

## EDITORIAL



Hello,  
**HAPPY DASARA TO EVERYONE!!!**

It gives me immense pleasure to bring this First Newsletter of “FRIEND” on the eve of this Dasara (Vijaya Dashmi). The idea behind this is to keep you updated with the knowledge of the financial world so as to inspire you to take appropriate call on your personal finance and achieve financial success. This is the intention.

Because one thing I have ever realised in my life as a universal truth is that **“No one has ever become rich by earning, it is always achieved by only thing called ‘Savings.’”** For savings, one need to plan, get organise not only on savings but more on expenses part of the income. Even one may be so lucky to win a lottery of Rs. 1 Crore, but if not properly utilised will again bring back to where she or he was. There have been many examples to share on this. So its ‘savings’, which many people do not find it so easy, even nowadays, many feel that it's of no worth, we should enjoy and leave worrying about the future. Even, there are people who feel why should we discount our present for the future things. So let's understand the importance of savings more deeply, let's talk to all our friends and colleagues, inculcate this very important habit in us and then in others so as to create a society financially secured.

The intention of this Newsletter is to create more awareness on personal finance by addressing everything that comes under personal finance. Because you will agree that for overall success of life, financial success is more important, for most of the achievements, we all need money as a very important medium.

It will be very nice of you, if you can have your suggestions to make this newsletter more informative one. Initially, this newsletter will reach your home every quarterly beginning with this Dasara.

Warm regards,  
**MILIND BANE.**

## VISION STATEMENT

To be an organization that intends to create fundamental effects of its various financial services into the lives of all its customers make them more financially secured in their life for any contingency and making them more happier. To pay a role of a friend in their life, like a **FRIEND IN NEED.**

## MISSION STATEMENT

1. To keep well informed about the various schemes of savings to all our customers and induce them for savings for a better life tomorrow.
2. To always be prompt and alert in providing timely services to all our customers.
3. To maintain, develop healthier and happy relationship with all our customers and also within all team members of Friend organization.
4. To always be assertive and alert to see that not a single policy (LIC, Mediclaim, PA etc.) will get lapsed and inculcate a habit of a long term savings amongst all our customers.
5. To settle all kinds of claims (maturity claims, survival benefit claims, annuity claims, hospitalization claims, and death claims etc. etc.) promptly and within stipulated time.
6. To make people understand the importance of financial plan and convince them to do their financial planning for a better financial future.
7. To be honest and unbiased while suggesting them or giving advice on financial instruments.
8. Always remain motivated, energetic and enthusiastic and commit ourselves for the same.
9. To commit ourselves to maintain better quality of our services and develop the trust and confidence among all our customers.
10. To explore ourselves with every possibility of self-development and growth and gain more and more knowledge to the satisfaction of our customers.

*Session on*  
**Financial Planning**  
*by*  
**Milind Bane, CFP**  
*on*

*Saturday 9th November 2019*

*Registration fees : Rs.100/-*

*Venue : Balasaheb Thakare Samaj Mandir, Near Bldg No-14,  
Nehru Nagar, Kurla(E), Mumbai-400024.*



## LIC- FOUNDATION FOR EVERY FINANCIAL PLAN

BUY LIFE INSURANCE – TRANSFER THE RISK

AVOID LIFE INSURANCE – AVOID RESPONSIBILITY



## A/H Formula defines your Risk Zone

### What is A/H?

It is the ratio that defines the percentage of active income flowing into family against passive income and income of the spouse. Let's calculate your A/H and you can define your risk zone and then take a call accordingly and insure yourself adequately.

#### A/H Table

	PRESENT SOURCES OF INCOME FLOWING INTO YOUR FAMILY	₹
A	YOUR OCCUPATION	
B	SPOUSE'S OCCUPATION	
C	BANK INTERESTS AND INTEREST INCOMES	
D	RENTALS AND LEASE INCOME	
E	DIVIDENDS	
F	PARENTS OCCUPATION/ PENSIONS	
G	ROYALTIES OR OTHER INCOMES	
H	TOTAL INCOME FLOWING INTO THE FAMILY	

## WHAT IS YOUR : A/H = ? %

#### A/H Risk Zone

	Ratio of Occupational income to Total income	Risk zone
1	A/H > 90%	VERY HIGH
2	A/H > 75%	HIGH
3	A/H > 50%	MEDIUM
4	A/H > 25%	MODERATE
5	A/H < 25%	LOW/NEGLIGIBLE

### What is your risk zone?

If its above medium level, its very high time to transfer the risk and bear the responsibility. If not now, then when ? Contact us to evaluate properly.

