Dear Mr. Rajesh Pant,

Thank you for being a client! As promised at sign-up, your Wealth Report is attached here.

In the Wealth Report, we show you some sensitivity on what it might take to achieve some of your goals (i.e. if you put monthly Rs 2,210 into an aggressive fund – i.e. 100% linked to Stock market, then your goal ‘Child’s Higher Education’ for  of Rs 4 lakhs will be met. However if you only would like to invest in a Risk Free product – such as FD, it will take Rs 6,094 per month to achieve the same goal)

We have looked at your financial details and your Wealth Check. There are a **few specific comments** that our expert advisors have for you:

      Unfortunately, you are currently not set to meet your financial goals. And we would suggest you to add another goal – EMERGENCY FUND – that should take care of at least 6-8months of your essential expenditure in case of a job-loss or any other emergency.

* It seems that the savings you are able to achieve are **below** the optimal level that you should be saving to meet your financial goals. Part of this is due to the high car loan EMI that you have (this makes up 19% of your net Salary)

       One should save at least 20% of his/ her monthly salary every month. So you need to save Rs. 9,100 every month but you are saving Rs. 2000 which is low. If this could be supplemented, somehow, by Rs 7,100 per month, this will dramatically improve your ability to achieve your financial goals. You could also consider lowering some of your expenditure, such as grocery expense (however, we understand it might be difficult to cut it by a lot)

**Some specific action points** for you:

1.     **Invest with a long time horizon**

We think you have medium risk-taking ability as you are married and we will suggest some funds that suit your profile in the next report. In the meantime, please make sure you have an account to help invest in various mutual funds. There are agents that come over to set up your accounts. Once you have done the KYC and account set-up, you can even do all this yourself. We can guide you in this.

2.     **Emergency Fund**

It is always advisable to have an Emergency Fund , you could save this in Kotak or Yes Bank savings account, where you will earn 6% interest rate much above the typical 4% interest rates in other savings bank account, despite the money being available to you 24x7. Moreover, you need around Rs. 2,73,000 as emergency fund.

3.      **Retirement**

You are currently not saving enough money to meet your financial goals. So, in order to achieve these goals you should first look for additional source of income and cut down your expenses. This way we suggest you to save at least Rs. 9,100 and allocate Rs. 6,000 for your retirement planning for the time being and once you pay off your car loan then you can invest the required amount towards achieving your goal. You can do this by opening a PPF account, that ways you can meet your retirement goal and also save some taxes, but remember your funds will be locked for 15 years.

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**4.**     **Child’s Higher Education**

Cost of education is increasing at an average rate of 10-20% per annum for last two decades. So, it is always advisable to start saving for your child’s higher education well in advance. Further, in order to achieve this goal you should invest in a balanced fund and for that you need to save Rs. 3,055 per month.

5.     **Wedding**

The goal of your child’s wedding is scheduled for 2040 and you do not have adequate funds to invest for the goal. So we advise you to give it less priority in comparison to other goals and once you are free from your car loan EMIs then you can start saving for this goal.

We advise you to consider having a part-time job (e.g. Tuitions for 5 hours a week) or maybe your wife could help in the same. This way you will have the required sum of money to invest and achieve your financial as well as retirement needs.

In a few weeks time, we shall provide you with the actual funds you need to look at that might meet your goals.  We will work with you on making you achieve your financial goals!

Best Regards

YfinAdvisor – Your Financial Advisor