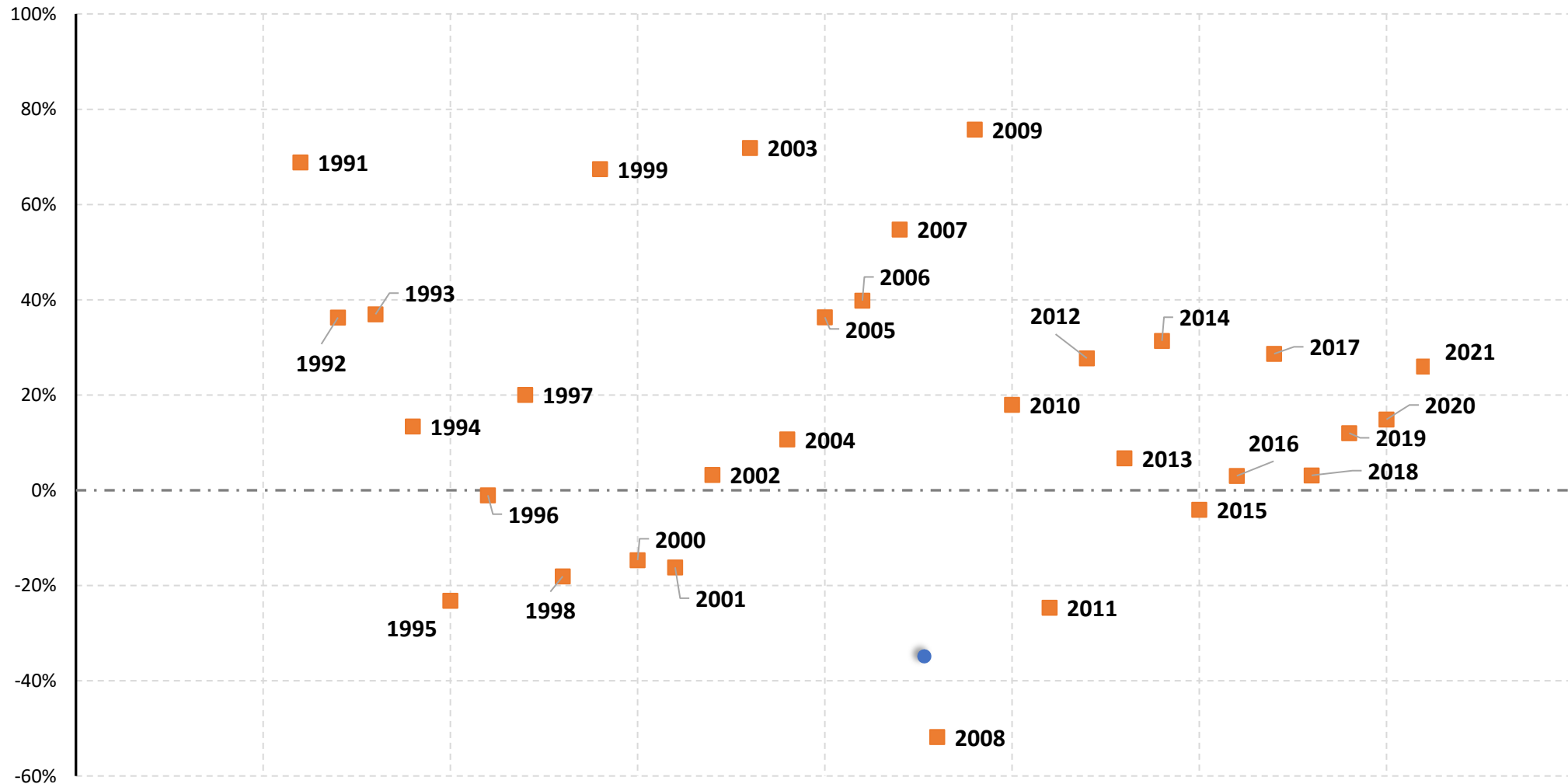
Out of 41 years, while markets always had an interim decline, only in 9 years did the market end the year with negative returns.

3 out of 4 years, the markets ended the year in positive – despite the temporary decline!

