

The Nine Point Action Plan !

For Ultimate Financial Wellbeing of Women

by

**Team – WealthWisher Financial
Planners & Advisors
India**



Women's Special



What is Financial Wellbeing?

State of being wherein a person is

1. Making the most efficient use of financial resources,
2. Is in a position to absorb any financial shocks,
3. Is on track for meeting current & future financial goals, &
4. Has a feeling of satisfaction & peace about financial life.

9 Point Action Plan for Financial Wellbeing

1. Save before you spend



Are you a Saver or a Spender or an Investor?

SPENDER

- Expenses > Income

SAVER

- Saving but not investing

INVESTOR

- Returns > Inflation

Good Liabilities



Bad Liabilities



9 Point Action Plan for Financial Wellbeing

1. Save before you spend
2. Park aside an emergency fund



Creating an Emergency Fund



- Why ? Job loss, medical emergencies, unplanned & non-negotiable expenses
- How much - Ideally 6 months of income
- Where to park the money – Savings Bank / FDs or Liquid Mutual Funds

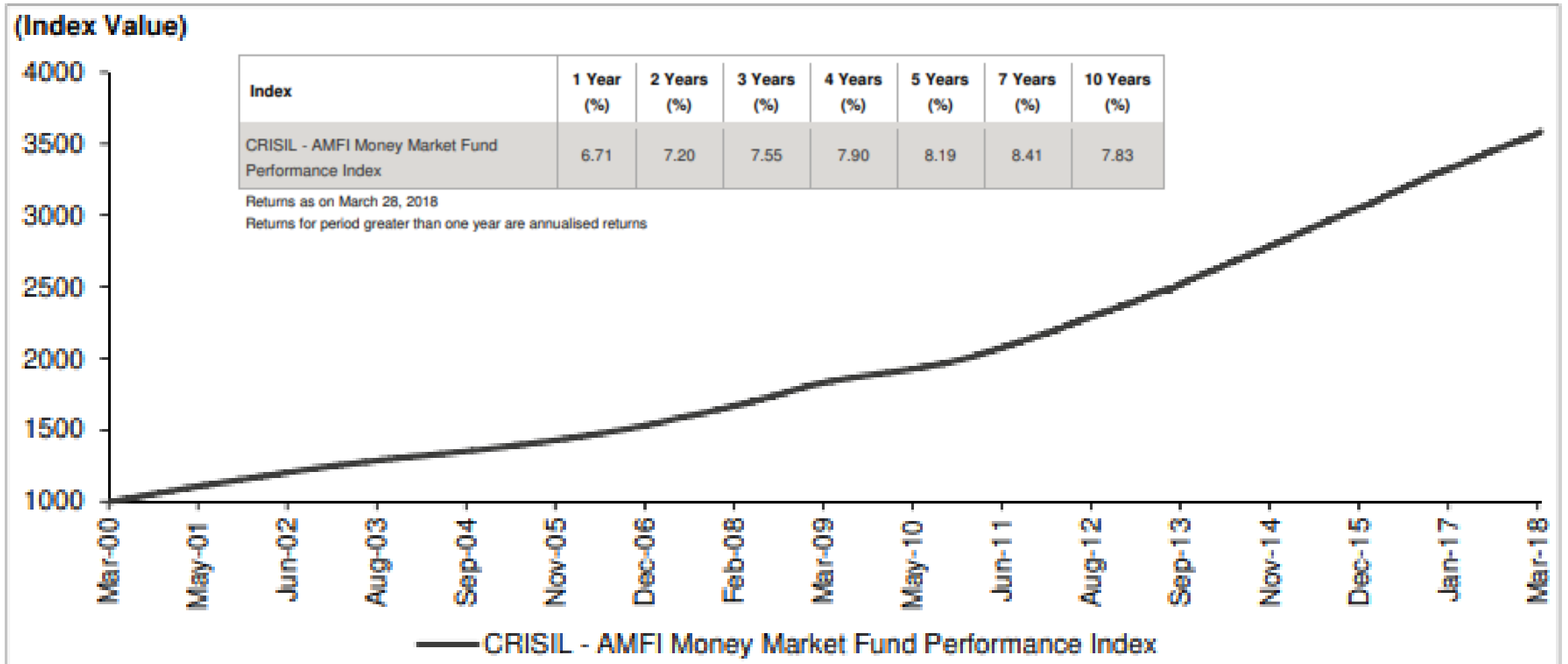


Maternity Leave & Expenses

- 6-12 Months of Unpaid Leave or Sabbatical from Job. Prepare for Single Income
- 3-5 Lakhs of Medical and Ceremony Expenses
- Where to park the money – Savings Bank / FDs or Liquid Mutual Funds



