

**ABC COMPANY**  
ABC COMPANY

## **Moneywise Financials**

### **Financial Plan**

**Roopa K Rawat**

No 731, 17th Cross 24th Ma Bangalore

ajays@ampsys.in

### **Financial Plan**

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Prepared by- Advisor / Financial Planner: Ajay Singh

Prepared on- Friday, May 13, 2011

Dear Roopa,

At the outset, I would like to thank you for taking some time and completing your Wealth Financial Plan which helps you get a 360° view of your investments. It is our endeavor to assist you in making the right investment choices and guiding you to a secure and promising financial future. Please feel free to visit and TALK TO US again.

As your Relationship Manager, I thoroughly enjoyed our interaction and look forward to assisting you in planning your investments and achieving your goals.

*Sincerely,*  
**Ajay Singh**  
**+91-9035173446**

**WE HELP YOU PLAN YOUR FUTURE!**

For the purpose of this basic financial plan, we focus upon the major life cycle goals of all families in India. These goals are children's education and marriage, buying home and retirement planning



## WELCOME TO THE WORLD OF FINANCIAL PLANNING

### **What is Financial Planning?**

Financial planning is a critical exercise in ensuring long-term financial security. A financial plan is a road map to help you achieve your life's financial goals.

Here are three basic questions that you will answer during financial planning:

Where are you today? What is your current financial situation?

Where do you want to get to? What is your vision of your financial future and goals?

Will you be able to get there? How do you plan to achieve your vision?

During the financial planning process you analyze what your financial needs and goals are. Then, you quantify in money terms what resources you need to meet those goals, and the time frame during which you want to achieve these goals. Finally we write an action plan on what you need to fulfill your plan in terms of what products to buy and what types of savings to make based upon your risk profile.

### **Financial Planner**

The financial planner integrates your risk profile and planned financial goals with your current investments and liabilities. It rebalances your portfolio as per the suggested asset allocation and projects your cash flow and net worth over your planning horizon. It also calculates your insurance requirements and suggests instruments for investment.

Based on your discussion with your relationship manager, we have outlined our proposal in the subsequent pages.

The proposal will help you understand your current state of finances, stated financial goals, risk appetite and preview your future cash flow & net worth. This will enable you to identify gaps in your finances that may inhibit you from attaining your goals. It will provide you with a model asset allocation suitable to your risk profile. Our model portfolio will help mitigate these gaps and take you towards your goal fulfillment. Graphical illustrations have been used wherever required to enrich your understanding. In case you have any further queries or clarifications, please feel free to contact your relationship manager.

**SUMMARY**

This Report is based on inputs provided by you about your current financial situation and assumptions on future economic and market outlook, which are based on our extensive research. This Report contains an extensive analysis of your present and possible future financial condition, based on which we have presented our recommendations in the later sections of this Report, to help you manage and maintain your financial situation under changeable conditions.

**Customer**

**Name:** Roopa K Rawat  
**E-Mail:** ajays@ampsys.in

**DOB:** 30-Jan-1980  
**Risk Class:** Moderate

**Assets:** 161,115,522

**Liabilities:** 146,667

**NetWorth:** 160,968,855

**Family**

Name	Relationship	DOB
CUSTOMER13	Child	
CUSTOMER8	Brother	

**CURRENT OBSERVATION AND SITUATION**

**Net Worth** Your current Net Worth is Rs. 160,968,855

**Protection** You have Life insurance protection of Rs. 1,800,000

**Investments** Your current investments are Rs. 8,361,353 in equity, Rs. 74,541,222 in Mutual Fund and Rs. 180,000 in FixedIncome

## FINANCIAL HEALTH

Here we have provided the most important indicator of your financial health. It is expedient to stay within the safe limits of these indicators in order to ensure the effectiveness of the Financial Planning exercise through which a person is able to successfully meet all financial goals. If the asset allocation is not optimum, either one will not be able to increase one's wealth to the desired level or one will be exposing one's investment portfolio to undue risks which can lead to undue downside risks and inability to meet goals. If liabilities are too high or low, then one runs the risk of either leveraging too much which can have disastrous results when interest rates go up or there is a hit on income levels or not being able to build sufficient assets by being too average to debt. Low saving rate will negatively impact building up sufficient wealth to meet the various goals, while high savings rate may result in unduly high present sacrifices for the future.

### Debt Ratio

This Ratio compares debt to net worth; A lower debt ratio is best. However, this ratio can be high when a person goes in for a Housing Loan.

