

Why plan for your retirement?
Because you can't afford not to.



Edelweiss Retirement Plan

A new facility offered under the Systematic Investment Plan of Edelweiss Mutual Fund

What do people think of retirement?



Estimated Age for Retirement? **50 – 69**

Almost 80% of respondents aged 25-44 chose a retirement age in this band. The majority want to retire before 60.



How much is needed? **59% says don't know**

Although 65% are already saving for retirement, most didn't have a clue about the cost of retirement living.



Will you Afford current Lifestyle? **48% say No**

There is a growing realization that life gets tough after regular income stops.



Where to invest? **52% says Traditional Investment**

Traditional investment options are not enough to beat inflation.



Equity or Debt? **61% don't know**

Respondents are not aware about the importance of asset allocation in retirement planning.



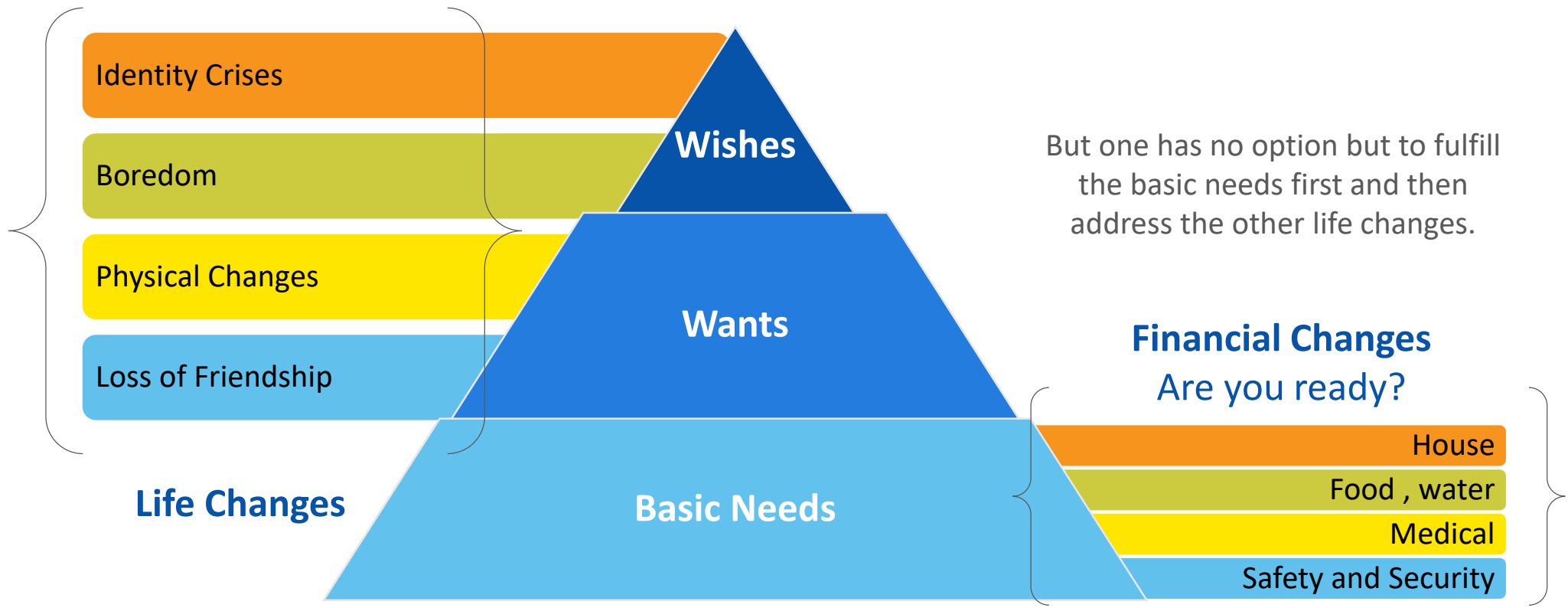
Considering A Financial Advisor? **77% says No**

This is a worrying fact, considering the limited knowledge on the right investment options for retirement planning.

Retirement is a major life change



Lifestyles changes after retiring brings unexpected feelings, both emotional and physical.



But one has no option but to fulfill the basic needs first and then address the other life changes.

Life Changes

Basic Needs

Financial Changes
Are you ready?

