SATTREX CAPITAL

WEALTH THAT GROWS AND LASTS FOREVER • ADVISORY FRAMEWORK

What is the "Best Investment"?

Deconstructing the Asset Allocation Triangle: Safety, Liquidity, and Yield

In client advisory meetings, one question arises repeatedly above all others: **"What is the best investment?"**

The answer to this fundamental question can be summarized in three core statements:

> **1. There is nothing that can be called "the best investment."**
> **2. It is in the Mix (Asset Allocation).**
> **3. There is no single "Standard Mix" for everyone.**

THE APPLE ANALOGY & THE DANGER OF HERD INVESTING

You have undoubtedly heard the phrase: *"An apple a day keeps the doctor away."* Apples are highly nutritious, but if apples are good, should you eat only apples for breakfast, lunch, and dinner for six continuous months?

An apple is good, but **only eating apples is harmful**. A healthy diet requires carbohydrates from starch, fibers from vegetables, and vitamins from diverse sources. Similarly:

- Investments in **Gold** are good, but *only* Gold is bad.
- **Equity markets** are good, but *only* Equities are bad.
- **Real Estate** is good, but *only* Real Estate is bad.
- **Bank Deposits** are good, but *only* Bank Deposits are bad.

Investing based on what neighbors or colleagues are buying is like taking someone else's prescription medicine for a headache. Every individual's financial situation, risk capacity, and goals are unique.

CASE STUDY: SAME SALARY, DIFFERENT FINANCIAL REALITIES

Consider **Mr. Atul** and **Mr. Prakash**. Both work at the same company, earn equal salaries, are 30 years old, and have identical family sizes:

- **Mr. Atul** has inherited a **₹10 Crore property** from his parents.
- **Mr. Prakash** carries a **debt of ₹10 Lakhs** arising from a business loss incurred by his father.

Can we recommend the same investment strategy to both? Absolutely not. Mr. Atul has a high capacity to take risk, whereas Mr. Prakash cannot afford capital erosion right now.

THE 3 DIMENSIONS OF ASSETS (THE INVESTMENT TRIANGLE)

Every investment asset in the world is governed by three fundamental dimensions:

▲ THE ASSET TRIANGLE ▲
1. SAFETY | 2. LIQUIDITY | 3. YIELD (RETURNS)

If the surface area of this triangle is constant, expanding one side automatically reduces one or both of the remaining sides. No single investment exists—or will ever exist—that offers **100% Rock-Solid Safety**, **Instant 100% Liquidity**, and **40% Annual Yield** simultaneously.

ASSET CLASS RATING EXERCISE (SCALE 1 TO 10)

Below is a comparative breakdown rating key asset classes across the three dimensions (1 = Lowest, 10 = Maximum):

Asset Class	SAFETY (1 - 10)	LIQUIDITY (1 - 10)	YIELD / RETURN (1 - 10)
Bank Deposits	**9 - 10** *(High)*	**8 - 9** *(High)*	**3 - 4** *(Low)*
Real Estate	**7 - 8** *(Moderate-High)*	**1 - 2** *(Very Low)*	**6 - 8** *(Moderate-High)*
Gold	**8 - 9** *(High)*	**8 - 9** *(High)*	**5 - 6** *(Moderate)*
Equities (Stocks / Equity MFs)	**3 - 5** *(Volatile)*	**9 - 10** *(High)*	**8 - 10** *(High Potential)*
Life Insurance Endowment Policies	**9 - 10** *(High)*	**2 - 3** isolated *(Low)*	**4 - 5** *(Moderate-Low)*

Build Your Custom Asset Mix with Sattrex Capital

Looking to design a tailored portfolio balanced across Safety, Liquidity, and Yield?

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