

**\*\*Objective:\*\*** Buy a car priced at 10000000 at the age of 40.

**\*\*Time Horizon:\*\*** 20 years (20 years from now is when you will be 40)

**\*\*Monthly Income:\*\*** 100000

**\*\*Monthly Expenses:\*\*** 100000

**\*\*Savings:\*\*** 0 ( $100000 - 100000 = 0$ )

**\*\*Risk Appetite:\*\*** 0 on a scale of 0 to 1

## Investment Approach:

1. **\*\*Calculate the required investment amount:\*\***

- Calculate the future value of the car's price after 20 years, assuming a conservative annual inflation rate of 5%:

$$\text{Future Value} = 10000000 * (1 + 0.05)^{20} = 32071354.19$$

- Calculate the total amount needed to be invested to reach the future value:

$$\text{Total Investment} = \text{Future Value} - \text{Current Savings} = 32071354.19 - 0 = 32071354.19$$

2. **\*\*Choose suitable low-risk investment instruments:\*\***

- Since you have a risk appetite of 0, focus on low-risk investment options such as fixed deposits, Public Provident Fund (PPF), National Pension Scheme (NPS), and low-volatility mutual funds.

3. **\*\*Create an investment plan:\*\***

- Divide the total investment amount by the remaining years to calculate the annual investment required:

$$\text{Annual Investment} = 32071354.19 / 20 = 1603567.71$$

- Allocate this annual investment amount proportionately among the chosen low-risk investment instruments. For example:

- Fixed Deposits:  $30\% (1603567.71 * 0.30 = 481070.31)$

- PPF: 30% ( $1603567.71 * 0.30 = 481070.31$ )
- NPS: 20% ( $1603567.71 * 0.20 = 320713.54$ )
- Low-volatility Mutual Funds: 20% ( $1603567.71 * 0.20 = 320713.54$ )

4. **\*\*Automate your investments:\*\***

- Set up automatic transfers from your salary account to your investment accounts to ensure regular contributions.

5. **\*\*Review and adjust your investment plan:\*\***

- Periodically review the performance of your investments and adjust your asset allocation if needed. Consider seeking professional financial advice as needed.

6. **\*\*Avoid unnecessary expenses:\*\***

- Control unnecessary expenditures to maximize savings and ensure you stay on track to reach your goal.

By following this disciplined investment plan and avoiding unnecessary expenses, you can work towards achieving your goal of buying a 10000000 car at the age of 40, even with a moderate risk appetite.