

Meta

Microsoft

amazon



Google

DOWJONES

TESLA



STANDARD  
& POOR'S 500

NETFLIX



VISA



Coca-Cola

GOLD MINING  
CORPORATIONS



Disney



JPMorganChase

Nasdaq

**INVESTMENT OPPORTUNITY IN FOREIGN EQUITY**

# Why invest in Foreign Markets?

❖ **Why invest in Foreign Markets?**

❖ **To invest in foreign markets, is it appropriate to invest in the U.S. Market?**

❖ **How can I invest in U.S. Market?**



# Why invest in Foreign Markets?



# Why invest in Foreign Markets?

## 1. Participate in the best global corporations

- ✓ Opportunity to invest in some of the largest and most renowned companies in the world.
- ✓ Opportunity to participate in innovations not having equivalents in India or even across the globe.

# Why invest in Foreign Markets?

- ✓ Companies that own brands that we are dependent on today in our day to day lives.

## ELECTRONICS

 Apple  Microsoft



## SHOPPING



Walmart 

## SOCIAL MEDIA



facebook



## AUTOMOBILES



TOYOTA



HONDA



HYUNDAI

## ENTERTAINMENT

NETFLIX

Disney

## FMCG

Coca-Cola



# Why invest in Foreign Markets?

## 2. Geographical Portfolio Diversification

- ✓ **Avoiding country-specific risks:**
  - Political Issues
  - Bad Monsoon
  - Border Tension
  - Oil Prices
- ✓ **Slowing down of the domestic economy and taking advantage of global favorable trends.**
- ✓ **We must diversify investments across different markets.**

# Why invest in Foreign Markets?

- ✓ Investing in the U.S. market gives a unique combination of diversification by simultaneously participating in the largest economy and the fastest growing economy of the world.

Country	GDP in 2011	Data of 2023			10 Year GDP Growth Rate (2013-2023)
		2023GDP (\$ trillion)	% of World GDP	Rank by GDP	
USA	15.54	25.46	25.31%	1	2.11%
India	1.82	3.38	3.36%	5	5.76%
World	81.49	100.56	--	--	--
USA + India	US \$ 17.36 trillion	US \$ 28.84 trillion	28.67%	--	--

**World's Largest GDP + World Fastest Growing GDP**

Source : data.worldbank.org – GDP & [www.statisticstimes.com](http://www.statisticstimes.com) – Economy - GDP

# Why invest in Foreign Markets?

## 3. U.S. Dollar denominated exposure

✓ Appreciation of the U.S. dollar in the last few years

2016-17 (31-Mar-17)	2017-18 (30-Mar-18)	2018-19 (29-Mar-19)	2019-20 (31-Mar-20)	2020-21 (31-Mar-21)	2021-22 (30-Mar-22)	2022-23 (30-Mar-23)
64.86	65.115	69.185	75.343	73.137	75.801	81.72