Sensex - Calendar Year Returns



Nifty 50 - Calendar Year Returns



Market falls of 30-60%, historically have occurred once every 7-10 years

Historically, bear markets and subsequent recoveries have taken around 1-3 years

Market Declines above 30%

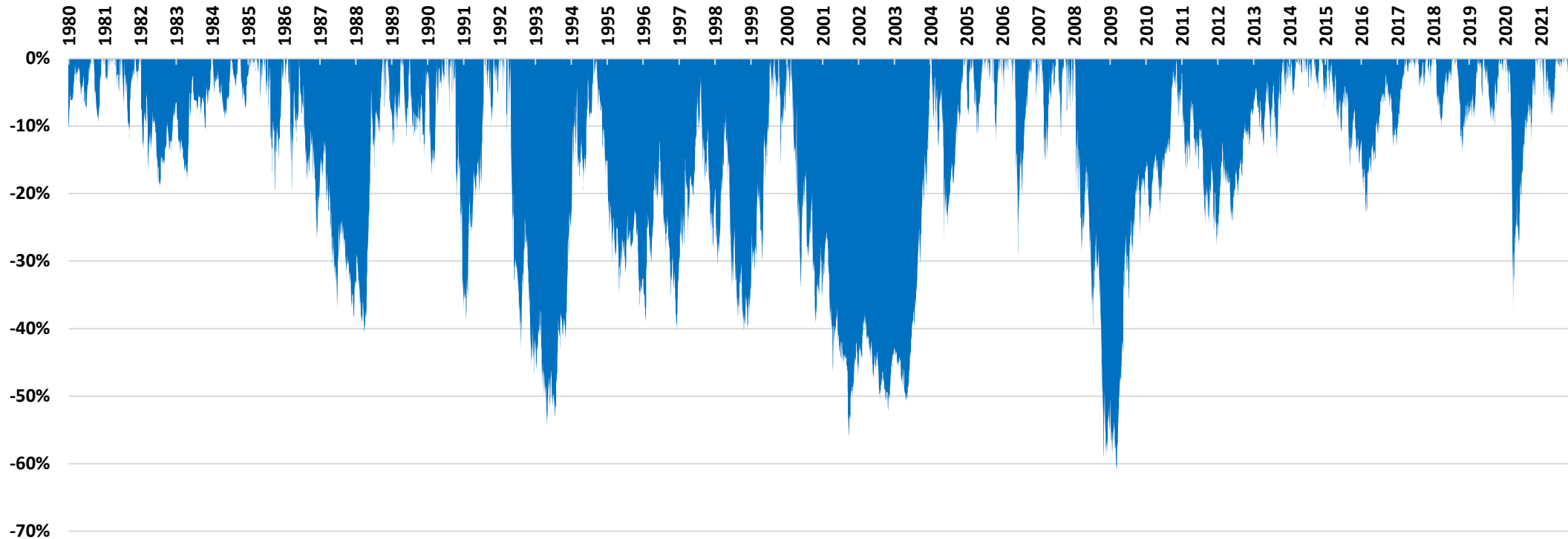
Peak Date	Peak Value	Trough Date	Trough Value	Fall from Peak	Recovery Date	Sensex Value	Time Taken for Fall (in yrs)	Time Taken to Recover (in yrs)	Fall + Recovery (in yrs)
04-Jun-86	659	28-Mar-88	390	-41%	30-Sep-88	663	1Y 10M	6M	2Y 4M
09-Oct-90	1,559	25-Jan-91	956	-39%	26-Jul-91	1,600	4M	6M	10M
22-Apr-92	4,467	26-Apr-93	2,037	-54%	12-Aug-94	4,508	12M	1Y 4M	2Y 4M
12-Sep-94	4,631	04-Dec-96	2,745	-41%	14-Jul-99	4,710	2Y 3M	2Y 7M	4Y 10M
21-Apr-98	4,281	20-Oct-98	2,764	-35%	05-Jul-99	4,306	6M	8M	1Y 2M
11-Feb-00	5,934	21-Sep-01	2,600	-56%	02-Jan-04	6,027	1Y 7M	2Y 3M	3Y 10M
08-Jan-08	20,873	09-Mar-09	8,160	-61%	04-Nov-10	20,894	1Y 2M	1Y 8M	2Y 10M
14-Jan-20	41,952	23-Mar-20	25,981	-38%	09-Nov-20	42,597	2M	8M	10M

Average	1Y 1M	1Y 3M	2Y 4M
Max	2Y 3M	2Y 7M	4Y 10M
Min	2M	6M	8M

Every decade saw 1-2 sharp declines of >30%

Frequency of Market Declines

Sensex - Drawdown (1980 - 2021)



Decade	Number of declines in the given range					Returns CAGR (%)
	10 to 20%	20 to 30%	30 to 40%	40 to 50%	50 to 60%	
1981-90	7			1		21.3%
1991-00	2		1	1	1	14.2%
2001-10	3	2			2	17.9%
2011-20	2	2	1			8.8%

Every Crisis in the past has been followed by a recovery and further upside...

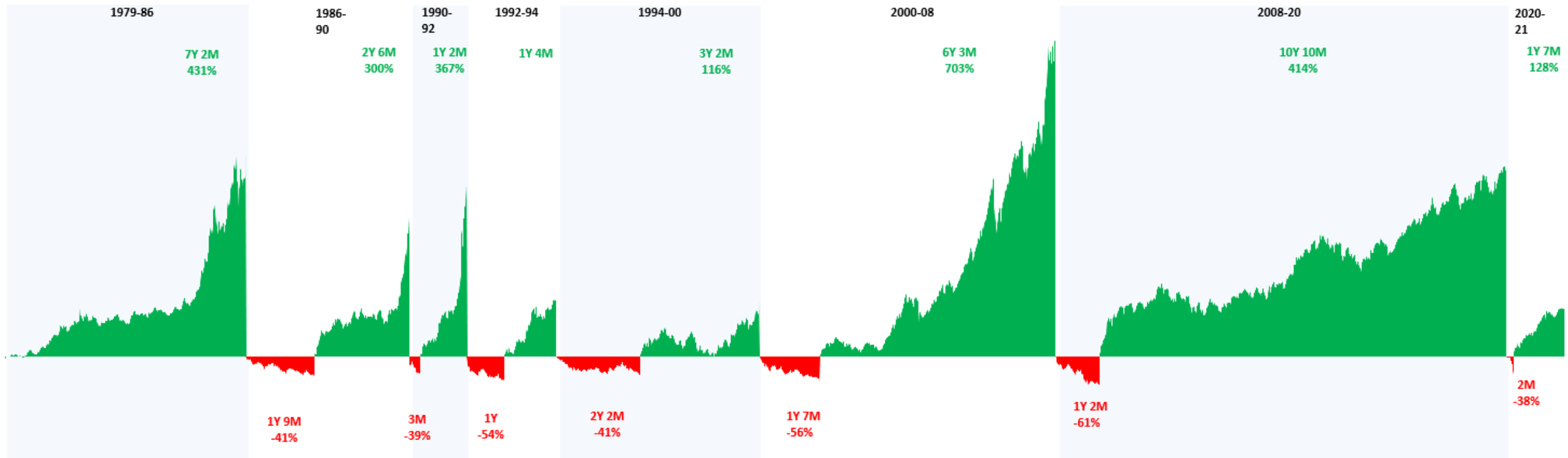
Every crisis in the past is followed by a rally!