House

Food , water

Medical

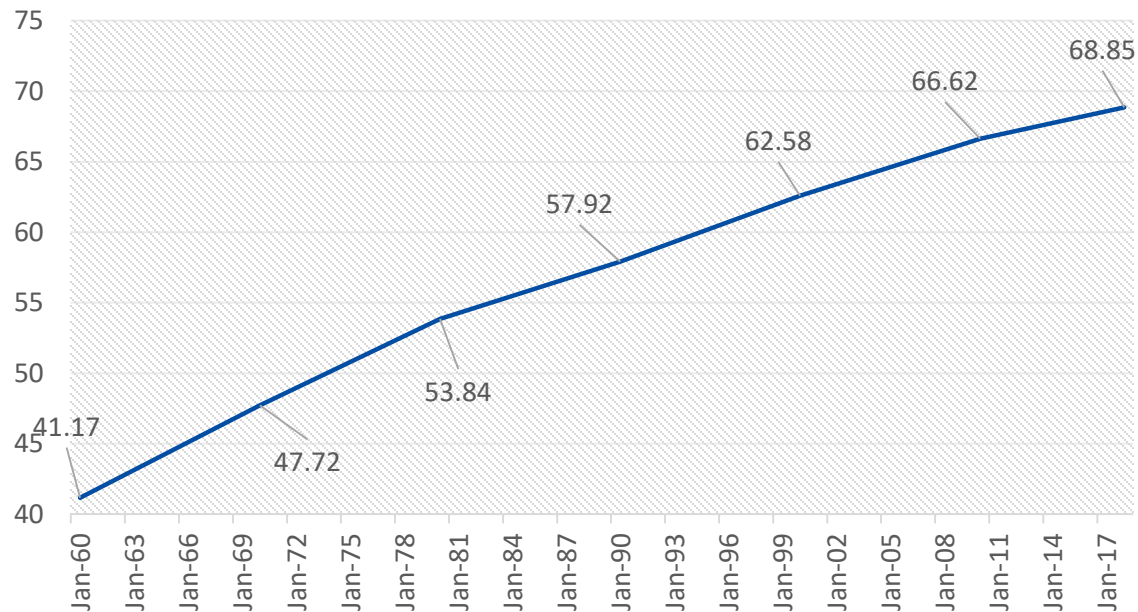
Safety and Security

You may live longer



Power of Science is helping us to live longer, but this brings the need to save extra and accumulate larger retirement corpus.

2018: Life Expectancy in India is 67.4 for Male and 70.3 for Female



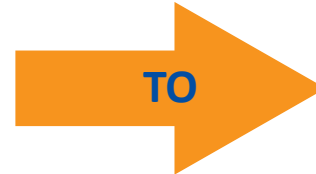
This trend is expected to continue on the back of research and development in the field of science. As a result, It is likely that you're going to live till 80 or even 90 years and spend more years in retirement. For most people, 30 to 40 years in retirement is a reasonable estimate.

Value systems are changing

As values are changing , worry lies in mismatch between Expectations and Reality



JOINT FAMILY



NUCLEAR FAMILY

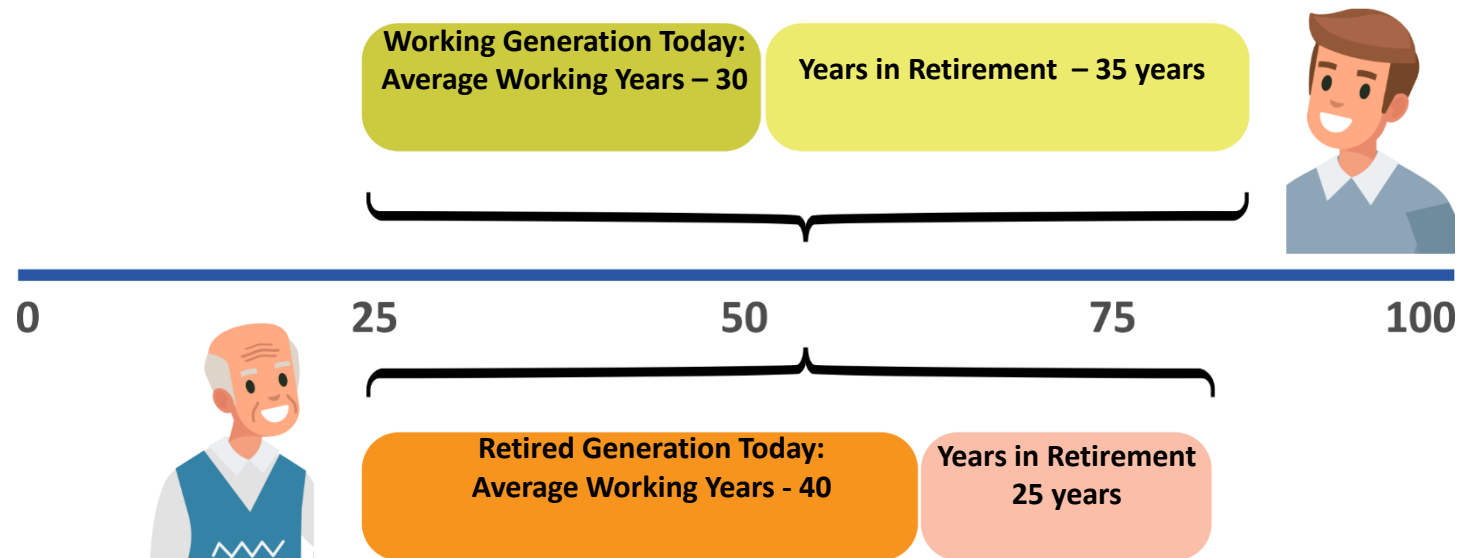
EXPECTATION:
68% of working people expect their children to support them financially at some point

VS

REALITY:
Only 30% of current retirees get financial help from their children

Retirement years will be longer






You are more likely to work for limited years of your life and spend much more years in retirement.