As on : 31<sup>st</sup> March, 2023

Source: in.investing.com

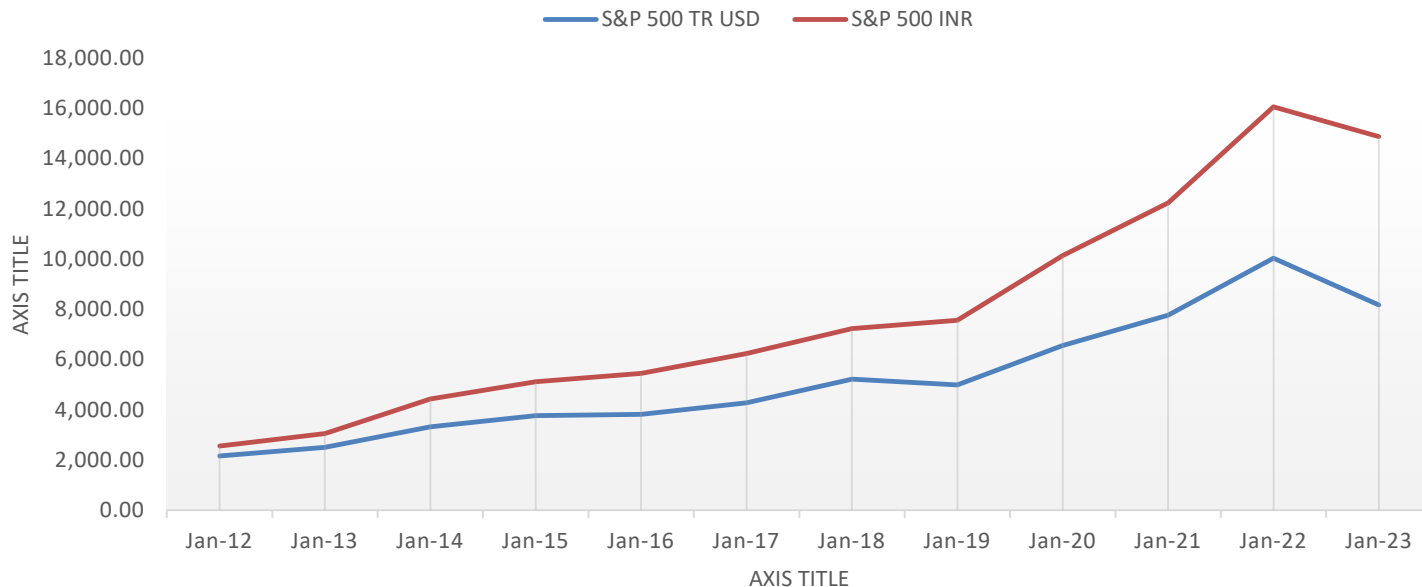


U.S. dollar has Appreciated against the Indian Rupee at the rate of 3.93% p.a. on a compounded basis in last six years.

# Why invest in Foreign Markets?

## ✓ Comparison of USD and INR performance

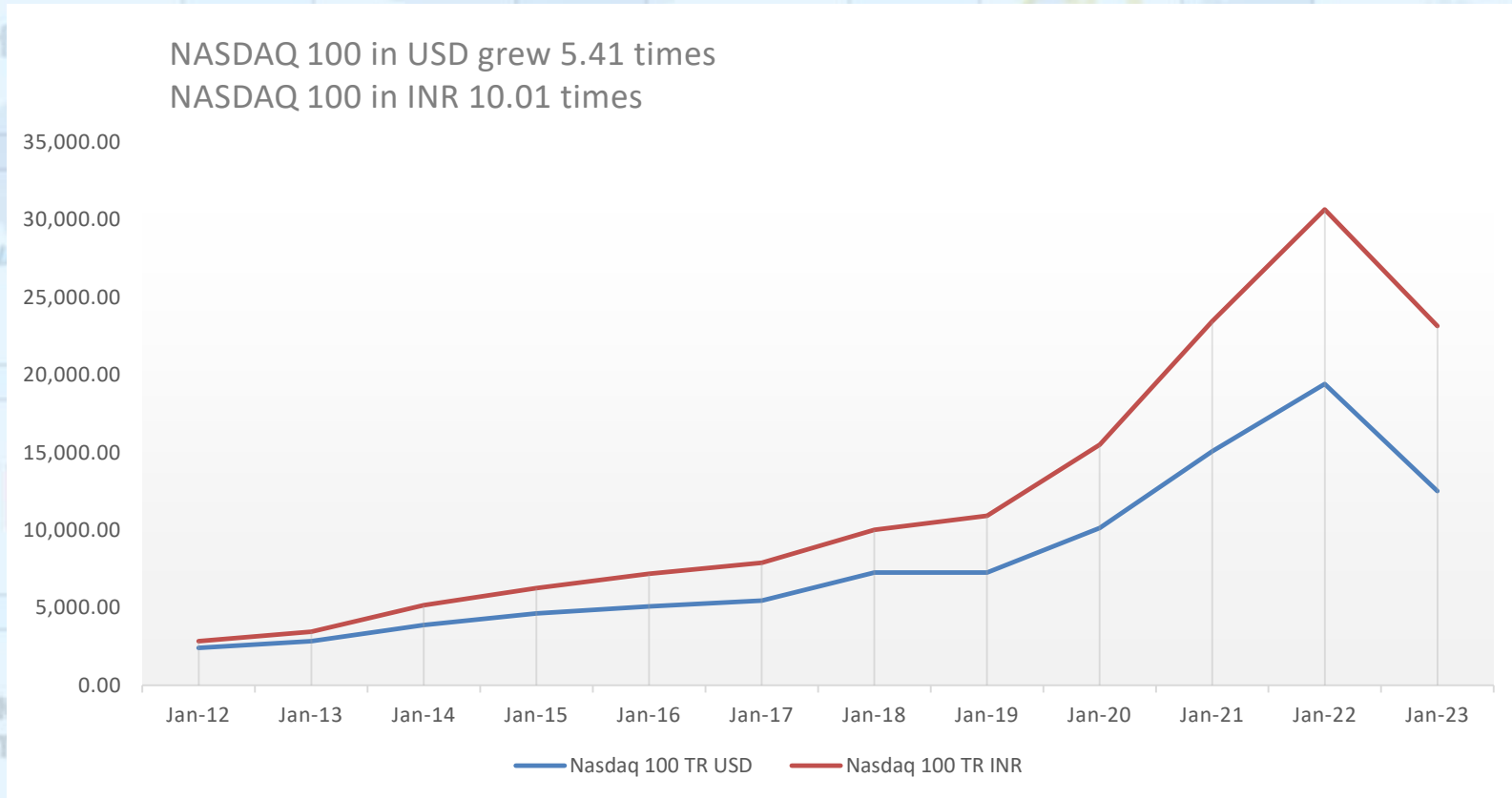
S&P 500 in USD grew 3.86 times  
S&P 500 in INR grew 7.03 times



