

Financial Planning Report

Mr. User Man



REPORT

SAMPLE

Dear Mr. User Man,

Congratulations! for successfully completing your detailed financial planning process and generating this comprehensive financial plan.

This comprehensive financial planning report may help you in knowing the status of your financial health by assessing your income & expenses and your assets & liabilities. You could also be able to assess your life insurance cover needs and estimate the gap between your existing life insurance cover available and required life insurance cover.

This report could provide you a detailed plan for your retirement and various financial goals with respect to estimating the future financial requirements and the savings and investments required to achieve these critical goals. You could also have a detailed view of cash flow statement which displays estimates of your annual investment commitments, goal payments and portfolio value.

We sincerely thank you for giving us this opportunity to contribute to your financial plan with the help of this detailed comprehensive financial planning report. We sincerely hope that you commit yourselves towards disciplined financial life by following the guidelines mentioned towards the end of this report in the 'Plan Execution' section. Wish you a great financial future.

Thanking You.

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I - Estimates on rate of inflation and rate of returns on various asset classes

Country

Data	Description	Percentage
Inflation	Average of last 5 years	10.5%
	Estimates of next 5 years	7.4%
Average Returns		
Fixed Income	Average of long term government bonds	8.0%
Equity	Average of last 10 years stock market index	16.4%
Gold	Average of last 20 years gold prices	10.8%

Source: Internet and Apps Platter internal research

II - Estimate rate of return on asset allocation suggested in your risk profile report

Rate of returns as per the asset allocation suggested in your risk profile report

Asset Class	Allocation	Historical Returns
Fixed Income	80%	8.0%
Equity	15%	16.4%
Gold	5%	10.8%
Estimated Rate of Returns		9.4%

III - Your and your family member details which are required for financial goal planning

Sr. No.	Salutation	First Name	Last Name	Date of Birth	Age
1	Mr.	User	Man	9/Jan/1980	34
2	Mrs.	Spouse		14/Jun/1982	32
3	Mr.	Child 1		5/Feb/2010	4
4	Mast.	Child 2		10/Jul/2013	1

Income of User and family

Income	Amount	%
Salary	40,000.0	94.1
Profession	-	-
Business	-	-
Investments	2,500.0	5.9
Others	-	-
Total	42,500.0	100.0

Summary of Income and Expenses

Summary	Amount
Total Income	42,500.0
Total Expenses	29,500.0
Monthly Surplus	13,000.0
Projected Annual Surplus	156,000.0

Expenses of User and family

Expenses	Amount	%
Household		
House Rent	5,000.0	16.9
Maintenance or repairs	-	-
Phone & Mobile	1,500.0	5.1
Electricity	500.0	1.7
Gas	250.0	0.8
Water and sewer	-	-
Cable TV	250.0	0.8
Other	-	-
Total	7,500.0	25.4

Expenses	Amount	%
Entertainment		
CD/DVD	-	-
Movies & Theater	1,000.0	3.4
Concerts	-	-
Sport events	-	-
Other	-	-
Total	1,000.0	3.4

Food		
Groceries	2,000.0	6.8
Dining out	1,500.0	5.1
Other	-	-
Total	3,500.0	11.9

Loans Payments (EMI)		
Home	-	-
Vehicle	1,000.0	3.4
Personal	3,000.0	10.2
Credit Card	2,500.0	8.5
Education	-	-
Other	-	-
Total	6,500.0	22.0