CRISIL - AMFI Money Market Fund Performance Index



9 Point Action Plan for Financial Wellbeing

1. Save before you spend
2. Park aside an emergency fund
3. **Buy a Term Insurance Policy**

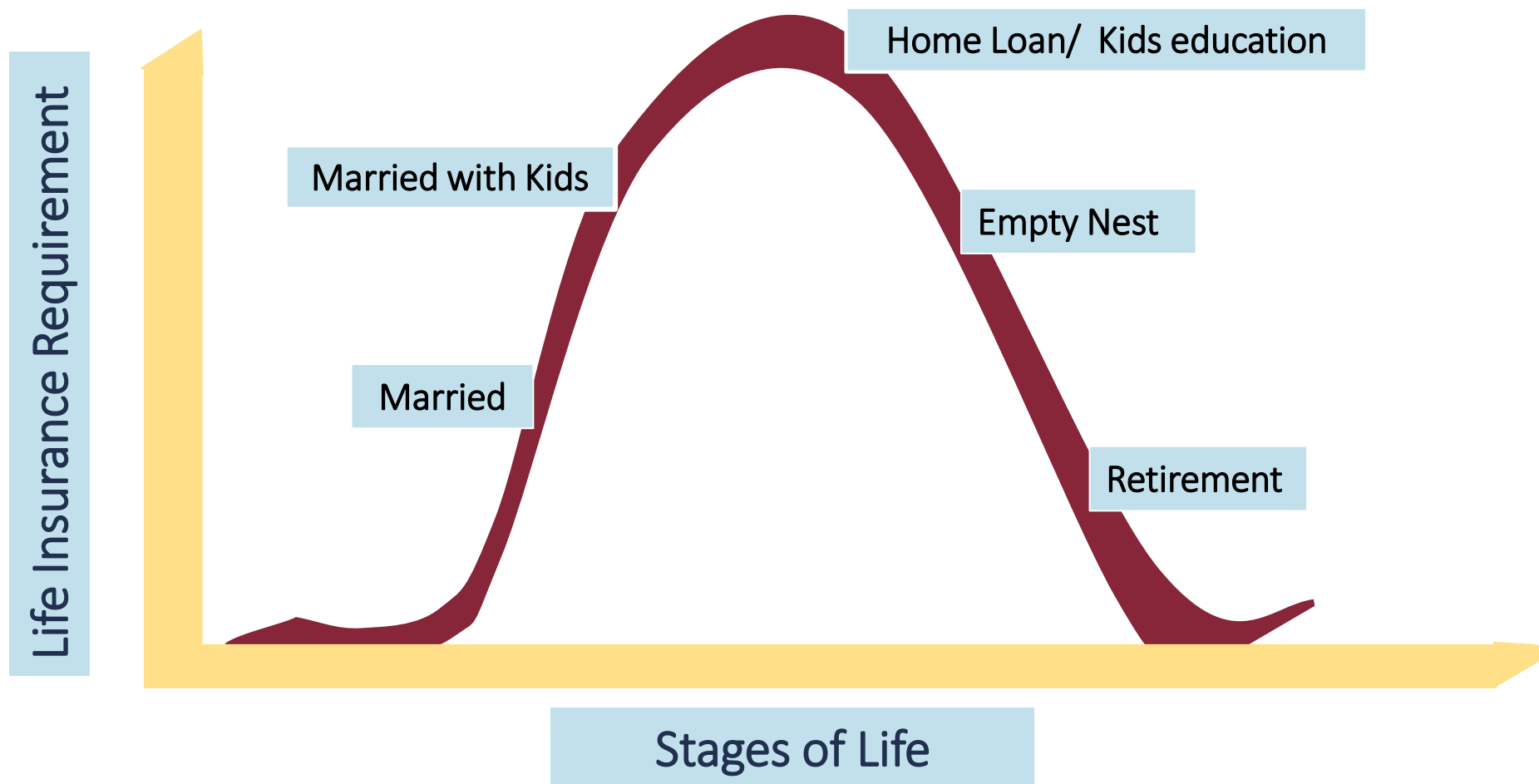


How to Buy Life Insurance Policy



- **For whom** – Husband & Wife (whoever is a earning member)
- **How much** – should take care of all future expenses, loans and goals
- **Thumb rule** – around 10 times of your annual income
- **What type** – Term insurance policies
- **Warning** – Don't buy Life Insurance as investments or for tax saving only

When do you need life insurance?



9 Point Action Plan for Financial Wellbeing

1. Save before you spend
2. Park aside an emergency fund
3. Buy a Term Insurance Policy
4. **Buy a Health Insurance Policy**



TOP 10 KILLER DISEASES (OVERALL)

Estimated deaths per 100,000 people



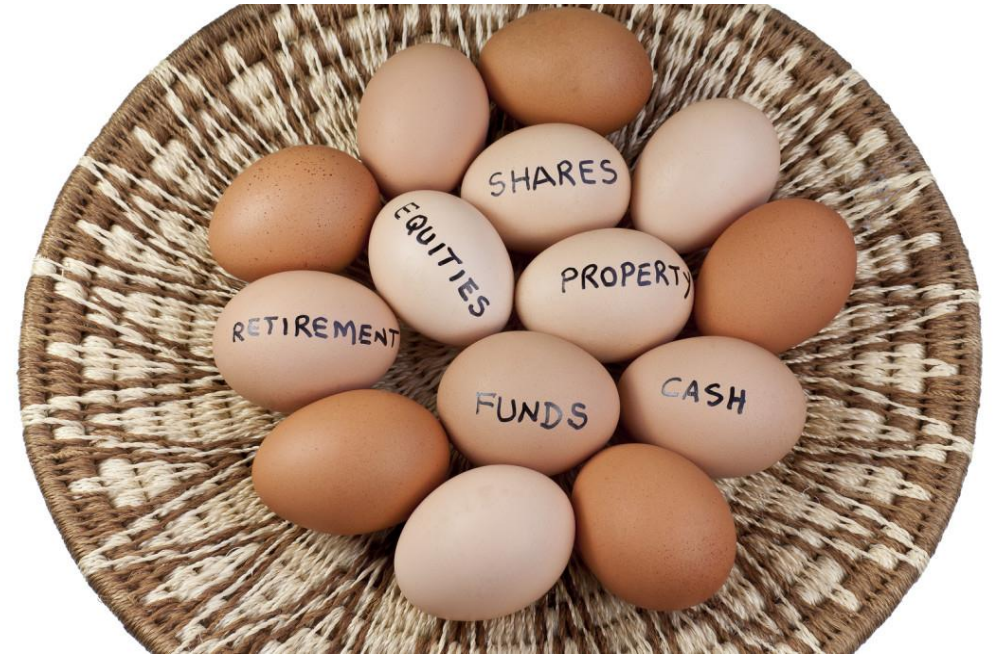
Source link: <http://drmopennow.com/blogs/heart-disease-no-1-killer/>

