

Global Investing – Product Brief



The Case for Global Investing

The benefits of investing in global assets are :

Diversification

- ✓ Investments in developed markets insulates an investor from India-specific shocks (political and economic) and acts as a hedging tool against any unforeseen scenarios
- ✓ Combining asset classes that are less correlated helps reduces portfolio volatility and presents an opportunity for higher risk adjusted returns

Currency Movement

- ✓ Benefit from domestic currency depreciation as an appreciating dollar would further increase fund returns to global investors
- ✓ The INR has depreciated 4% on average against the dollar over the past 10 years

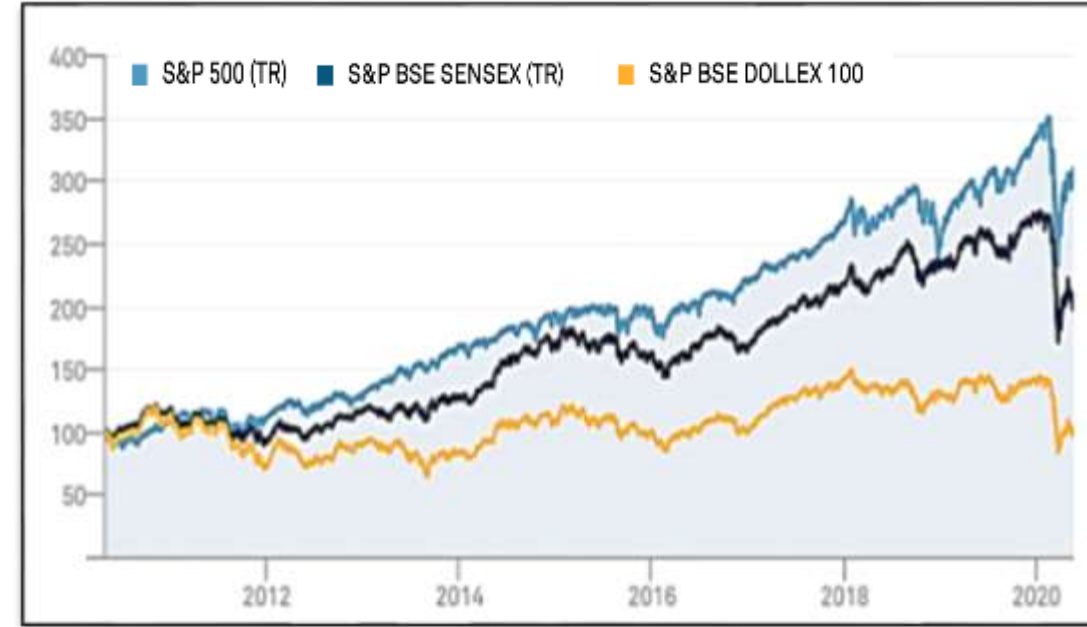
Future Planning

- ✓ Avenue to save and invest for future overseas goals such as children's education abroad, foreign currency commitments, acquisition of overseas property

Returns

- ✓ Permits participation in the growth stories of not only the US but also those of other countries such as UK, Vietnam, Argentina and China
- ✓ Superior returns of developed markets over the past 10 years in absolute and constant currency terms

Comparison: Performance Metrics



Source: S&P

- Traditionally, investors in developed market have chased assets in developing economies such as India for higher returns. However, over the past decade, an Indian investor would have been better off investing in US stocks
- The S&P 500 has returned 13.07 % and 17.8 % CAGR in rupee terms, over the respective 5 and 10 year period vis-à-vis 4.77% and 9.41 % CAGR returned by the Nifty 500 in the same time frame*

- In constant currency terms, the Indian benchmark indices have underperformed their global counterparts by a significant margin due to the dollar appreciation over the past 10 years
- The S&P 500 has returned 12.8% in constant currency terms in 10 years vis-à-vis the 3.04% returned by the Dollex** in the same period

Benefit of Diversification And Hedge Against Currency Movements

	Correlation of Returns over the last 15 years			
	Nifty 50 TR Index(INR)	Nifty 500 TR Index (INR)	S&P 500 TR Index (INR)	NASDAQ 100 TR Index (INR)
Nifty 50 TR Index(INR)	1	0.985	0.239	0.191
Nifty 500 TR Index (INR)	-	1	0.234	0.179