Value: 0



You are borrowing adequately

### Debt to income

The amount utilised for repaying the loans

Value: 16.66



It appears as though you are saving substantial income for future and current use. Make sure that you are not necessarily stretching out your debt repayment periods. You should consider early repayment or a partial offset to reduce your interest payments.

### Insurance cover

Reflects the current insurance cover to the annual income

Value: 3.33



It appears as though your cover is good to meet your requirements in case of need. You can look to review at periodic intervals to check if it's adequate with your life style that you are leading.

### Loan to assets

Debt to assets ratio Should not exceed 75% at any point in time. Lower the ratio better

Value: 0.09



Your assets appear to be well protected against a drop in investment values or interest rate increases. Ensure you have allocated your assets appropriately according to your risk profile.

### Savings to income

This tells how much cash of earnings is set aside for future use

Value: 76.34



You are saving a good amount for your future use. If a large amount of your savings is kept in a deposit amount, you might be missing out on better returns. Consider exploring other investment products. Our qualified Personal Financial Consultants can help you plan your investing strategy.

### Solvency Ratio

This is emergency fund that is available

Value: 1.24



It appears you may have enough cash to meet your monthly living expenses in case of the unexpected. You should work out a plan to bring your emergency fund up to our suggested minimum of 4 months.

**GOAL PROFILING**

For the purpose of this basic financial plan, we focus upon the major life cycle goals of all families in India. These goals are children's education and marriage, buying home and retirement planning.

**Goal**

[Amount in Rs]							
Goal	Name	CostToday	Required In Year	Goal Amount	Inflation(%)	Exp Ret(%)	Amount to be Saved Monthly
Other	--	100,000.00	2020		0.00	10.00	488.17
Buy Home	--	200,000.00	2015	262,159.20	7.00	10.00	4,464.37
Child Marriage	CUSTOMER13	600,000.00	2020	1,303,135.97	9.00	10.00	7,486.98
Other	--	200,000.00	2014	238,203.20	6.00	10.00	5,701.12
<b>Total:</b>		<b>1,100,000.00</b>					<b>18,140.65</b>

Based on your inputs we have done an analysis of your life's major financial goals and savings required to achieve them.

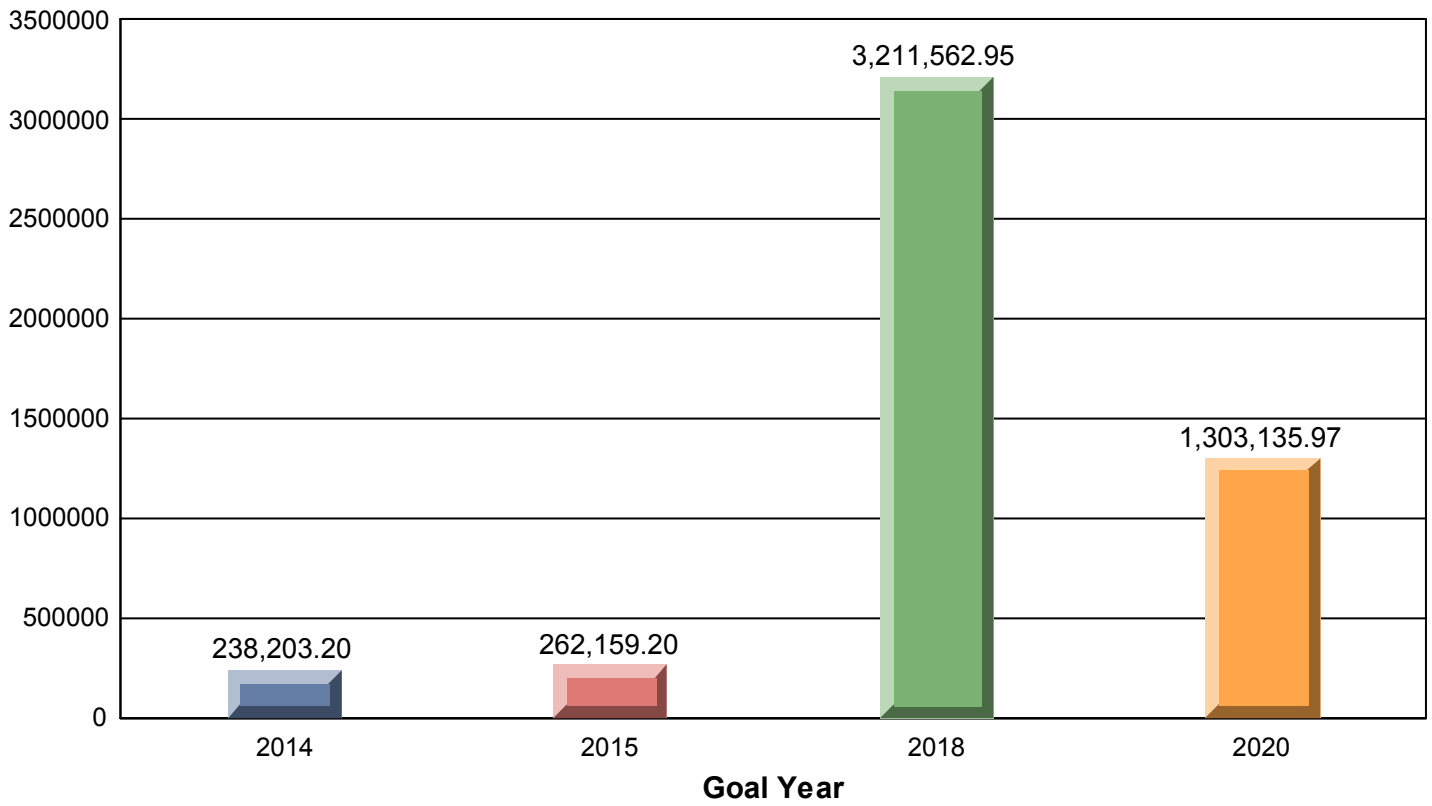
- Your monthly saving should be Rs. 7,487 to meet your child's marriage expenses.
- For buying house you need to save Rs. 4,464 every month.
- For all other goal's you need to save Rs. 6,189 every month.