- * Higher competitive environment is forcing people to attain higher education to get better employment opportunities
- * People are retiring early and life expectancy is increasing
- * This has led to less working years and higher retirement years

Inflation does not retire



	30 Years Ago	Today	Inflation
	Maruti Car – 60,000	3,44,000	5.75X
	Scooter – 10,000	69,000	6.9X
	Amul Butter – 6.5	182	28X
	The Hindu – 0.90	8	8.88X
	Bus Cost – 12.5	100 for the equal distance	8 X

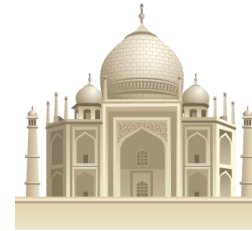
Life style shifts are more daunting



25%



Annual rise in spends
at restaurants



26%



Annual rise in spends on
holidays



30-35%



Annual rise in spends
on travel expenses



“Lifestyle creep is a silent inflation that can hit your savings capability by twice the speed of normal inflation.”

How much will your meal cost?

Today

3 MEALS A DAY

COST PER MEAL ₹150

MEAL COST PER DAY ₹450

(150X3, PER PERSON)

During Retirement

COST WILL BE

₹450 x 30DAYS x 12MONTHS x 25YEARS

₹40,50,000 PER PERSON

MEAL COST FOR A COUPLE ₹80,00,000

Small savings early can grow big

Today

MONEY SPENT PER MONTH ₹10,000

MONEY SPENT PER YEAR ₹1,20,000

AT SHOPPING MALL

Earned if invested over 30 years

EQUITY ₹3,24,35,113

DEBT ₹1,00,56,201

Small savings early can grow big

Today

MONEY SPENT PER WEEK ₹2000

MONEY SPENT PER YEAR ₹1,04,000

IN A RESTAURANT

Earned if invested over 30years

EQUITY ₹2,81,10,431

DEBT ₹87,15,374

5 STEP PLAN for Retirement



Determine your Retirement Needs



Estimate your retirement Income



Calculate your Expenses



Develop a Savings Plan



Follow Asset Allocation

How much you need to retire

A function of -



Standard of living



Years to retire



Life expectancy



Return on investments

Current Age	Current Expenses	Corpus Required	Monthly Amount To Save
30	₹ 50,000	₹ 12cr	₹ 35,000
	₹ 1,00,000	₹ 24cr	₹ 70,000
35	₹ 50,000	₹ 7.8cr	₹ 42,500
	₹ 1,00,000	₹ 15.6cr	₹ 85,000
40	₹ 50,000	₹ 5.35cr	₹ 54,500
	₹ 1,00,000	₹ 10.7cr	₹ 109,000
45	₹ 50,000	₹ 3.7cr	₹ 75,000
	₹ 1,00,000	₹ 7.4cr	₹ 150,000

Assumptions:

- * Inflation will be at 8% p.a.
- * Investment will grow at 12% p.a. till you reach the age of 60
- * Retirement will be at age 60 years
- * You will live till 85 years
- * Current investment for retirement is nil
- * Post retirement corpus will grow at 10% per annum
- * Corpus will be made nil at the age of 85 years

Delay can be a costly affair



How much you could lose because of deferring your investment decisions by one year.

