FS
Future Savings
Safe & Secure

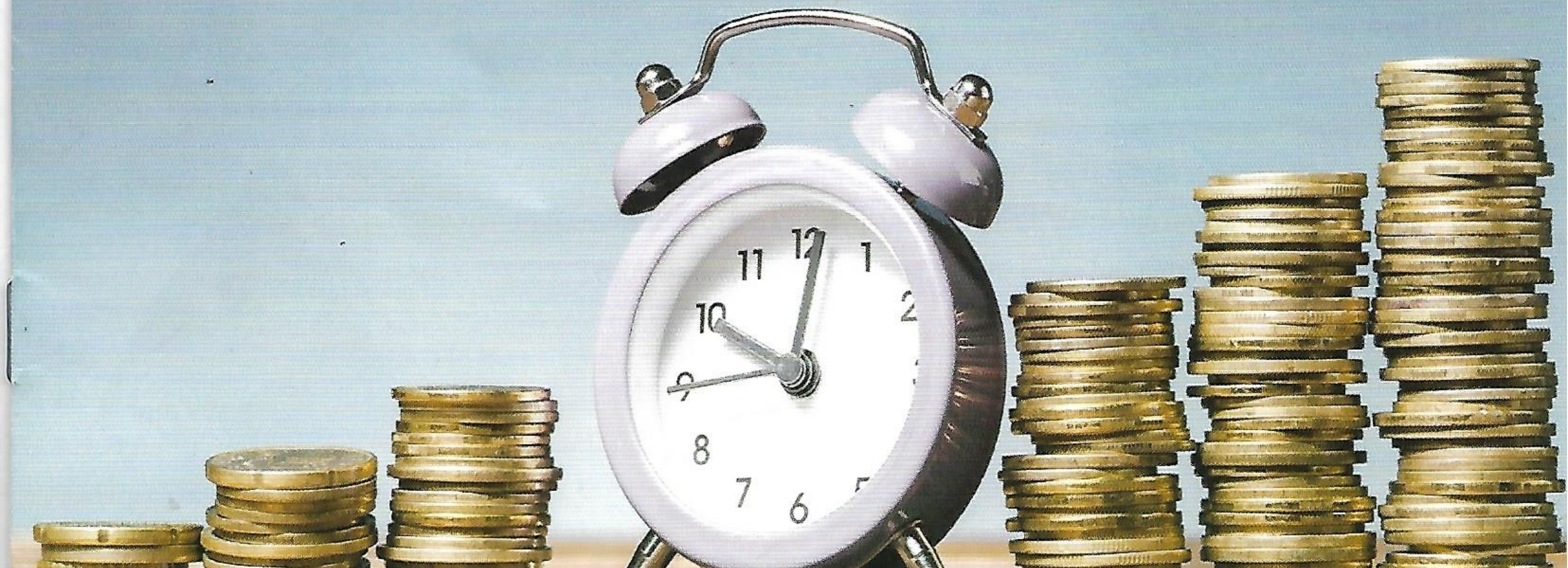
FS CONNECT

MAKING INVESTMENTS EASY

OCTOBER 2019
Private circulation only

A TIME TO CONNECT

We are proud to present FS Connect – a space to share ideas and to gain insights.



WEALTH PRINCIPLES

Page 3

HELLO KUTTIES!

Director Speak

It is my absolute pleasure to welcome you to FS Connect Magazine. As you know we have been with you through your journey on investment for the past 16 years. Any kind of investment - Life Insurance, General Insurance, Mutual fund, Tax planning, Wealth creation, Retirement Planning - you name it and we are there to service & support you. We, the FS team, would like to give the best to our customers in terms of products as well as services. At this juncture, I would like to thank all our clients for their trust and my team for their support. We, as a company, shall always make sure that we continue to live up to your confidence and appreciation and stay CONNECTed with you.