Retirement planning is one of most important financial planning goals which is often not given the priority it deserves by most people. We accord highest priority to it and would strongly recommend that you also pay due attention to it.

Goal	Cost Today	Retirement Year	Corpus Required	Inflation(%)	Exp Ret(%)	Amount To be Saved
Retirement	100,000.00	2018	Rs 3,211,562.95	7.00	0.00	38,232.89

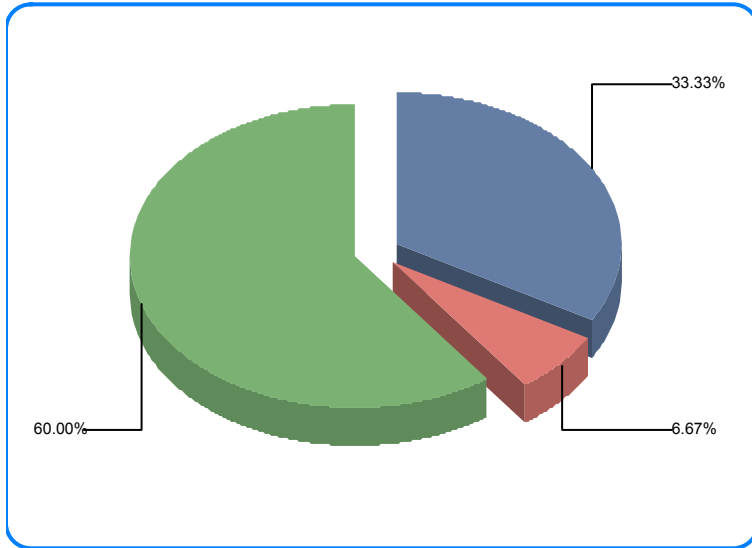
We have done an extensive analysis of your retirement goal needs and savings required per month to meet those needs. Based on the inputs provided by you we have calculated that at the time of your retirement you'll need a corpus of Rs. 3,211,563 in 2018 to lead a financially stable retired life. You have no investments attached to your retirement. For the gap of Rs. 3,211,563 for your retirement goal, you need to start planning soon. Monthly savings required to meet retirement goal is Rs. 38,233

