

Dhan ki Baat #1 – FDD and AAD

India is becoming the heart disease and diabetes capital of the world.

There are two similar financial diseases FDD (Fixed Deposit Disorder) and AAD (Asset Allocation Disorder). A few words on these to get you looking to cure yourself

FDD

You have FDD if you have even one rupee in Fixed deposits, PPF, Tax-Free Bonds, FMP. Low duration debt mutual funds are more liquid give similar returns and are tax efficient.

AAD

You have AAD if you have less than 60% of your long-term savings in equities or equity mutual funds. Equities or equity mutual funds track inflation + growth while fixed deposits track inflation. In the last twenty years India has become prosperous but if you were an AAD sufferer you missed out.

Will you miss out in the next twenty years?

Financial Literacy Nuggets

Dhan ki Baat messages give you nuggets that you can study to improve your financial literacy. Lookout for the next message on “Dhan ki Baat”.