Source: Index Values – [www.niftyindices.com/Bloomberg](http://www.niftyindices.com/Bloomberg), Forex Rate - RBI/Thomson Reuters

# Why invest in Foreign Markets?

## ✓ Comparison of USD and INR performance



Source: Index Values – [www.niftyindices.com/Bloomberg](http://www.niftyindices.com/Bloomberg), Forex Rate - RBI/Thomson Reuters

[www.ashutoshfinserv.com](http://www.ashutoshfinserv.com)

**ASHUTOSH**®

# Investment in Foreign Equity

# Why invest in Foreign Markets?

## 4. Attractive Valuations

- ✓ Companies in foreign equity markets available at attractive valuations as compared to their Indian counterparts:

Price to Earnings ratios (P/E) of the companies

<b>JP Morgan Chase Co. (USA)</b>	<b>9.332</b>	<b>v/s</b>	<b>ICICI Bank Ltd.</b>	<b>17.88</b>
<b>Walmart Inc. (USA)</b>	<b>30.76</b>	<b>v/s</b>	<b>Avenue Supermarts Ltd. (DMart)</b>	<b>99.91</b>
<b>Toyota Motor Corporation (USA)</b>	<b>11.09</b>	<b>v/s</b>	<b>Mahindra &amp; Mahindra Ltd.</b>	<b>16.67</b>
<b>Unilever PLC (U.K.)</b>	<b>14.41</b>	<b>v/s</b>	<b>Hindustan Unilever Ltd.</b>	<b>56.28</b>
<b>Johnson &amp; Johnson (USA)</b>	<b>31.53</b>	<b>v/s</b>	<b>Sun Pharmaceuticals Ltd.</b>	<b>32.95</b>

Source: <https://www.moneycontrol.com/>

(As on 30-09-2023)

Source: <https://ycharts.com/>

# Why invest in Foreign Markets?

Suzuki Motor Corp (Japan)	11.77	v/s	Maruti Suzuki India Ltd.	33.04
Nestle S.A. (Switzerland)	28.89	v/s	Nestle India Ltd.	79.45
British American Tobacco PLC (USA)	6.802	v/s	ITC Ltd.	27.84
IBM (USA)	65.26	v/s	TCS	29.52
Saudi Aramco (Saudi Arabia)	16.34			
META PLATFORMS, Inc. (USA)	34.98	v/s	Reliance Industries Ltd.	24.50
Walmart Inc. (USA)	30.76			

Source: <https://www.moneycontrol.com/>

Source: <https://ycharts.com/>

(As on 30-09-2023)