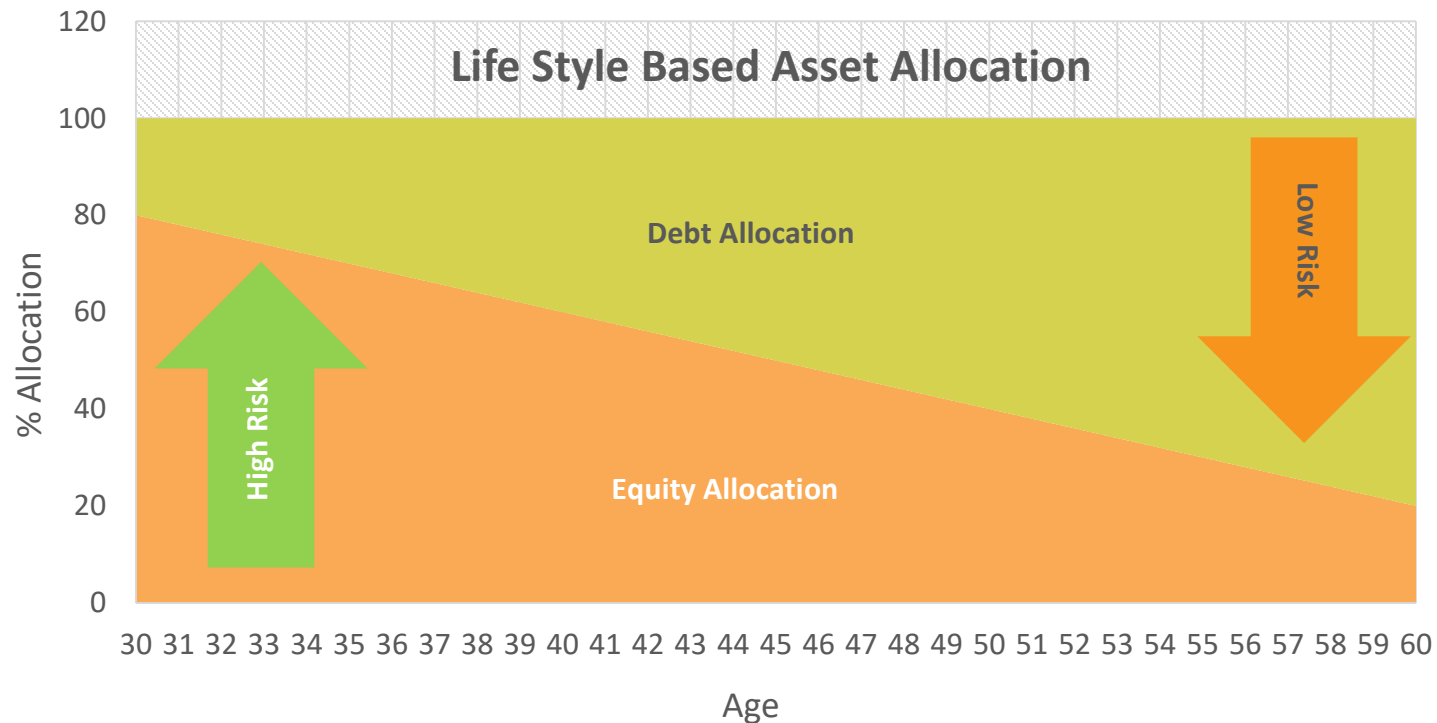
Current Age	Years to plan assuming you invest till 60 years of age	Monthly Investment needed to accumulate Rs. 5 crore	Cost of delay for not starting investing at the age of 25 years
25	35	₹ 7,698	–
30	30	₹ 14,165	₹ 1,866,152
35	25	₹ 26,349	₹ 4,671,453
40	20	₹ 50,043	₹ 8,777,111
45	15	₹ 99,093	₹ 14,603,636

You lose out of effect of compounding

Life stage based asset allocation



Asset Allocation is most important factor in retirement planning



Life stage Based investment:
When you are young and starting out, invest in more aggressive investments. As you get closer to retirement, move investments into more conservative investments to protect your savings until you need them.

Importance of asset allocation



Investing for retirement is a long term commitment and needs proper risk management



Proper Asset Allocation manages the risk-return profile of your portfolio and makes retirement planning more accurate



Your risk taking ability reduces as you approach retirement. Hence, your portfolio should be aligned accordingly



Asset allocation reduces volatility of the corpus due to market fluctuations



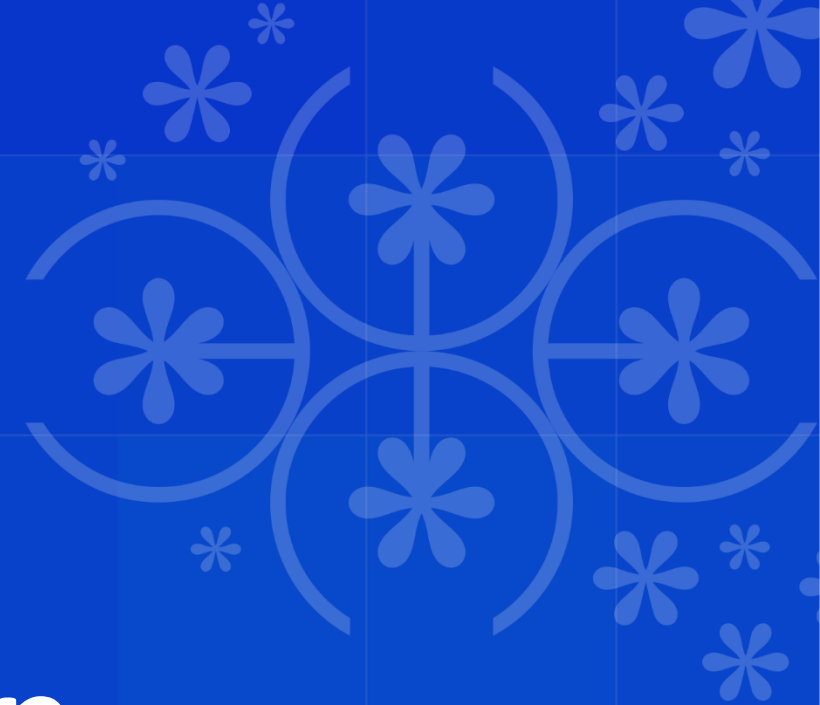
Appropriate asset allocation helps you sleep at night

