

GOAL BASED COMPREHENSIVE FINANCIAL PLANNING



Prepared for
MR. X & MRS. Y



Elite Wealth Advisors Ltd.

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Introduction

Dear Mr. X,

We are pleased to submit this financial plan for your records. We urge you to keep this safely and privately to avoid any leakage of your confidential financial information.

A full financial plan would cover Cash Management, Risk Management, Retirement Planning, Investment Planning and Estate & Tax Planning. The sections covered in this plan are outlined on the contents page.

The following plan will document your Goals and Resources and make recommendations in line with your Goals based on the information you have provided. The solutions adopted in this plan need to be regularly reviewed. The projected outcomes are provisional and should be treated as indicative rather than as guaranteed. It is vital that the plan is reviewed regularly and the assumptions tested against actual outcomes. Life is dynamic and your financial plan must reflect changes in your personal situation!

We urge you to study these recommendations carefully and we will respond to any questions you may have. You may need to make important decisions on the urgency and timing of the issues dealt within this plan. The effort you have taken to reach this point is well worth the effort to secure your financial future.

Please see the Appendices for details of the underlying assumptions related to your financial future used in building your plan, our Disclosures / Disclaimers and a Glossary to assist you with the terminology used herein.

We trust the experience will be rewarding for a sound financial future and help you reach your goals.

We endeavour to respect your privacy and maintain client confidentiality.

Elite Wealth Advisors Ltd.

Introduction : Wealth Management / Financial Planning

Financial Planning puts Wealth Management into the wider context of your life journey. It looks at the “what if” issues that could affect your live situation and compromise your goals. In essence it is more holistic than wealth management on its own. It seeks to have a detailed understanding of your situation and, after analysis the various aspects of your financial assets and liabilities, seeks to recommend strategies that reflect your personal aspirations and needs. It provides the provisional plan for your personal journey and helps you execute it in the most efficient way. You will need to keep your plan in focus and relevant through regular Reviews with your advisor and journey together.

Wealth Management is really about managing your wealth and getting you the best returns from the markets. It is about investments and returns and not financial goals and resources. Wealth Management is the next step after proper financial planning has been completed in tune with a client's needs.

Why have a Plan Goal Based Plan?

It is said that those who fail to plan, plan to fail!

Taking responsibility and having a clear vision of where you are heading is very challenging. Addressing the “risks” in life and having a realistic view of both the opportunities and challenges of life can give you confidence in your life journey. Getting the balance between the needs of today and of the future, capturing the power of compounding returns and protecting those who depend on you are the major benefits of a Plan. The process itself will increase you understanding and assist with good decision making.

It will sensitise you to the trade offs and parameters in financial decision making taking into account, your family situation and financial assets and liabilities. It will clarify your priorities.

In summary, a Goal Based plan captures your heart and aspirations. It helps you to work through your financial assets and achieve your goals in the future. It is a targeted approach to achieving results step by step with planning and precision.

Personal Details

Client Details:

Client Name:	Mr. X		
Client Type:	Couple		
Address:	612, MAHRATH APARTMENT PLOT - 44, SECTOR – 09 DWARKA NEW DELHI 110075	Ph(hm) Ph(wk) Email	011 22222222 x_BHA4@YAHOO.COM

Holder Details:

Name:	Mr X	DOB	30/04/1965
PAN:	AAOXO1111L	Tax Rate:	33.66%
Name:	Mrs Y	DOB	22/05/1967
PAN:	AFDXO1111L	Tax Rate:	20%

Associated Party Details:







Contact Type	Son		
Name:	AB	DOB	21/05/1995
Address:		Ph(hm) Ph(wk) Email	
Contact Type	Daughter		
Name:	PQ	DOB	16/03/2000
Address:		Ph(hm) Ph(wk) Email	

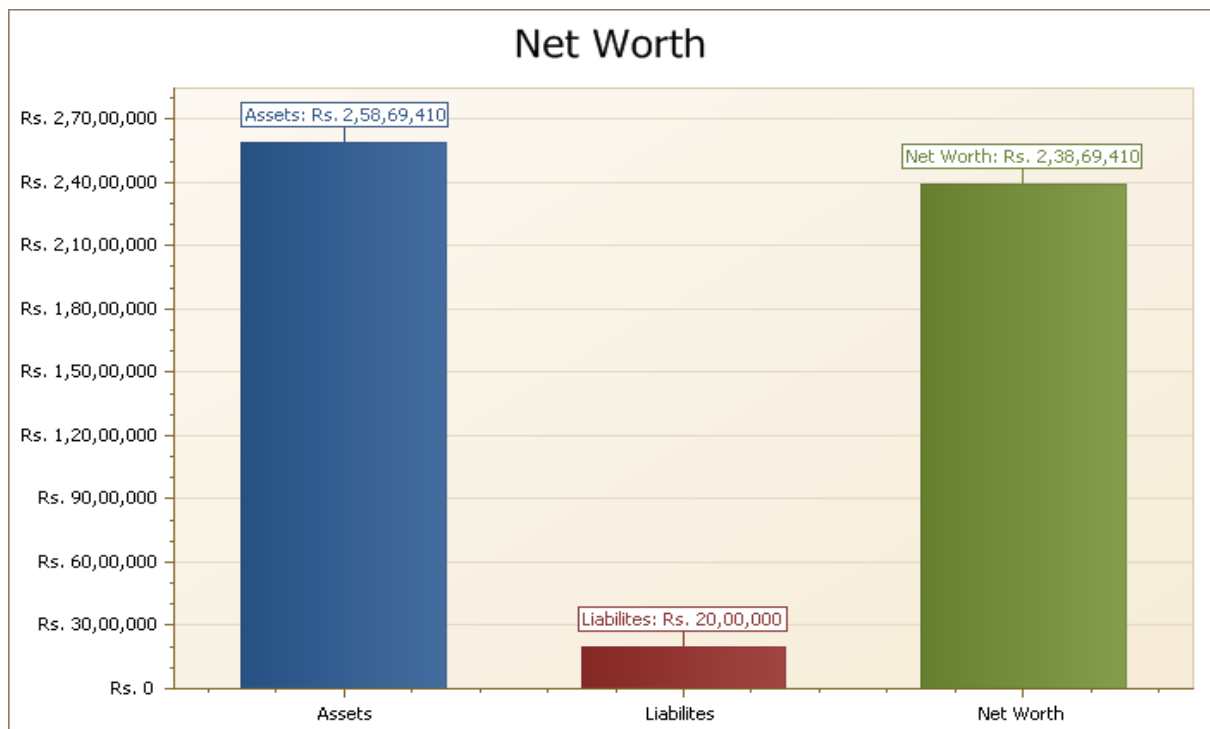
Your Net Worth

A Net Worth statement defines what you have after your liabilities have been defined. It is your personal economic position based on the value of all assets (long term assets) minus the value of all liabilities. 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.

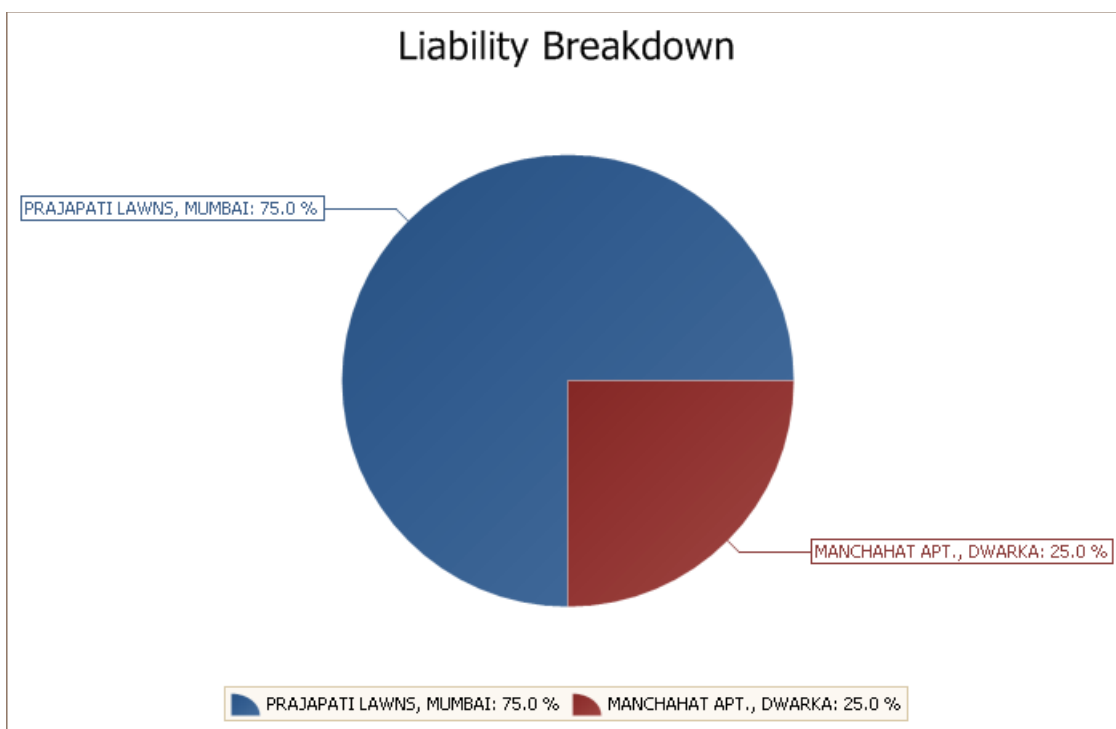
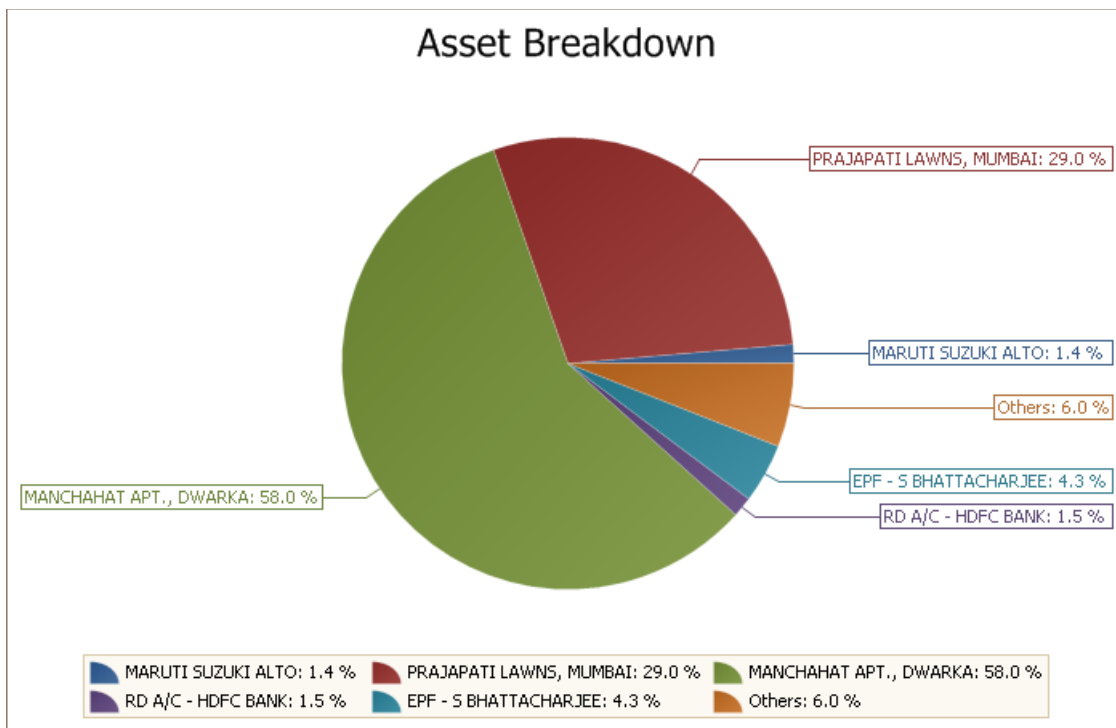
Net Worth Analysis

Investments	Current Valuation
₹ FD A/C - SBI	Rs. 1,85,089
₹ FD A/C - OBC	Rs. 1,30,000
₹ FD A/C - SBI	Rs. 1,53,277
₹ FD A/C - SBI	Rs. 74,766
₹ CASH IN HAND A/C	Rs. 1,00,000
₹ RD A/C - POST OFFICE	Rs. 1,20,890
₹ RD A/C - HDFC BANK	Rs. 3,75,000
₹ RD A/C - HDFC BANK	Rs. 1,25,000
₹ EPF – Mr X	Rs. 11,00,000
₹ IDFC LT INFRA BONDS	Rs. 20,000
₹ IFCI LT INFRA B - SERIES II	Rs. 29,388
₹ IDFC LT INFRA BONDS	Rs. 20,000
₹ HDFC GOLD ETF	Rs. 24,000
₹ ICICI PRU FMCG FUND - RP - G	Rs. 11,000
₹ SBI EMERGING BUSINESS FUND - G	Rs. 10,000
₹ RELIANCE MY GOLD PLAN	Rs. 6,000
₹ ICICI PRU FOREVER LIFE	Rs. 1,00,000
₹ ICICI PRU GRNTD S INS PLAN	Rs. 45,000
₹ HDFC SL CREST	Rs. 2,00,000
₹ AVIVA LIFE SHIELD ADV.	Rs. 40,000
Total Investments:	Rs. 28,69,410

Other Assets		Current Valuation
	WAGON R	Rs. 1,50,000
	MARUTI SUZUKI ALTO	Rs. 3,50,000
	PRAJAPATI APTS., BANGALORE	Rs. 75,00,000
	MAHRATH APT., DWARKA	Rs. 1,50,00,000
Total Other Assets:		Rs. 2,30,00,000
Liabilities		Current Valuation
	PRAJAPATI APTS., BANGALORE	Rs. 15,00,000
	MAHRATH APT., DWARKA	Rs. 5,00,000
Total Liabilities:		Rs. 20,00,000
Total Assets:		Rs. 2,58,69,410
Net Worth:		Rs. 2,38,69,410



Asset and Liability Breakdown Charts



Cash Flow Management

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

Getting your cash to work efficiently for you, over a lifetime, can have huge positive consequences. Often affluent individuals are the ones who have difficulty in following a savings plan and the surplus cash disappears before it can be aligned to objectives. Those who have limited income generally know they have to manage their cash and align to their savings targets.

For most people the ability to earn is their greatest asset and its careful management should be a high priority. Your income is divided between Non-discretionary costs and Discretionary costs. From this we can determine what is surplus and guide you on how to maximize the opportunity. The analysis below tracks your income from all sources on a net of tax basis and will help you begin this journey of cash-flow management.