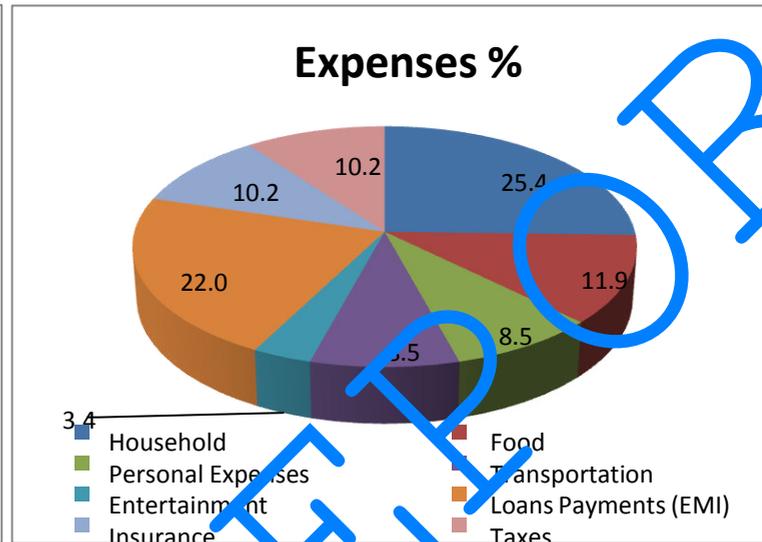
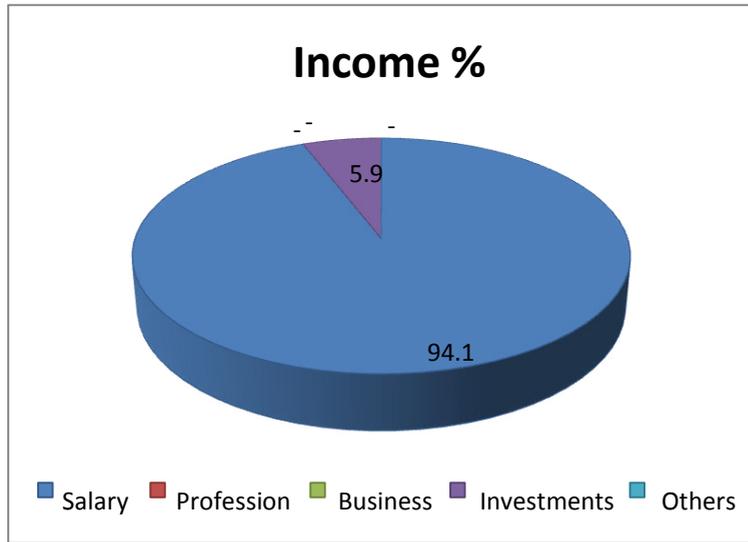
Personal Expenses		
Personal Care	1,000.0	3.4
Health and Fitness	1,500.0	5.1
Medical Expenses	-	-
Other	-	-
Total	2,500.0	8.5

Insurance		
Life	1,000.0	3.4
Health	1,500.0	5.1
Motor	500.0	1.7
Other	-	-
Total	3,000.0	10.2

Transportation		
Bus/Taxi/Train fare	1,000.0	3.4
Fuel Expenses	1,000.0	3.4
Vehicle Maintenance	500.0	1.7
Other	-	-
Total	2,500.0	8.5

Taxes		
National	2,000.0	6.8
State	1,000.0	3.4
Local	-	-
Other	-	-
Total	3,000.0	10.2

Graphical view of your income and expenses



Your total monthly income from various sources is 42,500 and total monthly expenses are 29,500. Hence your monthly surplus is 13,000 which could be utilised to invest and fund for your financial goals. However, as you plan for your financial goals, if the surplus is not sufficient to fulfill your financial goal, you may need to reduce some of the discretionary expenses like entertainment, dining out, etc. to save more and increase the surplus. If required you could also strive to increase your level of income.

Please make use of Monthly Budget tool that is available in this application to plan and track your monthly income and expenses.

Key Ratios

Debt Service Ratio: 15.29%

Debt Service ratio represents your percentage of monthly income being allocated to debt (loan) repayment. Your total monthly loan repayment instalment is 6,500 and the total monthly income is 42,500. Hence then Debt Service ratio is 15.29%. Lower the ratio, more are the funds available to fulfill other household needs, enhance savings and achieve financial goals. It may be suggested that this ratio may be kept below 40% to reduce financial strain.

Savings Ratio: 30.59%

Savings ratio indicates the percentage of monthly income you save. Your total monthly income is 42,500 and monthly saving is 13,000. Hence your savings ratio is 30.59%. Higher the ratio, better is your position to achieve your financial goals.

