

## INVESTMENT NEED ASSESSMENT



**Prepared By :**

***Tejinder Singh Mokha -***

Mobile:9888044508, E-mail :MEHARCONSULTANTS1@GMAIL.COM

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Dear Tejinder Singh,

We are glad that you are taking the right decision to undergo the investment need assessment process, the results of which you are currently reading. We congratulate you in taking the important step that is recommended for any person should undertake if he/she is serious about managing investment portfolio in accordance with his/her needs /requirement.

As a valued customer of us, it gives us pleasure in doing this exercise with you. Please note that this effort by us is strictly a supplementary /add-on exercise in support of our primary business of financial products distribution. This report must NOT be considered as an financial plan or any investment advice by us. This exercise is directed towards better understanding your needs and providing information to you.

You must also understand that financial markets, economic conditions and personal situations may change overtime and this will have an impact on your portfolio and the investment objectives. Any projections or workings done, including this report, would have to be revisited from time to time and upon any significant change in any of the situations stated above. This report is only indicative in nature, prepared on basis of assumptions and information shared.

You can go through the report at leisure and see whether you are comfortable with it. If not, we request you to please contact us and convey your suggestions or concerns. We would be more than glad to revisit the report to suit you the best.

We thank you for your interest in our services. Kindly get in touch with us for any queries or to know more about us.

Thanks and regards,

*Tejinder Singh Mokha*

NJ Wealth Partner

## **Introduction to Investment Need Assessment**

This report is the result of the assessment of needs done by us based on certain assumptions and the information disclosed /available with us. The report would help you to assess your investment portfolio requirement.

Please note that this is NOT a 'financial plan' and there is NO 'financial planning' undertaken by us. This is also NOT an "Investment Advice" for you and is strictly for general information /academic purposes only. SEBI (Investment Adviser) Regulations, 2013 require that financial planning and investment advice can only be done by registered /certified financial planners and registered "Investment Advisers". You are advised to consult a certified /registered financial planner or investment adviser for expert guidance before taking any decision.

The Investment Need Assessment is the result of system tool developed to find results required to meet financial /cash-flow projections. The same is done to aid our primary business of financial products distribution and the service is supplementary /secondary in nature.

### **Ongoing investment management**

The success of any investment portfolio in achieving financial objectives is dependent upon factors like ongoing reviews and making suitable changes in accordance to changed realities/situations. On an ongoing basis, there may be changes happening on things like taxation, economic conditions, product features, market conditions and also your own personal risk profile, life-stage and financial conditions. One must keep reviewing any plans or projections prepared and rebalance your investments and portfolio accordingly.

### **No gaurantees /promises included**

The results in the report may not be precise and are based on the information provided plus many assumptions & workings. The system tool used has certain conditions and assumptions as part of the calculations. Clients /Investors are requested to clearly understand the same to interpret the results. The past performance of markets and financial products is only indicative in nature and may or may not be repeated in future. Prudent investment management when implementation religiously may increase your chances for success, but cannot guarantee your objectives will be achieved.

### **Our role as financial product distributors**

As financial product distributors, broadly our role is as follows

- Finding suitable products and providing execution services for financial products
- Providing information on financial products
- Ongoing portfolio /investment reporting and reviews

We are NOT presenting ourselves as financial planners and are NOT rendering any investment advice in this report. However, financial products distribution practice does sometime require use of tools, like this investment need assessment, to assess the investment need for our clients. There is no financial product recommendation or solicitation as part of the process or this report and any financial products and returns mentioned are only for indicative purposes.

### **Our expectations from you**

We expect that you clearly understand the nature and contents of this investment need assessment. You are expected to understand the limitations, assumptions and read the disclosures of this document. On an ongoing basis we wish that you provide the requisite time and information to help us better manage your investments.

## Personal Profile

**Client Name** : Mr.Tejinder Singh  
**Present Age** : 38  
**Date of Birth** : 10-04-1977  
**Occupation** : Business  
**Retirement Age** : 55

### Objective:

Following are the objectives identified.

Sr. No.	Objective	Years to Maturity	Your Age at Maturity	Present Cost (Rs.)
1	Child Education - Prabhmehar Singh	10	48	5,000,000
2	Child Marriage - Prabhmehar Singh	18	56	1,500,000
3	Retirement	17	55	200,000
<b>Total</b>				<b>6,700,000</b>

### Note:

(A)The Years to maturity represents the number of years (time) remaining before the actual need/maturity of the objective. The corresponding column is your projected age at the time of maturity.

(B) Except for Retirement, the Present Cost for the selected objective is the total one time amount required to fulfill the concerned objective satisfactory as of today. For Retirement specifically, the Present Cost represents the Monthly Income need as of today that you may need to have after retirement For E.g you it may be INR "20,000" worth of todays money after retirement every month.