Life Stage based Asset Allocation is the Key for accurate retirement planning

Presenting

Edelweiss Retirement Plan

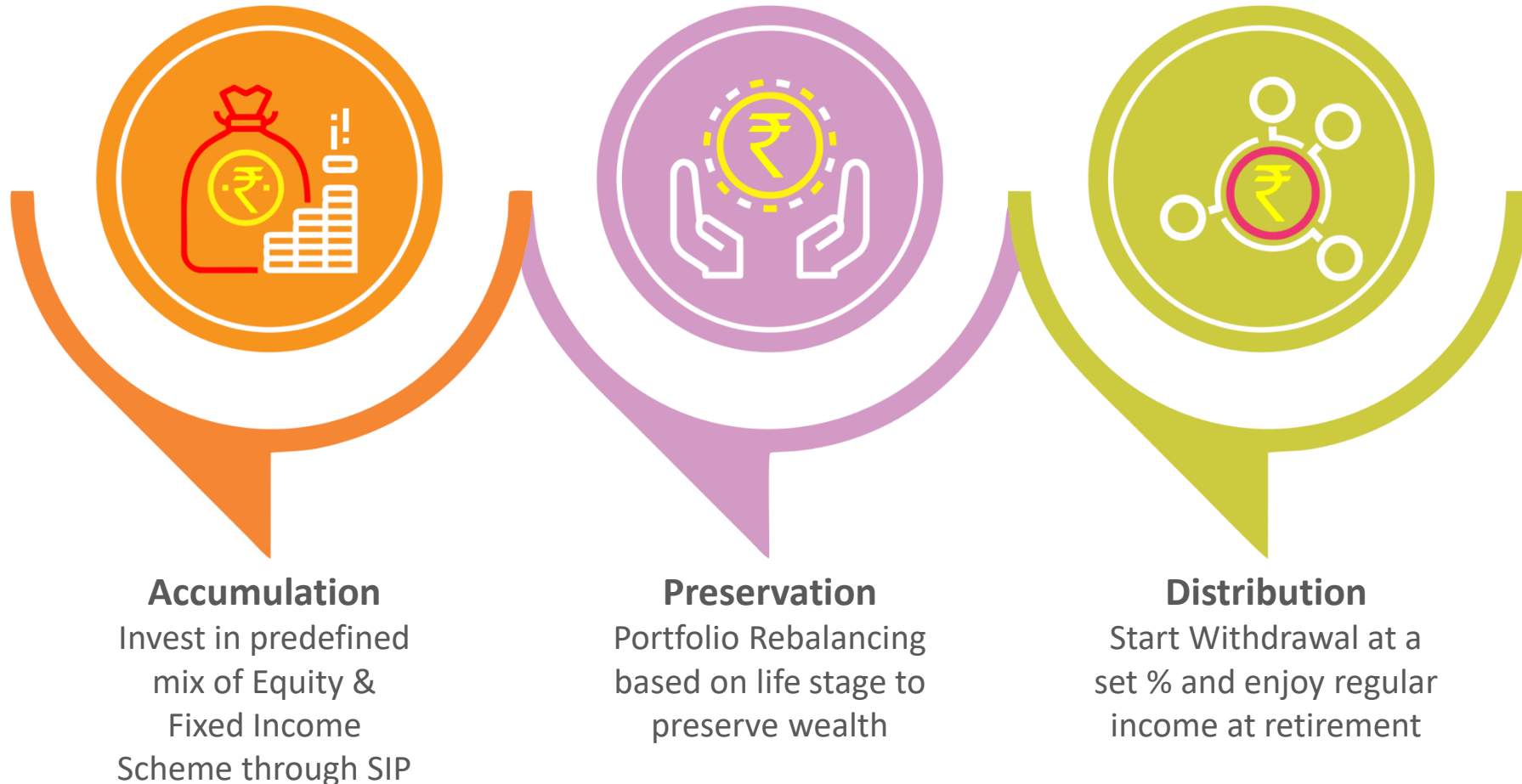
SIP with life-stage based asset allocation



Edelweiss 'Retirement Plan'



An innovative and effective investment facility which addresses 3 key phases of retirement planning



Key elements - Edelweiss 'Retirement Plan'



Four key principles of Edelweiss Retirement Plan

When you are young and starting out, invest in more aggressive investments*

As you get closer to retirement, shift investments to more conservative investments*

Investments will be divided into Equity and debt depending on your age to reduce portfolio volatility

Accumulate retirement corpus and then enjoy cashflows through regular payouts after retirement

Two options to suit your need

SIP investments will be divided into Equity and Fixed Income funds depending on your age to match with your risk profile and years left for your retirement.



Auto Option (Default)

- * Asset allocation is pre-defined based on your age
- * Portfolio will Auto Rebalance at set frequency during your investment period