Assets	Amount	%
Personal Assets of User and family		
Residential House	-	-
Home Contents	50,000.0	14.3
Jewellery	40,000.0	11.4
Vehicles	45,000.0	12.9
Other Personal Assets	-	-
Total Personal Assets	135,000.0	38.6

Liabilities	Amount	%
Home Loans	-	-
Vehicle Loans	30,000.0	40.0
Personal Loans	20,000.0	26.7
Credit Card Loans	25,000.0	33.3
Education Loans	-	-
Other Loans	-	-
Total Liabilities	75,000.0	100.0

Investment Assets of User and family		
Liquid		
Cash in Hand	5,000.0	1.4
Balance in Bank A/Cs	10,000.0	2.9
Balance in Business A/Cs	-	-
Equity		
Stocks & Shares	-	-
Equity Mutual Funds	30,000.0	8.6
Other Equity Investments	-	-
Fixed Income		
Fixed Income Mutual Funds	-	-
Other Fixed Income Investments	-	-
Bank Fixed Deposits	20,000.0	5.7
Bonds	5,000.0	1.4
Alternative		
Real Estate Investment	-	-
Art Investments	-	-
Retirement Funds or A/Cs	75,000.0	21.4
Gold	-	-
Other Investment Assets	-	-
Total Investment Assets	215,000.0	61.4

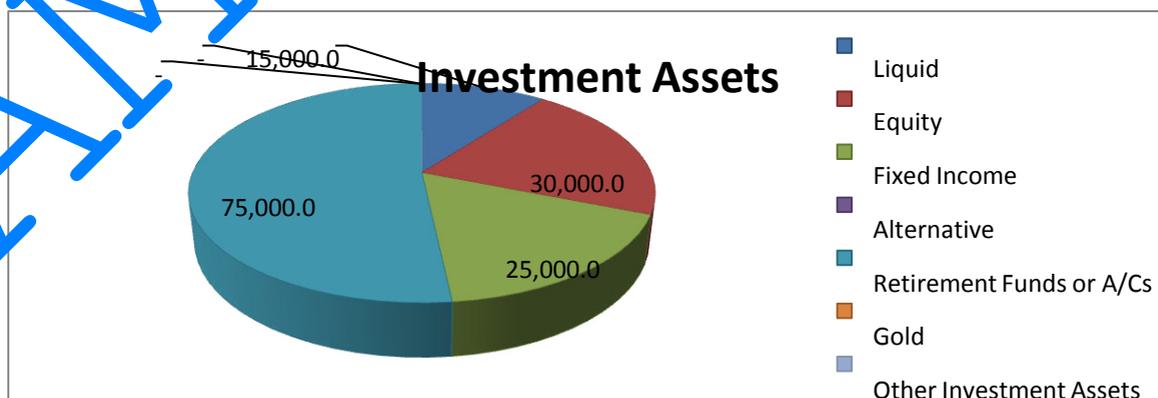
Net Worth	275,000.00
(Total assets minus Total Liabilities)	

Given alongside is the classification of various assets you own. The assets are broadly classified into Personal Assets and Investment Assets.

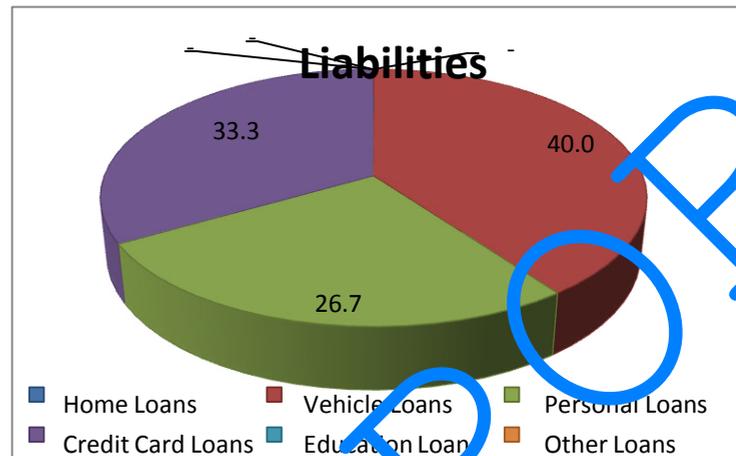
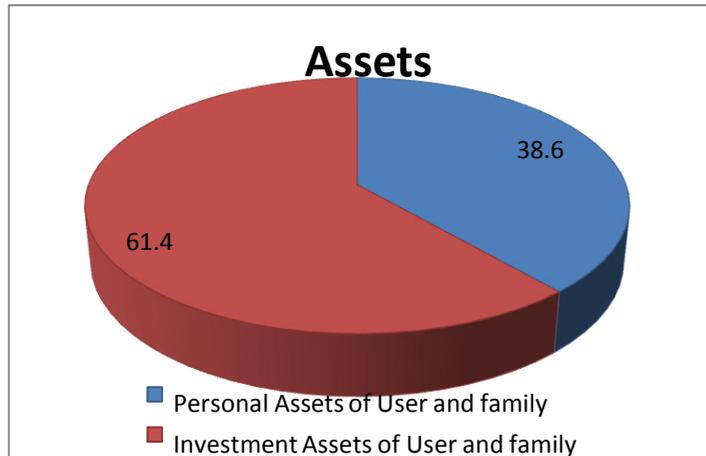
Personal assets like Home and Home Contents, Vehicles, Jewelry, etc. are assets which you may not sell/liquidate to raise funds to fulfill your financial needs and goals. Investment assets like Stocks/Shares, Bonds, Funds, Bank Deposits, Real Estate/Properties, etc. are assets which you may sell/liquidate to raise funds to fulfill your financial needs and goals. Investment assets are bought with the motive to benefit from their appreciation so that they can be liquidated at a later point in time if required.