✓ P/E ratios of Indian companies are factoring future growth

# Why invest in Foreign Markets?

## ✓ Returns of the US index v/s Indian index:

(Performance as on 30-09-2023)

Index	CAGR Returns			
	1 Year	3 Year	5 year	10 Year
Nifty 50 TR Index (INR)	16.06%	21.87%	13.77%	14.48%
Nifty 500 TR Index (INR)	17.63%	24.11%	14.90%	15.98%
S&P 500 TR Index (INR)	21.61%	10.15%	9.92%	11.88%
NASDAQ 100 TR Index (INR)	35.31%	9.69%	15.06%	17.64%

Source: Index Values - <https://www.bqprime.com/markets/equities/historical-returns/>  
<https://ycharts.com/indices/%5ESPXTR/>  
<https://ycharts.com/indices/%5ENA100TR>

# Why invest in Foreign Markets?

## 5. Corpus for foreign currency expenditures

- ✓ Investments can lead to creation of a corpus denominated in foreign currency.
- ✓ Such corpus can be used for expenditures on foreign education, international travels, destination weddings, immigration (settling abroad), etc. in future.

# Why invest in Foreign Markets?

## 6. Rich dividend yield

- ✓ Dividend yield of S&P 500 is 1.83% as compared to 1.28% of NIFTY-50 (43% higher) in the last 10 years.

Dividend Yield (as on 31<sup>st</sup> Dec, 2022)

Year	Nifty 50	S&P 500
2022	1.27	1.71
2021	1.19	1.29
2020	1.14	1.58
2019	1.24	1.83
2018	1.24	2.09
2017	1.08	1.84
2016	1.35	2.03
2015	1.46	2.11
2014	1.27	1.92
2013	1.48	1.94

Developed markets tend to have a higher dividend yield than emerging markets.

Source: <https://data.nasdaq.com> and [www.trendlyne.com/](http://www.trendlyne.com/)

# Why invest in Foreign Markets?

## 7. Convenience & Flexibility –

### Investing through Direct Stocks

- ✓ Fractional shares of the smallest denomination can be purchased of any U.S.A. based company having very high per share prices.
- ✓ Seamless & convenient user-interface through our investment platform.

# Why invest in Foreign Markets?

## 7. Convenience & Flexibility –

### Investing through Foreign Mutual Funds & ETFs

- ✓ Mutual Funds help in investing and redeeming in rupee terms hassle free.
- ✓ Saves transaction costs and other investment formalities.
- ✓ In tune with the concept of passive investing, which is the most prevalent in U.S.A.

# Why invest in Foreign Markets?

## 8. Tax Advantage

- ✓ For investment in direct stocks, stock portfolios & ETFs, credit of the taxes paid in U.S.A. can be availed due to Double Taxation Avoidance Agreement (DTAA) existing between India & U.S.A.
- ✓ Taxation as per Indian Income Tax Act for investment through mutual funds.