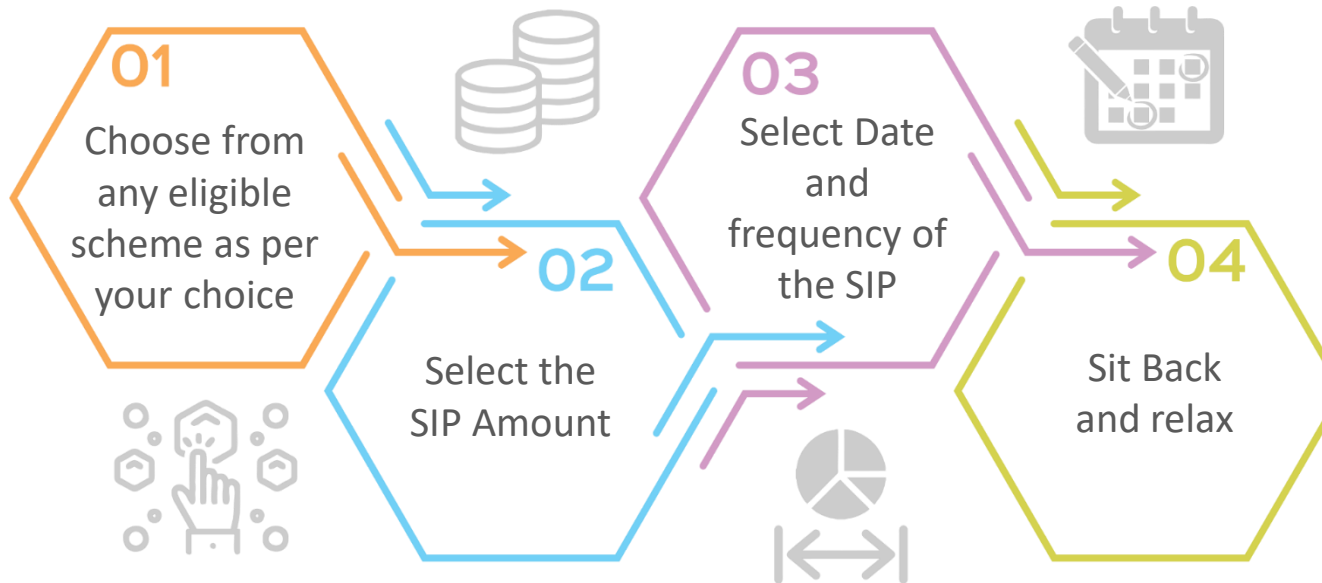


My Custom Option

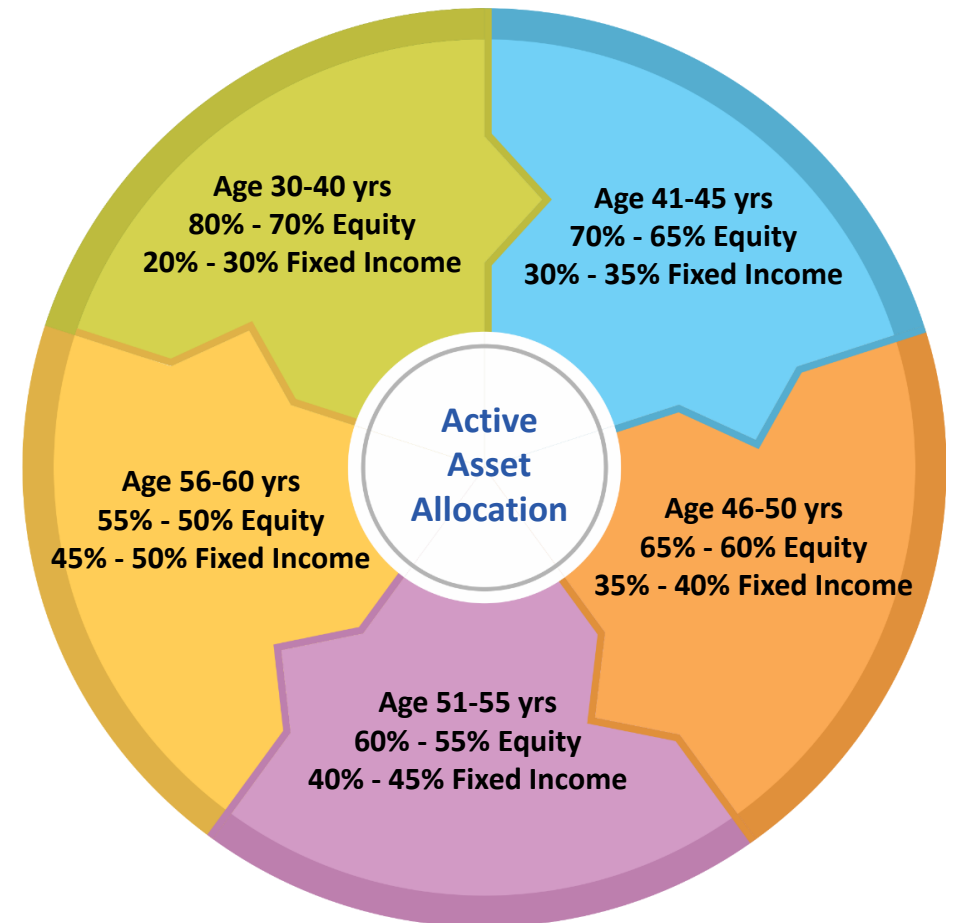
- * Customise your Asset Allocation as per your own risk profile
- * Rebalance the portfolio as per your own life stage and risk appetite

Auto Option

It provides a pre-defined asset allocation between equity and fixed income schemes at every age and portfolio rebalancing between equity and fixed income every 5 years starting from the age of 40



Changing SIP Allocation between Equity and Fixed Income scheme at every life stage



Auto Option – How it works?