Every Crisis in the past has been followed by a recovery and further upside...

Sensex - Market Decline and Recovery (Since Inception)

Upsides are much higher than the Declines!



Even if one invests just before a market crash, the returns would still be decent if held for a long timeframe...

Major Falls > 20% since 2000	Absolute Decline	Nifty 50 TRI Lumpsum CAGR (When Invested at Peaks before the Fall)	Debt	Inflation
2000 Dotcom Bubble	-50%	13%	8%	6%
2004 Indian Election Uncertainty	-30%	15%	7%	7%
2006 Global Rate Hike Selloff	-30%	12%	8%	7%
2008 Global Financial Crisis	-59%	9%	8%	7%
2010 European Debt Crisis	-27%	11%	8%	7%
2015 Global Market Selloff (Yuan Devaluation)	-22%	12%	8%	5%
2020 Covid Crash	-38%	24%	7%	6%

Source: FundsIndia Research, MFI; FI Debt Index comprising of ABSL Low Duration Fund, HDFC Low Duration Fund & ABSL Corporate Bond Fund is considered as the debt option; Inflation % is based on the Cost Inflation Index; Returns as on 31-Oct-21.

- 1. Over the Long Term (10-15 years) Equity has provided returns above inflation**
- 2. Long Term Return Expectation = Inflation + 4-6% but...**
- 3. 10-20% decline happens almost every year**
- 4. 30-60% Decline should be a part of expectation for every 7-10 years**



Debt Returns

Year wise Lumpsum Returns of Debt (2001 to 2021)

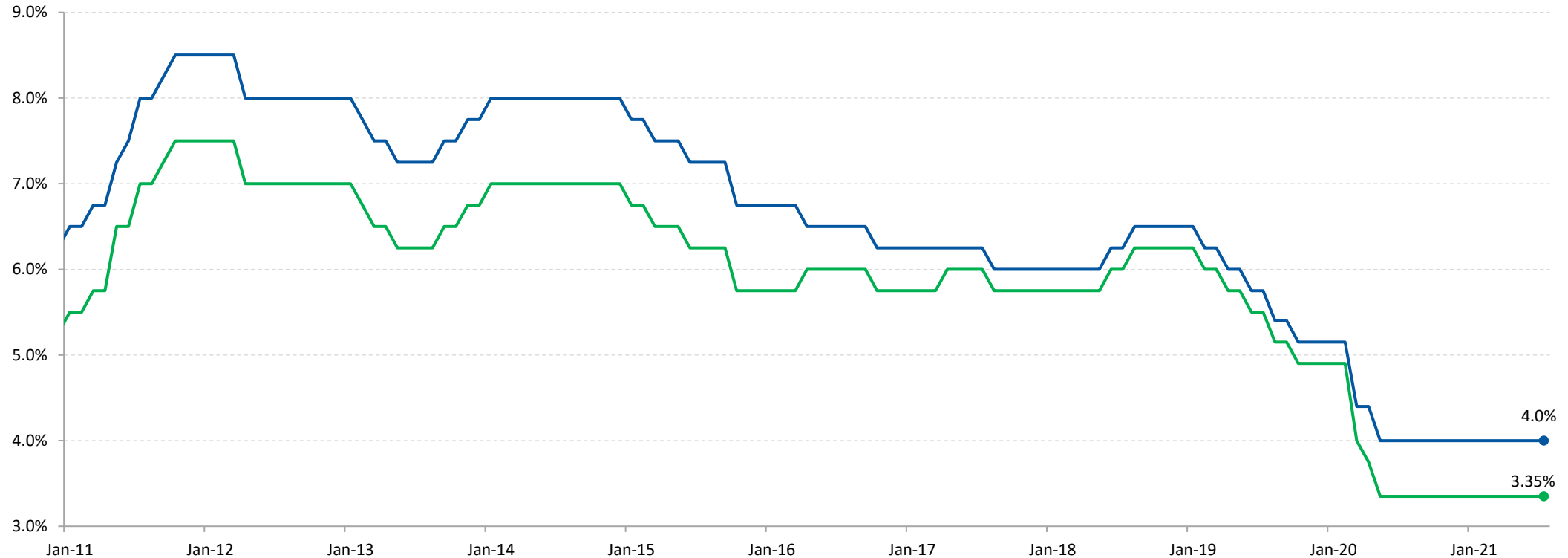
Minimum	1%	3%	5%	5%	6%	7%	6%	6%	7%	7%	7%	7%	7%	7%	7%	7%	7%	8%	8%	8%
Maximum	14%	12%	10%	9%	9%	9%	9%	8%	9%	9%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Average	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Years	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Jan-01	11%	11%	9%	8%	7%	7%	7%	8%	7%	7%	7%	8%	8%	8%	8%	8%	8%	8%	8%	8%
Jan-02	10%	8%	6%	6%	6%	7%	8%	7%	7%	7%	7%	7%	7%	8%	8%	8%	8%	8%	8%	
Jan-03	6%	5%	5%	5%	6%	7%	6%	6%	7%	7%	7%	7%	7%	7%	7%	7%	7%	8%		
Jan-04	3%	4%	5%	6%	8%	7%	6%	7%	7%	7%	7%	7%	8%	7%	7%	7%	8%			
Jan-05	5%	6%	7%	9%	7%	7%	7%	7%	8%	8%	8%	8%	8%	8%	8%	8%				
Jan-06	7%	8%	10%	8%	7%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%					
Jan-07	10%	12%	8%	7%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%						
Jan-08	14%	7%	6%	7%	8%	8%	8%	8%	8%	8%	8%	8%	8%							
Jan-09	1%	3%	5%	6%	6%	7%	7%	7%	7%	7%	7%	8%								
Jan-10	5%	7%	8%	8%	8%	8%	8%	8%	8%	8%	8%									
Jan-11	9%	9%	9%	9%	9%	9%	9%	8%	8%	9%										
Jan-12	10%	9%	9%	9%	9%	9%	8%	8%	9%											
Jan-13	8%	9%	9%	9%	8%	8%	8%	8%												
Jan-14	10%	9%	9%	8%	8%	8%	8%													
Jan-15	8%	9%	8%	8%	8%	8%														
Jan-16	9%	8%	7%	8%	8%															
Jan-17	7%	7%	7%	8%																
Jan-18	7%	8%	8%																	
Jan-19	9%	9%																		
Jan-20	9%																			

