



Financial Health Check

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03-Jul-2018



Financial Health Check Outline

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A Quick Overview of Your Financial Position and Goals

Risk Profile

Your risk profile has been assessed as **Aggressive**. The most common risk profile is Balanced. This suggests that you will be comfortable with accepting some risk in the arrangements for your finances. In particular you will be comfortable with including relatively higher risk higher return investments in your portfolio. Currently, an Aggressive investment portfolio could be expected to receive a return, after tax and fees, of around 18.0% per annum. For more information see [Your Risk Personality](#) on page 6

Statement of Position

Currently, your total assets are **Rs. 3,27,50,000** and you have a liability of **Rs. 23,47,177**. Subtracting your liability from your total assets gives your net worth of **Rs. 3,04,02,823**. Your major assets are SAMPLE's Mutual Fund Savings/SIP (MF Portfolio). Your major liability is your SAMPLE's Housing Loan (IJM). The ratio of debt to assets is 0.07; which is attractively low . For more information see [Where You are Now](#) on page 7.

Can You Achieve Your Goals?

The current analysis indicates that **you can fund all of your goals** .

Priority	Goal Name	Goal Description
1	Financial Independence (independence)	Rs. 60,00,000 every year from 2017 until when SAMPLE is 45 (2021)
2	Education (Kids education)	Rs. 20,00,000 every year from when SAMPLE 2 is 18 (2026) until when SAMPLE 2 is 22 (2030)

For more information see [Your Goals](#) on page 15.

Cash Flow

Your cash flow analysis shows a large cash flow **surplus**. To apply this surplus to your goals you should save it, starting with Rs. 40,68,000 this year. For more information see [Cash Flow Management](#) on page 10.

Protecting Your Resources

Your key resources are your SAMPLE's Business Income (NIYESH), and SAMPLE's Mutual Fund Savings/SIP (MF Portfolio). Using the checklist provided, ensure that your resources are protected from unforeseeable events so that they are available to meet your goals. For more information see [Protecting Your Resources](#) on page 18.



Personal Details

Your Information

This plan is based on the following information that you have provided:



Name: **SAMPLE SANGHI** Age: **41** (Date of Birth: 19-Jul-1976).



SAMPLE has a current annual net income of Rs. 75,00,000.



Name: **SAMPLE 1 sanghi** Age: **37** (Date of Birth: 19-Dec-1980).



Details of SAMPLE 1's income have not been entered.



You have savings of Rs. 3,27,50,000.



You have a housing loan of Rs. 23,47,177 and your annual repayments are Rs. 4,32,000..

Assumptions

This plan uses the following basic assumptions when calculating the projections:



SAMPLE's preferred retirement age is 60 with a life expectancy of 80.



SAMPLE 1's life expectancy is 80.



Investments receive a future return consistent with the historical performance of an Aggressive risk profile 18.00% gross of fees and taxes.



General Inflation of 8.00%.



Risk Profile

While the focus of your plan is your goals, it is important that the planned course of action remains within your risk comfort zone. Financial planning is about empowering you to achieve your goals but it should never be at the cost of having you constantly worried about the level of risk you are taking. For this reason we assess your risk personality and use this assessment to guide our recommendations for you.

Your risk personality covers a range of financial matters, including:

- Making Financial Decisions
- Financial Disappointments
- Financial Past
- Investment
- Borrowing
- Government Benefits and Tax Advantages

Your Result

The amount of risk you are comfortable being exposed to has been rated as **Aggressive** which means you will be comfortable with taking considered risks in the arrangements for your finances in the expectation of higher returns.

What does this mean for you?

It means you will want to invest much of your funds in investments that are likely to achieve higher than average returns. These investments will almost always have a higher level of risk. So the effect is that your money will be exposed to value fluctuations in the short term but are likely to perform much better over the longer term than if you took less risk.

Limitations

Your risk score is only an indicator of your risk tolerance, it cannot completely describe how you will or should feel about any particular financial matter. Your choice on the level of risk to take in your financial matters should also take into account:

- Your timeframes - how much time do you have until your bigger goals? Longer time frames allow you to take greater levels of risk because the fluctuations even out over time.
- Life Stage - various seasons in life have an impact on the level of risk that is appropriate. When there are others dependant on you, the level of risk taken will need to be lower.
- Partner's risk profile - where a partner is involved the level of risk should reflect both partners' risk tolerances rather than just one.

Your risk personality assessment should be viewed as information for you to include in your decisions on financial matters, not as a constraint on what you should do.




Net Worth

A Net Worth Statement, defines what you have after your debts have been subtracted from your assets. It is a measure of your personal economic position. This analysis is often used by third parties to assess your credit worthiness. Used over time it is a valuable measure of how successful you are in securing your financial health, and increasing wealth overtime.