- * SIP investments will be split between Equity and Fixed Income scheme in a pre-defined proportion as shown in the below table
- * Portfolio will be rebalanced automatically every 5 years starting from 40 years age

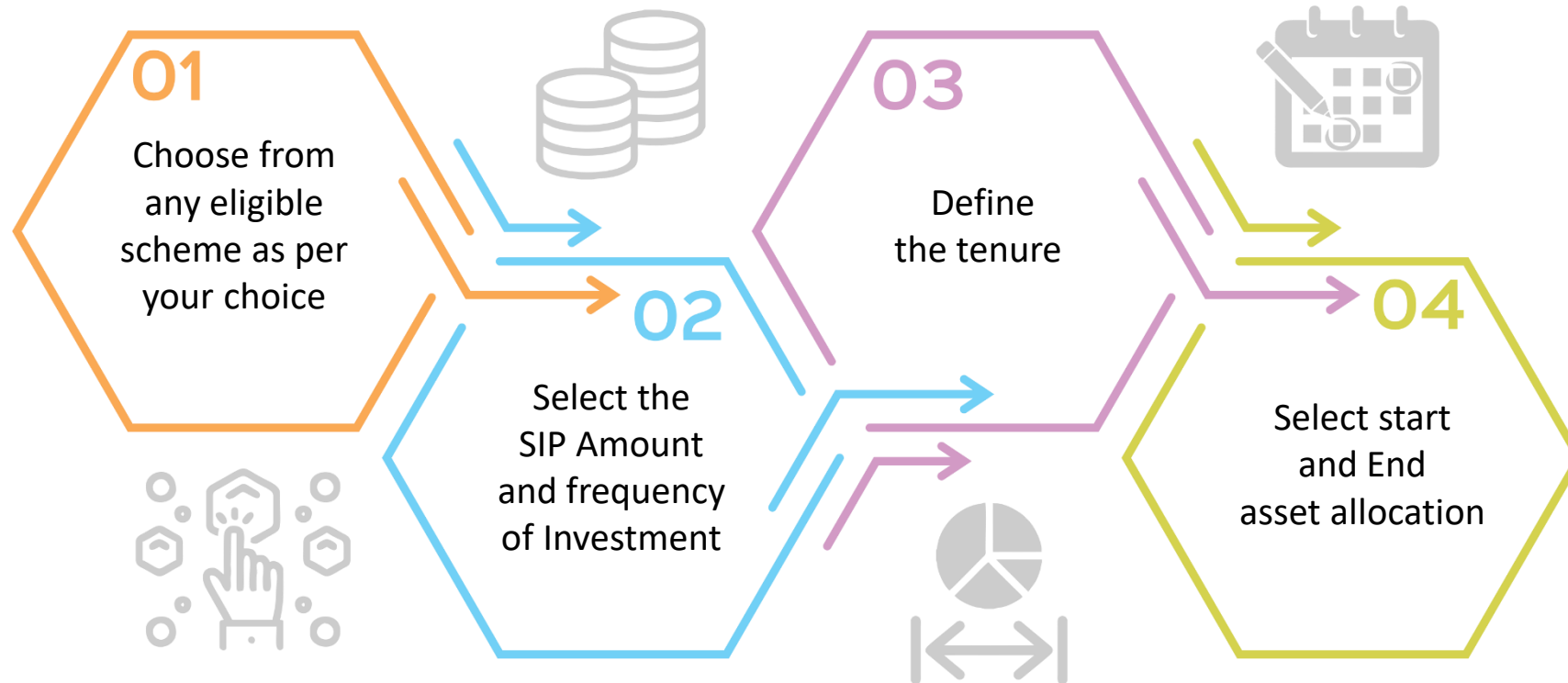
Eg: Rs. 10,000 monthly SIP will invest 8,000 in Equity Scheme and 2,000 in Fixed Income scheme

Age	Equity	Fixed Income	Auto Rebalancing of the corpus	Age	Equity	Fixed Income	Auto Rebalancing of the corpus
30	80	20		45	65	35	
31	79	21		46	64	36	
32	78	22		47	63	37	
33	77	23		48	62	38	
34	76	24		49	61	39	
35	75	25		50	60	40	60% Equity – 40% Fixed Income
36	74	26		51	59	41	
37	73	27		52	58	42	
38	72	28		53	57	43	
39	71	29		54	56	44	
40	70	30	70% Equity – 30% Fixed Income	55	55	45	55% Equity – 45% Fixed Income
41	69	31		56	54	46	
42	68	32		57	53	47	
43	67	33		58	52	48	
44	66	34		59	51	49	
45	65	35	65% Equity – 35% Fixed Income	60	50	50	50% Equity – 50% Fixed Income

Eg: Rs. 7.5 lakh in equity and 2.5 lakh in fixed income will be rebalanced to 6 lakh and 4 lakh respectively

My Custom Option

- * Flexibility to choose your own defined asset allocation
- * You can define the start and end equity and fixed income asset allocation for your SIP investments



Your asset allocation glide path between equity and fixed income schemes will be created through your SIP tenure

My Custom option – How it works?