It is a dream come true for me to CONNECT with you through this Interactive Newsletter. Write poetry? CONNECT is for you! Have a hot take on a current issue? CONNECT! Child's achievements, Interesting faith journey? Whatever it may be, we hope you find your creative (or serious) CONNECT with us.

Here we go...

The ultimate goal of working hard and earning money is so that we can have a peaceful and wealthy lifestyle. But many a times, we do not know how to grow our wealth to achieve this goal. It requires a lot of planning, right information and discipline. This is where wealth management comes into play and makes life easier. In simple terms, it's a service that gives you financial planning, investment advice, accounting, tax services and retirement planning.

A few factors that you always need to keep in mind to manage your wealth irrespective of your future plan:

1) Create a financial plan for yourself
2) Spend consciously
3) Invest wisely and diligently
4) Diversify your investments
5) Monitor performance of your investments
6) Give your investments its due time

I am sure that you will find our debut interesting and look forward to your feedback.

Thank you for your attention and assure you the best of our services at all times.

Happy reading!

Will reach you periodically.

Regards,

G.Praveenkumar
Director

I'm happy to share that, out of 21 lakhs financial professionals, I was chosen as Indian Flag Bearer for the year 2019 in the MDRT Annual meeting held in Miami, USA.

Wealth That Grows And Lasts Forever

"Let us encourage our children to save 20% first and then spend the balance of what we give them."

There are EIGHT fundamental principles that govern the science of wealth management. If we violate these principles, then the result could be one of the two mentioned below:

1) Wealth that we have acquired will disappear or
2) Will put us in distress even it is available adequately.

Like the 8 directions in a Compass, these principles help us to navigate in the sea of our life. These principles have evolved over a few centuries and some of these principles are as old as the history of money is (more than 3000 years).

8 Governing principles:

1. If a person adopts the formula "Income - Expenses = Savings" then he can never become wealthy. The correct formula is "Income - Savings = Expenses.
2. Regularity is the key to wealth. (The key to wealth is not the ROI, IRR, CAGR etc)
3. Start early and reach safely.
4. Gold and greed can never stay together.
5. Purpose must decide the choice.
6. Financial Pyramid
7. Draw the map before you start the journey.
8. Professional support helps.

Let me explain the first principle here:

Income - Expenses = Savings is not a correct approach. Ironically, you will find a majority of the people on Earth following this approach and all the while aspiring to become rich and wealthy. This formula does not work in real life. 2000 years before Saint Thiruvalluvar wrote:

"Even if the income were to be small in volume, it is not a matter of concern as long as the expenses are contained within the income."

This means the secret of wealth management is not in income management but the secret lies in outgo management.

Prof. Adam Smith who is considered to be the father of modern economics says "Capitals are increased by Parsimony and diminished by prodigality and misconduct. Whenever a person saves from his revenue he adds to his capital"

All these words of wisdom guide us that we must exercise control over our expenses. These words do not indicate that we must behave like a miser and deprive ourselves of the essentials in order to make wealth, but they only guide us to be sensitive about our expenses and spend on necessities. We have seen Big companies collapsing when they have not exercised control over their Outgo. We have seen airlines companies which have shut down, not because they are not having enough traffic, but because they have engaged people with high salaries and spent lavishly on themselves. We have seen Entertainment companies which started of with a big bang, with star power backing, collapsing under the burden of debts. The same can happen to individuals and families who do not exercise caution in spending.

How to control expenses?

The simplest and the surest method is to make limited money available for that. From our income if we save first for our future, even a small money, we are restricting the money available for our current expenditure.

Spending is for today's man, savings are for tomorrow's man.
Out of my earnings I must provide for two people
1) Present Gopinath and 2) Future Gopinath.

Future Gopinath should not be left solely at the mercy of Future Gopinath's income. Let me deal with each of the principles listed above in our magazine in the coming days, please stay connected.