**Goal Amount In Rs**



## INCOME AND EXPENSE SUMMARY

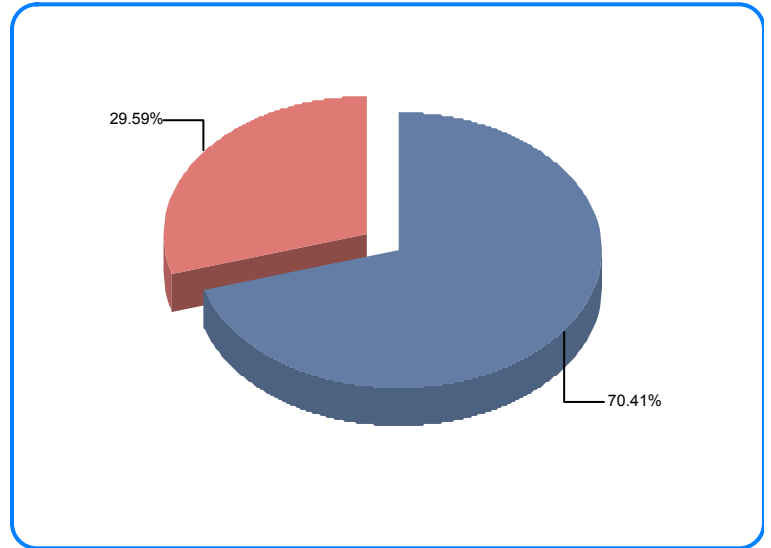
### Income



[Amount in Rs]

Type	Amount (Monthly)	Pctg(%)
Salary	45,000.00	60.00
Capital Gains	25,000.00	33.33
Rental Property	5,000.00	6.67
<b>Total:</b>	<b>75,000.00</b>	<b>100</b>

### Expense

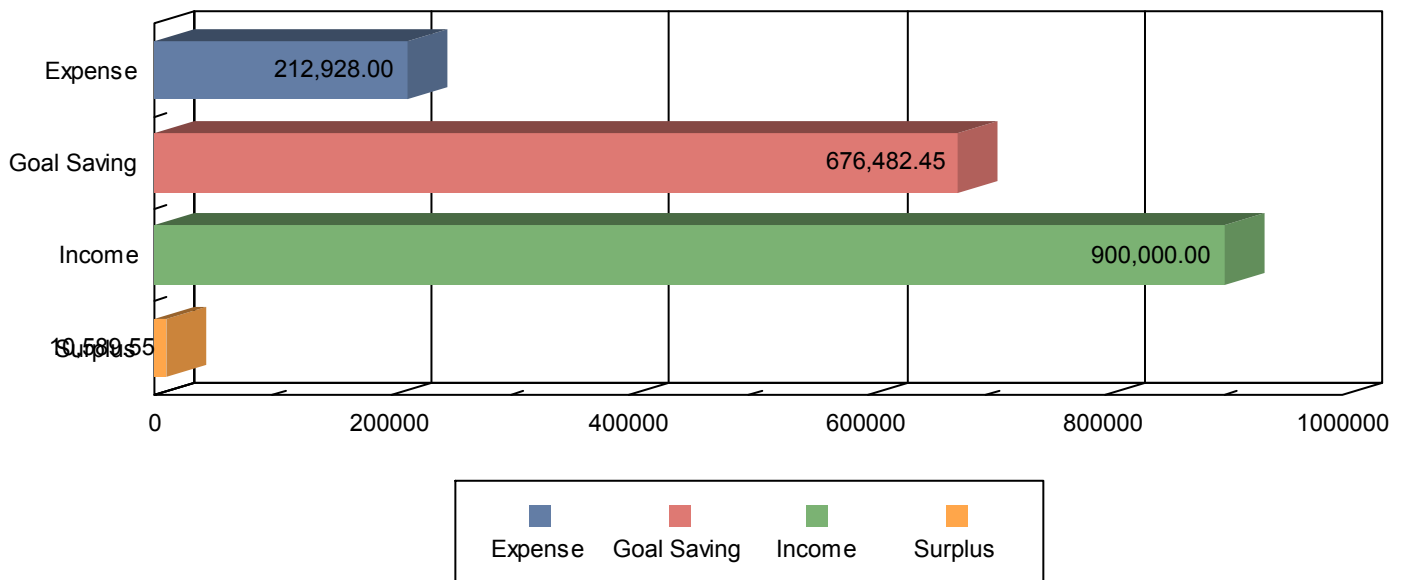


[Amount in Rs]

Type	Amount (Monthly)	Pctg(%)
EMI	12,494.00	70.41
Insurance	5,250.00	29.59
<b>Total:</b>	<b>17,744.00</b>	<b>100</b>

CASH FLOWS (Annual)

[Amount in Rs]



In the above analysis we see that income cover both expenses as well as investment needs for major life goals. Moreover every year your family is left with surplus of Rs. 10,590. You can review your major life goals or plan an early retirement.