## MUTUAL FUND : TEN COMMANDMENTS OF INVESTMENTS

### 1. SAVINGS :

One of the most discussed, but less acted upon word is "Saving". In the fast changing dynamic world, and lifestyle, even people with substantial salary packs complain about savings. One must be able to allocate certain percentage towards savings and ideally speaking, one need to provide at least 30% of income towards savings. The one who can invest this much savings wisely can become wealthy in a span of 15 years time. As no one has become rich by mere earning. Saving is the key.

### 2. CONTROL ON EXPENSES :

When one seriously start thinking of financial planning, it not only about investing wisely, but more important to define the expense part of the income and curtail certain expenses, if saving ratio is unsatisfactory. It is very difficult to reduce expenses when one get used to certain lifestyle. However, if able to priorities the goals of major unctions in life, then control on expenses become inevitable. Those who are able to do this, always lead a happy life as against those who overlook at this and then force to face financial crisis in times of need.

### 3. DEFINE YOUR FINANCIAL GOALS :

Purpose defines the action. After controlling expenses and creating surplus for savings, one must decide the purpose for which the saving is to be allocated. This will ensure the continuity of the scheme to achieve desired target without any deviation or temptation to withdraw from the scheme before achievement of target. Perhaps, India might be the only country where people save for tax savings, instead of their personal financial goals.

### 4. TRACK YOUR GOALS :

Starting with a particular investment towards achievement of your financial goal is like planting a tree and nurture it to grow so that you can enjoy its fruits. So, to nurture your investment, you need to check at least once in a year and take inventory of the things planned for, proposed to be started which will keep you on track of achievement of your goals.

### 5. AVOID TEMPTATIONS :

It has been observed many times that due to emotional nature of almost all our decisions, we are tempted to change our route and switch investment to other offers which looks attractive without analyzing fundamentally, whether this will help to achieve the goal for which the investment was started. The Noble prize Winner 2017, in Economics, Prof. Richard Thaler has contributed a lot to behavioural economics. He is of the opinion that human do not act entirely rationally especially in their economic decision-making. To see that an investment reaches its destination is a task.

### 6. STAY INVESTED :

In hard times, especially in crisis, people usually tend to liquidate almost everything that is liquid and try to resolve the present situation without taking much efforts and psychologically not prepared to hold on to their investments. Instead, they should consult their advisor or if not, should find an advisor and seek his expertise to suggest best remedy. We have heard a saying since our childhood that "Slow and steady wins the Race" is exactly applicable. Because a disciplined investment helps to create more wealth than intelligent savings.

### 7. ALLOCATE YOUR INVESTMENTS IN DIFFERENT ASSETS :

Spreading your investment to different types of assets with proper ratio helps one to build a sound financial plan that will take care of your financial goals along with providing for contingencies. Here one should remember that more returns do not necessarily mean more wealth. Therefore, a wise investment will help to generate optimum returns in order to address the goals. There is a vast difference in optimum and high returns. While high returns comes with risk, optimum return generate wealth with capital protection and providing money exactly when they are required creating more happiness.

### 8. HAVE A MENTOR – YOUR FAMILY FINANCIAL ADVISOR :

Since childhood, we all have observed that almost every family has its own family doctor who is very well versed with family health and take care by giving appropriate treatment as he is quiet familiar about the nature of health of that family. We also are rest assured that our family's health is in safe hands. Similarly, when it comes to financial health, of late a few people have started realising having one family financial consultant to take care of their financial health, helping to achieve their financial requirement at different steps providing for all contingencies as well as for definite junctions of life. Junctions means the defined events which are definitely going to occur like child's higher education, retirement etc.

### 9. DO NOT GET CARRIED AWAY BY NEWS SPREAD :

Beware of news that makes you fearful and tempting you to take abrupt decisions especially on your financial matters. Here like I said earlier, role of your financial mentor is of great importance who not only help you to stay on path, but also restore your confidence in the path chosen. Do not get carried away.

### 10. PROVIDE FOR RISK FIRST :

And the last but not the least provide for all contingencies that may shatter your all plans of the future, you may face the situation of any of these contingencies taking place in your life. In this area, people are still not serious to protect their family financially in the event of any contingency like accident, hospitalisation and death. One must assess his insurance requirements scientifically and should insure adequately and **be at peace** all the time especially when it comes to family security.