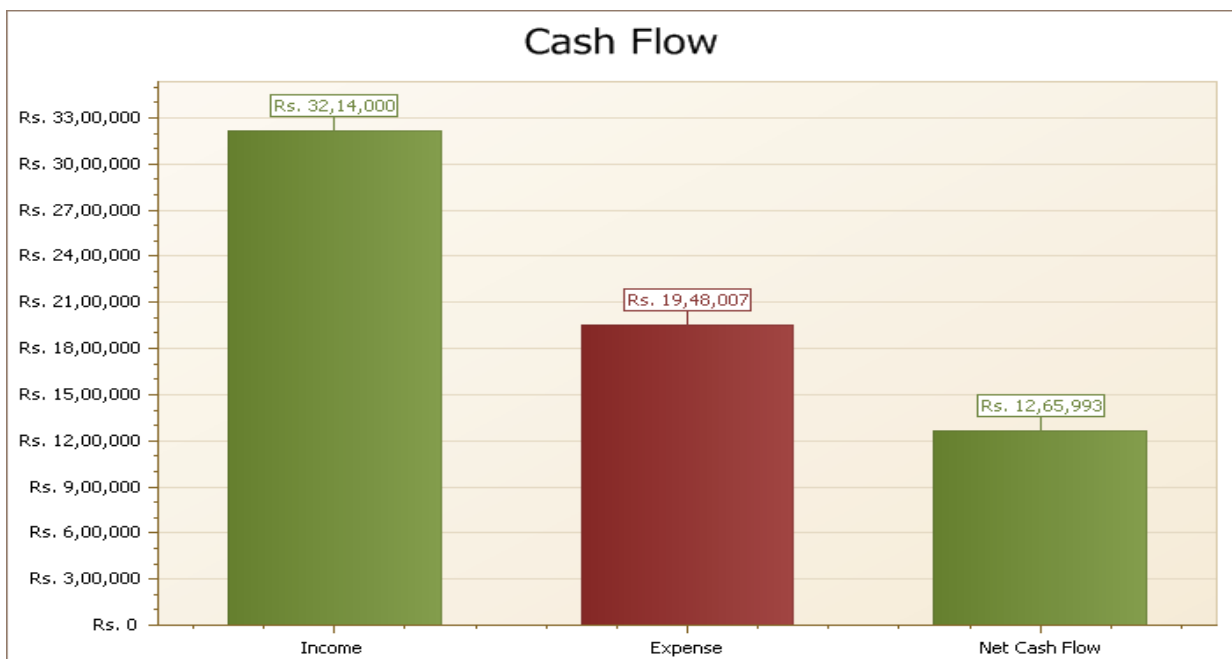
Eventually, you will gain better control over cash flows and realize that you have greater control over discretionary costs and a huge potential which could help you save regularly.

Income and Expenditure Statement for Current Year

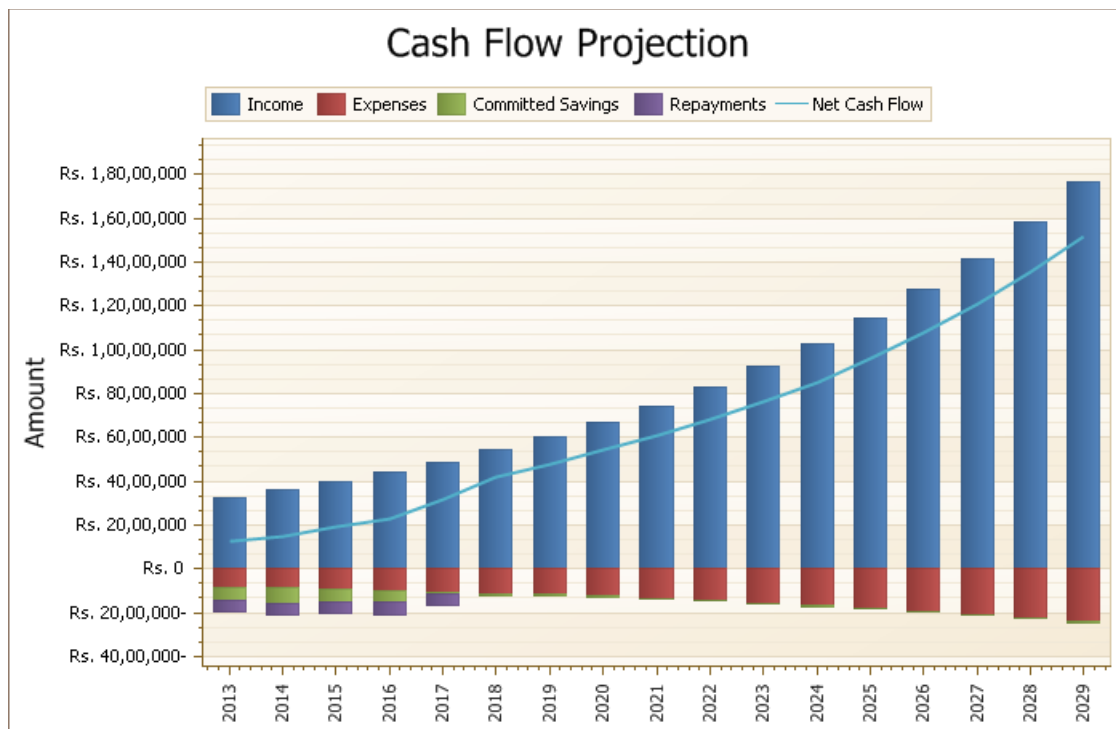
Incomes		
₹	NET SALARY INCOME – X	Rs. 20,40,000 p.a.
₹	YEARLY BONUS – X	Rs. 4,00,000 p.a.
₹	NET SALARY INCOME – Y	Rs. 6,00,000 p.a.
₹	RENTAL INCOME	Rs. 1,74,000 p.a.
Total Income:		Rs. 32,14,000 p.a.
Fixed Expenses		
	FOOD & HOUSEHOLD EXP.	Rs. 2,40,000 p.a.
	UTILITIES	Rs. 68,400 p.a.
	OPERATING & MAINTENANCE	Rs. 50,400 p.a.
	TRANSPORTATION	Rs. 96,000 p.a.
	SCHOOL FEES – PQ	Rs. 86,820 p.a.
	CAR INS - WAGON R	Rs. 2,700 p.a.
	CAR INS - ALTO	Rs. 9,000 p.a.
	MEDICAL EXP.	Rs. 14,400 p.a.
	HEALTH INSURANCE	Rs. 23,485 p.a.
	HDFC CLICK 2 PROTECT	Rs. 31,864 p.a.
Total Fixed Expenses:		Rs. 6,23,069 p.a.
Discretionary Expenses		
	GIFTS & B'DAYS	Rs. 3,000 p.a.
	CLOTHING	Rs. 20,000 p.a.
	HOME FURNISHINGS	Rs. 12,000 p.a.
	ENTERTAINMENT	Rs. 20,000 p.a.
	ANNUAL VACATIONS	Rs. 1,50,000 p.a.
Total Discretionary Expenses:		Rs. 2,05,000 p.a.

Committed Savings		
₹	RD A/C into RD A/C - POST OFFICE	Rs. 30,000 p.a.
₹	RD A/C into RD A/C - HDFC BANK	Rs. 3,60,000 p.a.
₹	SIP - MONTHLY into ICICI PRU FMCG FUND - RP - G	Rs. 48,000 p.a.
₹	SIP - MONTHLY into SBI EMERGING BUSINESS FUND - G	Rs. 48,000 p.a.
₹	SIP - MONTHLY into RELIANCE MY GOLD PLAN	Rs. 36,000 p.a.
₹	YLY - PREMIUM into ICICI PRU FOREVER LIFE	Rs. 10,002 p.a.
₹	MTHLY - PREMIUM into ICICI PRU GRNTD S INS PLAN	Rs. 45,600 p.a.
₹	YLY - PREMIUM into AVIVA LIFE SHIELD ADV.	Rs. 14,336 p.a.
Total Committed Savings:		Rs. 5,91,938 p.a.

Repayments		
₹	EMI into PRAJAPATI APTS., BANGLORE	Rs. 3,96,000 p.a.
₹	EMI into MAHRATH APT., DWARKA	Rs. 1,32,000 p.a.
Total Repayments:		Rs. 5,28,000 p.a.
Total Income:		Rs. 32,14,000 p.a.
Total Expenses:		Rs. 19,48,007 p.a.
Net Cash Flow:		Rs. 12,65,993 p.a.



Cash Flow Projections



Incomes

	NET SALARY INCOME – X	Rs. 20,40,000 p.a. (Rs. 1,70,000 Monthly) 2013 to 2029
	YEARLY BONUS – X	Rs. 4,00,000 p.a. 2013 to 2029
	NET SALARY INCOME - Y	Rs. 6,00,000 p.a. (Rs. 50,000 Monthly) 2013 to 2029
	RENTAL INCOME	Rs. 1,74,000 p.a. (Rs. 14,500 Monthly) 2013 to 2029

Expenses

	Current Living Expenses	from Rs. 8,28,069 p.a. in 2013 2013 to 2029
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Committed Savings

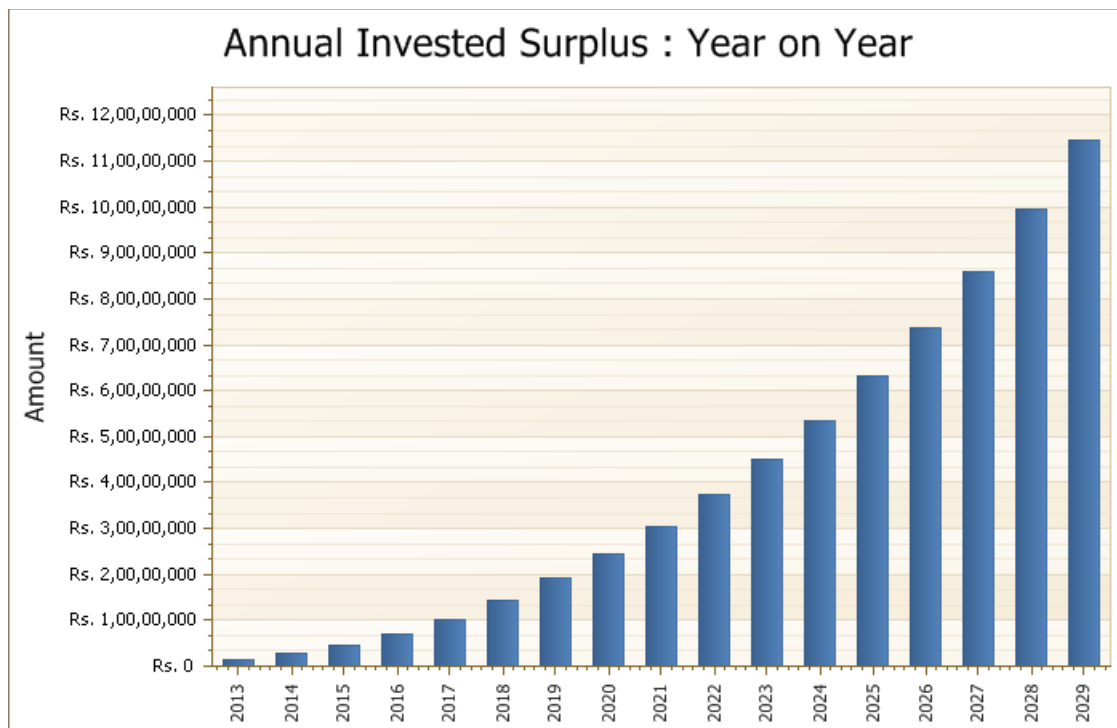
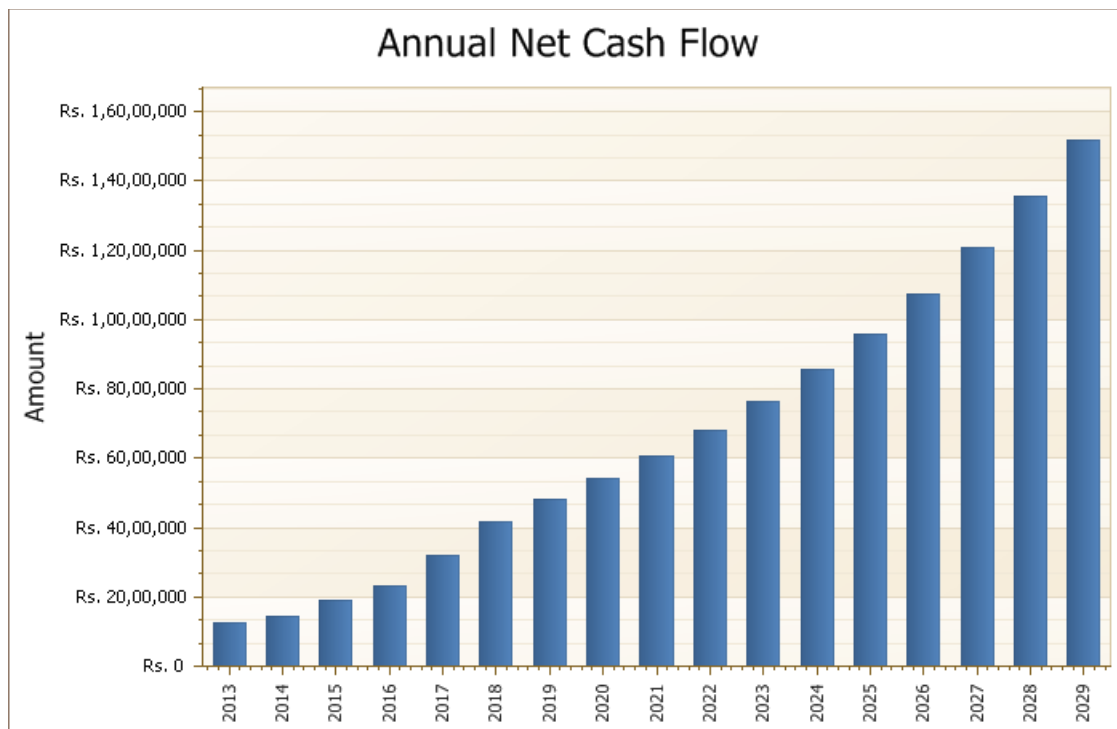
	RD A/C into RD A/C - POST OFFICE	Rs. 30,000 p.a. 2013 to 2014
	RD A/C into RD A/C - HDFC BANK	Rs. 3,60,000 p.a. 2013 to 2016
	SIP - MONTHLY into ICICI PRU FMCG FUND - RP - G	Rs. 48,000 p.a. 2013 to 2014
	SIP - MONTHLY into SBI EMERGING BUSINESS FUND - G	Rs. 48,000 p.a. 2013 to 2014

₹	SIP - MONTHLY into RELIANCE MY GOLD PLAN	Rs. 36,000 p.a. 2013 to 2015
₹	YLY - PREMIUM into ICICI PRU FOREVER LIFE	Rs. 10,002 p.a. 2013 to 2024
₹	MTHLY - PREMIUM into ICICI PRU GRNTD S INS PLAN	Rs. 45,600 p.a. 2013 to 2019
₹	YLY - PREMIUM into HDFC SL CREST	Rs. 1,00,000 p.a. 2014 to 2016
₹	YLY - PREMIUM into AVIVA LIFE SHIELD ADV.	Rs. 14,336 p.a. 2013 to 2029
Repayments		
₹	EMI into PRAJAPATI APTS., BANGALORE	Rs. 3,96,000 p.a. 2013 to 2017
₹	EMI into MAHRATH APT., DWARKA	Rs. 1,32,000 p.a. 2013 to 2017

