

Financial Plan for: [REDACTED]

Generated on: 09-Feb-2016

Dear Mr [REDACTED]

First of all, we thank you for giving us an opportunity to bring you a step closer towards your financial freedom. Rite Plan is an ongoing process which iterates itself and provides results depending upon your life stage, as whatever stage you are in, planning never stops. Rite Plan will guide you on planning and saving diligently towards your financial goals. A good financial plan requires analyzing your financial status, outlining your goals and understanding the means for achieving these goals. This report is a result of the inputs which you have provided so far- your income & expenses, your assets & liabilities and most important your aspirations. This report will help you understand your expenses structure, your net worth, and most importantly the regular contribution required to achieve your financial goals. We have mentioned few ready reference points which you should follow in order to execute this plan successfully.

1. Keep one arm distance between your **Needs** and **Wants**. There are certain things we need and there are certain things we want, always demark. It will help keeping you focused and more planned.
2. Always prioritize your goals order wise. You should always categorize your goals in two broad categories - can do without them and can not do without them. Few examples are -
Can do without goals-Going for world tour, buying a car.
Can not do without goals-Retirement with no dependancy, Insurance planning, Child's education
3. If you cannot save for all your financial goals at once, start saving by the order of prioritization. **Cannot do without Goals**category needs to be saved for first.
4. You can also try reducing your expenses by looking at your expense trend and use that money to achieve your goals.
5. Please don't keep waiting for one fine day to start investing. Anytime is a good time, and nothing is going to give you better returns than **Now**. Or else it will keep on getting delayed.

Please contact us at support@theriteplan.com for any queries and let us know.

Happy Planning,

The Rite Plan Team

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Assumptions

For creation of your financial plan, The Rite Plan has based its calculations on certain assumptions.

- This financial plan is based on your present financial condition.
- Results in this financial report are based on the inputs provided by you.
- The average inflation rate is assumed at 7% per annum.
- You are expecting a growth in Income for yourself at an average rate of 8 % p.a. and for your spouse at an average rate of 8 % p.a.
- You are expecting a growth in Expenses at an average rate of 10.00% p.a.
- Your planned retirement age is 60 and your expected post retirement tenure is 25 years.
- Annuity rate is assumed to be 6% p.a.
- The weighted rate of return based on your risk profiling is 9.20 % p.a. which has been considered for your goals.
- PPF is assumed to grow at an average rate of 8% p.a.
- EPF is assumed to grow at an average rate of 8.25% p.a.
- For Traditional Life Insurance Plans, current value is the sum total of no. of premiums paid.

Family Details

Name : [REDACTED]

Date of Birth : 01/01/1980

Gender : Male

Marital Status: Married

Name : Wife

Date of Birth : 01/07/1983

Gender : Female

Marital Status: Married

Name : Son

Date of Birth : 06/16/2010

Gender : Male

Name : Daughter

Date of Birth : 12/10/2014

Gender : Female

Your suggestive Risk Profile: Moderate

The main question - To take risk or not to take risk, depends mainly on two parameters, type of goal you are saving for and time horizon for achieving that goal. Based on your risk taking ability and capability, we can define your preference towards taking risk.

While taking your financial details, we also take into account your financial matter expertise and your comfort with various financial products. We also check your attitude towards taking more risks when it comes to financial products. This can help in long term growth of your portfolio along with the comfort of being in control. You answered some questions for the risk profile of yours and your characteristics have been summarized in The Rite Plan.

Asset Allocation	Equity(%)	Debt(%)	Cash(%)
Current Asset Allocation	20	71	9
Recommended Asset Allocation	50	30	20

Available Surplus

After taking into account, your monthly income, expenses, monthly EMI's and savings you are left with a **surplus of Rs. 8,290/- per month**. This surplus can be invested systematically to achieve your goals. Investment should be on prioritization basis and also on the tenure of your goals i.e. if they are long term goals or short term goals.