Illustration:

Years	1	2	3	4	5	6	7	8	9	10	11
Jan-10	5%	7%	8%	8%	8%	8%	8%	8%	8%	8%	8%

For a Lumpsum investment started in Jan-10 in Debt* Funds and continued for 4 years until Jan-14, the CAGR of the total investment was 8%. The same investment, when held for 8 years until Jan-18, the CAGR was 8%.

Repo Rate and Reverse Repo Rate



The Monetary Policy Committee, in its recent announcement on 08-Oct-21, kept the rates unchanged but maintained its 'accommodative' stance as long as necessary till growth is put on a path of sustainable recovery, while ensuring that inflation remains within the target going forward. The RBI is clear on a 'whatever it takes' stance to revive growth.

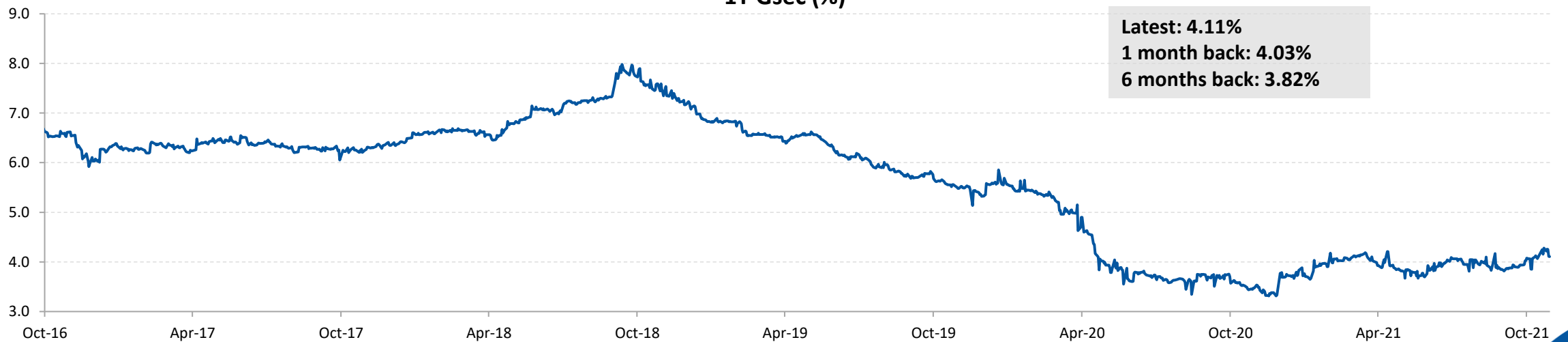
- Repo rate unchanged at 4.0%
- Reverse Repo unchanged at 3.35%
- Inflation forecast for FY22 reduced from 5.7% to 5.3%
- Growth forecast for FY22 retained at 9.5%

India – 10Y and 1Y Government Bond Yields

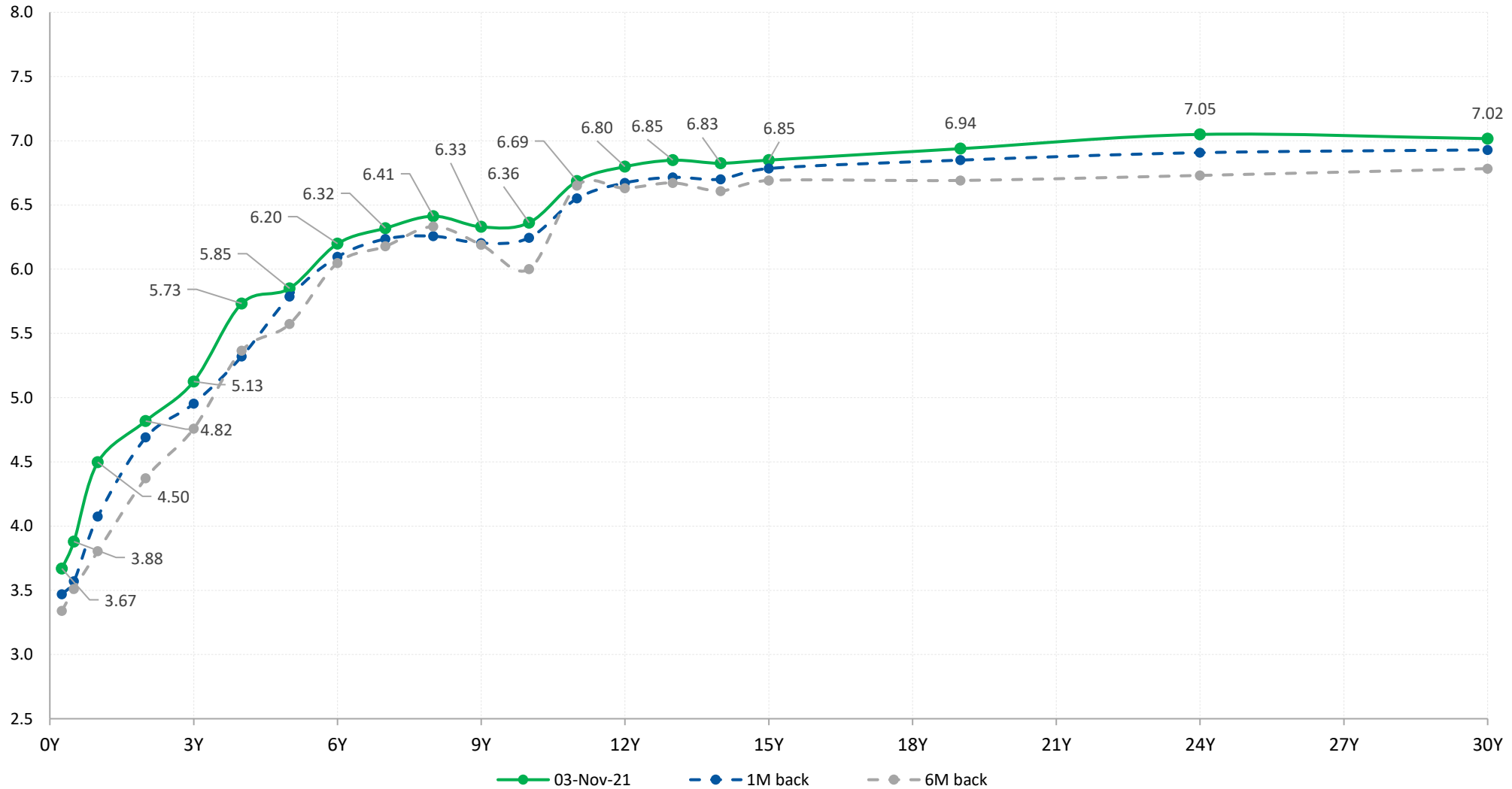
10Y Gsec (%)