Annual Cash Flow Statement

Year	Incomes	Expenses	Committed Savings	Repayments	Net Cash Flow
2013	Rs. 32,14,000	Rs. 8,28,069	Rs. 5,91,938	Rs. 5,28,000	Rs. 12,65,993
2014	Rs. 35,65,400	Rs. 8,89,161	Rs. 6,91,938	Rs. 5,28,000	Rs. 14,56,301
2015	Rs. 39,56,440	Rs. 9,55,010	Rs. 5,65,938	Rs. 5,28,000	Rs. 19,07,492
2016	Rs. 43,91,759	Rs. 10,25,988	Rs. 5,29,938	Rs. 5,28,000	Rs. 23,07,833
2017	Rs. 48,76,561	Rs. 11,02,503	Rs. 69,938	Rs. 5,28,000	Rs. 31,76,120
2018	Rs. 54,16,687	Rs. 11,84,990	Rs. 69,938	Rs. 0	Rs. 41,61,759
2019	Rs. 60,18,696	Rs. 11,57,568	Rs. 69,938	Rs. 0	Rs. 47,91,190
2020	Rs. 66,89,959	Rs. 12,47,624	Rs. 24,338	Rs. 0	Rs. 54,17,997
2021	Rs. 74,38,755	Rs. 13,44,887	Rs. 24,338	Rs. 0	Rs. 60,69,530
2022	Rs. 82,74,401	Rs. 14,49,928	Rs. 24,338	Rs. 0	Rs. 68,00,135
2023	Rs. 92,07,378	Rs. 15,63,372	Rs. 24,338	Rs. 0	Rs. 76,19,668
2024	Rs. 1,02,49,482	Rs. 16,85,895	Rs. 24,338	Rs. 0	Rs. 85,39,249
2025	Rs. 1,14,14,002	Rs. 18,18,217	Rs. 14,336	Rs. 0	Rs. 95,81,449
2026	Rs. 1,27,15,909	Rs. 19,61,124	Rs. 14,336	Rs. 0	Rs. 1,07,40,449
2027	Rs. 1,41,72,084	Rs. 20,83,602	Rs. 14,336	Rs. 0	Rs. 1,20,74,146
2028	Rs. 1,58,01,563	Rs. 22,50,288	Rs. 14,336	Rs. 0	Rs. 1,35,36,939
2029	Rs. 1,76,25,832	Rs. 24,30,311	Rs. 14,336	Rs. 0	Rs. 1,51,81,185

Cash Flow Surplus



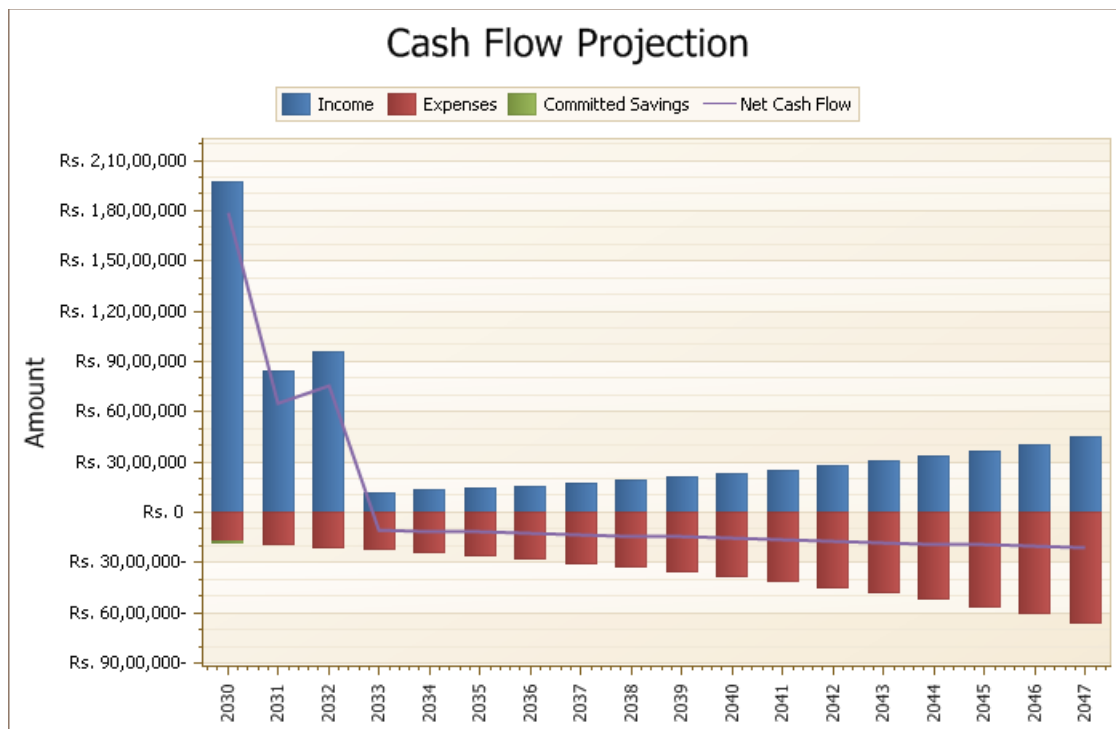
Retirement Cash Flow Expenses

When you retire, your Cash Flow needs can change quite dramatically. Some expenses will increase, others will decrease. Some expenses will cease while new expenses will start to occur. Estimating these changes is essential to ensuring that you are planning for the correct level of expenditure during retirement, so that you can allocate enough resources to fund your life!

Retirement Cash Flow - First Year Of Retirement

Incomes	
	NET SALARY INCOME – X Rs. 1,03,11,119 p.a.
	YEARLY BONUS – X Rs. 20,21,788 p.a.
	NET SALARY INCOME - Y Rs. 64,56,758 p.a.
	RENTAL INCOME Rs. 8,79,478 p.a.
Total Income: Rs. 1,96,69,143 p.a.	
Expenses	
	Living Expenses
Total Expenses: Rs. 17,76,009 p.a.	
Committed Savings	
	YLY - PREMIUM Rs. 14,336 p.a. into AVIVA LIFE SHIELD ADV.
Total Committed Savings: Rs. 14,336 p.a.	
Total Income: Rs. 1,96,69,143 p.a.	
Total Expenses: Rs. 17,90,345 p.a.	
Net Cash Flow: Rs. 1,78,78,798 p.a.	

Retirement Cash Flow Projections



Incomes



NET SALARY INCOME – X

Rs. 20,40,000 p.a. (Rs. 1,70,000 Monthly)
2030



YEARLY BONUS – X

Rs. 4,00,000 p.a.
2030



NET SALARY INCOME - Y

Rs. 6,00,000 p.a. (Rs. 50,000 Monthly)
2030 to 2032



RENTAL INCOME

Rs. 1,74,000 p.a. (Rs. 14,500 Monthly)
2030 to 2047

Expenses



Retirement Living Expenses

Rs. 4,80,000.00 p.a.
2030 to 2047

Committed Savings



**YLY - PREMIUM
into AVIVA LIFE SHIELD ADV.**

Rs. 14,336 p.a.
2030

Retirement Cash Flow Statement

Year	Incomes	Expenses	Committed Savings	Net Cash Flow
2030	Rs. 1,96,69,143	Rs. 17,76,009	Rs. 14,336	Rs. 1,78,78,798
2031	Rs. 83,92,698	Rs. 19,18,089	Rs. 0	Rs. 64,74,609
2032	Rs. 96,03,231	Rs. 20,71,537	Rs. 0	Rs. 75,31,694
2033	Rs. 11,70,585	Rs. 22,37,259	Rs. 0	Rs. 10,66,674-
2034	Rs. 12,87,643	Rs. 24,16,240	Rs. 0	Rs. 11,28,597-
2035	Rs. 14,16,408	Rs. 26,09,539	Rs. 0	Rs. 11,93,131-
2036	Rs. 15,58,049	Rs. 28,18,303	Rs. 0	Rs. 12,60,254-
2037	Rs. 17,13,853	Rs. 30,43,767	Rs. 0	Rs. 13,29,914-
2038	Rs. 18,85,239	Rs. 32,87,268	Rs. 0	Rs. 14,02,029-
2039	Rs. 20,73,763	Rs. 35,50,250	Rs. 0	Rs. 14,76,487-
2040	Rs. 22,81,139	Rs. 38,34,270	Rs. 0	Rs. 15,53,131-
2041	Rs. 25,09,253	Rs. 41,41,011	Rs. 0	Rs. 16,31,758-
2042	Rs. 27,60,178	Rs. 44,72,292	Rs. 0	Rs. 17,12,114-
2043	Rs. 30,36,196	Rs. 48,30,075	Rs. 0	Rs. 17,93,879-
2044	Rs. 33,39,816	Rs. 52,16,481	Rs. 0	Rs. 18,76,665-
2045	Rs. 36,73,797	Rs. 56,33,800	Rs. 0	Rs. 19,60,003-
2046	Rs. 40,41,177	Rs. 60,84,504	Rs. 0	Rs. 20,43,327-
2047	Rs. 44,45,295	Rs. 65,71,264	Rs. 0	Rs. 21,25,969-

Your Goals

Goals are dreams with deadlines. ~ Diana Scharf Hunt

A review of your Goals enables you clarify where you want to get to and why. It will assist you in determining if your Goals are achievable and what you have to do to make them happen. Having clear achievable Goals is motivational.

Obstacles are those frightful things you see when you take your eyes off your goal. ~ Henry Ford

Goal based planning works by using your financial resources, such as your Investment Portfolio, and aligning them on a priority basis against your chosen goals.








Basic Assumptions











This plan uses the following basic assumption when doing the analysis: -

- X's preferred retirement age is 65 with a life expectancy of 70.
- Y's preferred retirement age is 65 with a life expectancy of 80.

Your Current Goals

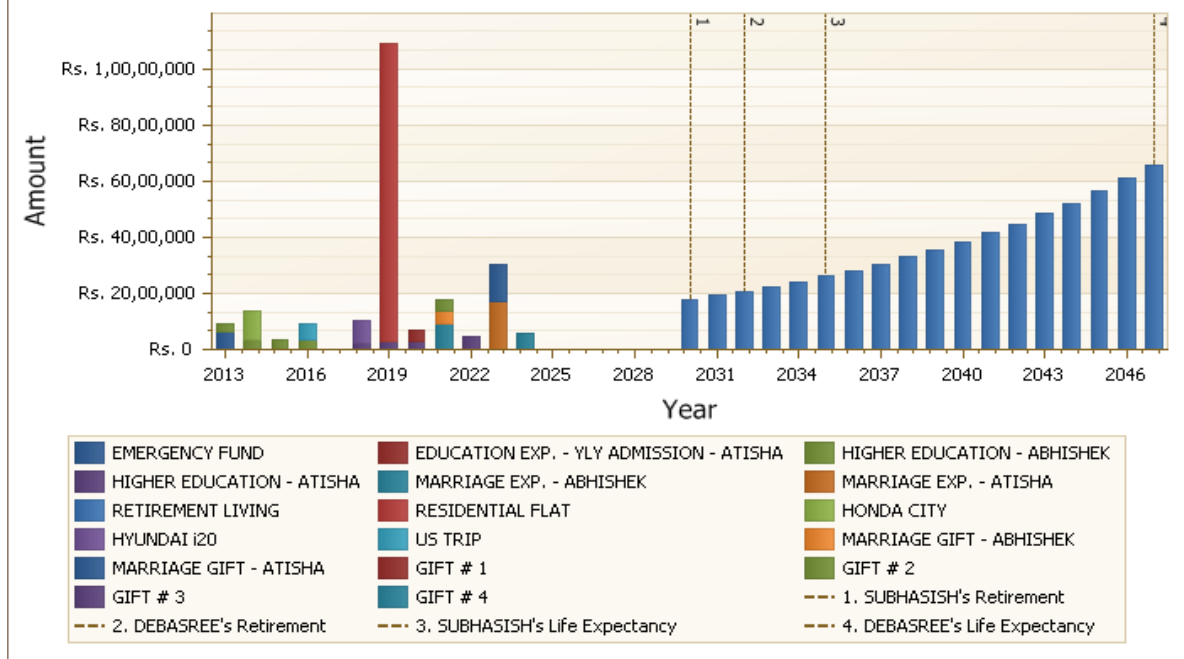
Your current goals are shown in the table below.

Priority	Goal Name	Corpus Required (Today)	Corpus Required (At start of goal)	Amount Required During Goal Period
1	 EMERGENCY FUND Rs. 6,00,000 in 2013	Rs. 5,42,741	Rs. 6,00,000	Rs. 6,00,000
2	 EDUCATION EXP. - YLY ADMISSION - PQ Rs. 20,000 every year from 2013 until 2017 at 5.00 % inflation.	Rs. 81,819	Rs. 90,451	Rs. 1,10,513
3	 HIGHER EDUCATION - AB Rs. 3,00,000 every year from 2013 until 2016 at 5.00 % inflation.	Rs. 10,06,441	Rs. 11,12,620	Rs. 12,93,038
4	 HIGHER EDUCATION - PQ Rs. 2,00,000 every year from 2018 until 2020 at 5.00 % inflation.	Rs. 3,98,804	Rs. 7,27,968	Rs. 8,04,696
5	 MARRIAGE EXP. - AB Rs. 5,00,000 in 2021 at 8.00 % inflation.	Rs. 3,75,259	Rs. 9,25,465	Rs. 9,25,465
6	 MARRIAGE EXP. - PQ Rs. 8,00,000 in 2023 at 8.00 % inflation.	Rs. 5,73,035	Rs. 17,27,140	Rs. 17,27,140
7	 RETIREMENT LIVING	Rs. 43,44,370	Rs. 2,64,23,132	Rs. 6,65,26,294

Provide for living expenses during retirement					
8		RESIDENTIAL FLAT	Rs. 52,67,398	Rs. 1,06,29,366	Rs. 1,06,29,366
Rs. 60,00,000 in 2019 at 10.00 % inflation.					
9		HONDA CITY	Rs. 8,59,156	Rs. 10,50,000	Rs. 10,50,000
Rs. 10,00,000 in 2014 at 5.00 % inflation.					
10		HYUNDAI i20	Rs. 4,19,513	Rs. 7,65,769	Rs. 7,65,769
Rs. 6,00,000 in 2018 at 5.00 % inflation.					
11		US TRIP	Rs. 3,56,454	Rs. 5,32,400	Rs. 5,32,400
Rs. 4,00,000 in 2016 at 10.00 % inflation.					
12		MARRIAGE GIFT - AB	Rs. 1,73,837	Rs. 4,28,718	Rs. 4,28,718
Rs. 2,00,000 in 2021 at 10.00 % inflation.					
13		MARRIAGE GIFT - PQ	Rs. 4,30,279	Rs. 12,96,871	Rs. 12,96,871
Rs. 5,00,000 in 2023 at 10.00 % inflation.					
14		GIFT # 1	Rs. 1,74,706	Rs. 3,89,743	Rs. 3,89,743
Rs. 2,00,000 in 2020 at 10.00 % inflation.					
15		GIFT # 2	Rs. 1,73,837	Rs. 4,28,718	Rs. 4,28,718
Rs. 2,00,000 in 2021 at 10.00 % inflation.					
16		GIFT # 3	Rs. 1,72,972	Rs. 4,71,590	Rs. 4,71,590
Rs. 2,00,000 in 2022 at 10.00 % inflation.					
17		GIFT # 4	Rs. 1,71,256	Rs. 5,70,623	Rs. 5,70,623
Rs. 2,00,000 in 2024 at 10.00 % inflation.					
Total			Rs. 1,55,21,877		

The following chart illustrates the cost of your goals over time. The cost of your goals will increase over time due to inflation.