## NET WORTH SUMMARY

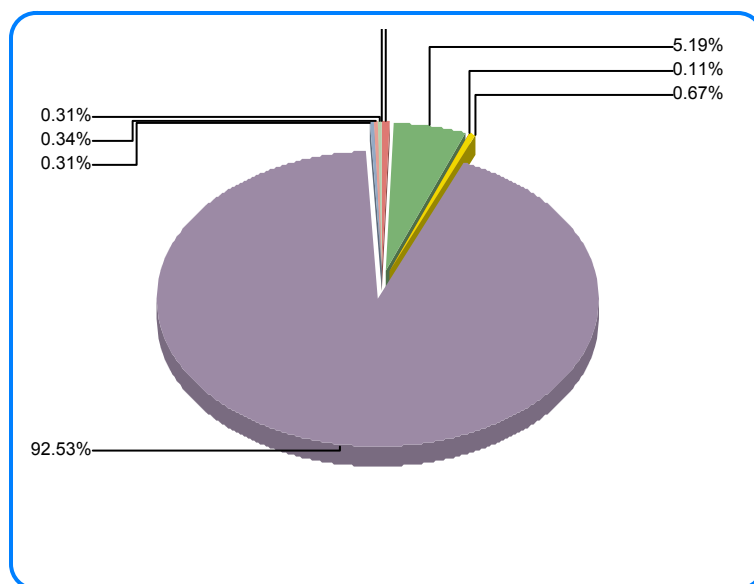
**Assets:** 161,115,522

**Liabilities:** 146,667

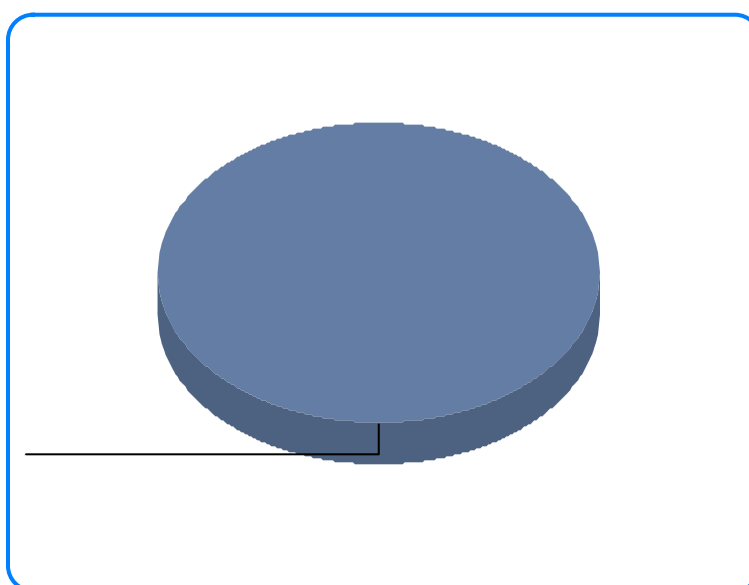
**NetWorth:** 160,968,855

For the purpose of this basic financial plan, we focus upon the major life cycle goals of all families in India. These goals are children's education and marriage, buying home and retirement planning

### Asset



### Liabilities



[Amount in Rs]

Assets	Values	Pctg(%)
Mutual Fund	74,541,222.12	46.27
Mutual Fund	74,541,222.12	46.27
Direct Equity	8,361,353.00	5.19
Gold	1,084,725.20	0.67
Collectibles	845,000.00	0.52
Personal Items	540,000.00	0.34
Pension & Gratuities	500,000.00	0.31
Property	500,000.00	0.31
Fixed Income	180,000.00	0.11
Cash&Savings	22,000.00	0.01
<b>Total:</b>	<b>161,115,522.44</b>	<b>100</b>

[Amount in Rs]

Loan	Outstanding Amount	Pctg(%)
Home Loan	146,666.67	100.00
<b>Total:</b>	<b>146,666.67</b>	<b>100</b>

In order to enjoy an adequate Net Worth level, one should ensure that there is no undue leverage upon loan liabilities. Through proper Financial Planning you should ensure that loan liabilities are pegged at an optimum level based upon needs and not unduly stretched to satisfy wants.

**RISK PROFILE AND PORTFOLIO ALLOCATION**

**Risk Profile**

**Conservative**

Where are you today? What is your current financial situation?