Net Worth

Your Net Worth as at 03-Jul-2018 is:

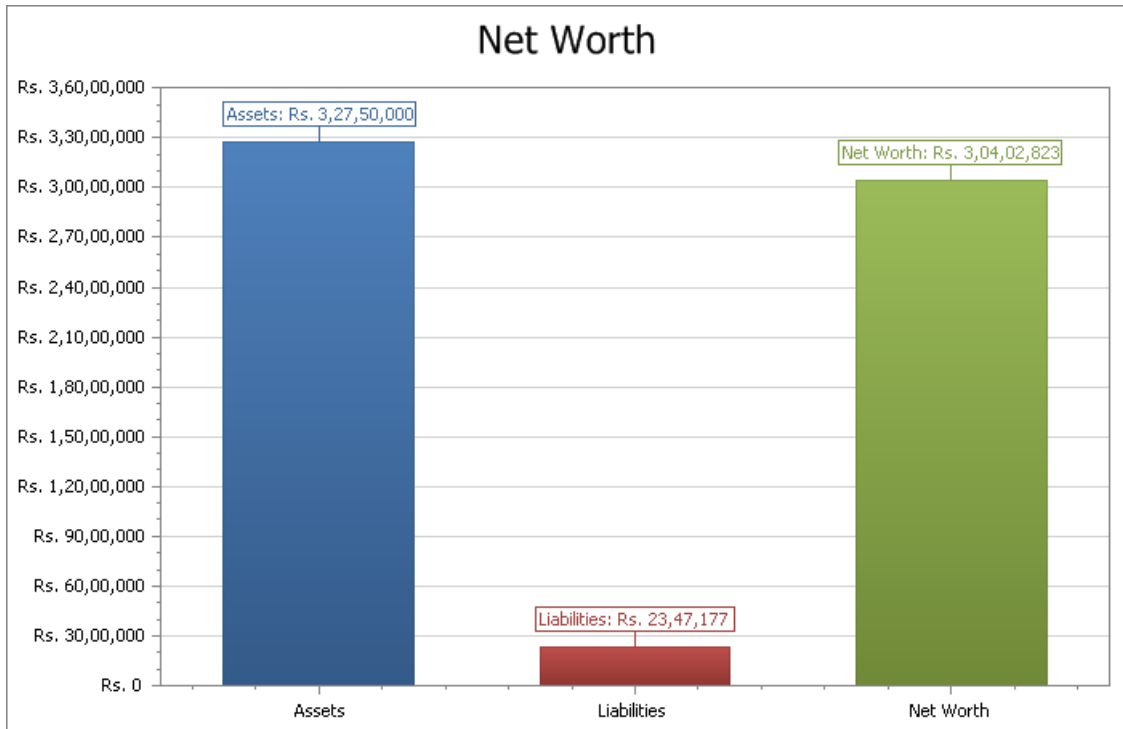
	Investments	Current Valuation
	SAMPLE's Mutual Fund Savings/SIP (MF Portfolio)	Rs. 3,12,50,000
	Total Investments:	Rs. 3,12,50,000
	Other Assets	Current Valuation
	SAMPLE's Other (stocks)	Rs. 15,00,000
	Total Other Assets:	Rs. 15,00,000
	Liabilities	Current Valuation
	SAMPLE's Housing Loan (IJM)	Rs. 23,47,177
	Total Liabilities:	Rs. 23,47,177
	Total Assets:	Rs. 3,27,50,000
	Net Worth:	Rs. 3,04,02,823

Net Worth

Currently, your total assets are **Rs. 3,27,50,000** and you have one liability of **Rs. 23,47,177**. Subtracting your liability from your total assets gives your net worth of **Rs. 3,04,02,823**.