Health insurance

- **How Much** – 5 to 10 lakhs of Family Floater – Husband, Wife & Kids
- **For Parents** – Consider creating medical emergency fund
- **Benefits** – Tax Benefit under Sec 80D upto Rs.25,000/-
- **Types** – Mediclaim, Critical Illness, Personal Accident

9 Point Action Plan for Financial Wellbeing

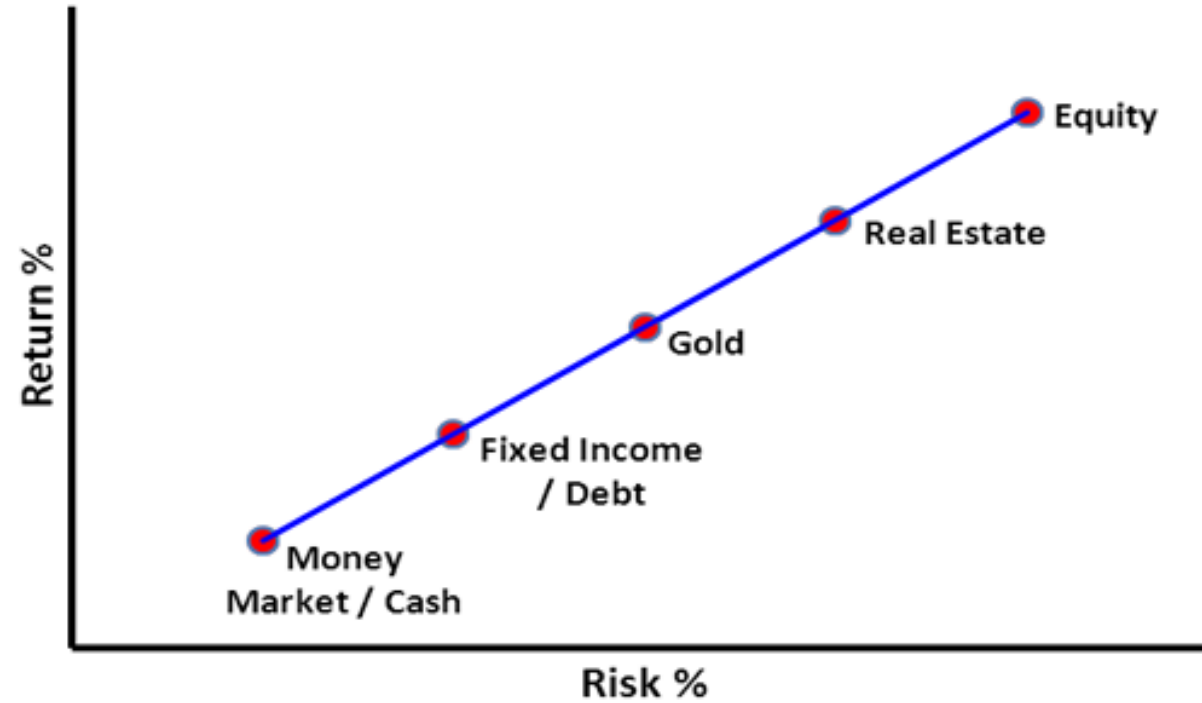
1. Save before you spend
2. Park aside an emergency fund
3. Buy a Term Insurance Policy
4. Buy a Health Insurance Policy
5. **Diversify assets – have exposure to equity**



Risk Vs. Return Tradeoff



Risk Vs. Return Tradeoff



No. 1 Enemy of Investing - Inflation

- Inflation is the No. 1 Enemy of your Investments
- Eats into your savings and investments
- Purchasing Power of money reduces with time
- Your Investments have to beat inflation to grow else no use
- Government Inflation (Economic Inflation) Vs. Your Inflation (Lifestyle Inflation)



Your investments should beat your lifestyle inflation

Few years Back	Today	% Increase
Ordinary Shoes – Rs. 500	Branded Shoes – Rs 3000	500%
Domestic Brand Watch – Rs. 1500	International Brands – Rs. 7500	400%
Restaurant – Rs. 1000	Fine Dining – Rs. 5000	400%
Medicine – Rs. 500	Healthcare Products – 3000	500%
School fees – Rs. 5000	DPS fees – Rs. 100000	1800%
Normal Mobile – Rs. 3000	Branded Phone – Rs. 50000	900%
Scooter – Rs. 50000	Low-end Car – Rs. 5 Lakhs	900%
Movies in Single Screen – Rs. 50	Movies in Multiplexes – Rs. 250	400%
Vacation – Domestic – Rs. 50000	Vacation – International - Rs. 5 Lakhs	900%

Economic Inflation: 7 % (CII – Government published Cost of Inflation Index)