### Future Values Required :

The present cost has been increased at the rate of inflation or the general price rise for the years to maturity. The Future Cost represents the money that you need in future to meet your stated objective.

Sr. No.	Objective	Years to Maturity	Your Age at Maturity	Present Cost (Rs.)	Future Cost (Rs.)
1	Child Education - Prabhmehar Singh	10	48	5,000,000	9,835,757
2	Child Marriage - Prabhmehar Singh	18	56	1,500,000	5,069,898
3	Retirement	17	55	200,000	265,340,478
<b>Total</b>				<b>6,700,000</b>	<b>280,246,133</b>

The Future cost for Retirement is the amount of Retirement Kitty that you would need at the time of retirement. This amount is estimated to meet all your monthly income needs (present cost) during your entire retired years.

## Earmarking Existing Investments

Here some existing investments are assumed to be earmarked or kept aside for that particular objective. This would grow at a certain rate during the time till maturity. The future value of this earmarked investment is estimated to be used for meeting the objective in future. The Additional Amount Required is the net amount that you fall short of in meeting the Future Cost even after adjusting for the Future Value of Earmarked investments. In case your existing investments are more than needed, you will find a negative figure for Additional Amount Required, representing the surplus fund remaining beyond the required future cost.

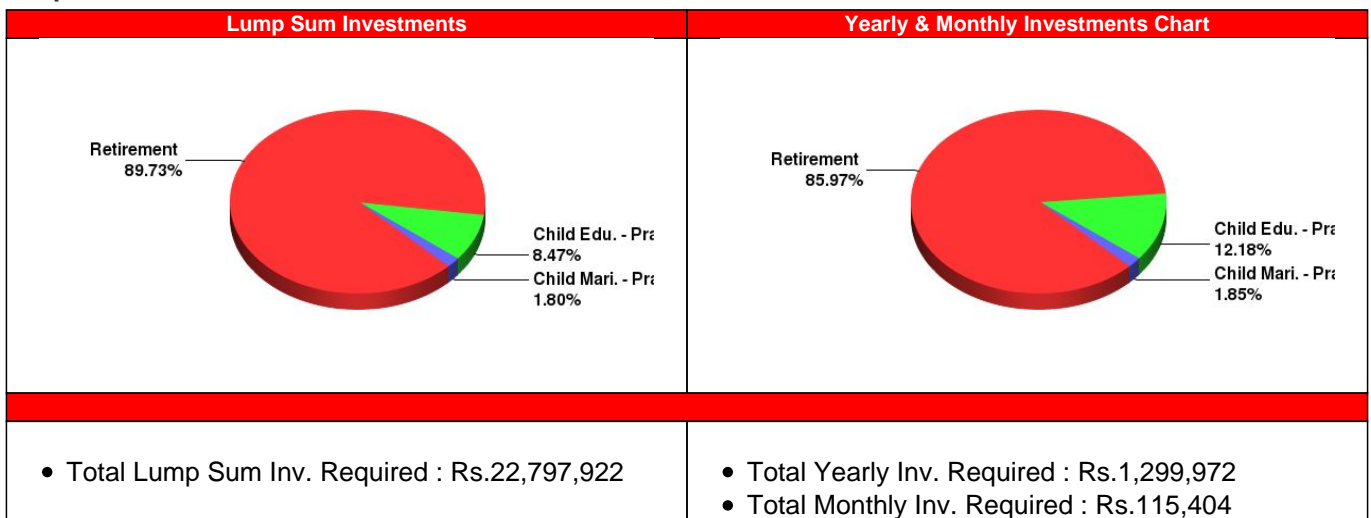
Sr. No.	Objective	Years to Maturity	Future Cost (Rs.)	Earmarked Existing Investments			Additional Amount required (Rs.)
				Existing Inv. Amount (Rs.)	Expected Returns (%)	Future Value (Rs.)	
1	Child Education - Prabhmehar Singh	10	9,835,757	500,000	15.00	2,022,779	7,812,978
2	Child Marriage - Prabhmehar Singh	18	5,069,898	0	0.00	0	5,069,898
3	Retirement	17	265,340,478	4,200,000	15.00	45,197,309	220,143,169
<b>Total</b>			<b>280,246,133</b>	<b>4,700,000</b>		<b>47,220,088</b>	<b>233,026,045</b>

## Saving Plan

The Savings Plan is the summarized investment plan that you need to undertake. In cases where we have already earmarked some existing investments, the Savings Plan is in addition such earmarking. Further, in such cases the Savings Plan is targeted to meet the Additional Amount Required. In cases, where no earmarking is done, the Savings Plan would be targeted to meet the Future Cost of the objective.