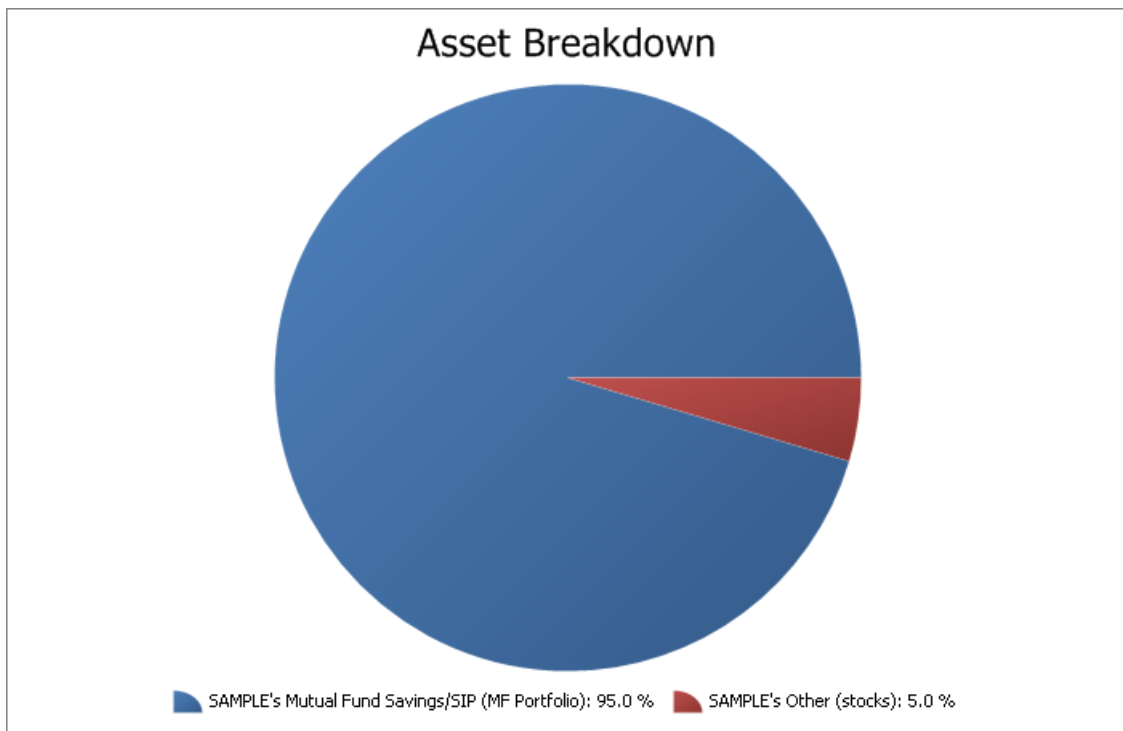


Your ratio of debt to assets is 0.07; which is attractively low.



What You Own

Your major assets are SAMPLE's Mutual Fund Savings/SIP (MF Portfolio).



What You Owe

Your major liability is your SAMPLE's Housing Loan (IJM).








Cash Flow Management

Monitoring your Cash Flow is a dynamic way of taking your financial pulse

For most people, the ability to earn is their greatest asset and its careful management should be a high priority. This section details how your cash flow surplus was calculated. We examine your current income and expenditure and then project forward based on the changes to incomes and expenditures likely over time.

Income and Expenditure Statement for Current Year

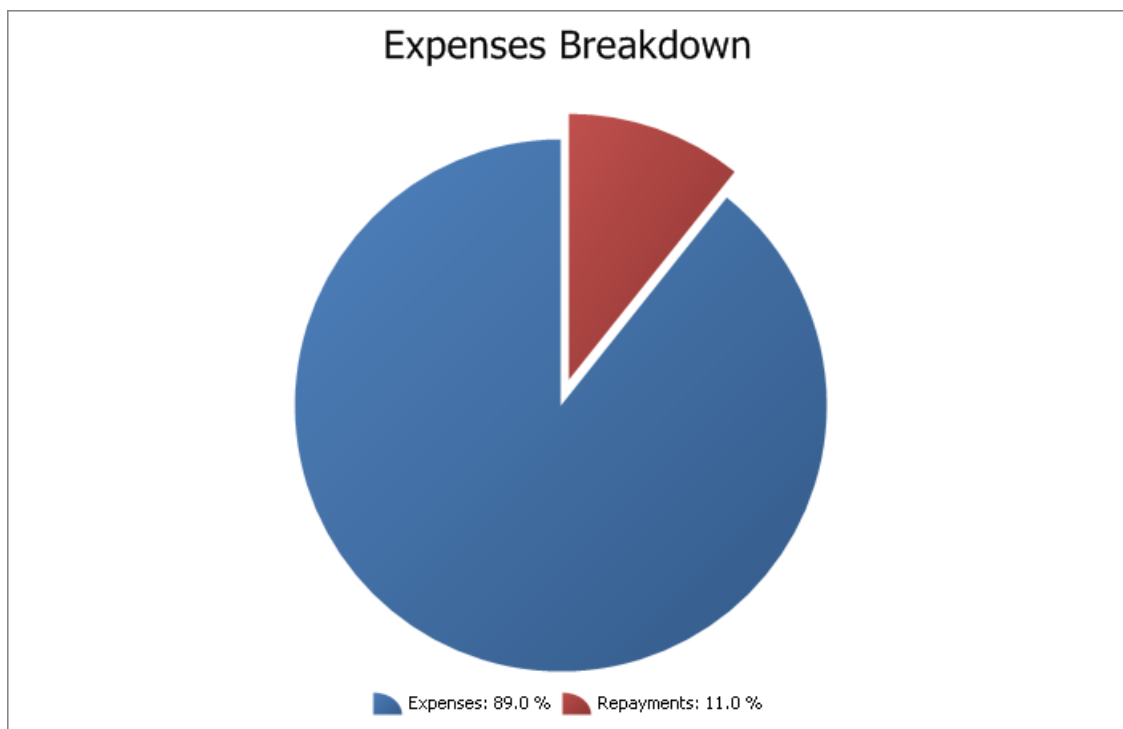
In this table, your outgoings are subtracted from your after tax incomes. Outgoings are divided into Fixed Expenses, Discretionary Expenses, Committed Savings and Repayments. From this analysis we can determine your Net Cash Flow.

Incomes		
	SAMPLE's Business Income (NIYESH)	Rs. 81,00,000 p.a.
	Total Income:	Rs. 81,00,000 p.a.
Expenses		
	Living Expenses	Rs. 36,00,000 p.a.
	Total Expenses:	Rs. 36,00,000 p.a.
Repayments		
	Regular Repayment into SAMPLE's Housing Loan (IJM)	Rs. 4,32,000 p.a.
	Total Repayments:	Rs. 4,32,000 p.a.



Incomes		
	Total Income:	Rs. 81,00,000 p.a.
	Total Expenses:	Rs. 40,32,000 p.a.
	Net Cash Flow:	Rs. 40,68,000 p.a.