Goal Cost Analysis



Current Financial Resources

Your current financial resources are shown below.

Name	Value Available From	Available For	Contributions
₹ FD A/C – SBI	Rs. This year 1,85,089	EMERGENCY FUND	
₹ FD A/C – OBC	Rs. This year 1,30,000	EMERGENCY FUND	
₹ FD A/C – SBI	Rs. This year 1,53,277	EMERGENCY FUND	
₹ FD A/C – SBI	Rs. 74,766 This year	EMERGENCY FUND	
₹ CASH IN HAND A/C	Rs. This year 1,00,000	EDUCATION EXP. - YLY ADMISSION - PQ	
₹ RD A/C - POST OFFICE	Rs. Locked until 1,20,890 2014	HONDA CITY	Regular Savings: Rs. 30,000 p.a. from 2013 until 2014
₹ RD A/C - HDFC BANK	Rs. This year 3,75,000	HIGHER EDUCATION - AB	Regular Savings: Rs. 3,60,000 p.a. from 2013 until 2016
₹ RD A/C - HDFC BANK	Rs. This year 1,25,000	HONDA CITY	
₹ IDFC LT INFRA BONDS	Rs. 20,000 Locked until 2016	HIGHER EDUCATION - PQ	
₹ IFCI LT INFRA B - SERIES II	Rs. 29,388 Locked until 2016	HIGHER EDUCATION - PQ	
₹ IDFC LT INFRA BONDS	Rs. 20,000 Locked until 2016	HIGHER EDUCATION - PQ	
₹ HDFC GOLD ETF	Rs. 24,000 This year	HONDA CITY	
₹ ICICI PRU FMCG FUND - RP – G	Rs. 11,000 This year	HONDA CITY	Regular Savings: Rs. 48,000 p.a. from 2013 until 2014
₹ SBI EMERGING BUSINESS FUND – G	Rs. 10,000 This year	HONDA CITY	Regular Savings: Rs. 48,000 p.a. from 2013 until 2014
₹ RELIANCE MY GOLD PLAN	Rs. 6,000 Locked until 2016	HYUNDAI i20	Regular Savings: Rs. 36,000 p.a. from 2013 until 2015



HDFC SL CREST

Rs. Locked until MARRIAGE EXP. – PQ
2,00,000 2022

Regular Savings: Rs.
1,00,000 p.a. from 2014
until 2016

You also have these additional income sources available which can be used to fund your goals.














	Income Name	Income Description	Available For
	NET SALARY INCOME – X	2040000	Living Expenses
	YEARLY BONUS – X	400000	Living Expenses
	NET SALARY INCOME - Y	600000	Living Expenses
	RENTAL INCOME	174000	Living Expenses

Goal Analysis

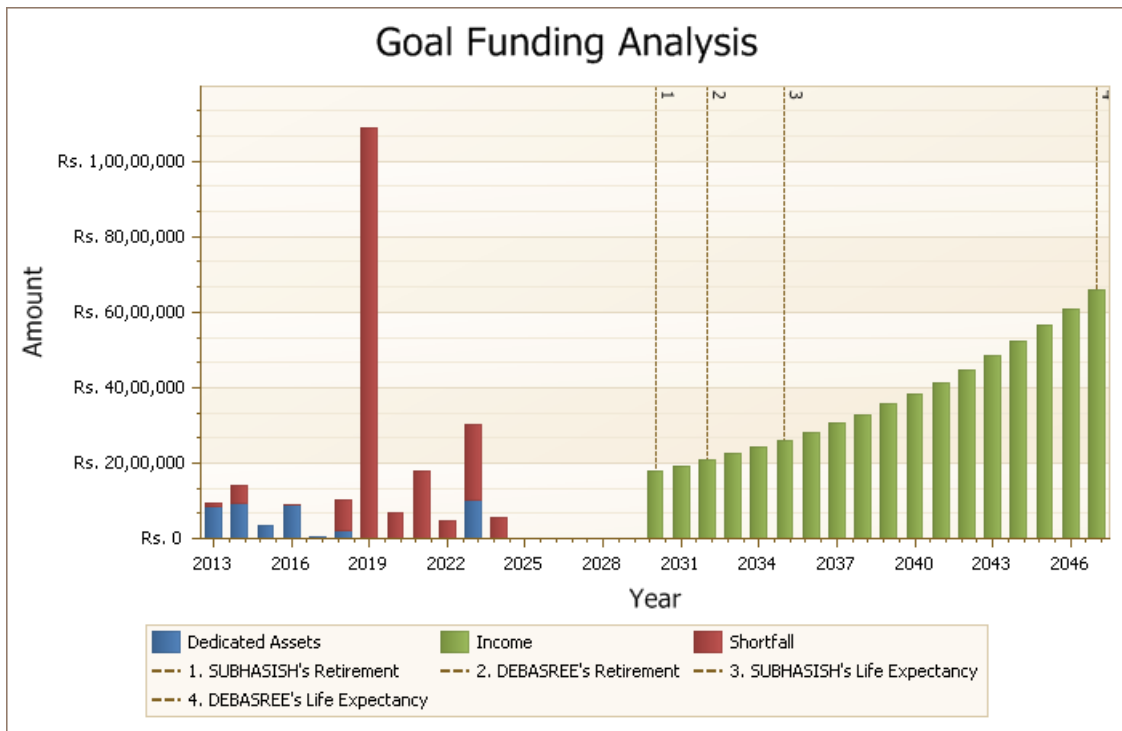
The following analysis is based on the chosen priority order of your goals. This means that a lower priority goal that happens next year will not take priority over a longer term higher priority goal. For example a purchase of a car now may compromise the deposit of a house in 5 years time.

Remember the power of compounding investment returns. A small change in your portfolio today will make a significant difference in 20 years time!

The current analysis indicates that you will not be able to fund all your goals. The following plan will give you a range of options to help you address this issue.

Priority	Goal Name	Amount Required During Goal Period	Projected Amount available	% Goal Funded	Additional Deposit	Additional Regular Savings
1	 EMERGENCY FUND	Rs. 6,00,000	Rs. 5,43,132	90.52%	Deposit Rs. 56,868 this year	Save Rs. 56,868 annually until 2013
2	 EDUCATION EXP. - YLY ADMISSION – PQ	Rs. 1,10,512	Rs. 1,10,512	100%	-	-
3	 HIGHER EDUCATION – AB	Rs. 12,93,038	Rs. 12,93,038	100%	-	-
4	 HIGHER EDUCATION – PQ	Rs. 8,04,695	Rs. 71,893	8.93%	Deposit Rs. 3,97,338 this year	Save Rs. 75,296 annually until 2020
5	 MARRIAGE EXP. – AB	Rs. 9,25,465	Rs. 0	0.00%	Deposit Rs. 4,14,850 this year	Save Rs. 73,063 annually until 2021
6	 MARRIAGE EXP. – PQ	Rs. 17,27,140	Rs. 10,22,702	59.21%	Deposit Rs. 2,58,378 this year	Save Rs. 40,570 annually until 2023
7	 RETIREMENT LIVING	Rs. 6,65,26,294	Rs. 6,65,26,294	100%	-	-
8	 RESIDENTIAL FLAT	Rs. 1,06,29,366	Rs. 0	0.00%	Deposit Rs. 58,23,108 this year	Save Rs. 12,04,669 annually until 2019
9	 HONDA CITY	Rs. 10,50,000	Rs. 5,86,262	55.83%	Deposit Rs. 4,19,483 this year	Save Rs. 2,31,869 annually until 2014
10	 HYUNDAI i20	Rs. 7,65,769	Rs. 1,56,744	20.47%	Deposit Rs. 3,68,843 this year	Save Rs. 84,914 annually until 2018
11	 US TRIP	Rs. 5,32,400	Rs. 5,21,962	98.04%	Deposit Rs. 7,726 this year	Save Rs. 2,412 annually until 2016
12	 MARRIAGE GIFT – AB	Rs. 4,28,718	Rs. 0	0.00%	Deposit Rs. 1,92,178 this year	Save Rs. 33,846 annually until 2021
13	 MARRIAGE GIFT – PQ	Rs. 12,96,871	Rs. 0	0.00%	Deposit Rs. 4,75,674 this year	Save Rs. 74,688 annually until 2023

14	 GIFT # 1	Rs. 3,89,743	Rs. 0	0.00% Deposit Rs. 1,93,138 this year	Save Rs. 36,600 annually until 2020
15	 GIFT # 2	Rs. 4,28,718	Rs. 0	0.00% Deposit Rs. 1,92,178 this year	Save Rs. 33,846 annually until 2021
16	 GIFT # 3	Rs. 4,71,590	Rs. 0	0.00% Deposit Rs. 1,91,221 this year	Save Rs. 31,656 annually until 2022
17	 GIFT # 4	Rs. 5,70,623	Rs. 0	0.00% Deposit Rs. 1,89,323 this year	Save Rs. 28,403 annually until 2024



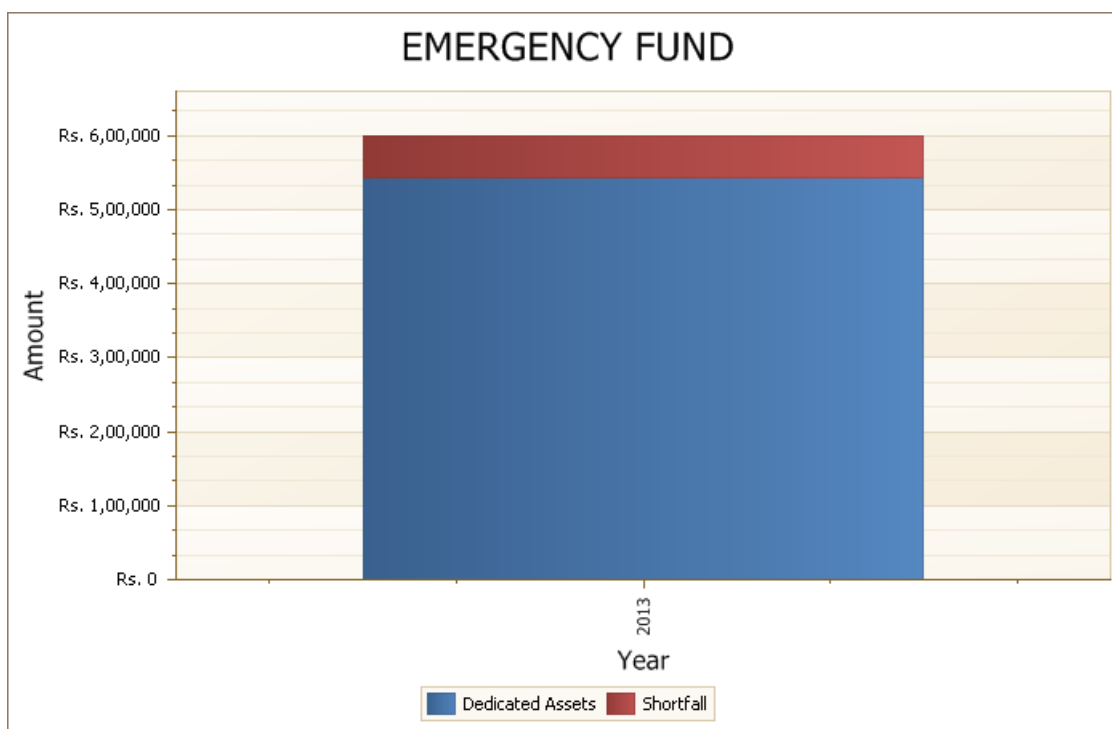
EMERGENCY FUND

You have indicated that the EMERGENCY FUND goal is your number one priority. Your available savings and assets are not enough to fully fund the Emergency Fund goal with only 90.52% of the goal funded. This leaves a shortfall of Rs. 56,868.

Current Goal Assumptions

The following table details the key assumptions used.

	Assumptions
Goal Objective	Rs. 6,00,000 in 2013
Number of years to reach goal	0
Corpus Required (Today)	Rs. 5,42,741
Corpus Required (At start of goal)	Rs. 6,00,000
Inflation Rate	0.00 %
Total Amount Funded	Rs. 5,43,132
Short fall	Rs. 56,868
% Goal funded	91 %
Potential Funding Sources	<ul style="list-style-type: none"> • FD A/C - SBI. Amount used Rs. 1,85,089 • FD A/C - OBC. Amount used Rs. 1,30,000 • FD A/C - SBI. Amount used Rs. 1,53,277 • FD A/C - SBI. Amount used Rs. 74,766



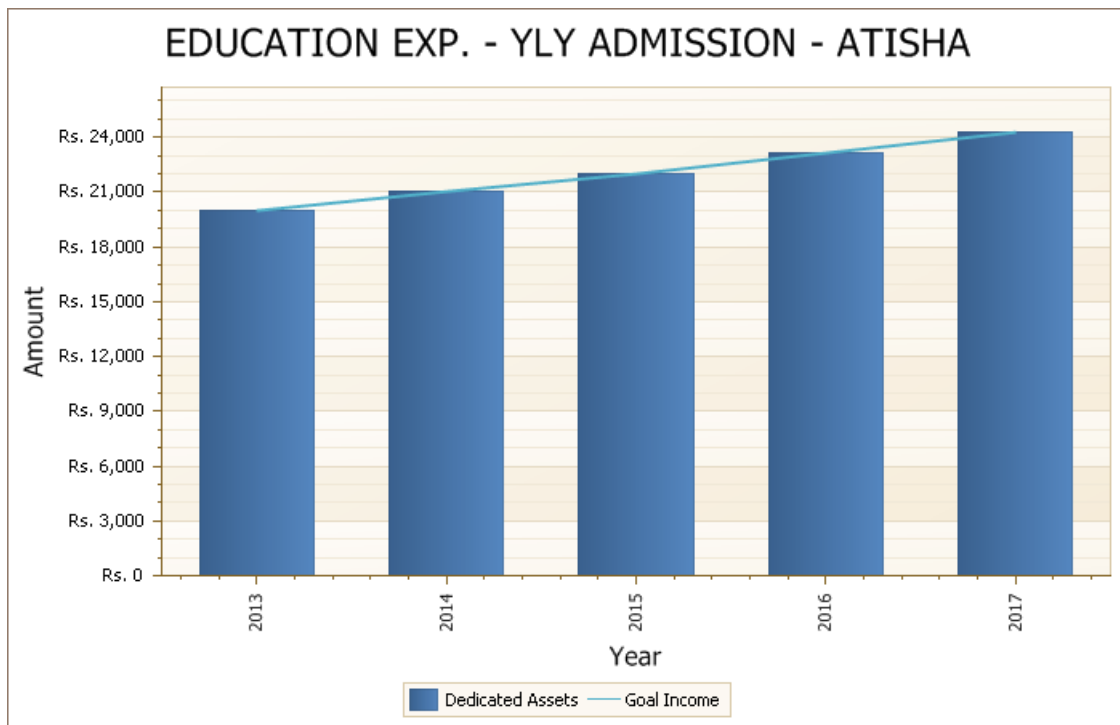
EDUCATION EXP. - YLY ADMISSION - PQ

You currently have sufficient assets and savings available to fund your Education goal.

Current Goal Assumptions

The following table details the key assumptions used.