You seek to achieve above deposit rate returns and protect your capital against inflation . You are willing to accept very low levels of investment risk over the medium term (up to 2 years).

The value of your investment can fluctuate and may fall below your original investment. While volatility is expected to be low, short-term losses may be higher.

**Moderate**

You seek to achieve a moderate level of capital growth on your investments and you are willing to accept moderate levels of investment risk over the medium to long term (up to 3 years).

The value of your investments can fluctuate and may fall below your original investment. While volatility is expected to be moderate, short-term losses may be higher.

**Aggressive**

You seek to achieve significant capital growth on your investments and you are willing to accept very high levels of investment risk and volatility over the short, medium and long term.

The value of your investments can experience very high levels of fluctuations and may fall substantially below your original investment.

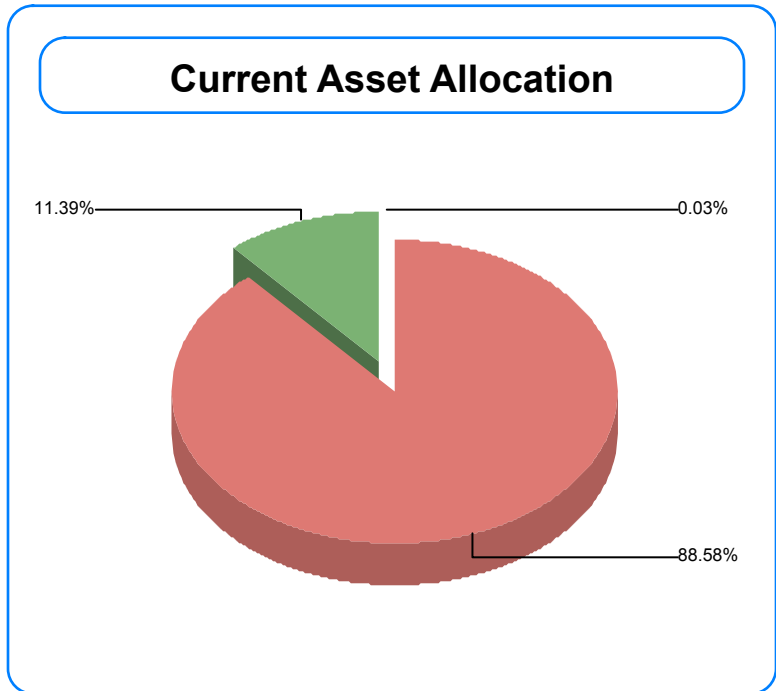
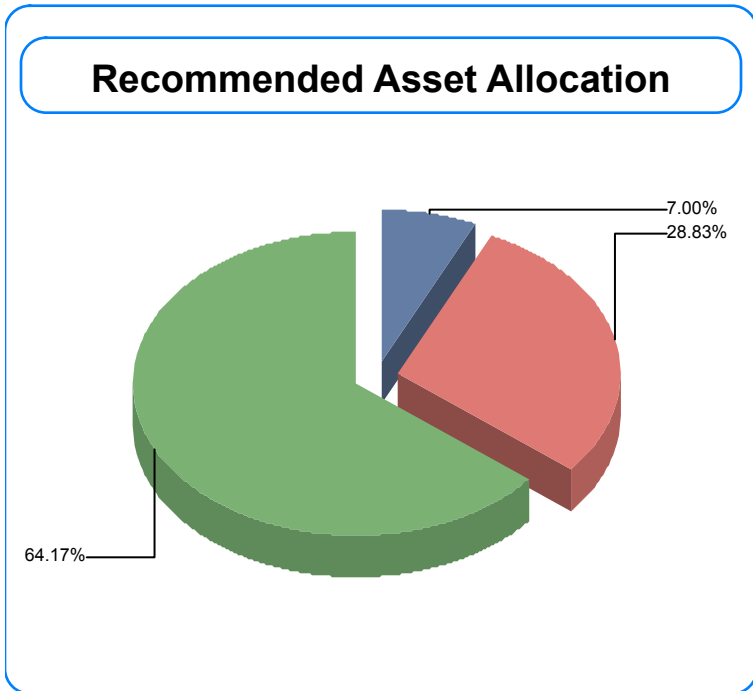
**RISK PROFILE AND PORTFOLIO ALLOCATION**

**Risk Profile**

**Risk Class Moderate**

Your risk behavior is Moderate. It shows that by nature you are a balanced risk taker. Before investing anywhere you take in to account all the upsides and downsides associated with it and then take a well-reasoned decision. You are bothered about the downside of high-risk investments and therefore, want to maintain a balanced portfolio.