Expenses

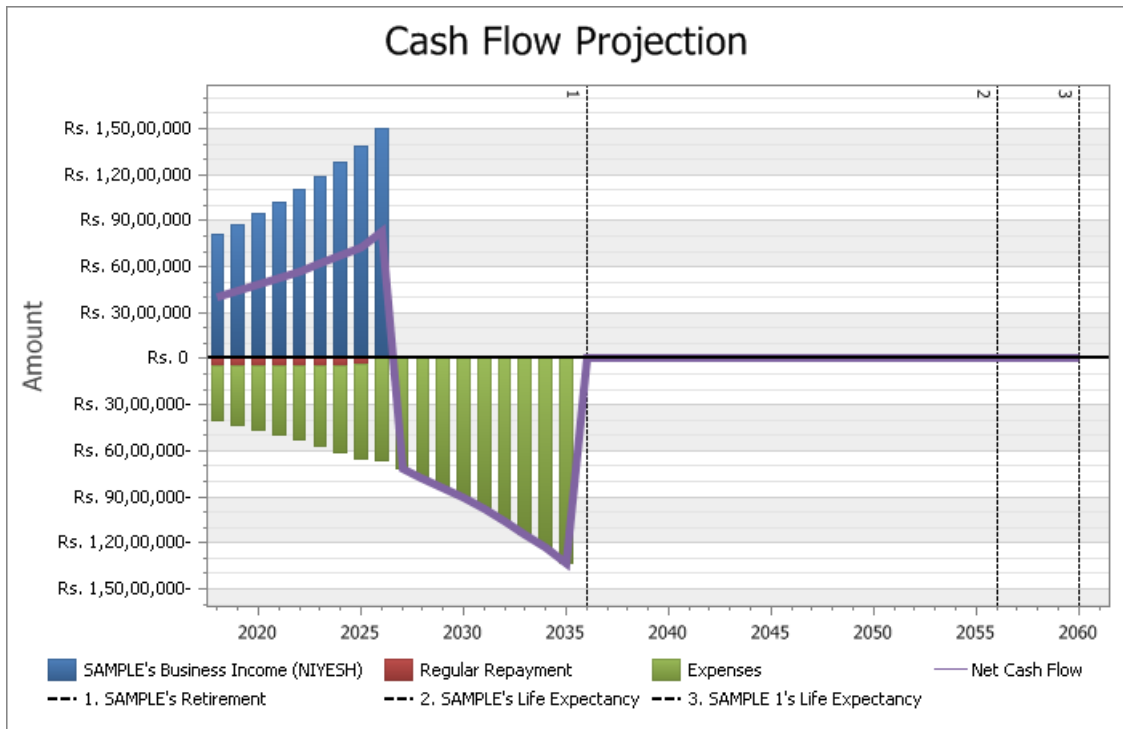


Cash Flow Projections





This section maps out the inflows and outflows of cash over your lifetime. The changes in your incomes and expenses over time are shown and the net cash flow at each stage of your life is calculated.

The following graph summarises a lot of information and is worth careful study. Your incomes are shown as positive amounts (above the line) and your outgoings (expenses, debt repayments and committed savings) are shown as negative amounts (below the line).

The Net Cash Flow, your income less outgoings is shown by the line on the graph. Prior to retirement, you should aim to have a positive net cash flow - you make more than you spend - as this will allow you to apply that surplus towards your goals. After retirement you are likely to have a negative cash flow indicating that you will need to use capital to fund your retirement lifestyle.



Details of the data used to create the above graph are in the table below so use this to enhance your understanding of the graph.

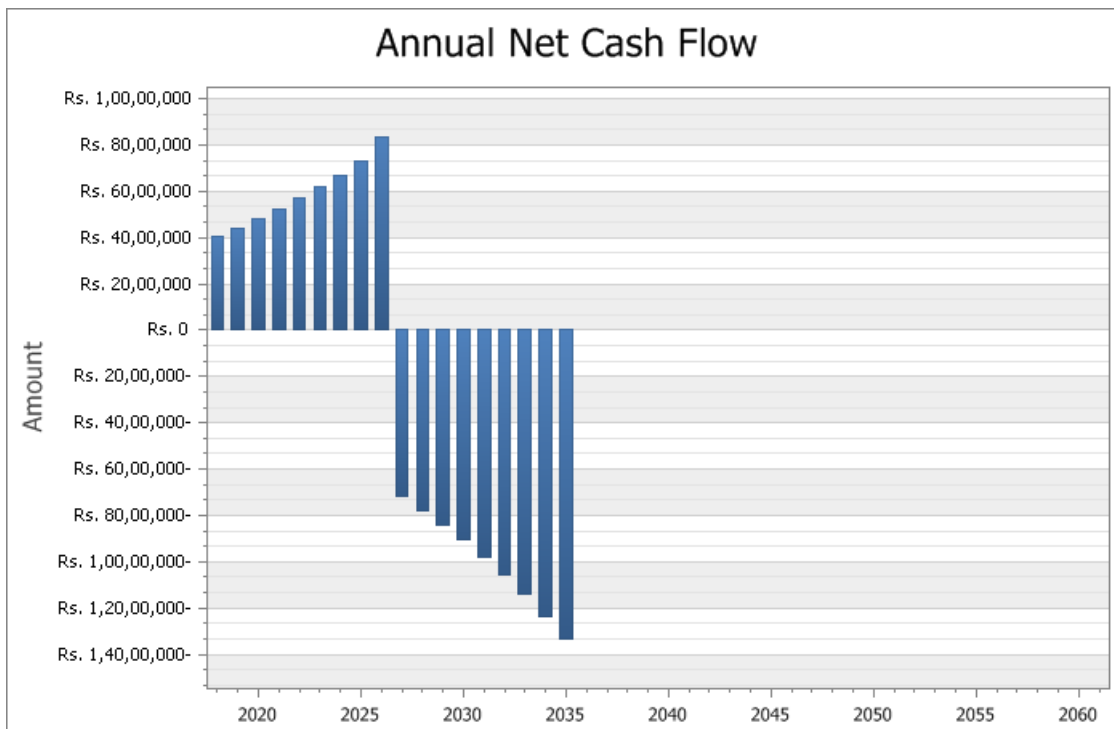
Incomes		Amount
	SAMPLE's Business Income (NIYESH)	Rs. 75,00,000 p.a. 2018 to 2026
Expenses		Amount
	Current Living Expenses	Rs. 36,00,000 p.a. 2018 to 2035
	Retirement Living Expenses	Not set 2036 to 2060
Repayments		Amount
	Regular Repayment into SAMPLE's Housing Loan (IJM)	Rs. 36,000 Monthly 2006 to 2026



