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Is your portfolio future ready?

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We are living in an increasingly globalised world. As an Indian consumer we have benefitted from access to a variety of high quality goods and services that are produced outside India but not produced domestically. Be it mobile phones or luxury cars. However integration into a global economy also brings in a unique challenge with respect to investments. A negative development in any corner of the world has the potential to impact more than one country or a globally used commodity brings volatility to our domestic portfolios. Be it geo political risk or a completely unthinkable one like the corona virus outbreak. One question that I get asked very often is how should investors eliminate risk from investments? Fact remains that risk cannot be eliminated but can be reduced by diversification. Diversifying investments across asset classes and also within the asset class is a key to manage risk. As an investor you may be thinking your equity investments are well diversified across mutual funds, stocks, pms etc... but have you considered the fact that market capitalisation of India is USD 2 trillion while market capitalisation of rest of the world is USD 87 trillion. So if you are not invested in global markets outside India, you are ignoring an opportunity that is roughly 43 times bigger.

Besides, globally there is a lot of innovation taking place that is impacting our day to day lives by disrupting various industries and will have investment implications. Some of the trends that are emerging are

1. Rise of on demand economy with penetration of mobile phones. Today using your mobile you can hail a cab or view a favourite show on Netflix or order food delivery at your convenience. This is changing the business models of service providers like hotels, content providers and others.
2. E commerce and rise of global brands. Online shopping is an emerging trend. Along with it the rise of global brands. A person from an affluent family is more likely to go for a Nike or Adidas instead of a domestic brand.
3. Move towards a cashless society. With a variety of payment options emerging like, credit card, debit card, wallets, net banking, globally the use of cash is reducing in our day to day lives.
4. Artificial intelligence and robotics is developing at a rapid pace. From simple chess playing computers to driverless cars to robots performing surgery, globally some fascinating work is being done. If you think you are not using artificial intelligence think again... Google maps is a case in point.
5. Healthcare and therapeutics: major innovations in this area are making detection treatment and management of diseases more and more simple. Recently a chip was launched that monitors blood sugar level of the patient 24/7 eliminating the requirement of blood tests.
6. Big data: As a person gets linked to the digital world, he or she starts generating data through mails, tweets, messages, online surfing. Huge amount of data generated needs storage. Hence new age solutions like cloud computing are emerging.

At this point of time very few disruptive innovators are listed on the Indian stock markets. Also not all the work is happening in US, companies from China, Europe, Middle East, Africa and Latam are doing some cutting edge work. So if you wish to participate in the exciting themes for future then the only option is to invest through a global fund.

We have a very credible investment alternative to capture these themes and trends in the form of PGIM India Global Equity Opportunities Fund. Do ask your advisor about it.

Investing in global funds also helps you take the benefit of rupee depreciation. Over last 35 years, rupee has depreciated by an average of 6%. So if you are planning for your daughters or sons education abroad few years down the line you will have to account for higher cost due to rise in fees and also depreciation of rupee.

As usual, we will not be visiting any of the transient events like budget, IIP numbers, market outlook etc. Two decades from now what will define your wealth creation experience is the discipline to save appropriately, have an asset allocation that suits your risk profile and goals, diversification across asset classes, the ability to be patient with your investments and a competent advisor who you can trust to guide you on that journey.

Happy investing

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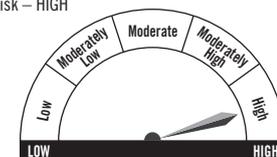
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Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.

PGIM India Global Equity Opportunities Fund (An open-ended fund of fund scheme investing in PGIM Jennison Global Equity Opportunities Fund)

This product is suitable for investors who are seeking*:

- Capital growth over a long term
- Investment in units of overseas mutual funds that invest in equity securities of companies around the world in the early stage of acceleration in their growth
- Degree of risk – HIGH



Investors understand that their principal will be at high risk

* Investors should consult their financial advisors if in doubt about whether the product is suitable for them.