The below table shows scenario explaining SIP allocation under **My Custom Option**

Age	Equity	Fixed Income	Age	Equity	Fixed Income
30	90	10	45	60	40
31	88	12	46	58	42
32	86	14	47	56	44
33	84	16	48	54	46
34	82	18	49	52	48
35	80	20	50	50	50
36	78	22	51	48	52
37	76	24	52	46	54
38	74	26	53	44	56
39	72	28	54	42	58
40	70	30	55	40	60
41	68	32	56	38	62
42	66	34	57	36	64
43	64	36	58	34	66
44	62	38	59	32	68
45	60	40	60	30	70

For example:

- * An investor at the start (Age 30) selects 90% Equity allocation and at the end (Age 60) choose 30% Equity allocation.
- * Yearly fall in equity allocation will be calculated as $(\text{Starting year equity allocation} - \text{ending year equity allocation} / \text{SIP tenure in years}) (90-30)/(30\text{Years})$ that is 2% as shown in the table
- * Investor can choose to rebalance his portfolio in between by giving manual instructions

Advantages of Edelweiss 'Retirement Plan'



A fill it, shut it, forget it Retirement Plan for you



A single solution providing exposure to a diversified portfolio with an in-built asset allocation mechanism



Gradually shifts your portfolio towards lower-risk investments based on your age and life stage



Auto rebalancing of portfolio (only under Auto Option) at set frequency to reduce risk as you approach retirement



Flexibility to choose from different Edelweiss Mutual Fund schemes under Equity and Fixed Income as per of your own choice



Flexibility to customise asset allocation as per your risk appetite and the tenure of investment under custom option

Key Terms and Conditions



- * Under this facility, investors can opt for investing in any of “Eligible Schemes” one in each Equity and One in Fixed Income Scheme at the time of investment.
- * Following are the list of Eligible schemes for Edelweiss Retirement Solution.
- * All open-ended Equity Schemes of Edelweiss Mutual fund except following
 1. Edelweiss Long Term Equity Fund (Tax Savings)
 2. Edelweiss ETF – Nifty 50
 3. Edelweiss ETF – Nifty Bank
 4. Edelweiss ETF – Nifty 100 Quality 30
- * All open-ended Fixed Income schemes of Edelweiss Mutual Fund.
- * Minimum age of investor to opt for this facility is 18 years. The asset allocation will remain static till the age of 30 years and life-cycle based asset allocation changes will start after the age of 30 years.
- * Investor upto the age of 55 years can invest under Custom Option and investor upto the age of 50 years can invest under the Auto Option.
- * Only Individuals and NRIs are allowed to invest under this facility. Non-individuals, Minors and HUFs are not eligible to invest in this facility.
- * First time investors in this facility require to submit the retirement Solution mandate form along with common application form and first investment cheque in the name of Edelweiss Retirement Plan.
- * Investors who have existing folio with Edelweiss Mutual Fund need to only submit retirement Solution mandate form along with first investment cheque.
- * New folio will be created under this facility. This folio will be exclusive for this facility and no other transaction shall be allowed in this folio.
- * The default option under Edelweiss Retirement Solution is “Auto Option”.
- * Investors can change the fund during the term of the facility, all subsequent investment unless specifically mentioned should be in the changed new scheme.
- * Any additional /subsequent investment in this facility should be only in the schemes that are currently selected.
- * Investors are allowed to select top-up option under this facility in % terms. Top-up will be triggered on the total amount of installment and not at individual fund level.
- * Only growth option of the scheme is available under this facility.
- * If any investor request for redemption or switch out, once the request is processed the lifecycle based auto asset allocation rebalancing will be discontinued on immediate basis. However, SIP installment will continue till it is cancelled.

Key Terms and Conditions

Auto Option:

- * Investment logic is pre-defined by the AMC as per thumb rule of Retirement Planning i.e. Equity Allocation = (110 – Age).
- * Corpus is rebalanced every fifth year starting from the age of 40
- * Rebalancing will happen only after 4 years from the date of 1st purchase in this facility
- * If an investor opts for this facility before attaining 30 years age then the asset allocation will remain at 80% Equity and 20% debt till the age of 30 years and will subsequently change as per his age
- * Change in Asset Allocation of the SIP installment and Auto Rebalancing of the corpus will be done on the basis of DOB. Asset Allocation trigger will be on 1st Business Day of the Birth Month.
- * FIFO method will be used for the rebalancing purpose.
- * Minimum Tenure of Investment is 60 months. Post that further investment can be discontinued although rebalancing will continue.

Minimum Amount	Frequency	Minimum no. of instalments
Rs.2500	Monthly	60
Rs.6000	Quarterly	20

- * Minimum investment amount under My Custom Option: In order to meet investment criteria of individual scheme, minimum amount of investment and installments are as follows

Equity Allocation	Minimum Monthly Investment	Instalments	Minimum Quarterly Installment	Instalments
Below 5%	Not Allowed	-	Not Allowed	
5% - 10%	10000	60	10000	20
10% - 25%	5000	60	6000	20
25% - 75%	2000	60	6000	20
75% - 90%	5000	60	6000	20
90% - 95%	10000	60	6000	20
Above 95%	Not Allowed		Not Allowed	

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MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS,

READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.