Cash Flow Surplus

The following graph shows the annual cash flow surplus between now and when you retire (it is the same as the line in the Cash Flow Projection graph shown earlier but without the income and outgoings information).

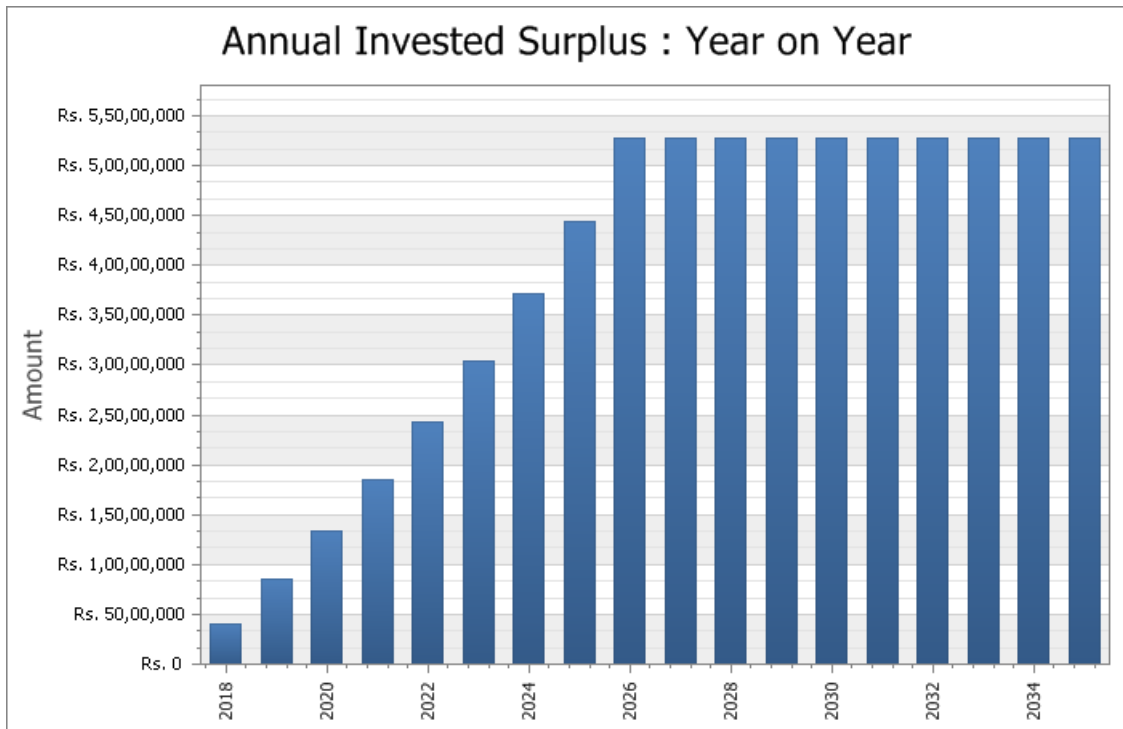
This is the cash flow available to save for your goals.



Value of Invested Surplus

Your cash surplus can either be spent immediately or saved to be put towards achieving your goals. We have assumed that all of your Cash Flow surplus will be saved and invested to meet your goals. This makes a major contribution to meeting your goals.

Under this assumption, the value of the resulting investment is projected as set out in the following graph. This analysis shows the value of investments assuming that the funds required for goals are spent on goals as they are achieved.



Withdrawals in the above table are applied to your goals as set out in the following table.