	Assumptions
Goal Objective	Rs. 20,000 every year from 2013 until 2017
Number of years to reach goal	0
Corpus Required (Today)	Rs. 81,819
Corpus Required (At start of goal)	Rs. 90,451
Amount required during goal period	Rs. 1,10,513
Inflation Rate	5.00 %
Total Amount Funded	Rs. 1,10,512
Short fall	Rs. 0
% Goal funded	100 %
Potential Funding Sources	<ul style="list-style-type: none"> CASH IN HAND A/C. Amount used Rs. 1,10,512



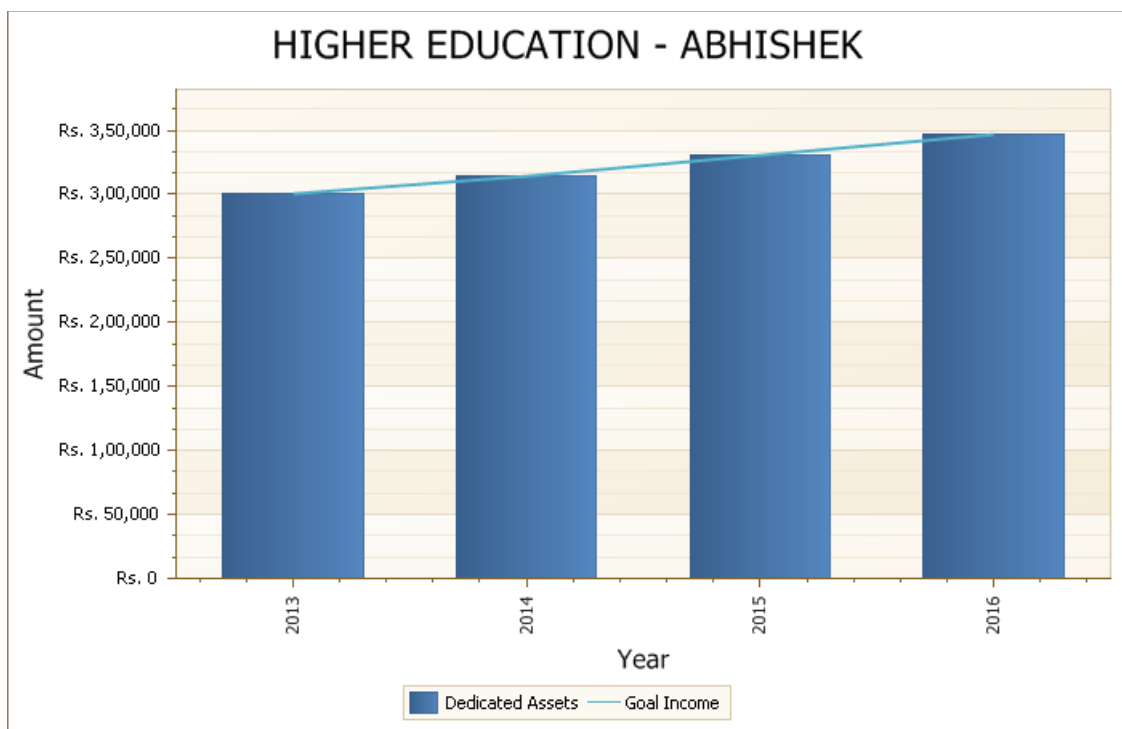
HIGHER EDUCATION - AB

You currently have sufficient assets and savings available to fund your Education goal.

Current Goal Assumptions

The following table details the key assumptions used.

	Assumptions
Goal Objective	Rs. 3,00,000 every year from 2013 until 2016
Number of years to reach goal	0
Corpus Required (Today)	Rs. 10,06,441
Corpus Required (At start of goal)	Rs. 11,12,620
Amount required during goal period	Rs. 12,93,038
Inflation Rate	5.00 %
Total Amount Funded	Rs. 12,93,038
Short fall	Rs. 0
% Goal funded	100 %
Potential Funding Sources	<ul style="list-style-type: none"> RD A/C - HDFC BANK. Amount used Rs. 12,93,038



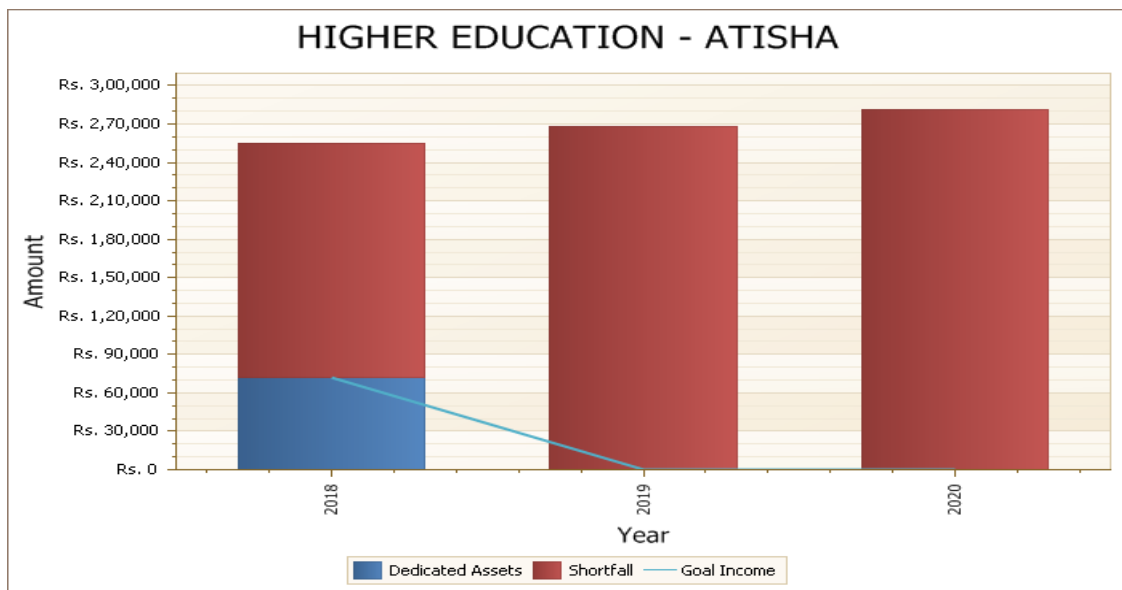
HIGHER EDUCATION - PQ

Your available savings and assets are not enough to fully fund the Education goal with only 8.93% of the goal funded. This leave a shortfall of Rs. 7,32,802.

Current Goal Assumptions

The following table details the key assumptions used.

	Assumptions
Goal Objective	Rs. 2,00,000 every year from 2018 until 2020
Number of years to reach goal	5
Corpus Required (Today)	Rs. 3,98,804
Corpus Required (At start of goal)	Rs. 7,27,968
Amount required during goal period	Rs. 8,04,696
Inflation Rate	5.00 %
Total Amount Funded	Rs. 71,893
Short fall	Rs. 7,32,802
% Goal funded	9 %
Potential Funding Sources	<ul style="list-style-type: none"> • CASH IN HAND A/C. Amount used Rs. 2,505 • IDFC LT INFRA BONDS. Amount used Rs. 20,000 • IFCI LT INFRA B - SERIES II. Amount used Rs. 29,388 • IDFC LT INFRA BONDS. Amount used Rs. 20,000



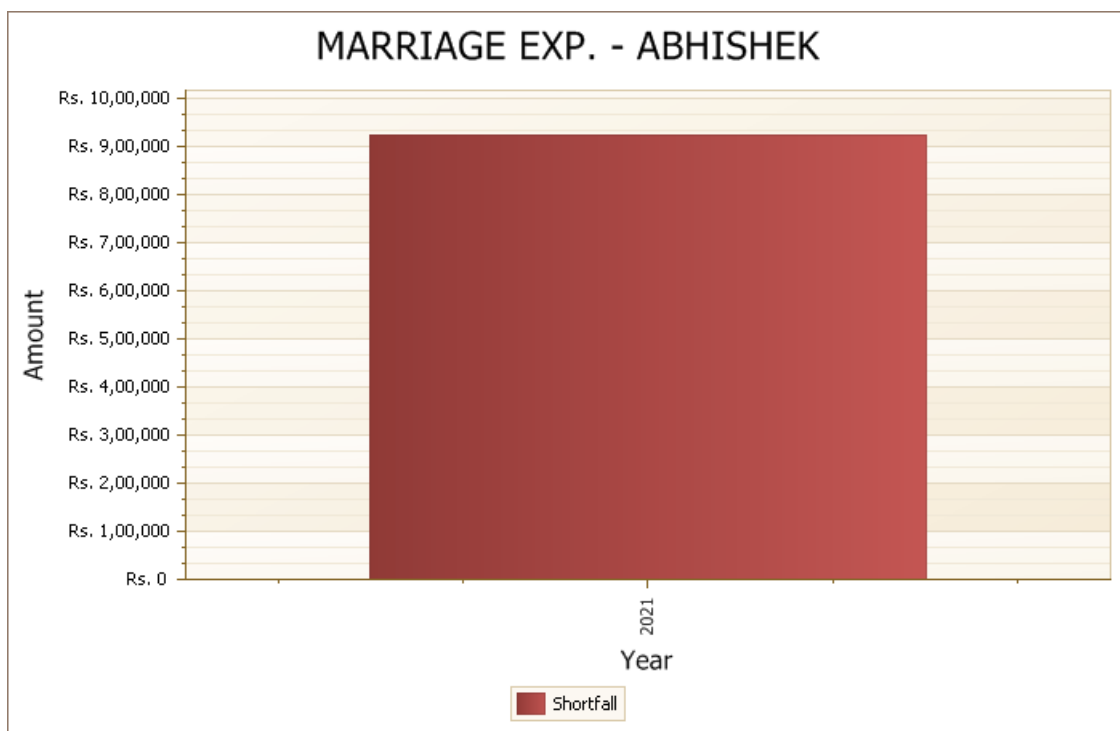
MARRIAGE EXP. - AB

You do not have any savings and assets allocated towards your Marriage goal.

Current Goal Assumptions

The following table details the key assumptions used.

	Assumptions
Goal Objective	Rs. 5,00,000 in 2021
Number of years to reach goal	8
Corpus Required (Today)	Rs. 3,75,259
Corpus Required (At start of goal)	Rs. 9,25,465
Inflation Rate	8.00 %
Total Amount Funded	Rs. 0
Short fall	Rs. 9,25,465
% Goal funded	0 %
Potential Funding Sources	



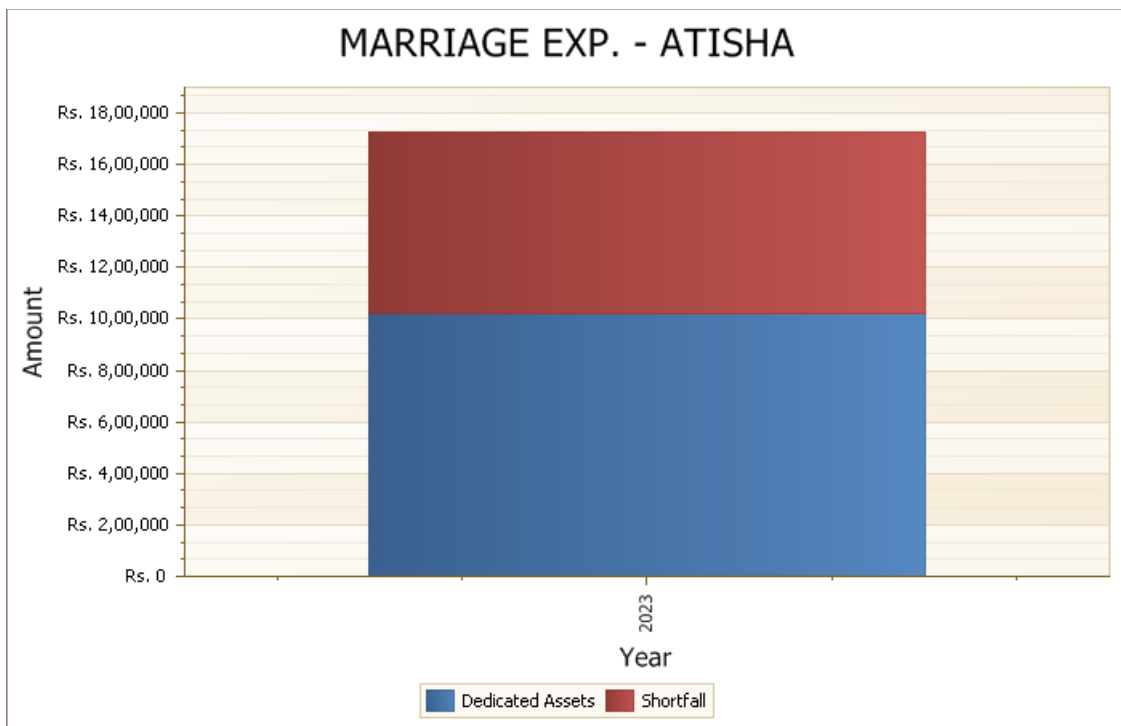
MARRIAGE EXP. - PQ

Your available savings and assets are not enough to fully fund the Marriage goal with only 59.21% of the goal funded. This leave a shortfall of Rs. 7,04,438.

Current Goal Assumptions

The following table details the key assumptions used.

	Assumptions
Goal Objective	Rs. 8,00,000 in 2023
Number of years to reach goal	10
Corpus Required (Today)	Rs. 5,73,035
Corpus Required (At start of goal)	Rs. 17,27,140
Inflation Rate	8.00 %
Total Amount Funded	Rs. 10,22,702
Short fall	Rs. 7,04,438
% Goal funded	59 %
Potential Funding Sources	<ul style="list-style-type: none"> HDFC SL CREST Amount used Rs. 10,22,702



RETIREMENT LIVING

You currently have sufficient assets and savings available to fund your Retirement - Living Expenses goal.

Current Goal Assumptions

The following table details the key assumptions used.

