SATTREX CAPITAL

WEALTH THAT GROWS AND LASTS FOREVER • CORE ADVISORY MODULE

Risk-Free Growth & The Map of Life

Why Risk-Free Products Form the Non-Negotiable Foundation of Financial Planning

In the financial pyramid, before attempting to build *Growth with Risk*, every individual must adequately establish the second layer: **Risk-Free Growth**. These are financial instruments where there is zero or minimal risk to principal capital, ensuring money is available when needed.

1. PRIMARY RISK-FREE GROWTH INSTRUMENTS

- **Government Bank Fixed Deposits (FDs)**
- **Post Office Savings Schemes (NSC, SCSS, KVP)**
- **Public Provident Fund (PPF)**
- **Treasury Bills & Sovereign Government Bonds** *(Excluding corporate or private company promissory notes)*
- **Endowment Life Insurance Policies** *(Providing guaranteed savings benefits along with life insurance protection)*

2. THE "MAP OF LIFE": NAVIGATING NON-NEGOTIABLE GOALS

THE THREE PHASES OF THE ROAD OF LIFE

1. Supported Road	2. Independent Road	3. Supportive Road
Age 0–25: Supported financially by parents and family. Zero financial liability.	Age 25+: Earning income independently, managing baseline living expenses.	Family Phase: Responsibilities like children's education, marriage, and retirement.

Non-Negotiable vs. Nice-to-Have Junctions

Along the road of life, we encounter financial junctions. We must classify our life goals into distinct levels of priority:

- **Non-Negotiable Junctions (Blue Signals):** Basic living expenses, children's essential higher education, and core family obligations. These goals **MUST be funded through Risk-Free Growth assets**. You cannot risk principal capital on basic requirements.
- **Nice-to-Have Junctions (Pink Signals):** Luxury vacations, aspirational upgrades, and speculative ventures. These can be funded through risk-oriented investments.

3. MARKET VOLATILITY (BETA) & THE 3 REASONS FOR RISK-FREE ALLOCATION

Understanding Beta (β): Beta measures volatility relative to the broader market (β = 1.0). High-beta assets (β = 1.22 or 1.48) experience extreme market swings. In market crashes (e.g., 2008 or 2011), equity investments can drop drastically into negative territory.

Why must every portfolio contain substantial Risk-Free Growth allocation despite lower nominal yields?

#	Core Strategic Pillar	Why It Is Essential for Financial Survival
1	**Absolute Safety of Principal**	**Ensures baseline money required for non-negotiable family goals is 100% protected against market downturns.**
2	**Holding Capacity During Market Turbulence**	**Risk-free reserves provide the financial buffer to survive equity market crashes without forcing you to liquidate risky assets at a loss.**
3	**Short-Notice Encashability (Guaranteed Price)**	**Unlike real estate or stocks (where prices fluctuate and buyers must be found), risk-free assets are encashable at guaranteed pre-decided values during emergencies.**

Secure Your Family's Non-Negotiable Goals with Sattrex Capital

Ensure your financial pyramid is built on solid, risk-free foundations before taking market exposure.

Visit us online: **www.sattrexcapital.com**