Further, investment assets are sub-classified into Liquid, Equity, Fixed Income, Alternative, Retirement and Gold assets for better understanding of the type/nature of the investment assets.

Total Assets	350,000.0	100.0
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Graphical view of your income and expenses



Valuation of your personal assets is 135,000 and valuation of your investment assets is 215,000. Hence value of your investment assets is greater than your personal assets. This is a good sign and indicates that you are allocating your savings and surplus to build your investment assets and create wealth.

The valuation of your equity assets is 30,000 and the valuation of your fixed income assets is 25,000. Hence your ratio of equity investment to debt investment is 120.0%.

You have maximum loan amount of 30,000 for Vehicle Loans. This constitutes 40.0%, of your total loans.

Key Ratios

Liquidity Ratio	0.51
Liquidity ratio represents your ability to meet your monthly expenses in case of a financial emergency. The sum of your liquid assets which includes cash in hand, balance in bank and business A/Cs is 15,000 and monthly expenses as per the expenses data provided are 29,500. Hence your Liquidity Ratio is 0.51 which indicates that you may be able to sustain for 0.51 months in case of an emergency. Higher the ratio better is the financial situation. It may be suggested to have amount equivalent to 3 - 6 months of expenses as emergency fund.	

Asset to Debt ratio	4.67
Asset to Debt ratio indicates the total assets you own against the total outstanding liabilities. Your total assets including investment assets and personal assets are 350,000 and total outstanding liabilities are 75,000. Hence your Asset to Debt ratio is 4.67. One definitely needs to keep the ratio above 1 which indicates that he/she owns more assets than the liabilities. Younger individuals are likely to have lower ratio on account of higher housing/vehical loans whereas elder individuals are likely to have higher ratio as the outstanding loan amount reduce with time and higher income levels (as compared to younger individuals) boost savings and elevate financial assets.	

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I - Financial Needs - Cash, Income and Special Needs of User and family

Cash Need

Debt Repayment	75,000
Emergency Funds	25,000
Other Cash Needs	

Income Need

Annual Income Needed in today's cost (Present Value)	240,000
Number of years annual income needed	40

Special Need (Discounted Value #)

Children's Education	841,428
Other Special Needs or future funds requirement (If Any)	-

Total Value of all Financial Needs (Net of future income from other sources if any)	6,781,573
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II - Financial Resources Available - Existing and future financial resources of User and Family

Total Financial Resources Available	140,000
Existing life insurance cover (If any)	500,000
Amount of annual Income from other sources (If any)	-
Rate of increase of this annual income (If any)	0.00%

III - Estimates

Annual Rate of Inflation	5.00%
Rate of Return	8.00%

Additional Insurance Cover Required	6,141,573
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Based on your financial details, you need an additional life insurance cover of 6,141,573. In case of an eventuality, if the insurance proceeds along with your existing financial resources are invested at a rate of return of 8.00% then these funds could be sufficient to fulfill your above stated financial needs.

Discounted value #: This is the present value of all funds required in future.