Lifestyle Inflation: 10-12 % and upwards

No. 2 Enemy of Investing - Taxes

**IN THIS WORLD
NOTHING CAN BE SAID
TO BE CERTAIN, EXCEPT
DEATH AND TAXES.**

Benjamin Franklin

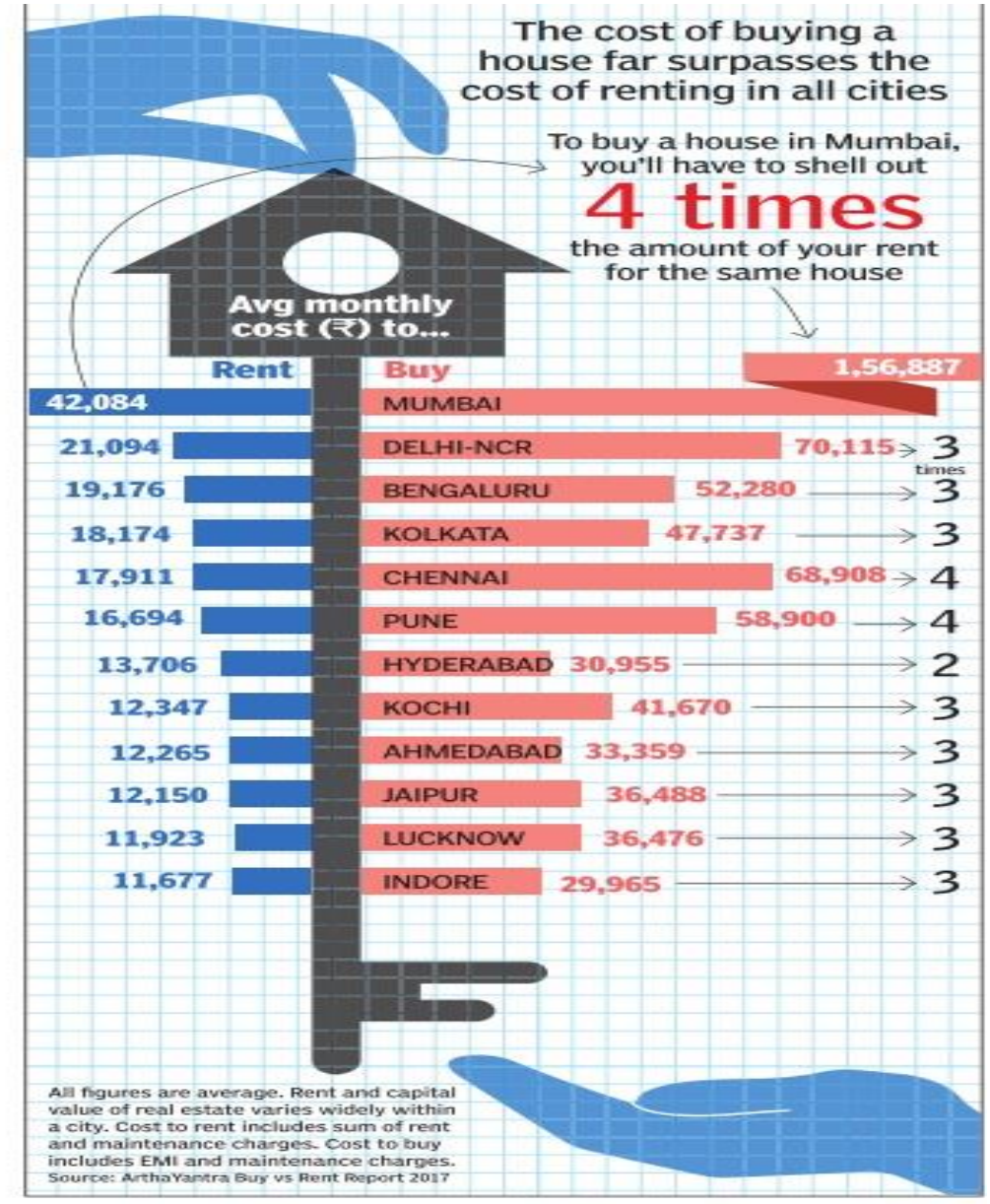
While choosing an investment product, choose tax efficient product

Fixed Deposits

- Impact of Inflation
- Impact of Taxes
- Negative Real Rate of Return

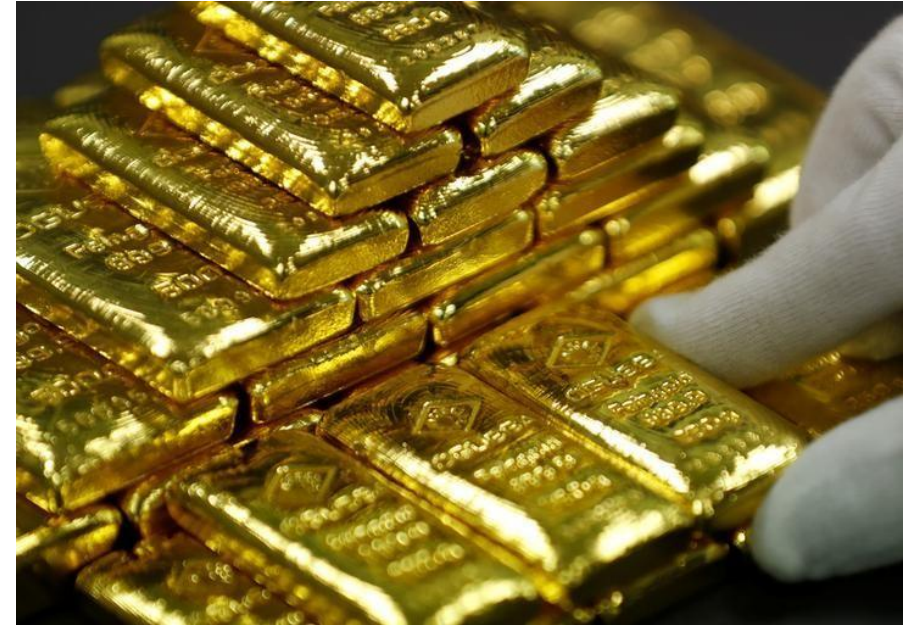
Real Estate

- Overstretching your financials
- Liquidity related problems
- Maintenance costs of real estate
- Unregulated market – artificial pricing
- Stagnation problem