By R.GOPINATH
Director, Go-Past.com

ROI - Return on Investment | IRR –Internal rate of return | CAGR – Compound Annual Growth Rate

Financial Pyramid

Foundation of Wealth Creation is Protection of Income:

Our income will stop due to Death, Hospitalisation of Disability, but to create wealth we must have regular income. So we must protect our income through adequate Life Insurance, Health Insurance & Disability Insurance.

Regular Savings

We must save regularly to create Emergency fund, Provide for Children Education & Marriage provision, and Plan for Retirement etc. For that we must save in safe instruments where our capital is protected. Bank FDs, PPF, Post Office Savings and LIC endowment plans are best options available, where there is 100% protection of capital invested. It even reduces the risk of our investments in share market.

Growth and Diversification

After protection of our capital, we may invest in Risky investments to earn more returns. Even if we lose our capital we will absorb that loss as we have created strong foundation by regular savings where our capital is protected. If we start with risky investments then due to market crash we may be left with very little money to fulfil our needs of Child Education, Marriage Provision and Retirement.

Speculation

If we have still more money, we can go for speculative investments like Futures, Options, Commodities, Real Estate, Forex ect. To earn more returns.

Wealth Distribution

We must also plan for our wealth distribution and succession planning after creating enough wealth.

SUDOKU

It's fun to solve - your time starts now ...

	2		4	5	6	7	8	9
4	5	7		8		2	3	6
6	8	9	2	3	7		4	
		5	3	6	2	9	7	4
2	7	4		9		6	5	3
3	9	6	5	7	4	8		
	4		6	1	8	3	9	7
7	6	1		4		5	2	8
9	3	8	7	2	5		6	

JUST A THOUGHT

Spending – Saving - Sharing

Create 3 jars in your table. Every month after you get your pocket money from your parents divide equally and drop it in the jars.

Spending – to buy your own notebooks, pencil, pen.

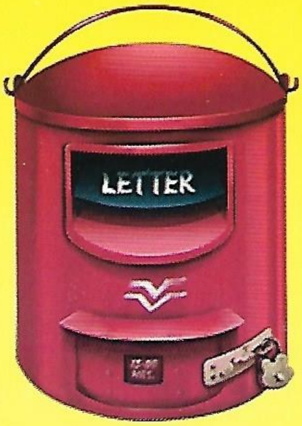
Saving – to save for Birthday gifts to your friends or for your Toys which you have dreamt of.

Sharing – give it to someone you know who needs it or be used to donate to a good cause.

Let your parents know what you do as they will feel very happy the way you do.

DID YOU KNOW?

PINCODES



PIN code stands for Postal Index Number code

Pin code is used by the Indian Postal Department.

Every code is six digit long. Example – 600 056

Introduced Date:

15 August 1972

Who Introduced Pincode?

Shriram Bhikaji Velankar

There are 9 postal zones in India:

1 - Delhi, Haryana, Punjab, Himachal Pradesh, Jammu and Kashmir, Chandigarh

2 - Uttar Pradesh, Uttarakhand

3 - Rajasthan, Gujarat, Daman and Diu, Dadra and Nagar Haveli

4 - Goa, Maharashtra, Madhya Pradesh, Chhattisgarh

5 - Andhra Pradesh, Karnataka, Telangana

6 - Tamil Nadu, Kerala, Puducherry, Lakshadweep

7 - Odisha, West Bengal, Arunachal Pradesh, Nagaland, Manipur, Mizoram, Tripura, Meghalaya, Andaman and Nicobar Islands, Assam, Sikkim

8 - Bihar, Jharkhand

9 - Army Post office (APO) and Field Post office (FPO)

If you wish to share your article/poetry/drawing/achievement in our Newsletter write to us - Connect@futuresavings.in

CURRENT TRENDS & CLIENTS SPEAK

LIC's Jeevan Shanti (Shanthi Guaranteed)

- Onetime Investment with Lifelong Income with risk cover.
- 9 Annuity Options. Annuity rates are guaranteed . Either immediate annuity / deferred annuity options.
- Policy can be taken as self/joint life with parent, spouse,grandparent, grandchildren or siblings.
- Loan facility available after completion of 1 year policy term .
- Policy surrender option is available after completion of 3 months of the policy.