1Y Gsec (%)



Yield Curve (%)



FD Rates have come down...

FD Rates of Large Bank FDs

Upto 6 Months				
HDFC Bank	ICICI Bank	SBI Bank	PNB Bank	Bank FD Average
3.50	3.50	3.90	3.80	3.68

6 Months to 1 Year				
HDFC Bank	ICICI Bank	SBI Bank	PNB Bank	Bank FD Average
4.40	4.40	4.40	4.40	4.40

1 to 2 Years				
HDFC Bank	ICICI Bank	SBI Bank	PNB Bank	Bank FD Average
4.90	5.00	5.00	5.00	4.98

2 to 3 Years				
HDFC Bank	ICICI Bank	SBI Bank	PNB Bank	Bank FD Average
5.15	5.15	5.10	5.10	5.13

3 to 5 Years				
HDFC Bank	ICICI Bank	SBI Bank	PNB Bank	Bank FD Average
5.30	5.35	5.30	5.25	5.30

10Y U.S Government Bond Yields

US 10 Yr Treasury Yield (%)



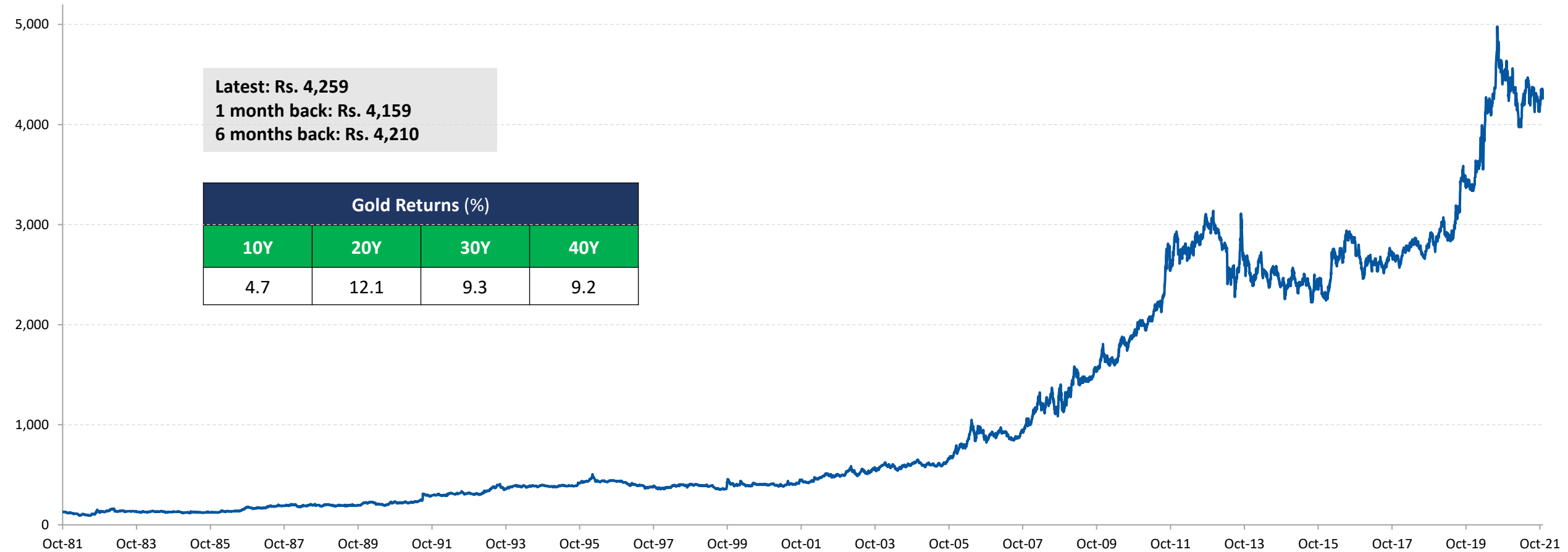
- 1. Over the Long Term (10-15 years) Debt has provided returns above inflation**
- 2. Long Term Return Expectation = Inflation + 1-2%**
- 3. Taxation Advantage over FDs when held for >3 years**
- 4. High Credit Quality, Shorter Duration Debt Funds should form a part of your Core Debt Portfolio**