Gold

- Does not grow, neither does it give dividends
- Best for Lifestyle related usage - Jewellery
- Some exposure to Gold as a inflation hedge is fine
- As per an article in Feb-18, Indians are the 2nd highest consumer for Gold



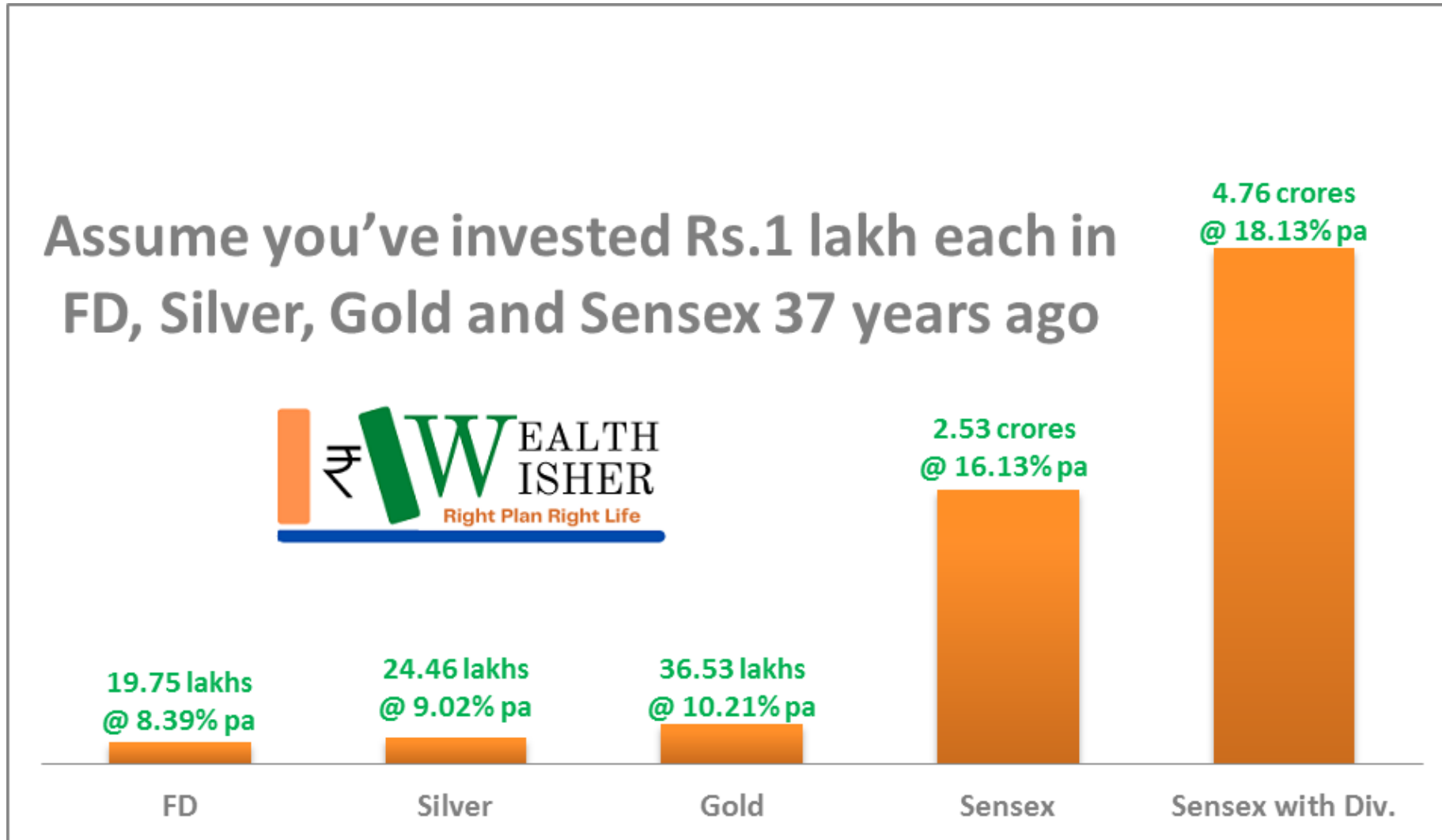
Link: <https://in.reuters.com/article/india-gold-demand/indias-2018-gold-demand-forecast-as-high-as-800-tonnes-below-10-year-average-wgc-idINKBN1FQ0HW>

What is equity and why it gives maximum returns?

EQUITY IS OWNERSHIP

- Owner Vs. Lender
- Owner Vs. Employee
- Owner Vs. Consumer

37 years of performance: Sensex, Fixed Deposits, Gold and Silver



9 Point Action Plan for Financial Wellbeing

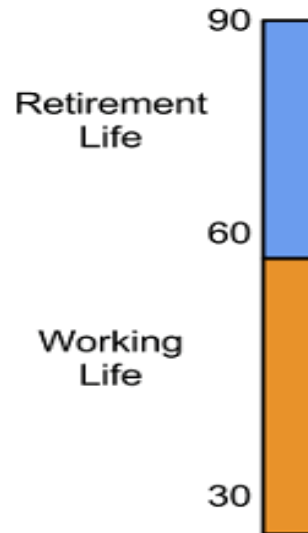
1. Save before you spend
2. Park aside an emergency fund
3. Buy a Term Insurance Policy
4. Buy a Health Insurance Policy
5. Diversify your assets classes
6. **Start Investing for Retirement**



