Cheatsheet

- Avoid financial myths (e.g. risk appetite depends on age, investing means stock picking,etc) and do your own research before making investment decisions.
- Start investing early with small amounts and take advantage of the power of compounding.
- To calculate your "F**k You" money, determine your monthly expenses, factor in personal inflation, and set a retirement age.
- FIRE (Financial Independence Retire Early) involves accumulating enough savings and investments to support your lifestyle without earning income, allowing for an early retirement.
- Don't rush into buying a home without carefully considering your financial situation, long-term plans, and real estate market trends.
- When buying a home, follow basic thumb rules such as ensuring the home value is less than 5 times your post-tax income, the EMI is less than 40% of post-tax income, and if you can fnd a similar house with a rental yield of less than 3%, rent the house instead.
- Allocate your assets according to your financial goals and their respective time horizons, such as emergency funds and vacations for short-term goals, cars and homes for medium-term goals, and retirement, children's education, and marriage for long-term goals.
- It is important to diversify your investments but avoid overexposure to a single asset class, especially one that is highly illiquid or in bubble territory.
- Allocate your investments based on your financial goals:
    a. For short term goals, invest 100% in debt
    b. For medium term goals, invest 40% in domestic equity and 60% in debt
    c. For long term goals, invest 60% in equity, 10% in US equity, 10% in real estate, 5% in gold, and 5% in crypto (optional).
- Invest in a well-diversified portfolio that includes large-cap, mid-cap, and small-cap stocks through a combination of direct stock investments and equity mutual funds to increase the likelihood of achieving long-term investment success like the top 1%.

- When looking to invest in a large cap, prefer investing in an index fund rather than an actively managed large cap funds, since they come with a lower expense ratio and have historically performed better than large cap funds.

- When investing in midcap, smallcap, and multi-cap funds, consider the 5-year average returns, rolling return, expense ratio, 5-year upside and downside capture ratio.

- When investing in equity, avoid being influenced by last year's returns, company names, thematic, hybrid or focused funds, NAV and friend's portfolio.

- Determine your tenure and risk profile, and then invest in a combination of Fixed Deposits, Debt Mutual Funds, and Equity Saver Funds, while following a methodology based on SEBI risk categorisation, volatility, expected returns, and expense ratio.

- Avoid decisions based on past returns, fund name, credit risk/hybrid funds, friend's portfolio, or NAV when investing in debt funds.

- Invest in gold through Sovereign Gold Bonds for a horizon of 5-8 years, or through Gold Mutual Funds & ETFs for short-term investment with high liquidity. Avoid physical gold.

- For investing in US equity, if you have less than 50 lakhs, only invest in S&P 500 ETF from Vanguard or Indian mutual funds investing in the US. If you have more than 50 lakhs, also invest in technology, sunrise sectors, and clean energy ETFs like ARK Innovation, iShares Semiconductor, and Invesco Global Clean Energy.

- To claim both HRA benefit and interest on loan repayment deduction, consider purchasing a residential house in only one spouse's name and have the other spouse pay rent

India’s Middle class population

- **Past** — 349 Million people
- **Present** — 432 Million people
- **Future** — 715 Million people
- **Super Future** — 1015 Million people

Problem

- One prevailing challenge faced by the middle class is the **lack of financial independence.**
- Financial independence often requires individuals to accumulate a nest egg of **30 to 40 times their annual income through the concept of FIRE.**

Solution

THE 1% CLUB

Make more money

- Coming Soon

Invest your money

- **Finance Academy**
  - Personal Finance
  - Stock Market
  - WhatsApp Comic
  - Email Newsletter
- **Proprietary Tools**
  - 12+ Tools
- **Community App**
  - Q&A
  - Curated News
  - Jobs
  - Events with Industry Experts
- **Events**
  - Monthly Meetups
  - Yearly Conference

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