

Raghu Jaitley's Financial Plan, Jan 2009

11- 45, Banjara Hills, Hyderabad, Andhra Pradesh
Mobile : 961 80 80 802

PLAN SUMMARY

PERSONAL DETAILS

Raghu Jaitley
30 Years
Software Programmer

Suchira Jaitely
28 Years
Lecturer

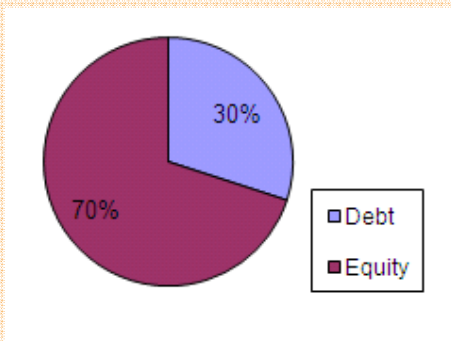
Rhea Jaitley
1 Year

Residence
Rented apartment

STRENGTHS AND WEAKNESSES

- Significant monthly surplus available for saving
- Adequate risk coverage is in place with insurance and assets
- Owns own home
- Goals may require modification or increased income
- Weak asset allocation

RECOMMENDED ASSET ALLOCATION



NET WORTH

Total Assets- Total Liabilities **9,349,185**

CASH FLOW

Monthly Income	153,000
Monthly Expenditures	50,000
Monthly surplus / (shortfall)	103,000

InvestmentYogi

- Offers budgeting, tax, planning and other financial tools
- Experts answer your questions quickly and accurately
- Helps with planning home purchases, weddings, education and more
- Available 24/7 on our website: InvestmentYogi.com

International Money Matters

- Expert CFPs (Certified Financial Planners) help you plan your future
- Teams with InvestmentYogi to provide affordable, quick planning options
- Find out more at internationalmoneymatters.com

I - Overview

Personal Details

Raghu Jaitley
30 years
Software Programmer
Infosys

Suchira Jaitely
28 Years
Lecturer
Don Bosc College

Children
Rhea Jaitley
1 year

Residence
Hyderabad, Rented apartment

Financial Details

Monthly earnings:

Raghu : Rs. 112000 p.m. (after taxes and EPF deductions of Rs.20000 p.m.)
Suchira : Rs. 25000 p.m. (after taxes and EPF deductions of Rs.6000 p.m.)
Other : Rs.16000 p.m (from apartment they own)
Total : Rs.153000

Average monthly expenses : Rs.50,000

Surplus per month : 103000

Insurance premiums : Rs. 20000 p.m. (ULIP)
Annual premiums : Rs. 60000.
EMI on the Bangalore apartment : Rs. 14000 p.m.



Assets

Particulars	Amount	Share in %	Type	Category
Bank Balance	231,000	3.0%	Financial Asset	Liquid
Shares	622,228	8.0%	Financial Asset	Liquid
Mutual Funds	1,251,957	16.4%	Financial Asset	Liquid
Gold	30,000	0.3%	Physical Asset	Liquid
House	5,500,000	72.3%	Physical Asset	Illiquid
	7,605,185	100%		



Liabilities

Details	Amount Borrowed in Rs.	Outstanding principal	EMI	Rate
Home Loan	2,000,000	1,456,000	14,000	10%



Insurance

Policy	Type	Sum Assured	Maturity Date	Maturity Value
HDFC SLIC Young Star	ULIP	2,500,000	15-Jan-2026	3,500,000
MNYL Term	Term	5,000,000	23-Jun-2031	-
Kotak Term Plan	Term	2,000,000	09-Sep-2032	-



Goals

Goals	Frequency	Start Year	End Year	Inflation Rate	Amount	Future Value
Rhea's Education	Annually	2026	2028	6%	500,000	3,000,000
Rhea's Marriage	Annually	2033	2033	6%	2,000,000	4,000,000
Retirement	Monthly	2035 end	2055	5%	60,000	34,825,000

II Analysis

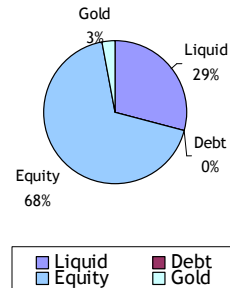
NET WORTH

Total Assets- Total Liabilities= 9,349,185

FINANCIAL ASSET ALLOCATION

Type	Amount	Share on %
Liquid	380,028	29.1%
Debt	-	0.0%
Equity	886,520	67.9%
Gold	38,637	3.0%
	1,305,185	

Financial Asset Allocation



EXPENSE PROTECTION

Every individual who contributes to his/her family's expenses needs to ensure that if something fatal were to happen to him/her tomorrow, there are enough assets to take care of the family's living expenses so that the loved ones do not have to go through a financial loss as well.

The expense protection corpus is the sum total of assets and insurance minus liabilities if any which is available to cover the family's living needs.

Raghu, the assets along with the insurance policies you have is enough to cover the expenses of your family. Likewise you are well covered even if Suchira's income were not there.



Education

Year of Goal	No. of year to achieve	Goal Amount (PV)	Future Value/Desired*
2026	17	1,500,000	40,39,000

*Assumed rate of inflation is 6% p.a.