CashflowSurplusGoalFundingTable:NOT SET



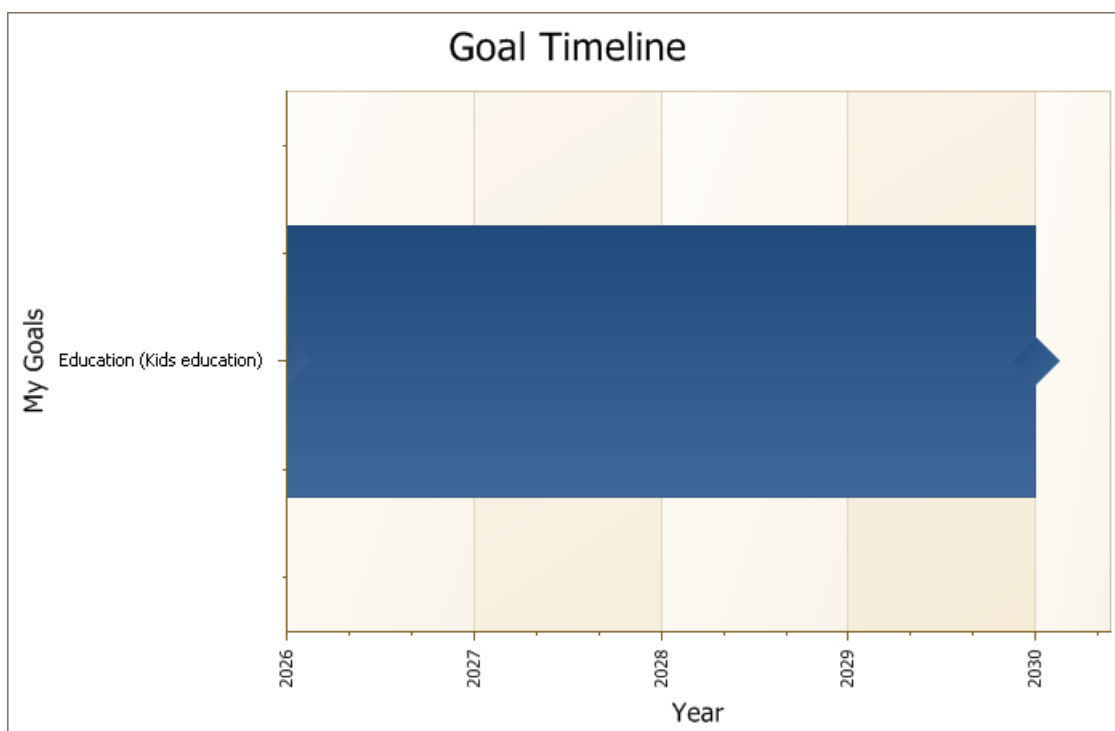
Your Goals

Your Current Goals

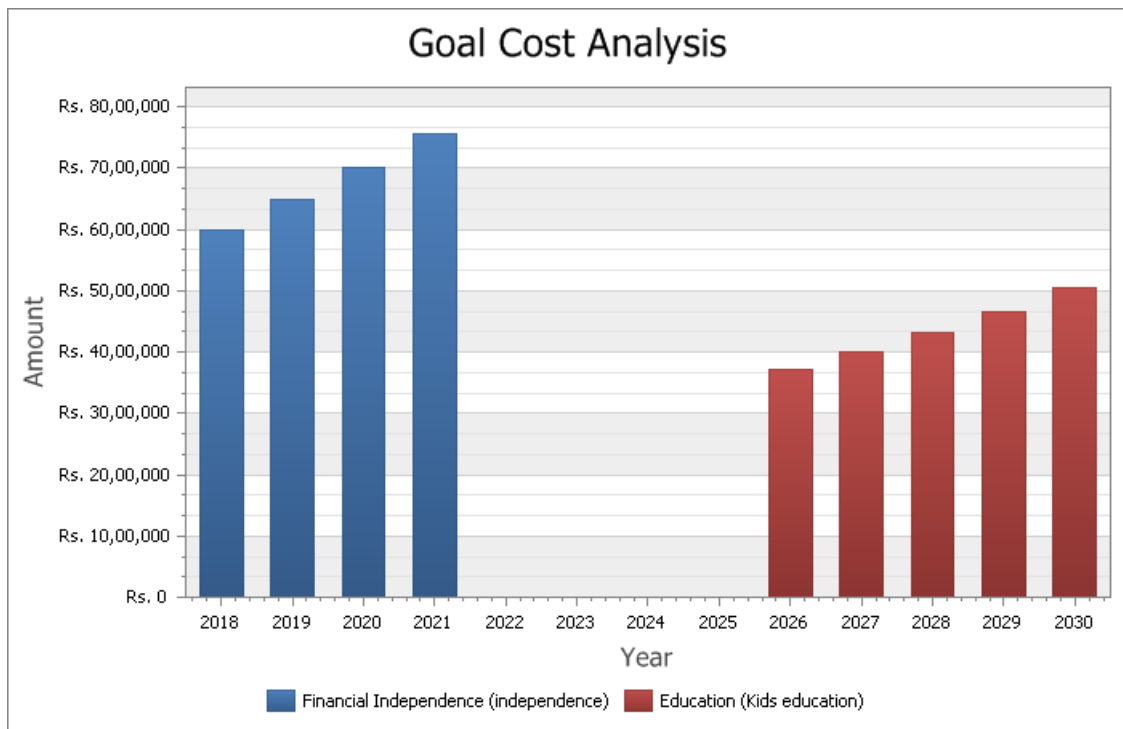
This Financial Health Check is focused on making sure you can realise your goals. Your goals are listed below with the calculation of what they will cost and the resources that you have available to achieve them.