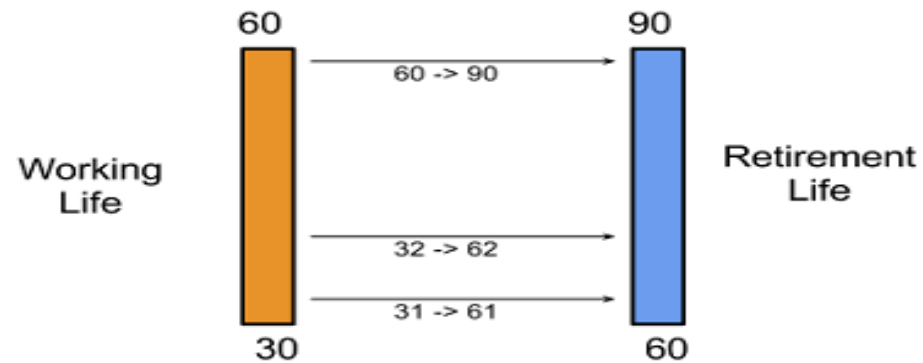
WHEN IT'S ABOUT MONEY..
CONSIDER THE DISCIPLINE OF TIME



How People look at it



How People should look at it



Each year of earning should contribute to each year of retirement. Failing to save in some year would affect your retirement by some margin.

Each year of invested amount in the earning phase of life, will contribute towards each year of retirement phase of life due to the compounding effect of the invested amount

What to do?

- Start Early
- Invest in Equities
- Invest Regularly
- Contribute and hold on to your EPF / PPF Investments
- Don't depend on others



9 Point Action Plan for Financial Wellbeing

1. Save before you spend
2. Park aside an emergency fund
3. Buy a Term Insurance Policy
4. Buy a Health Insurance Policy
5. Diversify your assets classes
6. Start Investing for Retirement
7. **Do SIPs in MFs for Future Goals**



Goals of Life

- Retirement Corpus
- Children's Education
- House Purchase
- Annual Vacations
- Car Purchase
- Children's Marriage
- Others – Sabbatical, Charity, Vacation Home, House Renovation, etc



Finance ^ THE INTERVIEW

So Vishal, what do you know about mutual funds?

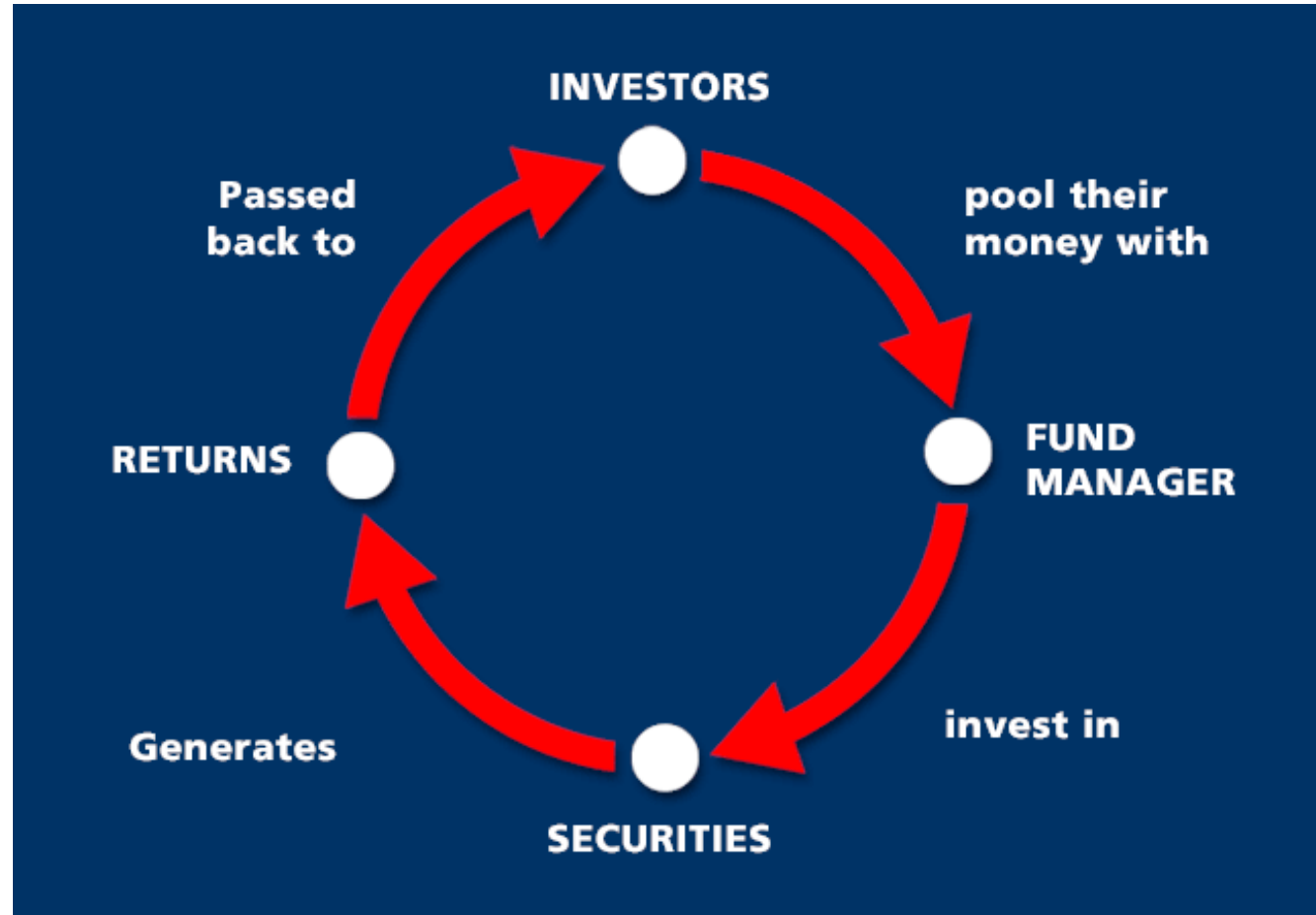
Interviewer



Mutual fund investments are subject to market risks. Please read the offer documents carefully before investing.