Sr. No.	Objective	Years to Maturity	Your Age at Maturity	Additional Amount Required (Rs.)	New Investments to be Planned				
					Expected Returns (%)	Lump sum / One Time (Rs.)	Saving Years	Yearly (Rs.)	Monthly (Rs.)
1	Child Education - Prabhmehar Singh	10	48	7,812,978	15.00	1,931,249	10	158,279	14,051
2	Child Marriage - Prabhmehar Singh	18	56	5,069,898	15.00	409,674	17	24,055	2,135
3	Retirement	17	55	220,143,169	15.00	20,456,999	17	1,117,638	99,218
<b>Total</b>				<b>233,026,045</b>		<b>22,797,922</b>		<b>1,299,972</b>	<b>115,404</b>

### Graphical Presentation :



Each of the 3 options i.e. (1) Lump sum / One Time (2) Yearly savings and (3) Monthly Savings, are each independently capable of meeting your required amount in future. You may select any one option or way of investment that best suits your capability. Further, each of the investments that you make is assumed to deliver the Expected Returns on a consistent basis till the savings years.

The Savings Years are the years that you have to save. However if your Retirement comes before the maturity, your yearly & monthly saving installment amount will be calculated for the years remaining till the retirement. The accumulated amount at the time of Retirement would then be invested and would grow at the rate of Risk Free Return till the time of maturity to meet the Additional Amount Required. For Lump sum investments though, this limit does not apply and the investments would be for the Maturity Years.

Note: (1) The required Yearly & Monthly savings are taken after considering the savings growth rates, if any, assumed over time. Hence, they may increase / change in future depending upon the growth rates assumed for the respective periods. (2) The Amount of Monthly savings, calculations have been made such that the monthly SIP remains constant for 1 year before the next change as per savings growth rate assumed. This has not been kept monthly since it is not feasible to increase / change SIP amount monthly. **(The Yearly & Monthly savings represent the first Year savings and this would change the next year, if savings growth is assumed.)**

## Emergency Fund

You've probably heard it from a dozen different personal finance gurus: You need an emergency fund! But what exactly is an emergency fund?

An emergency fund is like a kitty / safe money that you keep aside to in order to face any sudden income loss or crisis of any nature. It is recommended in order to avoid any financial crisis in such an event and to help you sail through such situations confidently where you need not worry about your normal monthly expenses. Most financial advisors recommend the Emergency Fund to be between 3-6 months but is generally dictated by personal assessment of the nature and stability of your income flow.

Following is the Emergency Fund recommendation for you	
A. Total Monthly Expense	Rs. 50,000.00
B. Number of Months To Be Cover	6.0
C. Emergency Fund Required (A * B)	Rs. 300,000.00
D. Existing Liquid Funds	Rs. 200,000.00
Additional Provision for Emergency Funds (C - D)	Rs. 100,000.00



## Investment Analysis

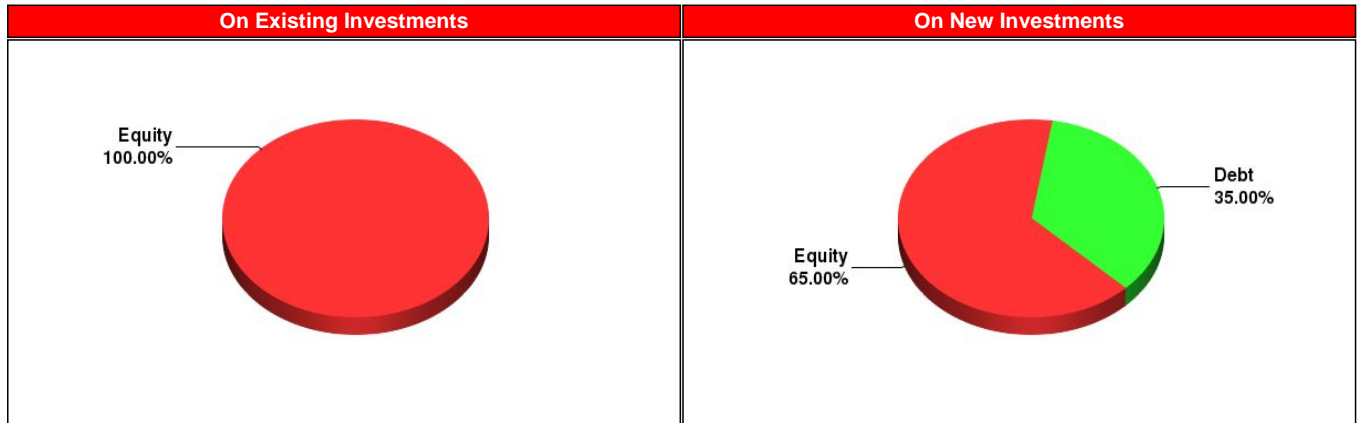
### Expected Returns:

The Expected Returns is the Weighted average returns of all the existing investments earmarked and new investments planned. Both the things are different in nature and hence the expected returns are given individually for them. You may see these returns as the single return that you may expect in totality from your existing investments and from your New Investments.

