

YOUR FINANCIAL PLAN

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For further questions, please mail us on info@yfinadvisor.com

We are glad you are here!

Dear Mr. Pant

Congratulations on taking a huge step towards Your Richest Life! Your Yfin Financial Plan will show you how to take control of your money and give you a complete to-do list to get there. Financial Planning may sound intimidating, but it is really just **four simple things**.



YOUR FINANCIAL SNAPSHOT

Age	33
Monthly Take home Pay	45,500
Monthly Spending	43,500
CIBIL Credit Score	747
Savings	
Bank Savings Accounts	0
Other Savings	500,000
Non Retirement Investments	
Mutual Funds	0
Direct Equity	0
Retirement Investments	
PPF	267,000
NPF	0
Property	3,000,000
Gold	0
Others	0
Mortgage	0
Credit Cards debt	0
Other Loans	500,000

TOTAL ASSETS	minus	TOTAL LIABILITIES	equals	NET WORTH
3,787,000	-	500,000	=	3,287,000

Note: Your net worth is one measure of your financial health. It changes as you pay down debts, make investments, or take new loans. There's no "right" number, but it should grow each year.

YOUR INCOME

You told us that your take-home- pay is 45,500. Remember, this will differ a lot from what is your "CTC"- we are talking of all the deductions, including taxes and other contributions you have before the salary comes to you.

Take-home Salary	=	45,500
Other Income	=	0
Total Income	=	45,500

YOUR EXPENSES

Nobody likes to budget, so to make this important process a bit easier, we split spending into two camps and provide rules of thumb about how much is too much.

ESSENTIALS	+	CHOICES	=	TOTAL SPENDING
Housing Utilities Groceries Transportation		Shopping Eating Out Personal Care Everything Else		
RULE OF THUMB		RULE OF THUMB		RULE OF THUMB
NO MORE THAN 50% OF YOUR NET INCOME		NO MORE THAN 30% OF YOUR NET INCOME		NO MORE THAN 80% OF YOUR NET INCOME

We like these rules of thumb because people typically need to set aside at least 20% of their income to achieve their Financial Priorities.

But these guidelines are still pretty general- let's take a look at what your spending looks like.

How you spend your money is honestly up to you but we are here to help you understand how much you need to put aside to achieve your most important financial priorities.

ESSENTIALS ARE 69.23% OF YOUR NET INCOME

Housing	4,500
Utilities	0
Groceries	10,000
Transportation	7,000
Other Essentials	10,000
Total	31,500

CHOICES ARE 26.37% OF YOUR NET INCOME

Shopping	3,000
Eating Out	2,000
Personal Care	2,000
Others	5,000
Total	12,000

Total Expenditure is 95.6% of your Net Income- 43,500

ACHIEVING FINANCIAL SECURITY

Now that we know where you stand, we can talk about your Financial Priorities. YfinAdvisoR places three Priorities above the rest:

- Emergency Fund
- Retirement
- Paying off debts

These define your financial security and make it possible to accomplish other goals down the road. To make sure you're fully protected, we emphasize hitting certain targets for these goals before moving on to anything else.

YOUR KEY STATS

WE ADVISE YOU TO
SAVE

9,100

PER
MONTH

TO YOUR FINANCIAL
PRIORITIES

HOW THAT'S GOING TO HAPPEN

WHERE YOUR MONEY GOES TODAY

INCOME	45,500
SAVINGS	2,000
SPENDING	43,500

WHAT IT NEEDS TO LOOK LIKE

INCOME	45,500
SAVINGS	9,100
SPENDING	36,400

BOTTOM LINE

Changes in your day-to-day spending will make sure that you don't spend more than you earn and that you build the funding required to achieve your financial priorities in timeframe that makes sense for you.

9,100

**MUST BE REALLOCATED TOWARD FINANCIAL PRIORITIES
IN ORDER TO ACHIEVE YOUR GOALS**

We're not here to micromanage your lifestyle. We know that making budget changes is both a tough and personal process. If you ever have specific questions about a way that you want to cut your spending, we can always discuss it on a follow-up call or via email. Believe me, these cuts may be hard at first, but they will be worth it you make fabulous progress on your Financial Priorities!

YOUR GOALS

Monthly Savings: 2,000

Order	Goal	Achieved
1	Emergency Fund	Not Met
2	Retirement	Not Met
3	Higher education	Not Met
4	Wedding	Not Met

GOAL 1: EMERGENCY FUND

We believe that everyone should have an Emergency Fund equal to 6 months of their net income, and it should only be used in emergencies like Job loss, medical emergency, etc.

You should not use this fund for leisure purposes like vacation, shopping etc and once you break this fund for some emergency, it should again be funded ASAP.

Your Net Income per month	-	45,500
Your Emergency Fund should have	-	273,000
Funds you already have	-	0
Funds required to be added	-	273,000

GOAL 2: RETIREMENT

WHY RETIREMENT SHOULD BE YOUR PRIORITY?

INFLATION

Put simply, inflation means higher prices. By the time you retire, prices will likely be higher than they are today, which means a rupee will not go as far tomorrow as it does today. Since each dollar will buy slightly less in the future, the answer is simply to save more.

HEALTHCARE

On one hand, advances in health care mean that we're living longer. On the other hand, that means caring for ourselves in old age is more expensive.

INDEPENDENCE

Unlike old generations, who could count on Social Security and large pensions, we're largely on our own to fund our retirement.

Am I On Track?

Current Status		
I Save INR 0 Per Month	My Post- Retirement Income Is* INR 0 Per Year (In Today's Rupees)	Which Is 0.0% Of My Current Salary

YfinAdvisor Recommends		
I Should Save INR 12,740 Per Month	My Post- Retirement Income Is* INR 382,200 Per Year (In Today's Rupees)	Which Is 70% Of My Current Salary

GOAL 3: HIGHER EDUCATION

Cost of Education has increased between 10-20% per annum for last 2 decades. This is much more than retail inflation and much higher than interest on Fixed Deposits. One must invest in Equity funds to get higher returns in order to sustain the high Education Inflation.

School fees in India has risen by more than 150% in 10 years from 2005 to 2015. This means 13% rise annually.

IIT fees has gone up from Rs 50,000 for the 4 year course to Rs 8 lac in 20 years. This means a 15% rise in fee annually.

IIM-A fees have jumped significantly from Rs 1.5 Lacs in 2002 to Rs 19.5 Lacs in 2016. This means 20% rise in fees annually.

Amount required- 400,000

Target- 02 Jul 2030

PLAN	Aggressive	Balanced	Low Risk	Zero Risk
EMI	2,206	3,049	3,750	6,083

GOAL 4: WEDDING

Budget of a wedding varies for everyone, but whatever the budget one should start saving for the big day as soon as possible.

Amount required- 2,000,000

Target- 01 Aug 2040

PLAN	Aggressive	Balanced	Low Risk	Zero Risk
EMI	1,996	3,754	5,609	14,051