Mutual Fund Operation Flow Chart



Collective Investments Vehicles

Private Pool



Direct Equity / Bonds

Hotel Pool



PMS Services

Public Pool



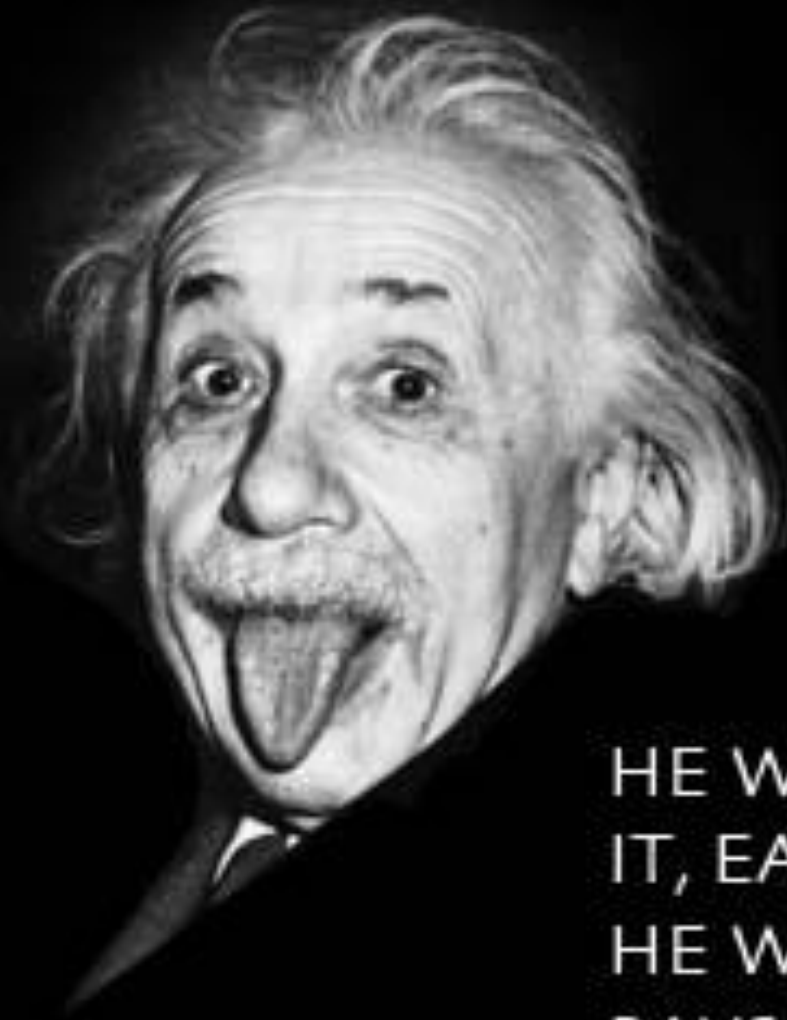
Mutual Funds

What are SIPs – Drops of Water make an Ocean

- Invest on a Monthly basis
- Directly gets debited from bank account
- Brings in discipline to investing
- Rupee Cost Averaging at Work
- Power of Compounding at Work
- Excellent for achieving Medium Term & Long term goals in life



"COMPOUND INTEREST
IS THE 8TH WONDER
OF THE WORLD...



HE WHO UNDERSTANDS
IT, EARNS IT ...
HE WHO DOESN'T ...
PAYS IT"--ALBERT EINSTEIN

Advantages of Mutual Funds



- Professional Management
- Diversification
- Convenient Administration
- Return potential
- Low cost
- Liquidity
- Transparency
- Flexibility
- Choice of schemes
- Well regulated
- Qualified Advisors
- Tax benefits

Map Your Investments to Your Goals

Objective	Horizon	Mapped Products (Sample)	Possible Goals
Very Short Term	<1 Year	Liquid Mutual Funds	Contingency Funding, Park Your Bonuses & Windfalls
Short Term	1-3 Years	Debt Mutual Funds	Vacations, Car Purchase, Park Retirement Corpus for Fixed Income
Medium Term	3-6 years	Balanced Mutual Funds	House Purchase, Car Purchase, Start Up Funding
Long Term	6-10 Years	Diversified Equity Mutual Funds	Children's Education, Children's Marriage, Dream House
Very Long Term	10 + Years	Diversified, MidCap, SmallCap & Sectoral MFs	Retirement. Children's Future, Wealth Creation for Next Generation

9 Point Action Plan for Financial Wellbeing

1. Save before you spend
2. Park aside an emergency fund
3. Buy a Term Insurance Policy
4. Buy a Health Insurance Policy
5. Diversify your assets classes
6. Start Investing for Retirement
7. Do SIPs in MFs for Future Goals
8. **Do Tax Savings / Planning in April**



80C Qualified Tax Saving Investments

Instrument	Returns	Lock In Period (in Years)
EPF	8.55%	Until Retirement
PPF	7.60%	15
FD's – Banks & Post office	6.50 to 7.50%	5
Senior Citizen Savings Scheme	8.40%	5
Life Insurance Policies	5 to 6%	3
ELSS	Market Linked	3
ULIP	Market Linked	3 - 5
Home Loan Principal Payment	NA	NA