Income	131,667
Expense	68,333
EMI	30,544
Savings	24,500
Per Month Surplus Availability	8,290

Networth

Net worth is a comparison between what you own and what you owe. The amount by which your assets exceed your liabilities is called your Net worth. A simple formula for Net Worth is **Assets - Liabilities** Assets are what you own. It can be your fixed assets like your home, your land or financial assets like equity, Mutual Fund, Fixed deposits etc. Liabilities are what you owe like your home loan, education loan, etc. In a good financial plan, there should be a consistent increase in Net Worth.

Total Assets	9,542,000
Total Liabilities	3,309,363
Networth	6,232,637

Expense Trend

If you are of the view, 'I don't know where my money goes every month', then this is the chart for you. This chart will help you understand your expenses in a better manner i.e. where you are overspending.

Expense Category	Amount(p.m.)	%age wise Categorization
Household Expenses	20,000	29
Education	15,000	22
Entertainment	10,000	15
Other Expenses	8,333	12
Transportation	6,000	9
Phone and Internet	5,000	7
Medical Expenses	2,000	3
Gas,Water and Electricity	2,000	3

Generic Goals

If we factor inflation into your present Goal Cost, the actual cost for the Goal will be higher in the year in which you wish to achieve the desired Goal. Hence, the savings required for Goal achievement will be on the higher side.

Goal Name	Present Cost of Goal	Years to Goal	Future Cost of Goal	Current Value of assigned asset	Future Value of assigned asset	Gap	Monthly Investment Required
Plot	700,000	4	921,136	250,000	354,649	566,486	9,645
Buy Ertigo	150,000	2	170,498	0	0	170,498	6,872
Seed Capital for Business	1,000,000	8	1,764,667	30,000	841,464	923,203	6,170
Europe Tour	500,000	3	625,371	0	0	625,371	13,528
My Personal Goal	200,000	3	244,872	0	0	244,872	5,940

Child Education Goals

Goal Name	Present Cost of Goal	Years to Goal	Future Cost of Goal	Current Value of assigned asset	Future Value of assigned asset	Gap	Monthly Investment Required
Daughter's graduation	300,000	16	3,197,393	522,000	2,391,899	805,494	1,855
Son's Graduation	500,000	12	4,064,706	500,000	3,006,833	1,057,873	3,997

Emergency Fund

One should have minimum 3-6 months of monthly expenses as a part of Contingency Planning. One can't foresee such situations, and they possibly strike you at the hardest time possible. So, it is wiser to be prepared for such unforeseen emergencies. It could be anything beginning from a loss of job to any family emergency. We have taken your savings bank balance as your emergency corpus. As a matter of practice, your emergency fund should always be in an asset which is highly liquid, it could be either your savings account, Fixed Deposits, or your Mutual Fund Cash funds.

Emergency Corpus Required	GAP
296,632	56,632

Retirement Planning

Efficient Retirement Planning is the most weighty part of our life. Efficient Retirement Planning not only helps us in enjoying our retirement without being dependent on anybody but also keeps our loved ones (kids) happy and it doesn't end here. By this means we also teach them the wonders of timely planning.

Post Retirement Particulars	Mr [REDACTED]
Planned Retirement Age	60
Life Expectancy	85
Total expenses at the time of Retirement (per annum)	3,132,215
Total income at the time of Retirement (per annum)	1,181,968
Lump sum Corpus Requirement at Retirement	19,422,769
Future Value of Assigned Assets	6,703,008
Gap	12,719,762
Monthly Investment Recommendation	12,791

Insurance Planning

Insurance by definition itself means protection or safety. Life Insurance comes into picture not when you are there but when you are not there for your family. It is imperative to know that you are adequately insured, and this insurance amount will take care of the daily needs of your family and also meet future obligations like education, marriage, etc. in case of your absence. Not to forget insurance should also cover your outstanding liabilities like any running loans be it home loan or a personal loan.

Insurance Particulars	Mr [REDACTED]
Net Family Expenses (Per Annum)	220,000
Total Outstanding Liabilities	3,309,363
Goals	2,010,759
Total Insurance Cover Required	15,742,961
Existing Insurance Cover	6,500,000
Recommended Insurance Cover	5,100,961

DISCLAIMER

Registered office of www.theriteplan.com is at Tikkun Olam Financial Planning Services LLP., HoramavuAgara Main Road, Vadrपालya, Bangalore - 560043, India.

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