	X	Y
Retirement Age/Year	65 / 2030	65 / 2032
Life Expectancy	70 / 2035	80 / 2047
Goal Objective	Provide for living expenses during retirement	
Number of years to reach goal	17	
Corpus Required (Today)	Rs. 43,44,370	
Corpus Required (At start of goal)	Rs. 2,64,23,132	
Amount required during goal period	Rs. 6,65,26,294	
Total Amount Funded	Rs. 6,65,26,294	
Short fall	Rs. 0	
% Goal funded	100 %	
Potential Funding Sources	<ul style="list-style-type: none"> NET SALARY INCOME - X. Amount used Rs. 1,03,11,119 YEARLY BONUS - X. Amount used Rs. 20,21,788 NET SALARY INCOME - Y. Amount used Rs. 2,24,21,093 RENTAL INCOME. Amount used Rs. 3,17,72,294 	



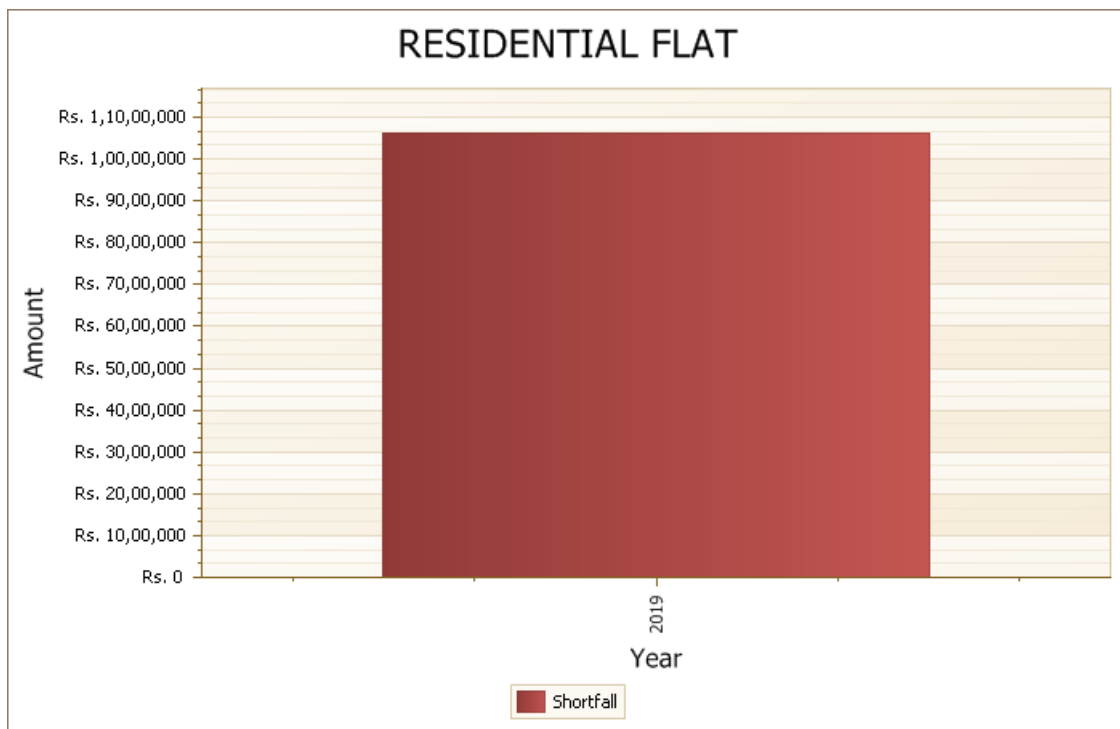
RESIDENTIAL FLAT

You do not have any savings and assets allocated towards your Asset Purchase goal.

Current Goal Assumptions

The following table details the key assumptions used.

	Assumptions
Goal Objective	Rs. 60,00,000 in 2019
Number of years to reach goal	6
Corpus Required (Today)	Rs. 52,67,398
Corpus Required (At start of goal)	Rs. 1,06,29,366
Inflation Rate	10.00 %
Total Amount Funded	Rs. 0
Short fall	Rs. 1,06,29,366
% Goal funded	0 %
Potential Funding Sources	



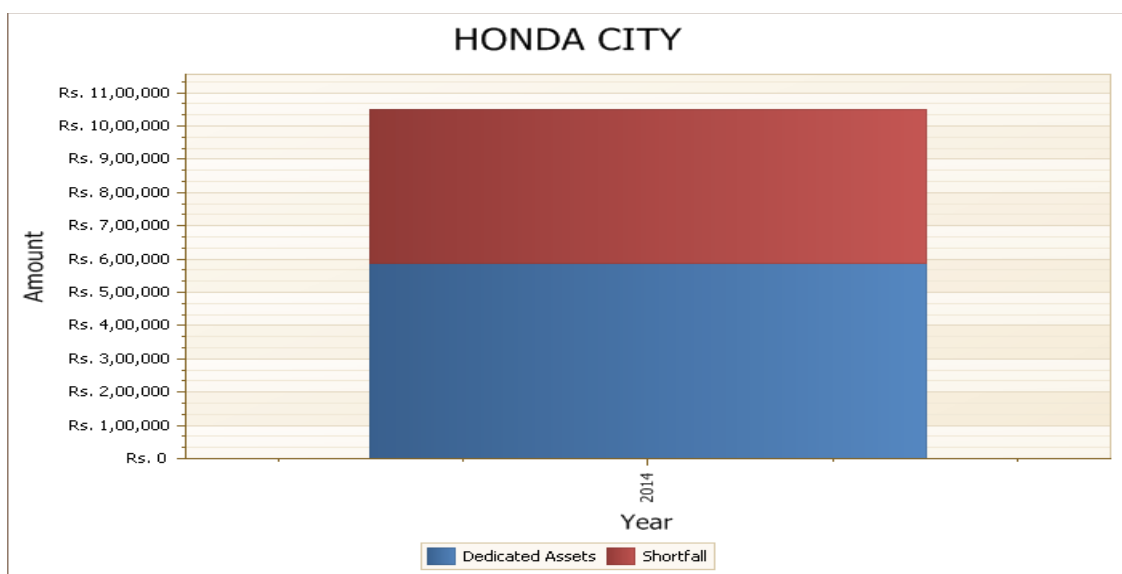
HONDA CITY

Your available savings and assets are not enough to fully fund the Car goal with only 55.83% of the goal funded. This leaves a shortfall of Rs. 4,63,738.

Current Goal Assumptions

The following table details the key assumptions used.

	Assumptions
Goal Objective	Rs. 10,00,000 in 2014
Number of years to reach goal	1
Corpus Required (Today)	Rs. 8,59,156
Corpus Required (At start of goal)	Rs. 10,50,000
Inflation Rate	5.00 %
Total Amount Funded	Rs. 5,86,262
Short fall	Rs. 4,63,738
% Goal funded	56 %
Potential Funding Sources	<ul style="list-style-type: none"> RD A/C - POST OFFICE. Amount used Rs. 2,03,406 RD A/C - HDFC BANK. Amount used Rs. 1,25,000 HDFC GOLD ETF. Amount used Rs. 27,994 ICICI PRU FMCG FUND - RP - G. Amount used Rs. 1,15,558 SBI EMERGING BUSINESS FUND - G. Amount used Rs. 1,14,304



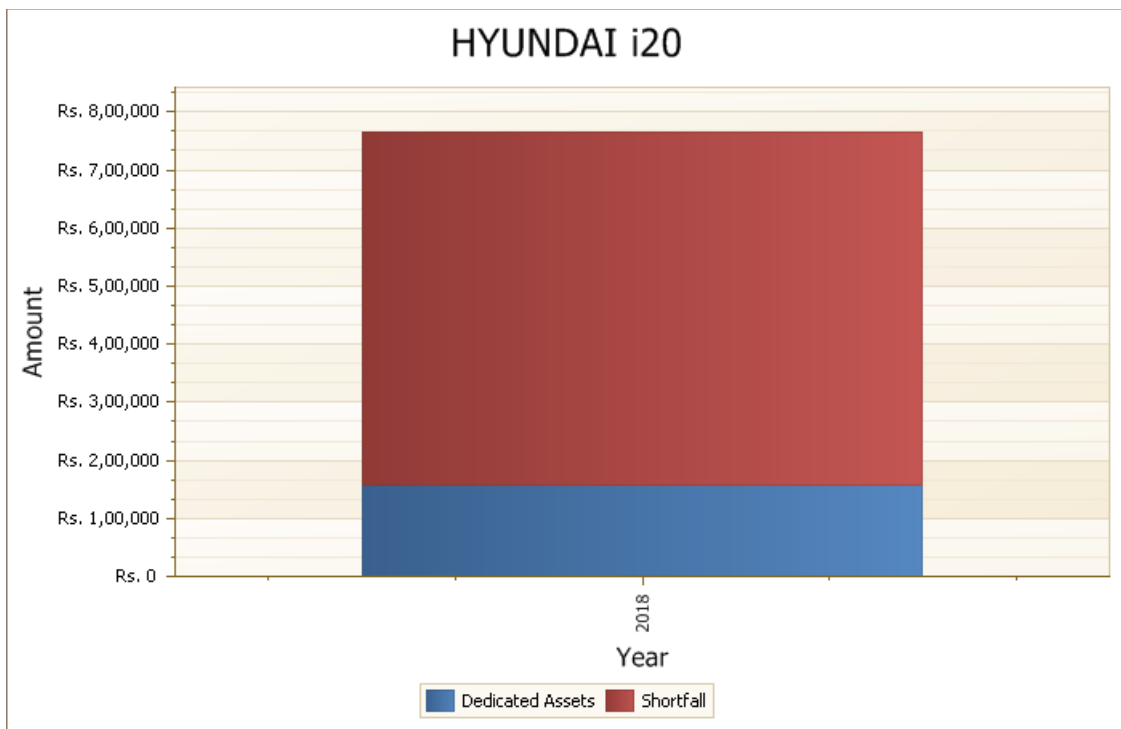
HYUNDAI i20

Your available savings and assets are not enough to fully fund the Car goal with only 20.47% of the goal funded. This leaves a shortfall of Rs. 6,09,025.

Current Goal Assumptions

The following table details the key assumptions used.

	Assumptions
Goal Objective	Rs. 6,00,000 in 2018
Number of years to reach goal	5
Corpus Required (Today)	Rs. 4,19,513
Corpus Required (At start of goal)	Rs. 7,65,769
Inflation Rate	5.00 %
Total Amount Funded	Rs. 1,56,744
Short fall	Rs. 6,09,025
% Goal funded	20 %
Potential Funding Sources	<ul style="list-style-type: none"> CASH IN HAND A/C. Amount used Rs. 0 RELIANCE MY GOLD PLAN. Amount used Rs. 1,56,744



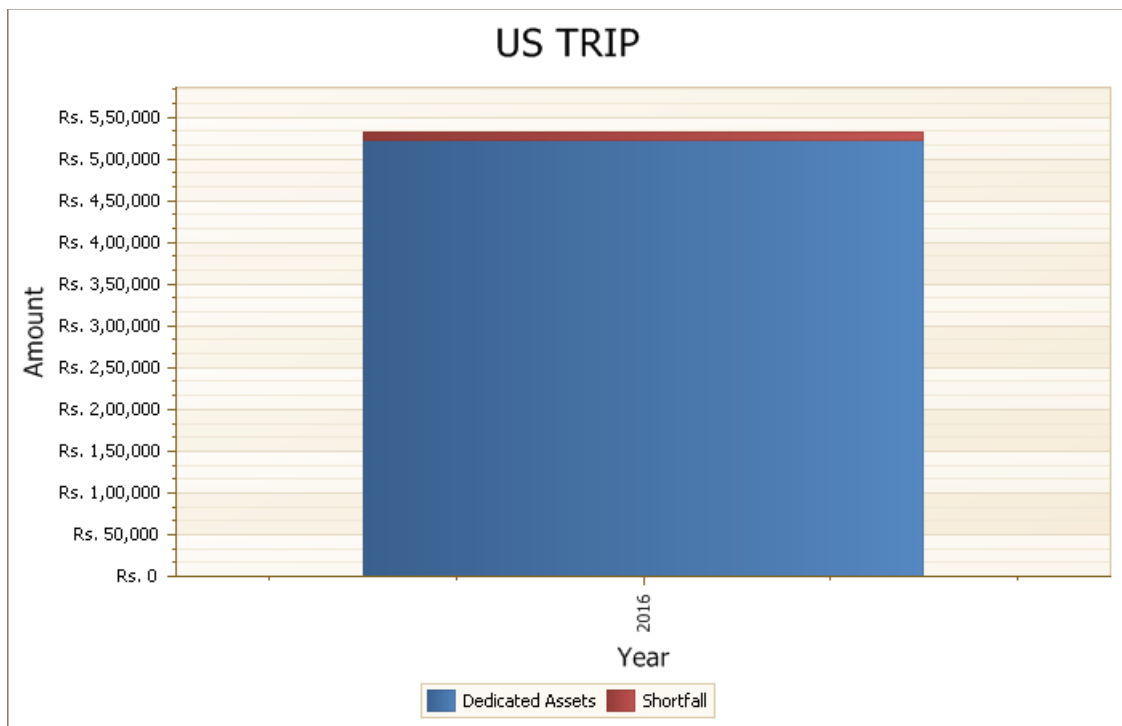
US TRIP

Your available savings and assets are not enough to fully fund the Vacation goal with only 98.04% of the goal funded. This leaves a shortfall of Rs. 10,438.

Current Goal Assumptions

The following table details the key assumptions used.

	Assumptions
Goal Objective	Rs. 4,00,000 in 2016
Number of years to reach goal	3
Corpus Required (Today)	Rs. 3,56,454
Corpus Required (At start of goal)	Rs. 5,32,400
Inflation Rate	10.00 %
Total Amount Funded	Rs. 5,21,962
Short fall	Rs. 10,438
% Goal funded	98 %
Potential Funding Sources	<ul style="list-style-type: none"> RD A/C - HDFC BANK. Amount used Rs. 5,21,962



MARRIAGE GIFT - AB

You do not have any savings and assets allocated towards your Gift goal.

Current Goal Assumptions

The following table details the key assumptions used.

	Assumptions
Goal Objective	Rs. 2,00,000 in 2021
Number of years to reach goal	8
Corpus Required (Today)	Rs. 1,73,837
Corpus Required (At start of goal)	Rs. 4,28,718
Inflation Rate	10.00 %
Total Amount Funded	Rs. 0
Short fall	Rs. 4,28,718
% Goal funded	0 %
Potential Funding Sources	



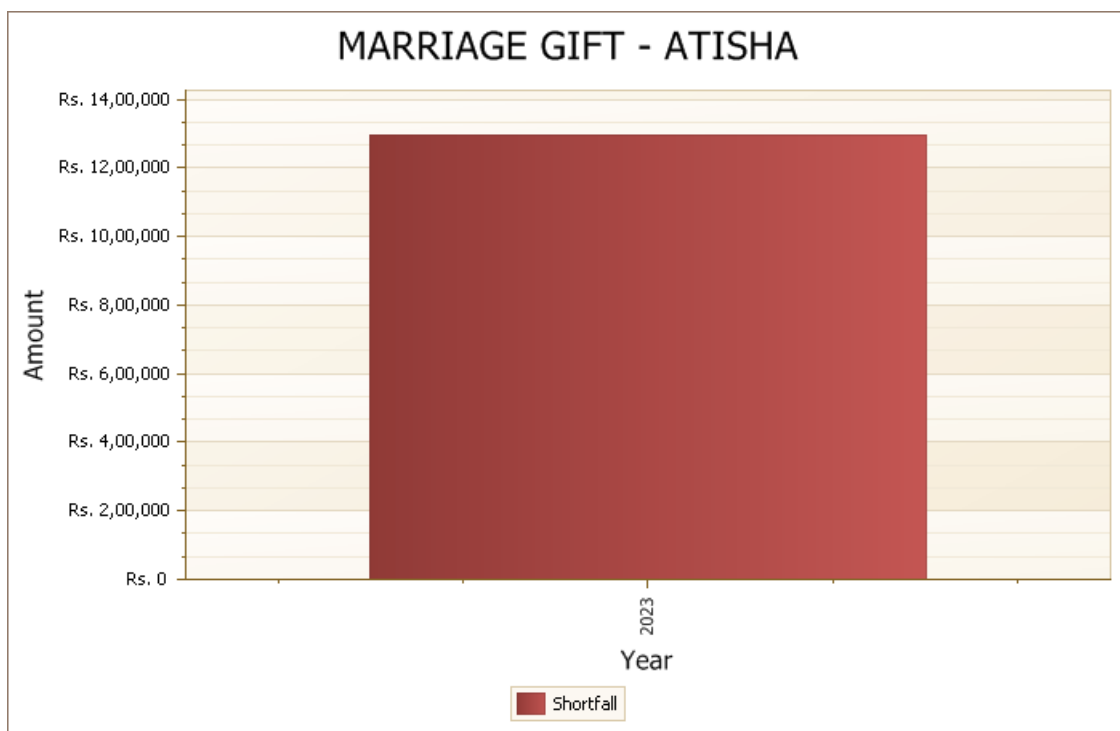
MARRIAGE GIFT - PQ

You do not have any savings and assets allocated towards your Gift goal.