Priority	Goal Name	Goal Description	Amount Needed Today	Available Resources
1	Financial Independence (independence)	Rs. 60,00,000 every year from 2017 until when SAMPLE is 45 (2021) at 8.00 % inflation.	Rs. 2,36,71,740	SAMPLE's Mutual Fund Savings/SIP (MF Portfolio)
2	Education (Kids education)	Rs. 20,00,000 every year from when SAMPLE 2 is 18 (2026) until when SAMPLE 2 is 22 (2030) at 8.00 % inflation.	Rs. 69,60,358	SAMPLE's Mutual Fund Savings/SIP (MF Portfolio)

The following timeline shows when the major goal events are happening.



The cost of your goals is set out in the following graph. This graph builds on the information from the timeline showing the relative costs of your goals.



The cost of goals grows over time due to inflation but your assets and savings will also grow as they receive an investment return.





Your Wealth

Your wealth is all the resources you have available to meet your goals. This comprises:



- Your current wealth.
- Income sources for goals (e.g. retirement incomes).
- Saving of your future cash flow surplus.

Your current financial resources are shown below.

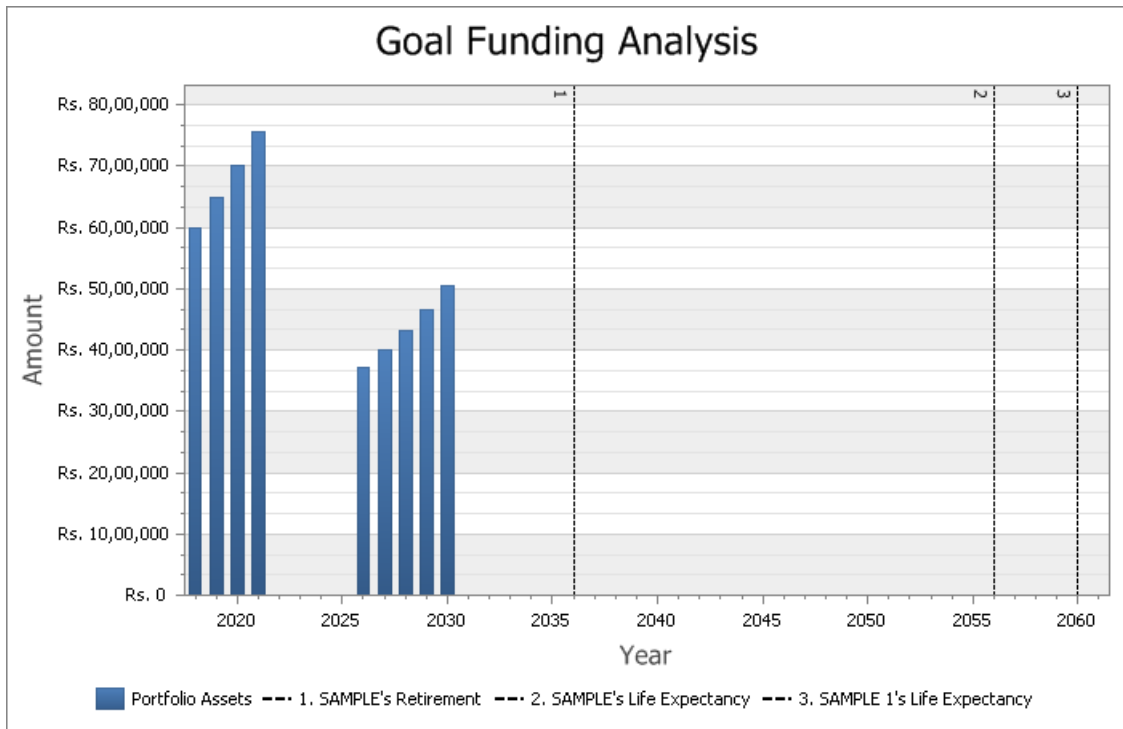
	Name	Value	Available From	Available For	Contributions
	SAMPLE's Mutual Fund Savings/SIP (MF Portfolio)	Rs. 3,12,50,000	This year	All goal needs	
	SAMPLE's Other (stocks)	Rs. 15,00,000	Locked until 2036	All goal needs	

Will You Meet Your Goals?