Note: Since the calculation logic is complex, detailed calculation is not explained here so as to avoid confusion.

Retirement Planning details of Mr. User	Values
Your Current Age	34
Retirement Age	60
Estimated Life Expectancy	75
Annual Income Required Post Retirement in Today's Cost (Present Value) - (A)	240,000
Annual amount of retirement benefit receivable (If any) - (B)	40,000
Net Annual Income Required Post Retirement in Today's Cost (A - B)	200,000
Inflation Rate	5.00%
Existing Retirement Savings (If any)	75,000
Expected Rate of Return Before Retirement	8.00%
Expected Rate of Return After Retirement	6.50%
Future Value of Annual Income required at retirement age	711,135
Corpus required at the time of retirement (X)	9,676,897
Future Value of Existing Savings at retirement age (Y)	554,726
Net Corpus to be achieved (X - Y)	9,122,171
Annual Savings required to achieve Net Corpus	114,092
Monthly Savings required to achieve Net Corpus	8,751

Your current age is 34 years, you plan to retire at the age of 60 years and you assume your life expectancy till 75 years. You estimate that your net annual income requirement post retirement in today's cost i.e. without considering the impact of inflation is 200,000. You estimate inflation to be 5.00%, rate of return on investment before retirement as 8.00% and a conservative rate of return of 6.50% post retirement.

You also have existing savings of 75,000 earmarked for retirement. The value of annual income requirement of 200,000 at the time of retirement will increase to 711,135 and to fulfill this you will need a corpus of 9,676,897 at the time of your retirement. Your existing retirement savings will grow to 554,726 with 8.00% annual rate of return. Reducing this amount from the corpus required, will give you 9,122,171 which is the Net Corpus that you need to achieve before your retirement. For achieving this Net Corpus, you need to invest 114,092 annually or 8,751 monthly from now on.

Note:

It is assumed that the corpus of 9,676,897 which is planned to be achieved with the help of your annual/monthly investments and your existing retirement savings (if any), will need to be kept invested at the post retirement rate of return of 6.50%. You will withdraw the Annual Income Required Post Retirement from this corpus and eventually at the age of 75 years, this retirement corpus will get exhausted.

Given below is the cash flow statement which shows your age wise, annual savings, retirement income required during your retirement years and the valuation of your investment portfolio. Below are the assumptions for calculating the cash flow:

- > The inflation rate and rate of return on investments are considered as per the values entered in data form.
- > The portfolio value at the inception of cash flow is the value of your existing retirement savings (if any).
- > It is assumed that the annual investments are done at the end of the year.
- > It is assumed that the annual goal payouts are done at the beginning of the year.
- > Impact of taxation is not considered on the portfolio value.
- > Annual Portfolio value = [(Previous year portfolio value – Annual retirement income) X (1+Rate of return) + Annual Savings]

Goal Planning details of User and family

Values

Goal Name	House Purchase
Goal for whom	User
Current Age	44
Goal Type	Single Year
Goal Start Age	40
Goal End Age	44
Amount required (Today's Cost)	750,000
Inflation Rate	5.0%
Existing Savings already done for this goal (If any)	50,000
Expected Rate of Return on Investment	8.0%
Future Value of amount required	1,005,072
Goal Corpus required to be accumulated at the time of goal start age	1,005,072
Future Value of Existing Savings at the time of goal start age	73,466
Loan required to finance above mentioned Goal Corpus - If any	800,000
Duration of Loan (Months)	120
Loan annual interest rate	8.5%
Corpus to be achieved by own savings and investment	131,605

One time savings required to achieve goal	89,568
Annual Savings Required to achieve goal	22,433
Monthly Savings Required to achieve goal	1,791
Loan EMI Amount (If opted for loan)	9,919

Goal summary of User and family

This is a Single Year goal - 'House Purchase' which is planned for 'User' at his/her age of 40 years. The present value of onetime lumpsum goal payment required to achieve this goal is 750,000 which could increase to 1,005,072 with your assumed inflation rate of 5% at goal start age. Hence the corpus required to achieve this goal is 1,005,072. You already have savings of 50,000 to achieve this goal and the future value of these savings at goal start age could be 73,466 assuming rate of return of 8%. You plan to finance 800,000 amount with the help of loan for this goal. Considering your existing savings (if any), loan amount (if opted for) and assuming rate of return of 8%, the net corpus required to achieve this goal is 131,605 and you need to invest 89,568 one time OR 22,433 annually OR 1,791 monthly from now on to achieve this goal corpus before the goal start age. Further with the assumed loan interest rate of 8.5% and a loan duration of 120 months, you will need to pay a monthly loan installment (EMI) of 9,919. beginning from goal start age.

