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### **Let's Start**

#### **O01 DOLLAR AS A MEANS OF PRESERVING VALUE**

“Today people outside U.S. hold dollars for the same reasons that people once held gold coins:

As a unit of account, a medium of exchange, and a store of value when the purchasing power of the domestic currency is uncertain.

A safe asset in an unpredictable world.”

**The dollar's role as the world's primary reserve currency enhances its ability to preserve value**

- It accounts for about 60% of global foreign exchange reserves as of 2023.
- Nearly 90% of international trades are invoiced in US dollars or euros.

**The rupee has fallen about 37% against the dollar in last 10 years**

\$1 = ₹60.83 (In 2014 September)

\$1 = ₹84.07 (In 2024 September)

## **Dollar gives access to U.S. markets**

- In 2023, U.S. markets gave a 26% total return compared to 19% for non-U.S. developed markets and 10% for emerging markets
- U.S. market offers better risk-adjusted returns compared to the Indian market because of its maturity and relatively lower volatility
- Investing in US markets acts as a long term hedge against your existing Indian portfolio.

## **O2 - REGULATIONS ON FOREIGN REMITTANCE**

### **Good news! You can invest directly in the US Stock market under the RBI's Liberalized Remittance Scheme**

- All Indian resident individuals, including minors, are allowed to freely remit up to USD 250,000 per financial year (April - March)
- You and your spouse can remit a combined \$500k per year

All capital gains on your overseas investments are taxable only in India. There is no capital gains tax levied by the US government on Indian investors when they sell US securities.

Long term gains tax	12.5%
Holding time more than 2 years	

You can also carry forward losses and offset gains across domestic and indian markets When investing from India.

Short term gains tax	At income slab
Holding time less than 2 years	

## **Tax Collected at Source on remittance**

A 20% Tax Collected at Source (TCS) is applicable on remittances exceeding INR 7 lakhs in a financial year if the purpose of the remittance is investment-related.

## **You can claim the TCS back**

It's possible to claim back this TCS on your income tax refund. Refunds are given when excess Advance Tax/TCS is paid. The government pays interest at 0.5% per month (6% per annum) on income tax refunds.

**NOTE:** If the refund amount is less than 10% of your total tax payable for the year, you will not receive any interest on that refund.

## **O3 - USE CASE**

### **Higher education in USA**

#### **Today**

- Average annual cost of overseas education works out to about \$62,364
- 4-Year undergraduate program, currently est. \$248,000.
- 2-Year graduate program, currently est. \$125,000.

#### **By 2030**

- Private universities could charge up to \$100,000 per year
- Public universities may reach \$50,000-\$70,000 per year

## **Restricted stock units**

Most financial advisors caution against holding more than 10-15% of your portfolio in any single stock, including your employer's.

Paasa can help you diversify beyond your company stock and reinvest your dollar RSUs according to your personal financial goals and risk tolerance.

## **Living and moving abroad**

If you want the option to immigrate on a L1 or EBS visa, investing in dollars early is vital to meet visa requirements and pay for daily expenses after immigration.

When the rupee depreciates, all expenses abroad, including accommodation, food, and shopping, become costlier for Indians.

International airlines price tickets in US dollars or other major currencies, a weaker Rupee makes flights more expensive for Indian travelers.

## **O04 - OUR PRODUCT**

- Manage your U.S. and Indian mutual funds on one app**

- Invest in easy to understand, industry standard portfolios**

- Your money is safe**

Under SPIC protection scheme, which covers \$500k in total, \$250k in cash.

We manage your Investments through an Interactive Brokers account, a platform commonly used by family offices to handle Indian clients' wealth in U.S. markets.

- Taxes**

Paasa will provide the appropriate documentation and p&L report, So you can easily file your taxes.

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**Question: What is the Golden butterfly portfolio?**

Ans - This portfolio invests in stocks, bonds, and gold, allowing it to avoid significant losses in any economic scenario. Although it reduces volatility, it has much lower long-term returns than stock-heavy portfolios.

Returns per annum up to 10%

Time horizon is 5 years