Source: MOFSL S&P Index NFO Document

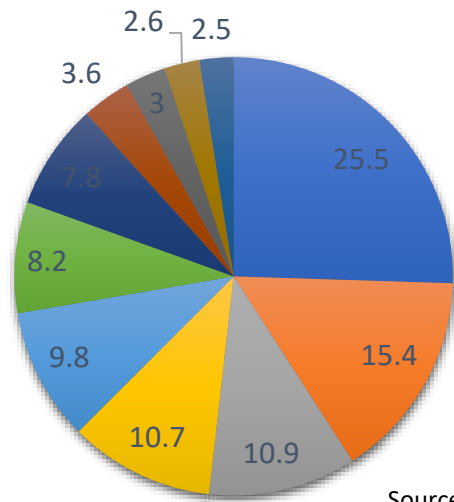
- The low correlation between global indices and the emerging market indices adds a level of diversification to one's overall financial plan. This not only reduces the risk associated with investment in a single country but also decreases portfolio volatility and provides an opportunity for higher risk adjusted returns



- Returns from global funds get accentuated or offset by currency changes in a period. **While currency risks can work both ways, emerging market currencies have generally depreciated over the long term**
- The INR has depreciated by more than 44% over the past 10 years. Global diversification provides investors with a cushion against such rupee depreciation

S&P Index Constituents And Growth Opportunities

S&P 500 Sector Allocation (%)



Source: S&P 500 Factsheet



Component Name	Index Weightage (%)
Microsoft Corp.	5.4
Apple Inc	5.0
Amazon. Com Inc	4.8
Berkshire Hathway	1.9
Alphabet Inc Class C	1.8
Facebook Inc	1.7
Johnson and Johnson	1.6
Alphabet Inc Class A	1.5
Walmart	1.5
Proctor & Gamble Co	1.2
Total	26.4



- Investing in global markets gives an investor the opportunity to not only participate in the global growth stories of tech giants such as Amazon, Google and Facebook but also in the stories of conglomerates who are world leaders in consumption, healthcare and industrials. Examples of these conglomerates are : Cadbury, Coca- Cola, Starbucks, Johnson and Johnson

Simplified Account Opening



Global investing platform offers:

- Simplified and digital on boarding
- Investment intelligence from sources such as analyst reports, regulatory filings and social media
- Insurance protection of the securities and cash in your account up to \$ 500,000
- Thematic investments
- Fractional share purchases
- No minimum investment restrictions

Platform Benefits



Personalized Stock Discovery:
Our proprietary algorithms process over 8.5 million data points daily



Thematic Investing:
Invest directly in popular themes



Fractional Stocks:
Purchase fractional quantities of stocks and diversify limited capital

Access to 3400+ instruments



2,544 Stocks	600+ ETF's	262 ADR's	ETN's
Stocks of tech companies such as FAANG (Facebook, Amazon, Alphabet, Netflix and Google) as well as stocks of Canada, EU and 28 other countries	ETF's to track US and global indices	ADR's of prominent global giants such as Alibaba, Anheuser-Busch InBev SA/NV, POSCO and Pearson PLC	Exchange trade notes (ETN) are niche debt instrument issued by companies that pay the holder the return of a certain debt index over a period of time along with return of principal on maturity

Pricing Plans

	BASIC	SILVER	GOLD
Annual Subscription Fee	₹ 0	₹ 3,999	₹ 13,999
Commissions	\$2.99/trade*	\$0.99/trade**	\$0.01/share
Dedicated Relationship Manager	✗	✗	✓
Personalized Portfolios	✗	✓	✓
Research and Analysis	✗	✓	✓
Invite-only Events and Webinars	✗	✓	✓

*Unlimited Value: \$2.99 for trades upto 299 shares. 1 cent/share for trades over 299 shares.

**Unlimited Value: \$0.99 for trades upto 99 shares. 1 cent/share for trades over 99 shares.

Please Note :

- The investments will be covered under the LRS scheme of the RBI. The outward remittance limit under this scheme is fixed at **\$250,000** yearly for all resident Indians
- US and India have a **Double Taxation Avoidance Agreement (DTAA)**. Incidence of tax will be required to borne only once. For TDS on dividends, the investor will get **W-8BEN** from our partner DriveWealth, which can be used as proof of payment of taxes on this income at the time of filing of tax returns