Gold Returns

Gold - Long Term Returns

Gold Price (INR per gram)



Year wise Lumpsum Returns of Gold (1980 to 2021)

Minimum	-22%	-9%	-8%	-5%	-3%	-1%	1%	1%	3%	4%	4%	5%	6%	6%	7%	7%	5%	6%	5%	5%	5%	5%	6%	6%	6%	7%	7%	8%	8%	9%	9%	9%	9%	8%	8%	8%	8%	8%	8%	9%		
Maximum	31%	27%	24%	25%	24%	23%	23%	22%	19%	20%	19%	18%	16%	15%	15%	13%	12%	12%	13%	13%	12%	12%	12%	12%	12%	12%	12%	12%	11%	11%	11%	10%	10%	10%	10%	11%	10%	10%	10%	10%	9%	9%
Average	10%	9%	9%	9%	9%	9%	9%	9%	10%	10%	10%	10%	10%	10%	10%	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%	10%	10%	10%	10%	10%	10%	10%	9%	9%	9%	9%	9%	9%	9%	9%	9%	
Years	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	
Jan-80	10%	-7%	1%	-1%	-2%	-1%	3%	5%	4%	5%	5%	7%	7%	8%	7%	8%	7%	6%	6%	6%	5%	5%	6%	6%	6%	7%	7%	8%	8%	9%	9%	10%	10%	9%	9%	8%	8%	8%	8%	8%	9%	
Jan-81	-22%	-3%	-5%	-5%	-3%	2%	4%	4%	4%	4%	6%	6%	8%	7%	7%	7%	5%	6%	5%	5%	6%	6%	6%	7%	7%	8%	8%	9%	9%	10%	10%	9%	9%	8%	8%	8%	8%	8%	9%	9%		
Jan-82	19%	5%	2%	2%	7%	9%	8%	8%	7%	10%	9%	11%	10%	10%	9%	7%	7%	7%	7%	8%	8%	7%	8%	9%	9%	10%	10%	11%	11%	10%	10%	9%	9%	9%	9%	9%	9%	10%	10%	10%		
Jan-83	-8%	-6%	-3%	4%	7%	6%	6%	6%	9%	8%	10%	9%	9%	8%	7%	7%	7%	6%	6%	7%	7%	7%	8%	8%	8%	9%	10%	10%	11%	11%	10%	9%	9%	9%	9%	9%	9%	9%	10%	10%		
Jan-84	-4%	-1%	8%	11%	9%	9%	8%	11%	10%	12%	11%	11%	10%	8%	8%	7%	7%	7%	8%	8%	8%	8%	9%	9%	10%	10%	11%	11%	11%	10%	10%	9%	9%	9%	9%	9%	10%	10%	10%	10%		
Jan-85	2%	15%	17%	12%	12%	10%	13%	12%	14%	12%	12%	11%	9%	9%	8%	8%	8%	9%	9%	8%	9%	9%	8%	9%	10%	10%	11%	11%	11%	12%	12%	12%	11%	10%	10%	10%	10%	10%	10%			
Jan-86	29%	25%	16%	14%	12%	15%	14%	15%	13%	13%	12%	9%	9%	9%	8%	8%	9%	9%	9%	9%	10%	10%	11%	11%	12%	12%	12%	11%	11%	10%	10%	10%	10%	10%	10%	11%	10%	10%	10%			
Jan-87	21%	10%	9%	8%	12%	11%	13%	11%	12%	10%	8%	8%	7%	7%	7%	8%	8%	8%	8%	9%	9%	10%	11%	11%	12%	12%	10%	10%	9%	10%	9%	9%	10%	10%	10%	10%	10%	10%	10%			
Jan-88	0%	4%	4%	10%	10%	12%	10%	11%	9%	6%	7%	6%	6%	6%	7%	7%	7%	8%	8%	9%	10%	10%	11%	11%	11%	10%	10%	9%	9%	9%	9%	9%	10%	10%	10%	10%	10%	10%	10%			
Jan-89	8%	7%	14%	12%	15%	12%	12%	10%	7%	7%	7%	6%	6%	7%	8%	7%	8%	9%	9%	10%	11%	11%	12%	12%	11%	10%	9%	10%	9%	9%	9%	10%	10%	10%	10%	10%	10%	10%	10%			
Jan-90	5%	17%	13%	17%	13%	13%	10%	7%	7%	7%	6%	6%	7%	8%	7%	8%	9%	9%	10%	11%	11%	12%	12%	11%	10%	9%	10%	9%	9%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%			
Jan-91	31%	18%	21%	15%	14%	11%	7%	7%	7%	6%	6%	8%	8%	7%	8%	9%	10%	11%	11%	12%	12%	12%	11%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%			
Jan-92	6%	16%	10%	11%	8%	4%	4%	4%	4%	4%	6%	6%	6%	7%	8%	8%	9%	10%	11%	12%	12%	10%	10%	9%	9%	9%	9%	9%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%			
Jan-93	27%	12%	12%	8%	3%	4%	4%	4%	4%	6%	6%	6%	7%	8%	9%	10%	10%	11%	12%	12%	10%	10%	9%	9%	9%	9%	9%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%			
Jan-94	-2%	5%	3%	-2%	0%	1%	1%	1%	3%	4%	4%	5%	7%	7%	9%	9%	10%	11%	11%	9%	9%	8%	8%	8%	8%	9%	9%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%			
Jan-95	13%	5%	-2%	0%	1%	1%	1%	4%	5%	5%	6%	7%	8%	9%	10%	11%	12%	12%	10%	10%	9%	9%	9%	9%	9%	9%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%			
Jan-96	-3%	-9%	-3%	-2%	-1%	0%	3%	4%	4%	5%	7%	8%	9%	10%	11%	12%	12%	10%	9%	9%	9%	9%	9%	9%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%			
Jan-97	-14%	-4%	-2%	-1%	0%	4%	5%	5%	6%	8%	9%	10%	11%	12%	13%	13%	11%	10%	9%	9%	9%	9%	9%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%			
Jan-98	7%	5%	4%	4%	8%	9%	8%	9%	11%	11%	13%	13%	14%	15%	15%	12%	12%	11%	11%	10%	10%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%			
Jan-99	3%	2%	3%	8%	9%	8%	10%	11%	12%	13%	14%	15%	16%	15%	13%	12%	11%	11%	11%	11%	10%	11%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%			
Jan-00	1%	3%	10%	11%	8%	11%	12%	13%	14%	15%	16%	17%	16%	14%	13%	11%	11%	11%	11%	11%	10%	11%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%			
Jan-01	4%	14%	14%	10%	13%	14%	14%	16%	16%	17%	18%	18%	15%	14%	12%	12%	11%	12%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%			
Jan-02	25%	19%	12%	15%	16%	16%	18%	18%	19%	20%	19%	15%	14%	13%	12%	12%	12%	12%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%			
Jan-03	14%	7%	12%	14%	15%	17%	17%	18%	19%	18%	15%	14%	12%	12%	11%	11%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%			
Jan-04	0%	10%	14%	15%	17%	18%	19%	20%	19%	15%	13%	12%	11%	11%	11%	11%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%			
Jan-05	22%	22%	20%	22%	22%	22%	23%	22%	16%	15%	13%	12%	12%	12%	12%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%			
Jan-06	21%	19%	22%	22%	22%	23%	22%	16%	14%	12%	12%	11%	11%	12%	12%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%			
Jan-07	17%	23%	22%	22%	24%	22%	15%	13%	11%	11%	10%	10%	11%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%			
Jan-08	29%	24%	24%	25%	23%	15%	13%	10%	10%	10%	10%	10%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%			
Jan-09	19%	22%	24%	21%	12%	10%	7%	8%	8%	8%	9%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%			
Jan-10	24%	27%	22%	10%	9%	6%	6%	6%	7%	8%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%			
Jan-11	29%	20%	6%	5%	2%	4%	4%	4%	6%	8%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%			
Jan-12	12%	-4%	-2%	-4%	-1%	0%	1%	4%	6%	8%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%	10%			
Jan-13	-18%	-8%	-8%	-4%	-2%	0%	3%	5%	7%	9%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%			
Jan-14	2%	-3%	1%	3%	4%	6%	9%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%			
Jan-15	-8%	1%	3%	4%	7%	10%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%	12%			
Jan-16	11%	8%	8%	11%	14%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%	16%				
Jan-17	6%	7%	12%	15%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%				
Jan-18	8%	15%	19%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%				
Jan-19	21%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%	24%				
Jan-20	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%							