Current Goal Assumptions

The following table details the key assumptions used.

	Assumptions
Goal Objective	Rs. 5,00,000 in 2023
Number of years to reach goal	10
Corpus Required (Today)	Rs. 4,30,279
Corpus Required (At start of goal)	Rs. 12,96,871
Inflation Rate	10.00 %
Total Amount Funded	Rs. 0
Short fall	Rs. 12,96,871
% Goal funded	0 %
Potential Funding Sources	



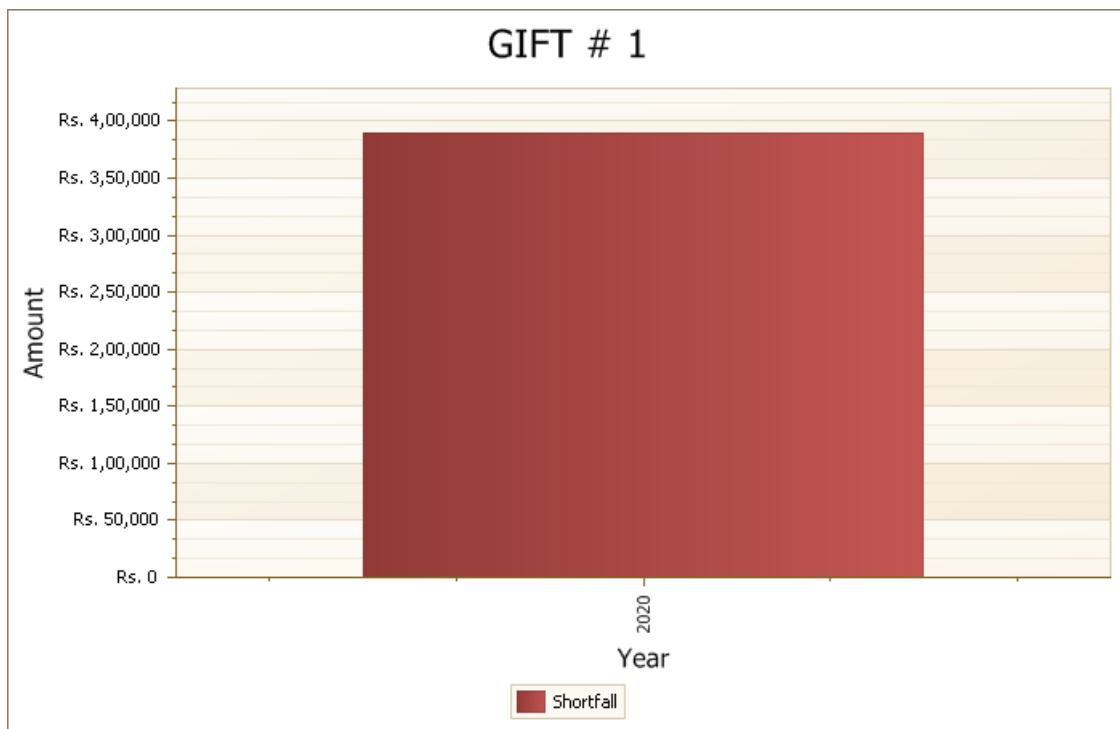
GIFT # 1

You do not have any savings and assets allocated towards your Gift goal.

Current Goal Assumptions

The following table details the key assumptions used.

	Assumptions
Goal Objective	Rs. 2,00,000 in 2020
Number of years to reach goal	7
Corpus Required (Today)	Rs. 1,74,706
Corpus Required (At start of goal)	Rs. 3,89,743
Inflation Rate	10.00 %
Total Amount Funded	Rs. 0
Short fall	Rs. 3,89,743
% Goal funded	0 %
Potential Funding Sources	



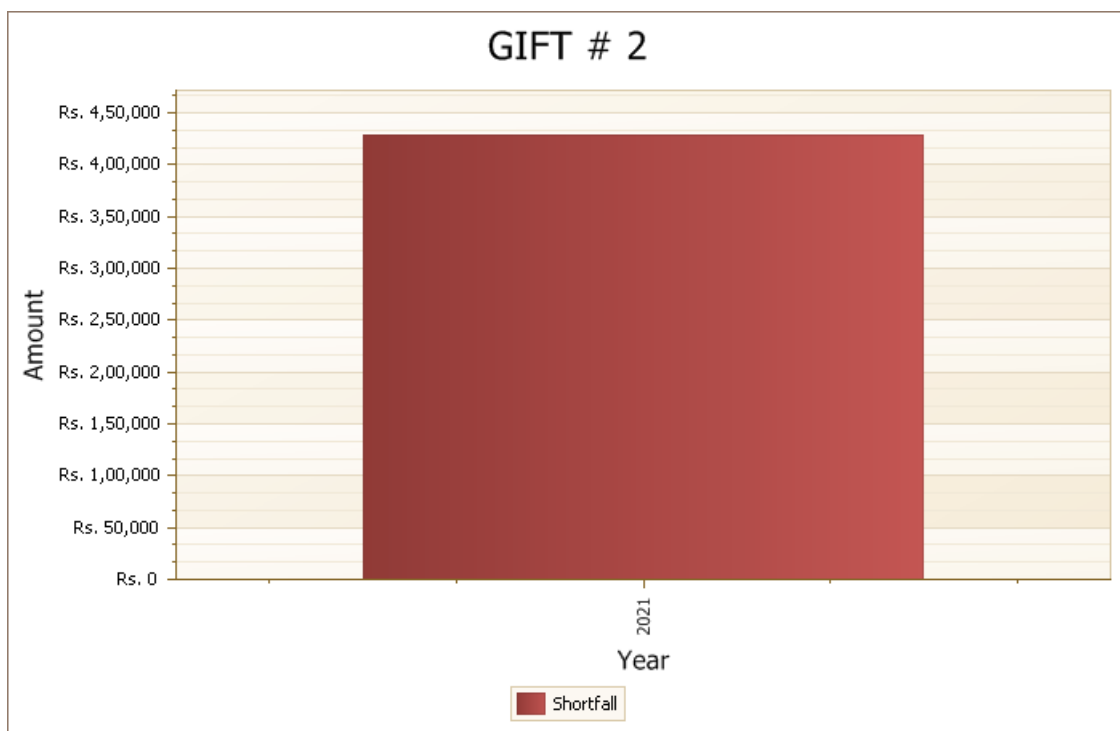
GIFT # 2

You do not have any savings and assets allocated towards your Gift goal.

Current Goal Assumptions

The following table details the key assumptions used.

	Assumptions
Goal Objective	Rs. 2,00,000 in 2021
Number of years to reach goal	8
Corpus Required (Today)	Rs. 1,73,837
Corpus Required (At start of goal)	Rs. 4,28,718
Inflation Rate	10.00 %
Total Amount Funded	Rs. 0
Short fall	Rs. 4,28,718
% Goal funded	0 %
Potential Funding Sources	



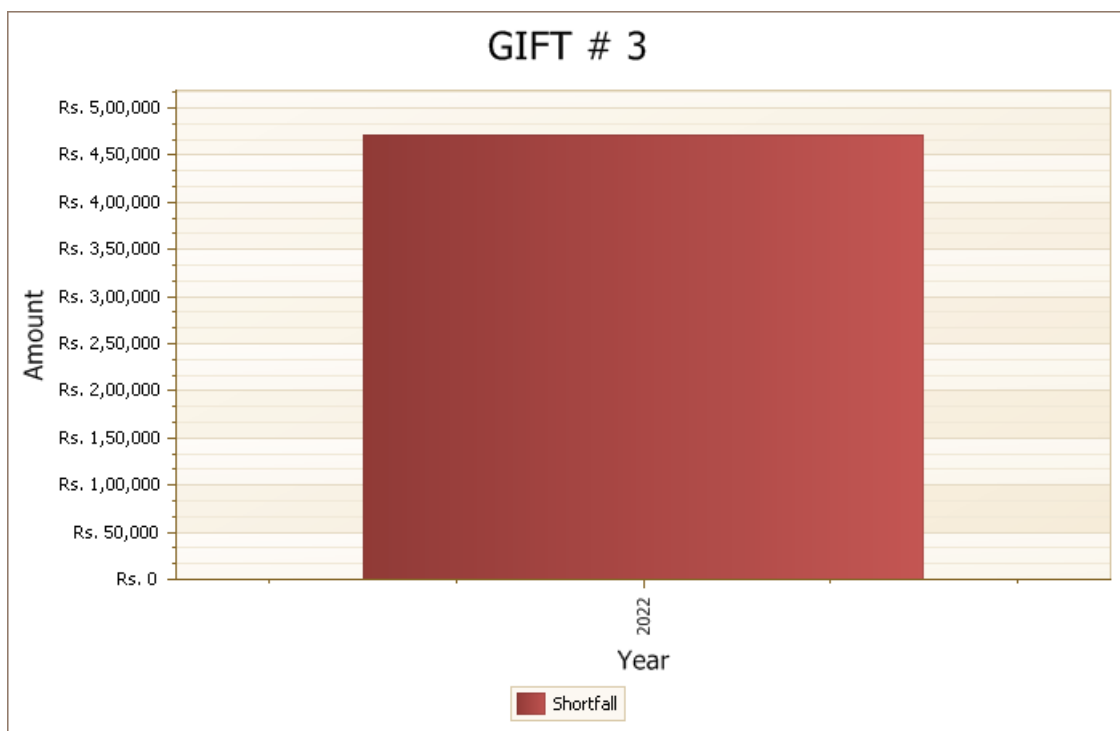
GIFT # 3

You do not have any savings and assets allocated towards your Gift goal.

Current Goal Assumptions

The following table details the key assumptions used.

	Assumptions
Goal Objective	Rs. 2,00,000 in 2022
Number of years to reach goal	9
Corpus Required (Today)	Rs. 1,72,972
Corpus Required (At start of goal)	Rs. 4,71,590
Inflation Rate	10.00 %
Total Amount Funded	Rs. 0
Short fall	Rs. 4,71,590
% Goal funded	0 %
Potential Funding Sources	



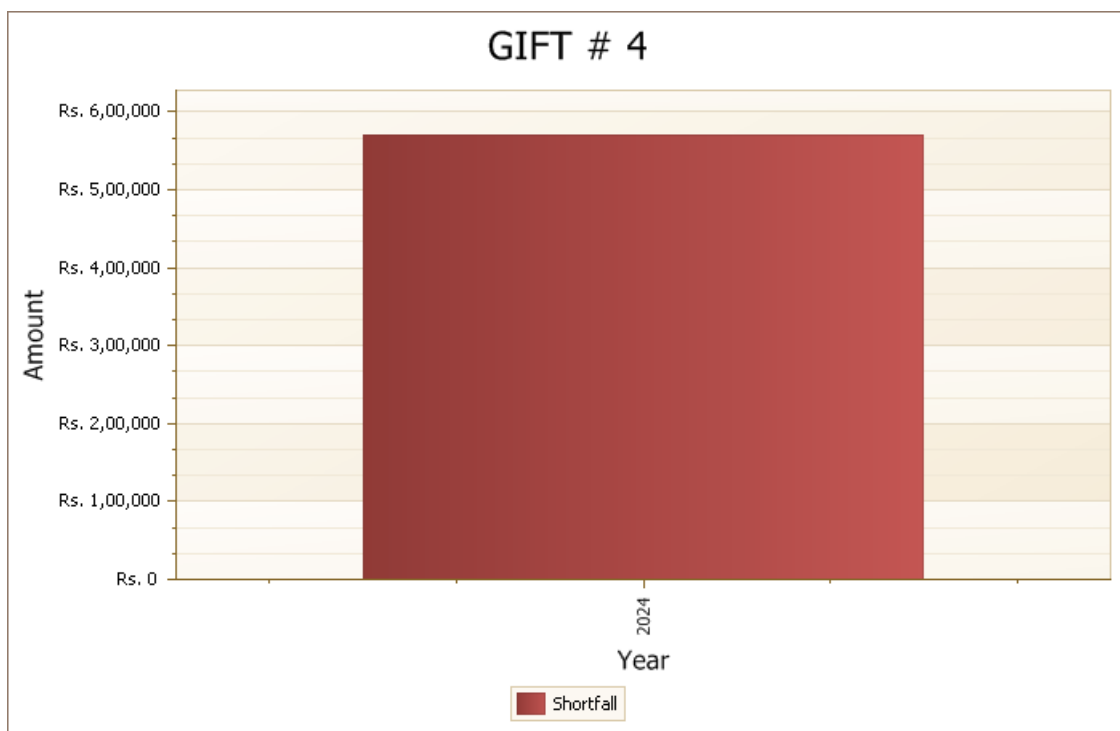
GIFT # 4

You do not have any savings and assets allocated towards your Gift goal.

Current Goal Assumptions

The following table details the key assumptions used.

	Assumptions
Goal Objective	Rs. 2,00,000 in 2024
Number of years to reach goal	11
Corpus Required (Today)	Rs. 1,71,256
Corpus Required (At start of goal)	Rs. 5,70,623
Inflation Rate	10.00 %
Total Amount Funded	Rs. 0
Short fall	Rs. 5,70,623
% Goal funded	0 %
Potential Funding Sources	



Investment Asset Allocation

“Do not put all your eggs into one basket”

Diversification over Asset Sectors.

This maxim can be applied to both Asset Allocation and the underlying investments used in each of your Asset Sectors.

It is beneficial to spread your investments over a range of assets. In different years often a different asset is the best-performing one. It is difficult to predict which Asset Sector will perform best in any given year. Trying to pick the best Assets Sector and knowing when to move to another is speculative.

It is prudent to following a consistent plan which weights your exposure to a range of Asset Sectors in line with your Investor Profile. Historical analysis of each Asset Sectors behavior determines how much exposure you should have to each sector. Your Investor Profile has been aligned with a Strategic Asset Allocation (the long term view) and this can be modified by Tactical adjustments (what happening now). A mixture of Asset Sectors is more likely to maximize returns and minimize risk providing with you the best opportunity to reach your Goals. The past is not a guarantee of the future but it can be a guide.

Diversification over / within Investments.

Investment diversification within your Asset Sector compliments Asset Allocation. While a portfolio can be diversified over a range of Asset types it can also be diversified over the range of investments types. The intent is to reduce your exposure to the specific risk of one investment.

The results from your risk profile assessment indicate that you are a **Balanced** investor:

Elite Wealth seeks to manage your portfolio within the criteria set and will seek to give you exposure to Funds that are performing in the top quartile and to adjust your assets allocation to meet current economic conditions whilst maintaining your Investment Profile. Most investments are medium to long-term. Fixed interest is medium to long-term. Fixed Interest Trusts 1-3 years; shares 5 years; property 5-7 years.