Guaranteed pension for life time

5 years deferred pension – 7.78% Guaranteed

10 years deferred pension – 10.78 %Guaranteed

LIC's Umang (Guaranteed Passive Income with Family Protection)

- 8% of Sum Assured shall be payable each year from the end of Premium Paying Term till Life Time – Tax free
- Accident & Disability Benefit Rider + Term Assurance Rider + Critical illness Benefit rider
- Loan & Surrender Facility available after 3 Years
- Income Tax Benefit: U/S 80C for premium payment & U/S 10 (10D) for the maturity payments

CLIENTS SPEAK

"Thanks for being with me through the thick & thin of times and guiding me in my financial planning. In these days of economic recession wealth managers like you are a boon to the society. Wishing you all the best!

- Dr V V Varadarajan
  MBBS, MD, (Paediatrics) D.C.H
  Senior Consultant Pediatrician"

"Future savings a venture being run by Mr. Praveenkumar has been our Tax Planner & Financial advisors for the past 5 years. We found them to be more like a family advicing us on our life than like a service provider. We wish them all the Best for their future ventures.

- P Nageswara Rao
RCM,
M/s.WorleyParsons"

I'm 36 years old. I have a home loan outstanding of around 40 lakhs - 10 years to go. I have lump sum of Rs.10 lakhs now. Should I pay the amount to home loan outstanding and reduce the liability, else invest in FD/Mutual fund.

Repayment of 10 lakh loans would be advisable only if you are not able to pay the EMI .
If EMI is not a financial burden and the cash flow is good enough , then I would recommend not to close the Home Loan. There are three reasons for this:

- The home loan is the cheapest way of getting a loan. All other loans are at a highest interest rate.
- If you have any long term goals, this 10 lakh can be invested to generate returns more than the home loan interest rate. The interest that you pay here will be offset with the returns generated. But you should invest for 10 year horizon time, without looking for liquidity in between.
- Since you pay interest, you can get tax benefit according to section 24B and also principal repayment can be claimed under section 80C

My son is studying in grade-1. I have started a SIP in Equity fund for Rs.1000/- every month. Is this sufficient for his education? Please advise.

- Your son is in 1 st Std, the amount of Rs.1000 that you invest for 11 yr. period will generate 12% average return per annum, which means you can get around 2.6 lakhs. This is sufficient or not will depend on the type of education that you choose. Also there will be inflation on the education expenses.
- Current situation is , for a basic college education one requires approximately 2- 3 lakhs per annum. So after 11 years it will definitely be much higher. So Rs.1000 might not be sufficient.

How much do I need to Invest per month to have 1 crore in 15 Years?

- If you go with the traditional option of fixed deposits, you will get around 6.5% per annum.
- If you go to the other extreme end of the spectrum and invest in something very risky, like crypto currencies - you can gain a lot very quickly.
- But at the same time, there is immense risk. So this method is not recommended unless you are prepared to risk losing the amount also.

Questions on Finance ? Write to us - connect@futuresavings.in

YOUR PORTFOLIO AT YOUR FINGER TIPS

Download our **futuresavings** app now!

FS

Future Savings

Safe & Secure

G. Praveenkumar

Mutual Fund | Health Insurance | Home Loans | Life Insurance | Tax Planning

#83/2, First Floor, Arcot Road, Virugambakkam, Chennai – 600 092.

Mobile: +91 98410 84949

Mail: praveen@futuresavings.in | Website: www.futuresavings.in

For any service related queries, call us at 044-23773985 / +91 99412 84949 or write to us at our new e-mail id - connect@futuresavings.in

facebook.com/futuresavings

LinkedIn.com/in/mgpraveenkumar