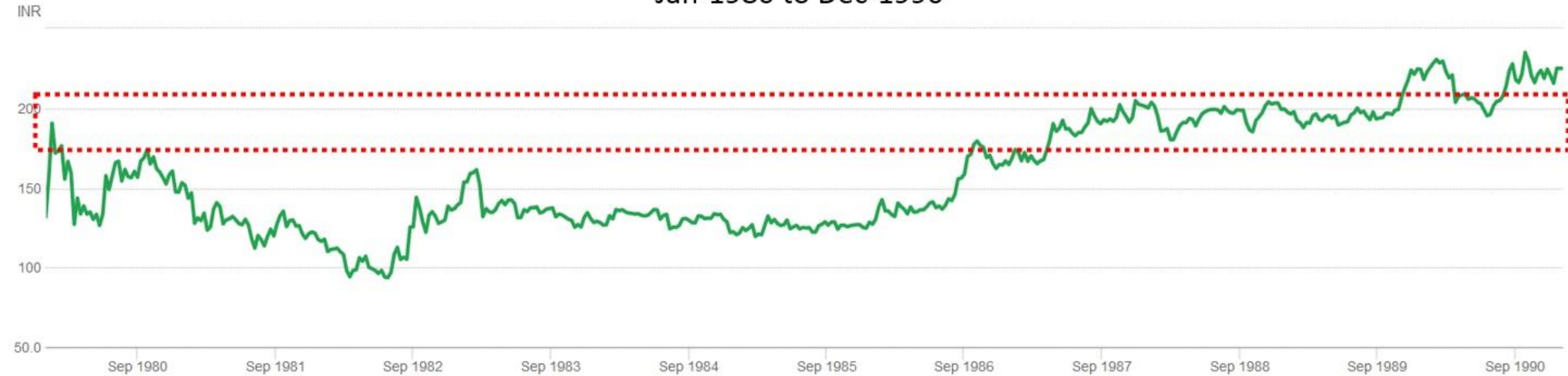
Illustration:

Years	1	2	3	4	5	6	7	8	9	10	11
Jan-10	24%	27%	22%	10%	9%	6%	6%	6%	7%	8%	10%

For a Lumpsum investment started in Jan-10 in Gold and continued for 4 years until Jan-14, the CAGR of the total investment was 10%. The same investment, when held for 8 years until Jan-18, the CAGR was 6%.