Investments	Expected Weighted Average Returns
On Existing Investments	15.00%
On New Investments	15.00%

### Asset Allocation:

The Asset Allocation is the represents the cumulative portfolio distribution / allocation into Equity & Debt asset classes for existing investments earmarked. For New investments it represents the weighted average asset allocation of the new savings planned for the different goals. The asset allocation can be seen as in line with the Expected Returns from the investments as above.



Please understand that both, the Expected Returns and Asset Allocation for existing investments would evolve and change over time. Further, the wealth created from new investments would also get added to the existing investments. The Asset Allocation & returns for “new” or future investments would continue to remain the same unless any change has been made in the composition / structure of the same.

## Assumptions & Notes

### Taxation :

No Taxation effect have been considered. All returns are assumed to be post tax only.

### Inflation :

The Post Retirement inflation rate is used only in case of Retirement. For all other objectives the pre-retirement rate (Inflation rate) is considered for the entire period till Maturity.

Inflation : 7.0%                      Post-retirement Inflation : 5.0%

### Life Expectancy : 90 Years

Expected life expectancy is taken on a conservative side. A person on retirement will have a retirement kitty which he/she will invest in some asset with lower risk. He/she will then survive through the earnings on the same and through capital withdrawals from the principal amount. On reaching the life expectancy, one would have exhausted all this capital.

### Expected Returns:

Earmarked Investment Avenue	Expected Returns p.a.	New Investment Avenue	Expected Returns p.a.
Mutual Fund - Equity	15.0%	Mutual Fund - Equity	15.0%

### Returns on Retirement Kitty : 5.0%

### Risk Free Returns: : 7.0%

### Saving Growth Rate:

Growth in savings will be annual For e.g. if you need to save 10,000 annually or monthly now,next year your savings should be 12,000 for a savings growth of 20%.

Years	Rate	Years	Rate
0 - 5 Years	20.0%	21 - 25 Years	0.0%
6 - 10 Years	20.0%	26 - 30 Years	0.0%
11 - 15 Years	0.0%	31 Years & above	0.0%
16 - 20 Years	0.0%		

### Note:

The actual results may vary with the estimated results of this calculator. However, one can be reasonably sure of realising projection if one has been conservative in his expectations and follows/ plans as per the assumptions, religiously without any break in his investments. Further a regular monitoring of the portfolio, investments and personal financial conditions and situations will prevent one from straying away from the desired results.

## Disclosure Statement

This document has been prepared as an information so that you may plan your finances /investments logically. Before making any decision based on this document, please take proper note the inherent features and limitations associated with the calculations. The content of this report is based on data, information provided by you and is the output of a system tool. The report would be erroneous if any material and relevant information is wrongly assumed.

**We strongly suggest that you consult a certified financial planner and investment adviser for expert advice. This report is NOT a financial plan or an investment advice or a solicitation to sell any financial product. There is no intention to project this report as a substitute for any financial plan or investment advice from an expert. The report is the computational output of cashflow tool and is prepared as supplementary service to the financial products distribution business of the concerned NJ Wealth Partner.**

Projections of future events are largely based on current expectations & historical evidence. However, the future is uncertain and cannot be guaranteed. The assumptions are only estimates, with no assurance as to their attainability or ultimate outcome and hence there can be material differences in the actual results and the financial projections made. The financial investments/ returns suggested are subject to market risks. There would also be changes in the personal and financial situation of the client which is very dynamic in nature and cannot be factored in today. This tool also does not factor in any legal, constitutional or applicable law of the land, including taxation, or any rules and regulations issued by any authority.

The tool incorporates certain methodology in the calculations and the client agrees to study and understand the same. The appropriateness of the methodology used is subjective and the same is not guaranteed. Further, the statements, projections, strategies, etc presented in this document are intended only as a guide for general information /academic purposes. The client only is the best judge for the appropriateness, completeness and applicability to him/her and should use his/her prudence/intelligence or any expert advice before acting upon same. The NJ Wealth Partner sharing the report is likely to be engaged in the business of financial product distribution and earnings, namely commission income may be generated from the same. The client/recipient of this report specifically acknowledges this and also that the statements, recommendations, etc made in the report may ultimately result into the sales of such products.

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