



"ARTHBHASKAR"



EDITORIAL



Hello,

"FRIEND" COMPLETING 21 YEARS OF ITS DEDICATED SERVICE.

On this Eve of our 74th Independence Day of our nation, we have a great pleasure in announcing that Friend Financial Services has completed it's 21 years of dedicated service and entering the new year with all new challenges thrown to all of us due to the pandemic situation. We express our gratitude towards all our well wishers, our clients, friends and relatives who have been very much instrumental to our success. We look forward for all their wholehearted support while we are marching towards our silver jubilee. God bless them all.

It is said that every challenge has seeds of opportunities paving way for more improvement, development with more and more retrospection, analysis and revamping strategies in the larger interest of all our customers cum friends who have always been there with us to support on all fronts. Yes, you will agree that this pandemic challenge amongst its various bad effects has also given opportunity for a better living. All rivers including Ganges became so clean and pure without spending a penny for it. Pollution quotient suddenly brought very much below desirable standards. Families getting warmth association of all its members under one roof , spending time with each other giving way for happiness. Education redefined with digitalization, business meeting taking place without moving out of your home so far and so forth.

However, the situation has also thrown bigger challenges to a large number of people becoming jobless, worst situation for those whose family's bread and butter depends on their daily earnings, labour transmission to their home place, slow down in country's economic space , lowering of GDP etc.

Therefore, on this independence day we sincerely feel that one of the great tasks that each one of us should strive for is to become financially independent to create financial freedom for our own. That would really be a great task for a Nation's Cause. That creating financial freedom be a sole objective of each and every family paving way to a structured growth in GDP as well as per capita income of the country as a whole. It has been always said that making money out of money earned is a greater task than earning it. We as a financial advisor always endeavor to create financial awareness through our various seminars on Retirement planning, financial planning. This pandemic situation has underlined the importance of a sound financial health, savings, controlling expenses and apply it appropriately in terms of our objectives. And please remember the purpose of creating financial freedom is not applying your money to high yielding investment but to create happiness to you and your family in real abundance.

So on this independence day let us take oath to create a Financial Freedom for our own family contributing to the nation's cause so that the nation's happiness spread over entire nation. We on behalf of Friend Financial Services sincerely wish all a Financial Independence on Eve of our 74th Independence day.

Warm Regards,
MILIND JAYWANT BANE.

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HOW MUCH LIFE INSURANCE SHOULD I HAVE ?

This is one of the most important questions always searched for. However most of the time ignored or overlooked . With awareness created about having adequate life insurance cover, people have moved towards buying term insurance cover, however still ignoring the adequacy of cover.

The adequate life insurance cover is the amount of capital that should be available to the dependent family on sudden demise of breadwinner of the family. The required amount of capital is a sum of provision for monthly basic necessities, kids school as well as professional education, spouse's retirement provision (half of actual required in retirement), unsecured loans and advances, housing loan, etc. So there is a scientific approach towards deriving one's adequate life cover. Please refer our earlier volume of our newsletter wherein i have attempted to define **Risk Zones** for each family.

Now as we understood in brief about the adequacy of life cover, let us try to work out this by taking an example.

EXAMPLE

Mr. Amit is a married person having two kids aged 2 years and 6 years. His wife is a homemaker. The family's monthly expenditure is to the tune of Rs. 50,000 p.m, Education fees of one kid is Rs. 1,00,000 p.a, Younger kid is yet to start his school, Housing loan of Rs. 80 lakhs, EMI is Rs.80,000 p.m.

What should be defined as adequate life cover for Mr.Amit?

1. To provide for monthly expenses of Rs. 50,000/- (6% interest on one crore is the amount that the family needs per annum)	Rs. 1,00,00,000
2. Present value of two kids school education upto 12th	Rs. 29,00,000
3. Present value of two kids professional education	Rs. 30,00,000
4. Present outstanding of housing loan	Rs. 80,00,000
ADEQUATE LIFE INSURANCE COVER	Rs. 2,39,00,000

The above cover doesn't include the provision for spouse's old age monthly requirement, which also needs to be calculated taking inflation into account. Please do not negotiate on this value as each family is defined as an enterprise and it is a statutory responsibility of the key person to see that his/her enterprise is adequately protected financially in case of sudden death. Life insurance provided adequately is one of the best ways to protect love for the family.

WHY ARE MY FUNDS NOT SEEN PERFORMING WHEN SENSEX IS GROWING ?

Markets have seen up quite a lot , but not all stocks have done well. People have seen market from an index perspective and said that markets have seen up. But only large cap stocks have rallied while mid-caps and small-caps have not moved up much. Even within large caps, the rally has been confined to a handful of stocks. Reliance Industries alone has contributed more than 1,000 points to the Nifty. If you don't count Reliance, the nifty is actually at 10,200 levels which takes us to pre-covid February levels.

