

Financial planning for Mr.X, Bangalore

Sample plan only

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A blog about Best investment options

Disclaimer: The plan is customised based on the age, investment objectives and financial goals of an investor. Equity and mutual funds investments are subject to market risks. The views expressed here are the opinions of author. Myinvestmentideas.com or the author is not liable for any loss caused due to investment decisions made based on the advice or views expressed here. In case of any questions, please mail to suresh@myinvestmentideas.com

Step-1:	Financial planner and investor define their relationship and scope of engagement
Step-2:	Investor information is collected by the financial planner
Step-3:	Assessment of current financial status of the investor
Step-4 (a)	Financial goals indicated by investor
Step-4 (b)	How much do we need to invest in each investment category?
Step-4 (c)	Some good investment options which can be explored and invested
Step-5:	Current life and health insurance and expected insurance required

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Step-1 - Financial planner and investor define their relationship and scope of engagement - Completed through email

Step-2: Investor information is collected by the financial planner

Name	X
Age	45
Current insurance	Rs 6 Lakhs
Monthly expenses	30,000
Monthly savings in Rs	30,000

Step-3: Assessment of current financial status of the investor

Investor has current monthly expenses of Rs 30,000 with an insurance coverage of Rs 6 lakhs. With Rs 3.6 lakhs p.a. expense, the insurance required is
10 years period – Rs 50 lakhs
15 years period – Rs 80 lakhs
Current insurance is in adequate

Financial goals indicated by investor

- 1) Earning 1 crore in 10 years from now.
- 2) Daughter engineering course education - Rs 25 lakhs at current value (15 years from now)
- 2) Daughter marriage Rs 20 L exp at current value (20 years from now)
- 3) Purchase a car for Rs 10 lakhs in next 3 years. Loan Rs 8 lakhs and Rs 2 lakhs-own funding
- 4) Retirement planning to be done

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Step-4 (a): Financial goals indicated by investor and monthly investments to be done						
Particulars	Tenure	What is today's value for your goal	Future value of today's goal	Risk capacity	Avg returns	Monthly investment to be done (Rs)
Purchase of car	3	2,00,000		Low risk	9%	
Daughter Engineering Education	15	25,00,000		Moderate risk	12%	
Daughter marriage	20	20,00,000		Moderate risk	12%	
Earning one crore	10	1,00,00,000		Moderate risk	12%	
Retirement planning	15	NA		Moderate risk	12%	
0		1,47,00,000				
Inflation rate assumed	7%					

** Monthly investment is arrived by considering “Moderate risk investments” as per risk capacity indicated by investor*

The above nos are pre-tax. Depending upon the tax liability, the future value of the nos would change

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Low risk	0%	0%	0%	50%	50%	100%	
Moderate risk	0%	30%	40%	20%	10%	100%	
High risk	40%	10%	10%	15%	15%	100%	
Particulars	Stocks	Largecap MF	Diversified MF	Debt MF	Bank FD	Total monthly investment required to achieve this goal	Risk appetite of investor
Purchase of car	0						Low risk
Daughter Medical Education	0						Moderate risk
Daughter marriage	0						Moderate risk
Earning one crore	0						Moderate risk
Retirement planning	0						Moderate risk
Total monthly investment	0						

** Monthly investment is arrived by considering “Moderate risk investments” as per risk capacity indicated by investor*

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Step-4 (c): Some good investment options which can be explored and invested

Stocks	Largecap MF	Diversified MF	Balanced funds and Debt MF	Bank FD
some top large cap stocks	1) UTI Opps fund 2) some more top mutual funds	1) Birla SL India Gen next 2) some more top mutual funds	1) HDFC Balanced fund 2) Some more top mutual funds	XYZ scheme

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Step-5: Life and health insurance check

Insurance Plans	Current Sum Assured in lakhs	Required insurance (Sum assured in lakhs)	Suggested policies
Health insurance	Rs zero	7 lakhs	XYZ Scheme
Life insurance	Rs 6 lakhs	Rs 50 lakhs to Rs 80 lakhs	XYS scheme

***** END OF THE PLAN *****

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