Asset Base to be used: Insurance proceeds maturing in 2025 + Mutual Fund Portfolio + Share Portfolio + Bank Balance

Current Value	Growth	No. of years	Projected Value
1 Lac (ULIP)	12% p.a	17	30.00 Lacs
5.51 Lacs (MF)	12% p.a	17	8.60 Lacs
5.2 Lacs (shares)	14% p.a	17	8.80 Lacs

No Short fall in case of the requirement



Marriage

Client Name	Year of Goal	No. of Years to achieve	Goal Amount (PV)	Featured value / Desired	Saving's Required	Return Assumed
Rhea Jetley	2033	24	2,000,000	4,000,000	24,400/mth*	10% p.a

* Assuming that you start saving from today & there is no asset base.

Since, there is no asset available to utilize for this goal. Hence, you have to save at least Rs. 24,400/- per month in order to achieve this goal which has to be invested at 10% annual rate of return.

Total Savings	60,000
Towards Goal	24,400
Balance Savings	35,600

No Short fall in case of the requirement

Assumptions

Life Expectancy:

- o Raghu: 75 years
- o Suchira: 75 years

Inflation: 5% post & Pre retirement

Inflated Value of retirement Expenses: Rs.60K in 2033=-146k

Year of Goal	No. of year to achieve	Goal Amount (PV)	Future Value/Desired-Corpus	Saving Required	Return Assumed
2035	26	60,000/mth	23,825,000	56,000 p.m*	10% p.a

*Assuming that you start saving today & if there is no asset base towards this goal

- The current savings and assets will be able to provide the corpus requirement.

No Short fall in case of the requirement

III - Conclusion

All goals are being met with following assumptions

1. Rate of return
 - Savings - 10%
 - Mutual Funds - 12%
 - Stocks - 14%
 - Insurance Ulip - 13%
2. Any increase in income is offset by equal increase in expenses - hence no change in income or expenses. While in reality the income would grow more than the expenses, but it would be prudent to leave this gap as a buffer for unforeseen and unplanned circumstances.
3. Inflation is assumed to be 6% p.a

INVESTMENT POLICY STATEMENT TO BE FOLLOWED

I. Considering a 12% return YOY for next 5-7 years, post that we will reduce the risk on a systematic basis and yet meet the goals.

Guidelines

Objective is to generate 12 % return YOY by investing in the below given manner

	Share in %	Expected Return	Wtd Avg Return
Debt	30%	7%	2.1%
Equity	70%	14%	9.8%
			11.9%

Equity Allocation Guideline

Equity	Share in %	Expected Return	Wtd Avg Return
Large Cap	65%	13.0%	7.8%
Mid Cap	30%	15.0%	4.2%
Thematic	5%	20.0%	0.8%
			12.8%

Equity is a long term investment and should not be looked at for speculation.

II. We will need to ensure that the goals of Rhea's marriage and your (& your spouse's) retirement is covered so that even in case of death or disability you are assured that your goals will be met.

III. A part of the retirement corpus should be met with pension plans to avoid the risk of living too long.

SERVICE POLICY AND DISCLAIMERS

SERVICE:

International Money Matters Pvt. Ltd. and InvestmentYogi FinAdvisory Services Pvt. Ltd. will design a Financial Plan in accordance with your goals and available and expected resources.

PROCESS:

A checklist is required to be filled by you with details such as Income, Expenses, Assets, Liabilities, Investments, Insurance, and Goals etc. Work on the plan will start on submission of this checklist. A draft will be discussed first and changes made accordingly. Subsequently, a Final Plan along with an Action Plan will be presented by International Money Matters Pvt. Ltd. and InvestmentYogi FinAdvisory Services Pvt. Ltd.

PRIVILEGES:

Confidentiality - International Money Matters Pvt. Ltd. and InvestmentYogi FinAdvisory Services Pvt. Ltd. will maintain utmost confidentiality with respect to all and any information relating to your financial and personal affairs.

DISCLOSURES:

- a. International Money Matters Pvt. Ltd. is qualified and experienced to give advice in the said matters of personal finance. We have a team of Certified Financial Planners (CFP^{CM}) and Associate Financial Planners (AFP). The CFP Certification is promoted by FPSB - Financial Planning & Standards Board India, an affiliate of FPSB, Denver USA and is committed to the development and promotion of standards for Financial Planning professionals to benefit and protect the public in the country.
- b. International Money Matters Pvt. Ltd. assures you that we will always be upfront about any conflict of interests arising from our relationship with you and accordingly disclose this at the start of our relationship.

DISCLAIMER:

- a. This Financial Plan will be for the sole use of the person to whom it is addressed and for no other purpose. No responsibility is accepted to any third party who may use or rely on the whole or any part of the content of the financial plan.
- b. In preparing the financial plan International Money Matters Pvt. Ltd. and InvestmentYogi FinAdvisory Services Pvt. Ltd. will rely upon the information provided to it about your current situation, your objectives and needs. A summary of these will be included in the plan. Thereby, all recommendations and strategy will be based on this data alone and hence is accurate and complete only to the extent of the accuracy and completeness of the data.
- c. Estimates of income and growth in the plan will be based on assessments of prevailing economic conditions and investment manager performance. However no guarantee of future performance will be given and results may vary from the estimates shown. The figures in the plan include various estimates with respect to taxation and other laws which we believe to be relevant.
- d. This service agreement is not enforceable by law and is a document of trust and faith.