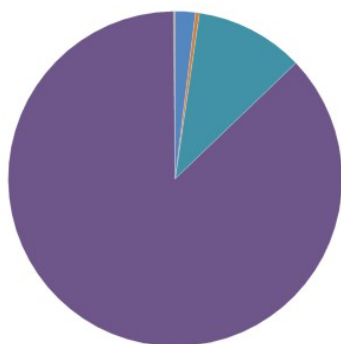
Returns will always be dependent on current economic conditions and no absolute guarantee is possible.

At each review you are confirming the strategy adopted as detailed above. If this is no longer appropriate you should notify your advisor.

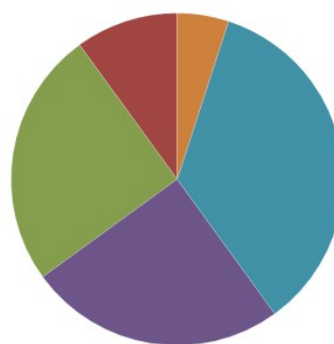
Client Questionnaire	Defensive	Conservative	Balanced	Growth	Aggressive
Cash	10.0%	7.0%	5.0%	4.0%	3.0%
Debt	65.0%	50.0%	35.0%	26.0%	12.0%
Gilt	5.0%	5.0%	0.0%	0.0%	0.0%
Property	10.0%	20.0%	25.0%	37.0%	42.0%
Equity	5.0%	10.0%	25.0%	28.0%	38.0%
International Equity	0.0%	0.0%	0.0%	0.0%	0.0%
Alternative Assets	5.0%	8.0%	10.0%	5.0%	5.0%

Asset Allocation - Balanced

Current Asset Allocation



Recommended Balanced Asset Allocation



Sector	Current Percentage	Recommended Percentage	Difference
Cash	0.4 %	5.0 %	4.6 %
Debt	10.5 %	35.0 %	24.5 %
Gilt	0.0 %	0.0 %	0.0 %
Property	87.0 %	25.0 %	-62.0 %
Equity	0.1 %	25.0 %	24.9 %
International Equity	0.0 %	0.0 %	0.0 %
Alternative Assets	0.1 %	10.0 %	9.9 %
Unclassified	1.9 %	0.0 %	-1.9 %

The Risk vs Return Graph provides an indicative view of how your chosen Investor Profile relates to your current investments. Ideally, existing investments should be as close as possible to your Current Portfolio Assets marker in the above chart. There is no merit in taking more risk (Volatility) for no increased gain.

In this way your assets allocation, as recommended by us, seeks to minimise risk and optimise returns.

Notes on Risk: There are many forms of risk that have to be taken account of. For example:

- **Inflation Risk:** If the inflation rate exceeds your after tax returns then you are going backwards! You are losing your buying power. This often happens to those who just remain in cash and / or fixed interest.
- **Market Risk:** An investment will participate in a particular investment sector e.g. Domestic Share Market and often, regardless of the actual holding, will experience the impact of market sentiment both positive and negative. This can be driven by either economic factors or human behavior and is often a combination of both. Some funds use technical investment tools to manage and this.
- **Specific Risk:** If funds are placed into an asset which is not diversified within itself then the outcome will be dependent on that one placements performance. Grouped Investment Funds / Mutual Funds seek to mitigate this by diversifying the risk.
- **Currency Risk:** If investments are held outside of the country in which you live and in which you intend to use these funds then differential in currencies can have significant impact on the purchasing power of your portfolio. Hedging strategies are a way of managing this.
- **Default Risk:** This occurs when the issuer of a security is unable to repay a loan. Research Houses / Rating Agencies seek to quantify the probability of this happening.
- **Sector Risk:** There are times when one sector is depressed while the others are buoyant. Diversification over different asset classes seeks to mitigate this.
- **Duration Risk:** Locking into a long term investment based on current economic assumptions when these assumptions can change. E.G Locking into a low interest rate Fixed Interest Security for 10 years means the value of the Bond, if tradable, will go down if not held to maturity if interest rates rise. In addition there is the missed opportunity of higher rates in the future. Few can see 10 years ahead!

A well designed portfolio will address all of these issues No Pilot takes off without a pre-flight check!

Insurance

Insurance is the process of reimbursing or protecting you from contingent risk of losses through financial means, in return for relatively small, regular payments to an insurance company. The alternative is for you to have sufficient resources to cover the loss and self insure.

If you have dependants that rely on your income then they are at risk if your income stops through either death or sickness. You may have a significant health event which requires a high medical cost to treat. Health Insurance may be able to mitigate the cost. If you do not have the substantial funds required to self insure you may fund your savings for future Goals “robbed”. Insurance compliments good cash flow management as a tool for preserving your wealth.

Do remember:

Insurance will only cover events that do not exist at the time of purchasing insurance. It covers the unknown only.

You should never replace insurance unless you have the replacement in place.

Life Insurance.

If someone is dependent on you then you may need insurance. You may be the major income earner and in a business situation you may be a “Key Person” without whose contribution the income from the company would be diminish.



Income Protection Insurance.

For most people the ability to earn is their greatest asset. If you total your lifetime salary over it is not an insignificant amount. There are a variety of ways to protect your ability to earn with Insurance products. Some can provide a partial replacement of Income while others can provide a lump sum related to defined health events.

Health Insurance.

Health Insurance means that medical issues can be attended to quickly without a large expense or depletion your savings.





Life Insurance Analysis Summary

	Cover Required	Current Cover	% Covered	Difference
 Life Insurance X	Rs. 4,12,07,609	Rs. 1,15,45,200	28% Shortfall of Rs. 2,96,62,409	
 Life Insurance Y	Rs. 1,16,49,414	Rs. 15,00,000	13% Shortfall of Rs. 1,01,49,414	

Life Insurance Analysis for X

Current Life Insurance Situation

The following table details the key assumptions used.

Immediate Cash Needs	
LAST RITES	Rs. 2,00,000
Total Immediate Cash Needs:	Rs. 2,00,000
Replacement Income	
Income of Rs. 20,40,000 for 18 years	Rs. 3,52,07,609
Total Replacement Income:	Rs. 3,52,07,609
Debt Repayment	
 PRAJAPATI APTS., BANGALORE	Rs. 15,00,000
 MAHRATH APT., DWARKA	Rs. 5,00,000
HIGHER EDUCATION COST – AB	Rs. 13,00,000
HIGHER EDUCATION COST – PQ	Rs. 8,00,000
MARRIAGE EXP - PQ	Rs. 17,00,000
Total Liabilities:	Rs. 58,00,000
Surplus Assets	
Total Surplus Assets:	Rs. 0
Total Needs:	Rs. 4,12,07,609
Total estimated coverage required:	Rs. 4,12,07,609
Existing Life Insurance Policies	
 Life Insurance ICICI PRU FOREVER LIFE	Rs. 2,26,000
 Life Insurance ICICI PRU GRNTD S INS PLAN	Rs. 3,19,200
 Life Insurance HDFC LIFE CLICK 2 PROTECT	Rs. 1,00,00,000
 Life Insurance HDFC SL CREST POLICY	Rs. 10,00,000
Total Existing Life Insurance Cover:	Rs. 1,15,45,200

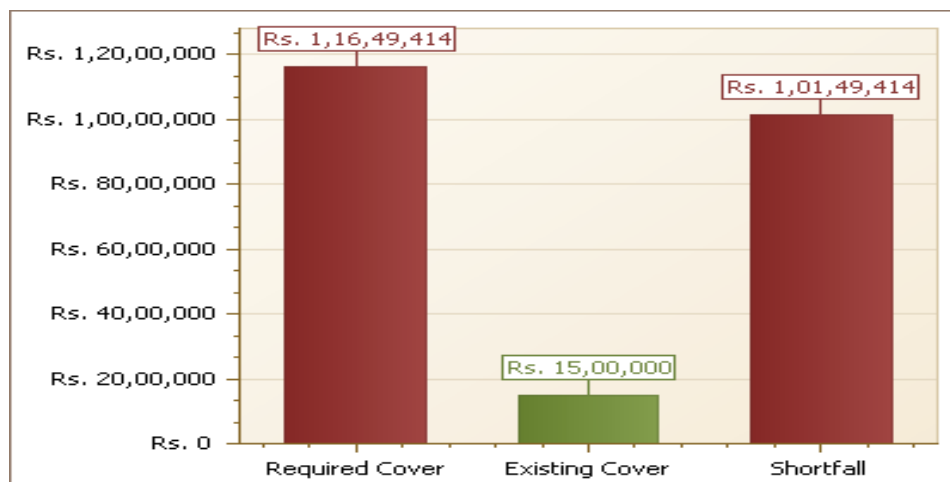
Life Insurance Analysis for Y

Current Life Insurance Situation

The following table details the key assumptions used.

Immediate Cash Needs	
LAST RITES	Rs. 2,00,000
Total Immediate Cash Needs:	Rs. 2,00,000
Replacement Income	
Income of Rs. 6,00,000 for 20 years	Rs. 1,14,49,414
Total Replacement Income:	Rs. 1,14,49,414
Debt Repayment	
Total Liabilities:	Rs. 0
Surplus Assets	
Total Surplus Assets:	Rs. 0
Total Needs:	Rs. 1,16,49,414
Total estimated coverage required:	Rs. 1,16,49,414

Existing Life Insurance Policies	
 Life Insurance AVIVA LIFE SHIELD ADV	Rs. 15,00,000
Total Existing Life Insurance Cover:	Rs. 15,00,000



Appendix 1: Glossary of Terms used in Financial Planning

Asset Allocation

Asset Allocation is the process of selecting amongst asset classes such as equity debt gilt property and gold. A large part of financial planning consists of finding an asset allocation that is appropriate for a given person in terms of their appetite for and ability to shoulder risk

Compounding

The effect of compounding depends on the frequency with which interest is compounded and the periodic interest rate which is applied. Therefore, in order to define accurately the amount to be paid under a legal contract with interest, the frequency of compounding (yearly, half-yearly, quarterly, monthly, daily, etc.) and the interest rate must be specified

Goals

There are many types of financial goals. Here are some of more common goals for everyday parlance

1. Get out of debt — “I will completely eliminate my debt in 3 years.”
2. Saving for retirement — “I will save for my retirement years.”
3. Saving for college education — “I will save for college education for my son”
4. Saving for a House Purchase — “I will save for down payment on my first home.”
5. Saving for a down payment for your car — “I will save for down payment on my new car.”

After you set your goals, the next step is to prioritize them. Although it's nice to be able to accomplish them all, sometimes that is simply not possible. You may have to make some changes and accept some compromise. After your goals are prioritized, the next step is to review them and identify actions you should take to accomplish each goal.

Diversification

Portfolio diversification is the means by which investors minimize or eliminate their exposure to company-specific risk, minimize or reduce systematic risk and moderate the short-term effects of individual asset class performance on portfolio value.

Well-conceived portfolio diversification will result in the construction a well-diversified portfolio that will serve you well in achieving your long-term investment goals. And defining an investment universe that is sufficiently broad to ensure that the highest level of diversification consistent with your risk tolerance can be achieved is the single most important step in constructing your portfolio.

Inflation

Inflation, a universal concept, is an economy-wide sustained trend of increasing prices from one year to the next. The rate of inflation is important as it represents the rate at which the real value of an investment is eroded and the loss in spending power over time. Inflation also tells investors exactly how much of a return (%) their investments need to make for them to maintain their standard of living.

Insurance

Traditionally, Life insurance has always been a way to protect your survivors and dependents against financial hardship. Simply put, Life insurance offers financial protection to you and your loved ones when you retire, die or are unable to continue providing financially due to unforeseen incidents. While nothing can substitute your loss, insurance at least takes care of the financial gap created by your absence or the absence of an active income source. It thus tries to eliminate risk by substituting certainty for uncertainty

However Life Insurance has evolved over time. Today it is a smart savings and investment option and can offer market linked returns. With the right life insurance policy you can be assured of maintaining your standard of living and even improve it. You can plan for your aspirations and time your policies to get you a lump sum amount just when you need it or you can simply make your money grow for the rainy day. It can help you meet your child's educational needs, their marriage expenses or for purchasing that dream home that you've always wanted.

Monte Carlo

Risk is part of all investments. Monte Carlo simulation allows for better decision making under uncertainty. Monte Carlo simulation performs risk analysis by building models of possible results by substituting a range of values—a probability distribution—for any factor that has inherent uncertainty. It then calculates results over and over, each time using a different set of random values from the probability functions. Depending upon the number of uncertainties and the ranges specified for them, a Monte Carlo simulation could involve thousands or tens of thousands of recalculations before it is complete. Monte Carlo simulation produces distributions of possible outcome values.

By using probability distributions, variables can have different probabilities of different outcomes occurring. Probability distributions are a much more realistic way of describing uncertainty in variables of a risk analysis

Risk Profiler

Risk profiling can help you make decisions that are suitable to you, as it is a method of measuring personal tolerance to investment risk. In simple terms, how much risk an individual is willing to make, or not make. Risk tolerance can be seen as the sum of all the 'fear/greed' trade-offs available.

Once we have obtained your investor profile, we then examine the most suitable strategy. Once we have decided on the strategy we then look at the investment options available to you. This process results in your funds being invested across many investment sectors so that they are fully diversified as to your wishes and also your tolerance levels.

Net Worth

The Net Worth Statement tells you what you're worth financially. Use it to list all your assets and liabilities (your debts and expenses) and then subtract the sum of your liabilities from your total assets.

When completing your net worth information, use a specific date -- perhaps the end of a calendar quarter or the end of the year -- so you can use the same date to recalculate it annually. Remember, the higher your net worth, the better. A low or negative net worth tells you that you'll need to work on your Cash Flow statement to find ways of increasing your savings. The goal is to have a greater net worth each year. (As you build your assets, carefully evaluate the appropriateness of protecting them with life insurance.)

Appendix 2: Disclaimer / Disclosure Statement

The recommended products and strategies in this Goal Based Plan have prepared especially for you. These recommendations given here flow out of an analysis of your Investor Profile and your Goals and Objectives as presented to us.

In addition, it is important to be aware of the following:

- All market linked investment returns will reflect the performance of the underlying assets of the products you have chosen and will go up and down with the value of the products assets.
- With all international investments you are exposed to the added risk of currency fluctuations.
- Most Investments are medium to long term and the minimum investment term must be considered before making an investment (Fixed Interest Trusts 1-3 years; Shares 5 years; Property 5-7 years).
- Any report product information goods services or advice ("advice") given to you has been prepared from the information supplied to us from you. Any decisions made by you in reliance upon or in relation to such advice are to be made by you and not by us. You are therefore exclusively responsible for all acts and decisions in making any decisions in reliance on any advice or materials supplied to us by you.
- Any calculated projections or any predictions given by us to you are not guaranteed and are merely an expression of opinion only and are not intended for other than illustration purposes only.

Whilst every care has been exercised and the advice and the statements made are based on information believed to be accurate that no liability is accepted by us or our employees or officers or outside suppliers of information for any error or omission contained herein. It is strongly recommended that this qualification be borne in mind when making any decisions in reliance upon any of the advice contained herein. You are exclusively responsible for all such decisions. Further, our responsibility in connection with any materials or advice given by us to you is supplied to you alone and neither we nor our employees either directly or indirectly accept any responsibility howsoever arising on any grounds whatsoever to any other party.