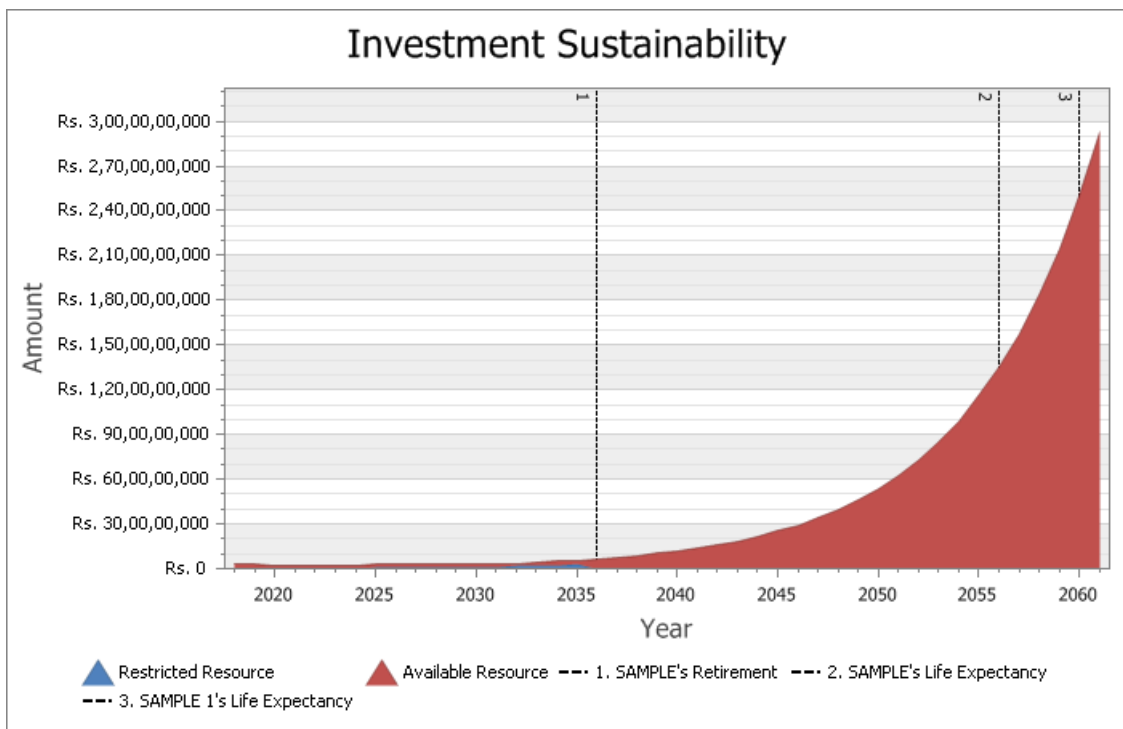
The current analysis indicates that you can fund all of your goals .

Priority	Goal Name	Amount Required During Goal Period	Projected Amount available	% Goal Funded	Additional Deposit	Additional Regular Savings
1	 Financial Independence (independence)	Rs. 2,70,36,672	Rs. 2,70,36,672	100%	-	-
2	 Education (Kids education)	Rs. 2,17,17,337	Rs. 2,17,17,337	100%	-	-

The following graph shows how your wealth will be applied to your goals. Incomes are applied in the year in which they are received and your portfolio of assets (which includes your savings) is spread over the goals in order of your priorities.



The following graph shows your wealth over time. Wealth is accumulated then used to fund goals.



Protecting Your Resources

In addition to taking action to realise your goals, it is also important to ensure that your resources are protected against unforeseen events. The key resources you have available are set out in the table below with the appropriate protections listed.



Incomes	Amount PA	Protection Mechanism
SAMPLE's Business Income (NIYESH)	Rs. 75,00,000	Emergency Fund Income Protection Insurance Life Insurance
Investments	Current Valuation	Protection Mechanism
SAMPLE's Mutual Fund Savings/SIP (MF Portfolio)	Rs. 3,12,50,000	Appropriate investment advice Diversification
Other Assets	Current Valuation	Protection Mechanism
SAMPLE's Other (stocks)	Rs. 15,00,000	
Liabilities	Current Valuation	Protection Mechanism
SAMPLE's Housing Loan (IJM)	Rs. 23,47,177	Emergency Fund Payment Protection Insurance

You should use this table as a checklist to ensure that your resources are protected.



Conclusion

Your Net Worth as at 03-Jul-2018 is **Rs. 3,04,02,823** ; comprised of total assets of **Rs. 3,27,50,000** less liabilities of **Rs. 23,47,177** .

The current analysis indicates that *you can fund all of your goals* .

Priority	Goal Name	Goal Description
1	Financial Independence (independence)	Rs. 60,00,000 every year from 2017 until when SAMPLE is 45 (2021)
2	Education (Kids education)	Rs. 20,00,000 every year from when SAMPLE 2 is 18 (2026) until when SAMPLE 2 is 22 (2030)



Next Steps

Save your surplus

The following graph shows the Annual Net Cash Flow calculated over time. *This surplus should be saved*, starting with Rs. 40,68,000 this year.

Protect Your Resources

Your key resources are your SAMPLE's Business Income (NIYESH), and SAMPLE's Mutual Fund Savings/SIP (MF Portfolio).

Using the checklist provided, ensure that your resources are protected from unforeseeable events so that they are available to meet your goals.



Appendix: Disclaimer / Disclosure Statement

This Financial Health Check has been prepared especially for you. It presents analysis and projections of your situation based on your Risk Profile, Goals and Resources as you have provided.

It is important to be aware of the following:

- This report is only an analysis of the information you have supplied to us. It does not purport to supply any advice or strategy. Any actions that you take based on this analysis are based on your own decisions. You are therefore exclusively responsible for all acts and decisions you take in response to this analysis.
- Calculated projections included in this report are not guaranteed and are based entirely on the assumptions you have chosen. The outcomes projected in this plan should be treated as indicative - how much you have available to save and the actual return on your investments will depend on factors outside anyone's control.
- This analysis must be reviewed regularly and the assumptions tested against actual outcomes. Life is dynamic and your ability to meet your financial goals will alter with changes in your personal situation.