

Remain Invested For Future Goals

Linking investment planning to financial goals adds an emotional connect

With exceptional clarity on her goals and ambitions, Nipa Balakrishnan, a mother of two, has been working with Tata Consultancy Services as a Manager for the last nine years. She has a son, Navedh (11) and daughter, Prisha (4) and just like any other parent, her financial goals are based on her family's needs. She further sought for a financial planner who could understand and guide her towards her goals. This decision led to a synergy that helped her sail through problems – persistence and lack of conviction.



Himanshu Dani, Founder, Invest Search, helped in identifying her goals and quantifying them financially along with a time frame. With an eye towards Naved's higher education, Balakrishnan had aimed at accumulating ₹25 lakh by the time he turns 15. Keeping in mind her long-term investment horizon and risk appetite,

Dani advised her to start an SIP for ₹10,000 per month in equity funds.

Post the global recession, markets had been recovering during 2009-10 from deep corrections. Earnings were stagnant, leading to minimal growth in the next three years.

With annualised returns of around 6.70 per cent in

2012-13, three years into investing, it was indeed challenging to reinforce Balakrishnan's conviction to continue and remain invested in the markets to reap significant benefits. The advisory team guided her by continuously reminding about her goal and the need to stay invested. With renewed

confidence and support, she decided to continue and a year later, the market rally compensated for the earlier periods and gave around 23.50 per cent annualised returns over the entire investment tenor.

When one links investment with specific financial goals, there is a purpose and accordingly an action plan—adding an emotional connect. Also, it helps to suitably select the mutual fund categories and schemes that work best for the risk appetite and investment horizon.

This entire episode also highlights the crucial need of financial advisors. With a financial advisor to guide and advise through the investment journey, the short-term market hiccups are easier to be absorbed.

More importantly, financial advisor acts as a strong pillar in one's investing journey, motivating them to remain invested across market cycles and letting them reap benefits of their invested hard earned money. ■

Particulars	Investment Cost	Portfolio Value	CAGR	Absolute Return
As on 31/12/2011	₹1,40,000	₹1,14,486	-29.40%	-18.22%
As on 31/12/2012	₹2,47,500	₹2,75,480	9.70%	11.30%
As on 31/12/2013	₹3,60,000	₹4,00,934	6.70%	11.37%



Himanshu Dani,
Founder, Invest Search

Disclaimer

Financial Planning of Nipa Balakrishnan is based on the "personal opinion and experience" of Himanshu Dani and that it should not be considered professional financial investment advice. No one should make any investment decision without first consulting his or her own financial advisor and conducting his or her own research and due diligence.