1980-1990: *It took gold 10 years to hit its 1980 peak once again*

Jan-1980 to Dec-1990



1996-2003: *It took gold 8 years to hit its 1996 peak once again*



2012-2019: *It took gold 7 years to hit its 2012 peak once again*

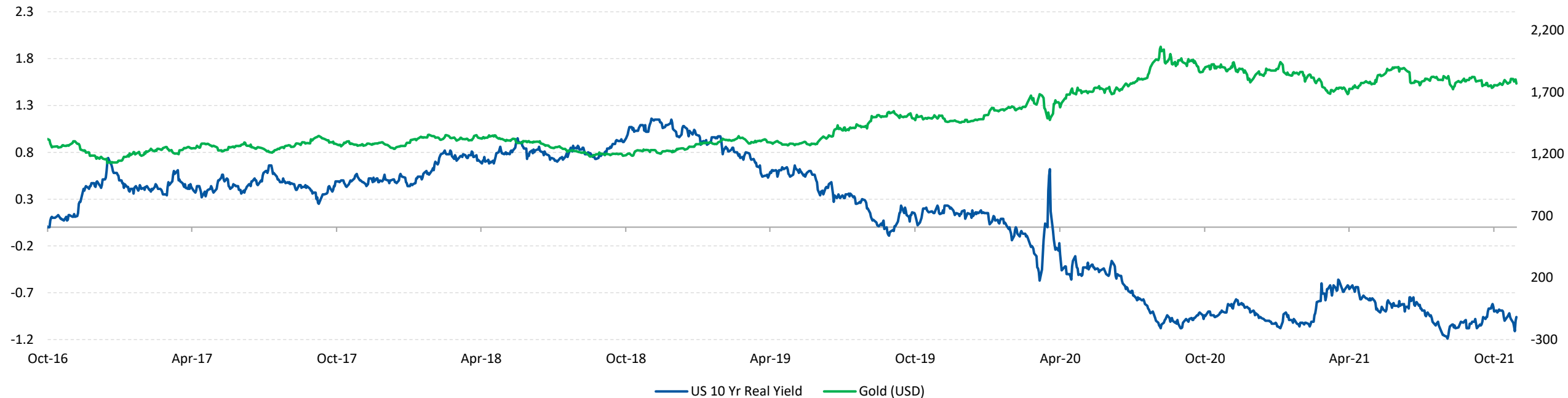


Gold shows inverse correlation to US Real Yields

10 Yr Treasury Bond Real Yield
Latest: -0.96%
1 month back: -0.85%
6 months back: -0.76%

Gold Price (USD/Troy Ounce)
Latest: 1,769
1 month back: 1,743
6 months back: 1,768

US 10 Yr Real Yield (%) vs Gold (USD/Troy Ounce)



- 1. Over the Long Term (10-15 years) Gold has provided returns above inflation**
- 2. Long Term Return Expectation = Inflation + 1-3% but...**
- 3. Gold also goes through extended interim periods of subdued returns**
- 4. Gold Returns in INR are driven by**
 1. Gold Price (in USD) – inversely correlated to US Real Yields
 2. Currency (USD-INR) movement



Exchange Rate

USD INR Exchange Rate





Diversification

All Asset Classes Go Through Good and Bad Times

– Respect Diversification!

Calendar Year-wise Performance of Asset Classes

CY-2010	CY-2011	CY-2012	CY-2013	CY-2014	CY-2015	CY-2016	CY-2017	CY-2018	CY-2019	CY-2020	CY-2021
Gold 24.2%	Gold 29.4%	Mid cap 46.7%	International 48.8%	Small cap 71.7%	Small cap 11.3%	International 14.9%	Small cap 58.5%	Gold 8.4%	International 34.9%	Gold 27.6%	Small cap 55.5%
Mid cap 20.1%	Real Estate 26.3%	Small cap 40.4%	Real Estate 10.1%	Mid cap 62.7%	Real Estate 9.8%	Gold 10.9%	Mid cap 55.7%	Debt 6.9%	Gold 21.1%	Small cap 26.5%	Mid cap 46.0%
Large cap 19.2%	International 21.1%	Multi Cap 33.5%	Debt 8.5%	Multi Cap 39.3%	Mid cap 9.7%	Debt 9.2%	Multi Cap 37.7%	Real Estate 5.1%	Large cap 13.5%	Mid cap 25.6%	Multi Cap 32.2%
Small cap 17.6%	Debt 9.0%	Large cap 29.4%	Large cap 8.1%	Large cap 32.9%	Debt 8.3%	Real Estate 8.3%	Large cap 30.3%	Large cap 4.6%	Multi Cap 9.0%	International 21.2%	Large cap 27.8%
Multi Cap 15.3%	Large cap -23.8%	Real Estate 25.1%	Multi Cap 4.8%	Real Estate 16.9%	International 6.5%	Mid cap 6.5%	International 14.5%	International 4.2%	Debt 8.7%	Multi Cap 17.9%	International 27.2%
International 10.9%	Multi Cap -26.4%	International 20.3%	Mid cap -1.3%	International 15.9%	Multi Cap 0.2%	Multi Cap 5.1%	Real Estate 7.2%	Multi Cap -2.1%	Real Estate 3.0%	Large cap 16.1%	Debt 3.2%
Debt 4.7%	Mid cap -31.0%	Gold 11.7%	Small cap -6.4%	Debt 9.6%	Large cap -3.0%	Large cap 4.4%	Debt 6.4%	Mid cap -12.6%	Mid cap 0.6%	Debt 9.5%	Real Estate 0.2%
Real Estate -0.6%	Small cap -35.1%	Debt 9.6%	Gold -18.0%	Gold 2.2%	Gold -7.9%	Small cap 1.4%	Gold 6.0%	Small cap -26.1%	Small cap -7.3%	Real Estate 2.2%	Gold -3.9%

Note:

Real Estate: CY-2010 Returns since 01-Apr-10. CY-2021 Returns as on 31-Oct-2021. CY-2021 Real Estate Returns as on 30-June-21.

Largecap: Nifty 50 TRI, Midcap: Nifty Midcap 150 TRI, Smallcap: Nifty Smallcap 250 TRI, Flexicap: Nifty 500 TRI, International: S&P 500 TRI.

Debt: Index calibrated based on the Debt Schemes - Aditya Birla SL Low Duration Fund, HDFC Low Duration Fund, Aditya Birla SL Corporate Bond Fund.

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