Class	Recommended(%)	Current(%)	Action Needed(%)
Equity	64.17	11.39	↑ 52.78
Debt	28.83	88.58	↓ -59.75
Cash	7.00	0.03	↑ 6.97



Based on your current investments we have identified that your asset allocation does not match the asset allocation recommended by us. The asset allocation recommended by us is based on your risk profile and other data pulled from your profile information. Your current equity allocation is 11.39%, debt allocation is 88.58%, alternate allocation is 0% and cash allocation is 0.03%. But based on our analysis we recommend an equity allocation of 64.17%, debt allocation of 28.83%, alternate allocation of 0% and cash allocation of 7%. Please contact our advisor to help you shift closer to the recommended asset allocation. This will keep you in sync with your risks taking capacity and risk appetite. Moreover we recommend you to keep 7% of your investment portfolio in cash and cash equivalents to take care of liquidity in your portfolio. Based on your current asset allocation we have identified that cash allocation is less than recommended. Please contact your advisor to remove the gap.

## LIFE INSURANCE DETAILS

An integral part of Financial Planning is ensuring that adequate risk cover are taken against the various risks and perils which we are exposed to. Some of minimum and most basic insurance cover which all families must have are: sum assured equal to the human life value of main bread winner, health insurance, personal accident and property insurance.

[Amount in Rs]	
Type	Sum Assured
Whole Life Policy	800,000
Endowment policy	500,000
moneyback policy	500,000
-----	
<b>Total:</b>	<b>1,800,000</b>
-----	

[Amount in Rs]	
Human Life Value Analysis	HLV Values
Discount Rate	8
Salary income(annual)	540,000
Retirement age	65
Years left till retirement	34
HLV based on income	6,757,500

### Life Insurance Gap Analysis

Financial Net Worth	160,968,855
Insurance Cover Recommended	-154211355.28
Current Insurance Cover	1,800,000
Insurance Cover Required	-156011355.28

#### Notes:

1. Discount rate of 8% is assumed.
2. HLV uses income replacement method.

GENERAL INSURANCE DETAILS

Health

[Amount in Rs ]

Type	Sum Assured
Health/Medical	400,000

Gap Analysis

Recommend Cover	500,000
Existing Cover	400,000
Gap	100,000

It appears as though your mediclaim cover is inadequate to meet your requirements in case of medical need. We recommend that you review your mediclaim cover and bring atleast upto your annual salary.

Other

[Amount in Rs ]

Type	Sum Assured
------	-------------

Total:

**DISCLAIMER**

Note: This is a computer generated statement and does not require a signature. The information in this statement includes information taken from the Registrar and Transfer Agents of the Asset Management Companies; PMS fund manager, other data provider and information provided by you. Advisor is not responsible for any issues arising due to feeds delay as well as natural processing timelines that may result in the statement showing more or less funds than the actual position. The portfolio valuations are done based on the closest available Nav/Price of Investments. Advisor does not guarantee the accuracy or completeness of these statements. In case of any discrepancies, you are requested to bring these to the notice of your Relationship Manager within 15 days from the date of the statement else the same will be deemed as correct and accepted by you. In case of any product/instrument with fixed maturity, you are responsible and not the Issuer to inform us of sale/transfer of the instrument. The bank records would continue to include the product/instrument in your portfolio until such time. The calculation of performance measures and portfolio classification are according to certain preset methodologies and may or may not conform to your requirement of filing tax returns or other investment decision making imperatives. You should independently verify the data before making any investment decision or for any tax/regulatory reporting. While all reasonable care has been taken in preparing this document, no responsibility or liability is accepted for error of fact or for any opinion expressed herein. This document is for information purposes only. It does not constitute any offer, recommendation or solicitation to any person to enter into any transaction or adopt any hedging, trading or investment strategy, nor does it constitute any prediction of likely future movements in rates or prices or any representation that any such future movements will not exceed those shown in any illustration. Past performance is not necessarily indicative of future performance; the value, price or income from investments may fall as well as rise Advisor, and/or a connected company, may have a position in any of the instruments or currencies mentioned in this document. You are advised to make your own independent judgment with respect to any matter contained herein.