B Gopkumar, MD & C.E.O, Axis Securities.

What has been said by B Gopkumar in the above paragraph is a clear indication of how BSE Sensex is indication of large caps and not an indication of the entire market. It is very important to understand in what category our fund is, whether it is in large cap, mid cap or small cap and even if it is in large cap its exposure to certain volatile and high market capitalisation stock like Reliance is equally important. For all our funds in the category of Multicap, Midcap, and Small Cap to perform, there has to be a momentum in the overall economy that all industries, should start performing their regular businesses and the activities really get geared up. So staying invested is the "**Mantra**".

HOW MUCH SHOULD BE INVESTMENT IN GOLD ?

When we say word investment in gold, it has to be very clear specific to be in gold and not Jewellery. Investment in gold can be done by buying it in forms of Coins, Biscuits at different price levels or you can buy it in paper forms like Gold Funds, Gold ETF, and now **Sovereign Gold Bonds**. Usually 5 to 10 % of your investment portfolio.

WHAT SOVEREIGN GOLD BONDS ?

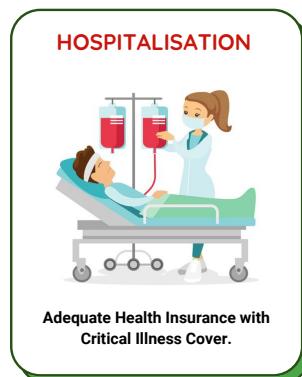
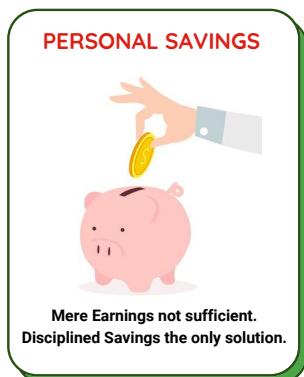
Sovereign gold bonds are issued by RBI on behalf of **Govt of India**. These bonds are required to be purchased digitally, meaning you can buy bonds through Demat A/C only. The issue price of bond is per gram of gold value.

Minimum number of bonds is 1gm and Maximum is 4kg. The tenure of the gold bond is 8 years with an exit option available after 5 years. The investment will earn an interest of 2.5% annually. On completion of tenure or on redemption before tenure the pertaining price of bond will be the value of investment.

The investor who wishes to redeem bonds before 5 years can get out of the bonds by selling it on stock exchanges. This exit option can be exercised on interest payment dates. The next and last tranche of this year will open in September 2020.

PERSONAL FINANCIAL "HYGIENE" KIT

YOUR "FINANCIAL HEALTH" DEFINES YOUR "PHYSICAL HEALTH"



CORONA KAVACH INSURANCE POLICY

As per directives issued by Government of India, all General Insurance companies have brought special policy to cover hospitalisation expenses due to Covid-19.

Corona Kavach Insurance Policy comes with certain features and benefits which are mentioned below :

- The policy covers hospitalization expenses including room rent, nursing cost, ICU cost, surgeon's fee, doctor's consultation fees etc.
- Waiting Period = 15 days from date of commencement.
- Expenses which are non-payable in regular mediclaim policies like expenses on PPE Kits, Gloves, Masks are covered in this policy.
- Treatment taken at home is also covered upto 14 days.
- AYUSH treatment expenses are covered including Ayurveda, Unani, Siddha, Homeopathy.
- Expenses incurred on any other pre-existing ailment while taking treatment on Covid-19 are also covered.
- Policy can be issued from "0" age to "65" years.
- The policy can be issued for 3 ½ months, 6 ½ months, and 9 ½ months, which is 105 days, 195 days, and 285 days respectively.
- The policy comes with no capping on the room rent.

CORONA RAKSHAK POLICY

- This is one time benefit policy specific to corona.
- The policy amount will be paid on being detected positive for covid 19 and hospitalized for minimum of 72 hours.
- No health check up required.
- Policy can be issued from age 18 years to 65 years waiting period 15 days.
- Policy is issued for 3 ½ months, 6 ½ months, and 9 ½ months.

Waiting for **CORONA** to visit your doorstep ?

How would you like to pay your
Medical Bills ?



Yesterday is not to **Re-cover**
But Tomorrow can be **Covered**

- ✗ Break a Fixed Deposit**
- ✗ Take a Bank Loan**
- ✗ Beg at Friends/Relatives**
- ✗ Compromise on Treatment**
- ✗ Postpone a Dream**
- ✗ Pray for a Miracle**
- ✓ Buy Health Insurance**

Secure your **Financial Goal** by buying **Health Insurance**

Too Young To Have Life Insurance? Think Again

The earlier you buy the insurance, the better.

YOUNG Vs OLDER



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WEBSITE !