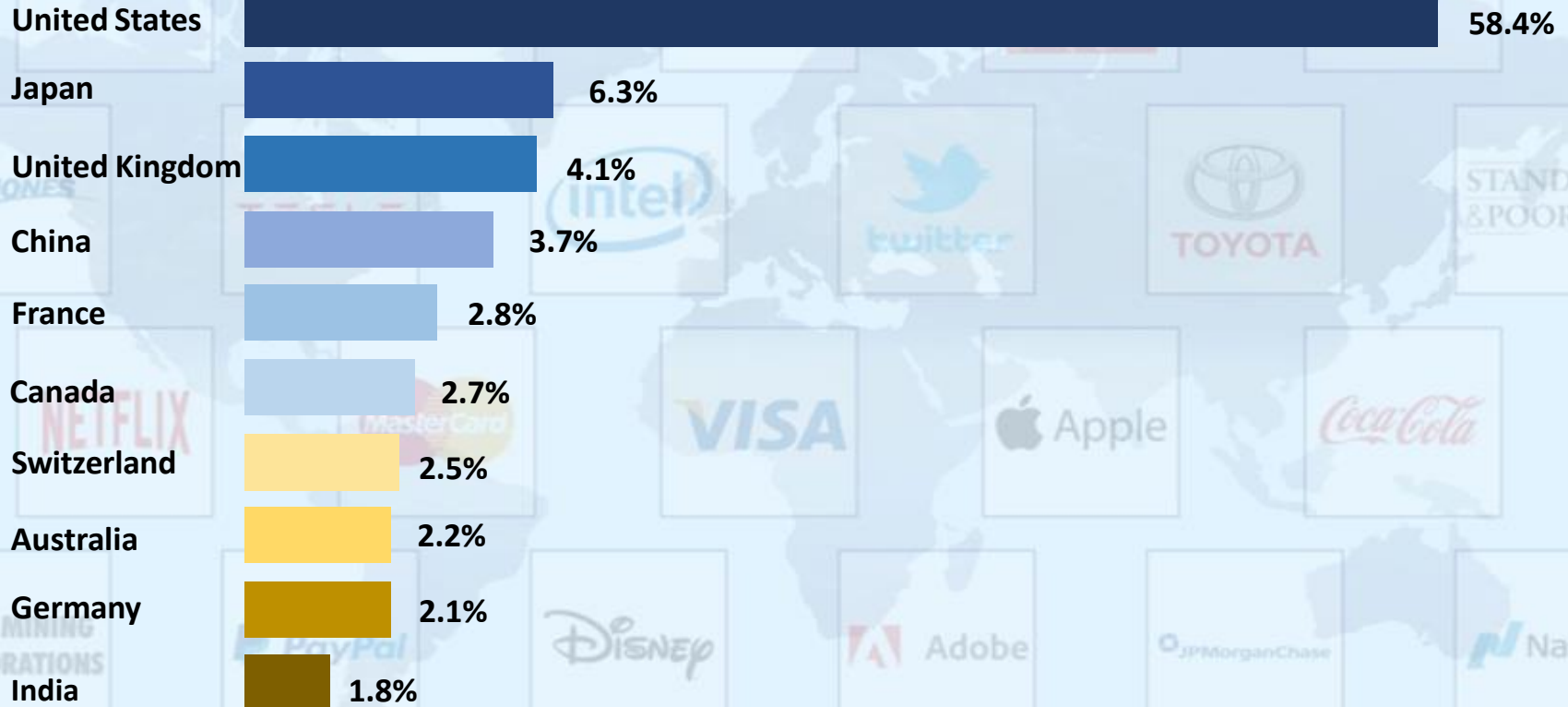


To invest in foreign markets, is it appropriate to invest in the U.S. Market?



