Business Today

FDs and PFs won't save middle class: Devina Mehra on the six rules that actually will

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September 26, 2025

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“Thirty years of saving, and barely enough to retire.” That, says Devina Mehra, founder of First Global, is the brutal reality for countless Indians who locked their money in fixed deposits and provident funds, never investing, and now finding their retirement corpus alarmingly small.

In a column for Mint, Mehra recounted speaking to employees of a legacy company where many nearing retirement admitted they had never ventured beyond FDs, PFs, and tax-saving schemes. “They kept thinking they did not know enough about markets and would start once they understood a bit more, and the years just slipped past," she wrote.

Her takeaway: investing success is not about timing or complexity but about discipline and basic principles. "It is neither as complex nor as simple as it is made out to be," she noted, before laying down six rules:

1. Good enough beats perfect. Chasing "the very best" returns is a trap. Consistent, reasonable growth compounds far more effectively.

2. Asset allocation drives results. Whether money is spread across equities, fixed income, gold, real estate, and global markets decides 80–90% of outcomes—not stock picking.

3. Don't live at the extremes. An annual ₹1 lakh investment in only FDs grows to ~₹75 lakh in 30 years. A balanced portfolio can yield ₹1.7 crore, and with a tilt to equities, as much as ₹3 crore.

4. Start now. Even 5% of your salary matters. Saving ₹10,000 a month from age 25 can create a ₹5 crore corpus by 60. Waiting until 35 means you'll need to save triple.

5. Trust professionals. "Since you have a day job, you are unlikely to get results as good as fund managers," she warned. Keep only 10–20% for personal experimentation.

6. Look beyond India. The rupee has fallen from ₹12 to nearly ₹89 a dollar since her career began. India is just 5% of global market cap. "Investing only in India is simply not good or safe enough," she said.

The biggest risk is not investing, or investing too late. "If you focus on these six areas, you would have done the right thing for your portfolio," Mehra concluded.