Given below is the cash flow statement which shows the annual savings, goal payments and the valuation of your investment portfolio as per your age. Below are the assumptions for calculating the cash flow:

- > The goal may be planned for any of your dependents but for your convenience, the cash flow is shown according to your age.
- > The inflation rate and rate of return on investments are considered as per the values entered in data form.
- > The portfolio value at the inception of cash flow is the value of your existing retirement savings (if any).
- > It is assumed that the annual investments are done at the end of the year.
- > It is assumed that the one time/annual goal payouts are done at the beginning of the year.
- > Impact of taxation is not considered on the portfolio value.
- > Annual Portfolio value = [(Previous year portfolio value – One time/Annual goal payment) X (1+Rate of return) + Annual Savings]

Goal 2

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Goal Planning details of User and family

Values

Goal Name	Vehicle Purchase
Goal for whom	Spouse
Current Age	32
Goal Type	Single Year
Goal Start Age	35
Goal End Age	35
Amount required (Today's Cost)	50,000
Inflation Rate	4.0%
Existing Savings already done for this goal (If any)	-
Expected Rate of Return on Investment	5.5%
Future Value of amount required	56,243
Goal Corpus required to be accumulated at the time of goal start age	56,243
Future Value of Existing Savings at the time of goal start age	-
Loan required to finance above mentioned Goal Corpus - If any	-
Duration of Loan (Months)	-
Loan annual interest rate	-
Corpus to be achieved by own savings and investment	56,243
One time savings required to achieve goal	50,532
Annual Savings Required to achieve goal	27,369
Monthly Savings Required to achieve goal	2,222
Loan EMI Amount (If opted for loan)	

Goal summary of User and family

This is a Single Year goal - 'Vehicle Purchase' which is planned for 'Spouse' at his/her age of 35 years. The present value of onetime lumpsum goal payment required to achieve this goal is 50,000 which could increase to 56,243 with your assumed inflation rate of 4% at goal start age. Hence the corpus required to achieve this goal is 56,243. Considering your existing savings (if any), loan amount (if opted for) and assuming rate of return of 5.5%, the net corpus required to achieve this goal is 56,243 and you need to invest 50,532 one time OR 27,369 annually OR 2,222 monthly from now on to achieve this goal corpus before the goal start age.

Given below is the cash flow statement which shows the annual savings, goal payments and the valuation of your investment portfolio as per your age. Below are the assumptions for calculating the cash flow:

- > The goal may be planned for any of your dependents but for your convenience, the cash flow is shown according to your age.
- > The inflation rate and rate of return on investments are considered as per the values entered in data form.
- > The portfolio value at the inception of cash flow is the value of your existing retirement savings (if any).
- > It is assumed that the annual investments are done at the end of the year.
- > It is assumed that the one time/annual goal payouts are done at the beginning of the year.
- > Impact of taxation is not considered on the portfolio value.
- > Annual Portfolio value = [(Previous year portfolio value - One time/Annual goal payment) X (1+Rate of return) + Annual Savings]

Financial Plan Execution

Income & Expenses:

Review your income and expenses in detail. Check the given comments and level of the key ratios in this report. If these ratios are unfavorable, take corrective actions to steadily get these ratios to the desired level. Make use of the 'Monthly Budget' tool provided in this application to plan and track your income and expenses.

Note: Gaining proper control of your income and expenses is very critical. Once this is achieved, you could be able to generate the required surplus and channelise this surplus to make investments and build corpus to achieve your financial goals.

Assets & Liabilities:

Your assets minus liabilities is your net worth. You need to allocate your savings to build investment assets and increase your net worth so that you could strengthen your financial health and achieve your financial goals.

Insurance Plan:

If you are underinsured, it may be recommended that you get yourselves adequately insured as per your life insurance requirement given in your life insurance plan. This could make your family financially secured in case any unfortunate eventuality happens to you.