# Why invest in the U.S. Market?

US stock market captures nearly half of the global equity value – Survey 2023



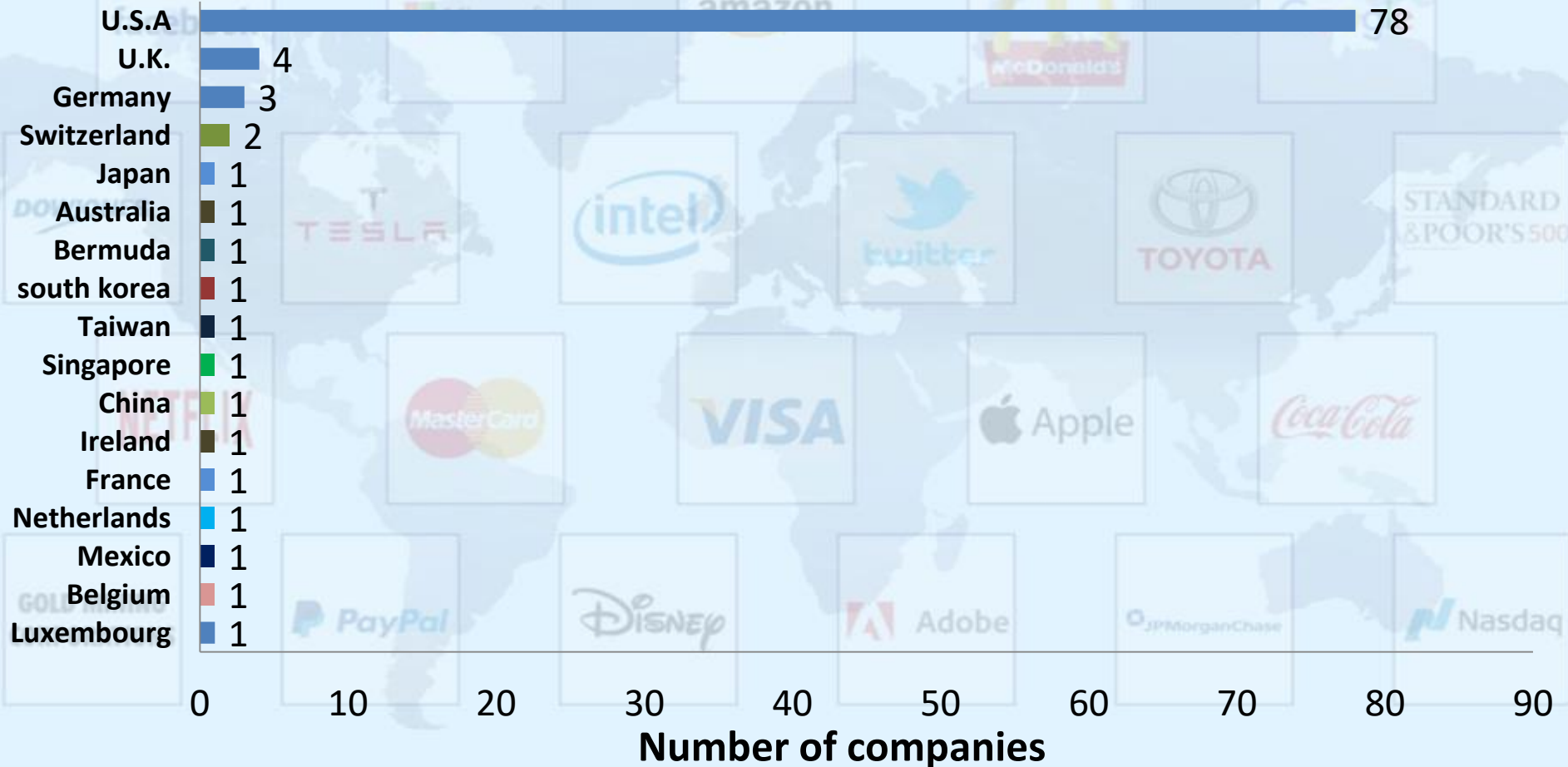
(% of Global Equity Value)

Source: [www.statista.com](http://www.statista.com) – Published on January 2023

# Why invest in the U.S. Market?

## Fortune World's 100 Most Admired Companies - Survey 2023

Source: <https://fortune.com/worlds-most-admired-companies/>



# Why invest in the U.S. Market?

✓ One of the most connected countries in terms of:

- Social connect
- Product usage
- Information

is the United States of America (U.S.A.).

✓ U.S. Dollar \$ denominated investment suits global investors the most.

# Why invest in the U.S. Market?

**Investment in Foreign Markets**



**Investment in the U.S. market  
[The mother market]**



**How can I  
invest in U.S.  
Market?**



# How can I invest in U.S. Stocks?

Our partner in foreign equity investments : Vested Finance Inc. – U.S.A.

Invest in U.S. stocks of  
YOUR CHOICE from a  
wide defined universe  
of stocks & ETFs.

# How can I invest in U.S. Stocks?

✓ Investing through structured customised stock portfolios. Features of such portfolio:

1. Defined Portfolios: The stocks and their weights are pre-determined based on professional research.
2. Dynamic rebalancing: Time to time rebalancing of the portfolio based on the emerging trends.
3. Theme based investing: Investing in a particular investment theme. (Example, SAAS-Software As A Service)
4. Systematic Timely Investing: Investment can be done periodically in a systematic manner just as the **STP** (Systematic Transfer Plan) route. **SIP** (Systematic Investment Plan) route is not a worthwhile option.
5. Benchmark: Following S & P 500 index as a benchmark for comparison of performance.

Our partner in foreign equity investment : Vested Finance Inc. – U.S.A.