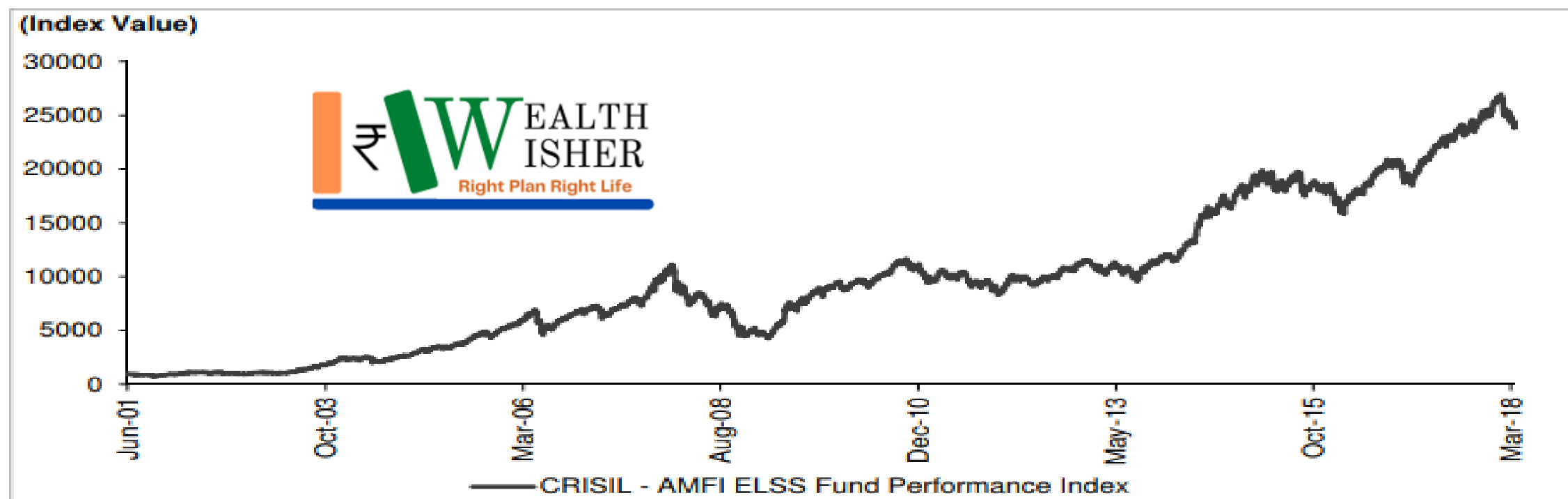
Note: A direct comparison may not be possible between the products due to their respective nature

ELSS Advantages



1. Low Lock in period – 3 years Only
2. Earn market linked return – 15 to 20 Percent historical returns
3. Tax free returns – Under Section 80C upto 1.5 Lakhs

CRISIL - AMFI ELSS Fund Performance Index: Performance Details – March 2018



Index	1 Year (%)	2 Years (%)	3 Years (%)	4 Years (%)	5 Years (%)	7 Years (%)	10 Years (%)
CRISIL - AMFI ELSS Fund Performance Index	10.94	17.53	8.41	16.89	18.24	12.98	11.95

Returns as on March 28, 2018

Returns for period greater than one year are annualised returns

Other Tax Benefits



Deductions u/s 80C	Investments in PF, PPF, Life Ins., ELSS, NPS etc	Upto Rs. 1,50,000
Deductions u/s 80CCD	Investments in NPS	Upto Rs. 50,000
Deductions u/s 80 D	Medical Insurance Premium (Self, Parents)	Upto Rs. 25,000
Deductions u/s 80 G	Eligible Donations upto specified percentage	Upto 50% / 100%
Deductions u/s 80 E	Interest Paid on Education Loan	All Interest Paid
Deductions u/s 80 TTA	Interest Received on Savings Bank A/C	Upto Rs. 10,000
Tax Benefit u/s 24	Interest Paid On Home Loan	Upto Rs. 2,00,000

9 Point Action Plan for Financial Wellbeing

1. Save before you spend
2. Park aside an emergency fund
3. Buy a Term Insurance Policy
4. Buy a Health Insurance Policy
5. Diversify your assets classes
6. Start Investing for Retirement
7. Do SIPs in MFs for Future Goals
8. Do Tax Savings / Planning in April
9. **Participate and Take Charge of Money Matters**



Investors do unplanned & ad-hoc investments

- Husbands take all money / investments related decisions
- Tax Season investments
- Relatives / Friends as agents
- Fall for Sales pitches from Bank RMs
- Flavour of the Season
- Herd Mentality



What to do with existing Investments

- Cross Check Nominations
- Cross Check Bank Details
- Cross Check Addresses
- Assign it to one of your Goal
- Put all documents together
- Consolidate Passwords and Online Logins



Importance of a Financial Advisor in Your Life

- Helps You Avoid Investment & Financial Mistakes
- Helps you develop a bigger and clearer picture about your financial life
- Helps you articulate goals and clear investment objectives
- Helps you stay invested, avoid panicking and sleep in peace even in Volatile Markets
- Stays with you till your Goals and Investment Objectives are met
- Educates and Empowers you & your family members to always stay in control
- Provides unbiased recommendations, second opinions & address blindspots

Thank You. Any Questions?

- ✓ Basic Financial Plan OR
- ✓ Financial Wellbeing Check-up OR
- ✓ Existing Portfolio Review ... Visit

www.thewealthwisher.com

madhupam@thewealthwisher.com

Call/WA - +91 9828156400