Retirement Plan:

Retirement planning is extremely critical financial goal and you need to commit yourself to making the monthly/annual investment (as given in your retirement plan) so that you may be able to accumulate the required retirement corpus and could be able to fulfill your income requirements post retirement with the help of this corpus. If you find the required monthly/annual savings on the higher side and feel that it may be difficult for you to save the required amount, then you may need to reconsider your retirement plan as follows:

- A) You may need to reduce the estimate of annual income requirement **OR**
- B) Try to reduce some of your discretionary and unimportant expenses so that you may increase the surplus and allocate the same for your retirement goal.

Financial Goal Plan:

Detailed analysis of each of your financial goals is given in the goal planning section. The monthly/annual investment commitment required is also mentioned in the goal plan. If you find the required monthly/annual savings on the higher side and feel that it may be difficult for you to save the required amount, then you may need to reconsider some of your financial goals as follows:

- A)** You may need to reduce the estimate of goal amount required. E.g. If you plan to buy a car of a specific make/type then you may consider buying a car of some other make/type that may cost you lesser **OR**
- B)** You may try to reduce your discretionary and unimportant expenses so that you may increase the surplus and allocate the same for your financial goal **OR**
- C)** You may prioritize your financial goals i.e. save and invest for important goals and put lesser important goals on hold. These lesser important goals may be considered later when you have more financial resources at your disposal for achieving these goals.

Investments:

This application suggests you asset allocation based on your financial risk profile. This allocation is given asset class wise and not security wise i.e. it recommends you the percentage holdings in Fixed Income, Equity and Gold based on your financial risk profile but does not provide you details of the actual stocks, bonds, funds, etc. which you need to make your investments.

Each country may have different investment avenues (securities and investment instruments like stocks, bonds, funds, schemes, etc.) It may not be possible for us to compile and analyse all of these investment avenues specific for each and every country. Hence while making actual investments, you need to take well informed investment decision either by analyzing the investments yourself (if you are financial savvy) or consult your investment advisor/broker for guidance. You may share this financial plan with your investment advisor/broker for preparing detailed investment plan considering investment requirements specific to each of your financial goals.

Periodic Review:

Financial planning is a dynamic process. Your income, expenses, financial needs and goals may change over a period of time. Hence it is recommended that you review your financial plan at least once a year and make changes in your financial elements wherever required. You may also like to review with the help of your investment advisor/broker, the performance of your investments and make changes in your investments if required depending upon the economic and market environment.

Disclaimer

This report is generated from the personal and financial information furnished in this application by you and it is based on the expression of your personal objectives and attitudes. The accuracy of the report depends upon the information on which it was based. If the data originally supplied in this application is incorrect, the report will reflect these inaccuracies, and these errors will project into the future at a magnified rate. Certain assumptions made by us, or you, may also limit the accuracy of the data and report. Also, the further into the future this report projects, the more inaccurate it becomes.

The report gives only approximate estimates of your future financial situation and is intended only as a basis for discussion with your professional advisors. The estimates shown in this report are based on many assumptions that may or may not occur. The report, based on your inputs and our assumptions, provides only rough estimates of your financial goals, objectives and various other financial scenarios. Any future financial predictions including but not limited to rate of inflation, rate of returns, value of financial goals and objectives, investment and portfolio values, etc. are to be considered as statistical models only. In no event shall, the author of this application be liable for any sort of damages arising out of any use of or inability to use this application and report.

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Every person has different financial situation, needs and objectives. The contents provided in this report may or may not be suitable for you. Before making an investment decision based on the output and reports generated by this application, you need to carefully consider, with or without the assistance of a financial and investment professional, whether the decision is appropriate keeping in mind your individual investment objectives, financial situation and personal needs. The author of this application shall not be liable or responsible for the outcome of any of your investment decisions or their consequent results. You are responsible for your own choices, actions, and results. The author of this application shall not be held liable or responsible to any person or entity for any physical, psychological, emotional, financial or commercial damages, including, but not limited to, special, incidental, consequential or other damages caused, or alleged to have been caused, directly or indirectly, by the information contained in this report. No warranty may be created or extended by sales representatives or written sales materials.

