

# SHORT-SERVICE COMMISSION OFFICERS: BE FINANCIALLY VICTORIOUS

## GAURAV MASHRUWALA



You always thought of giving away your today for our tomorrow. But, it is important for you to think of your tomorrow as well, for the sake of your financial future and the well-being of your near and dear ones, writes our guest writer, Gaurav Mashruwala. Follow these few basic steps:



**Mark Your Aim:** Make a list of your financial responsibilities and dreams – the events in life for which you will have to create a financial corpus. That is going to be the aim that you will shoot for.

**Get Protection:** When you go on the field, you put on gears to protect yourself. Similarly, when you embark on your financial journey, think of these three protections:

- Contingency Fund:** This helps when you are out of service and there are situations like poor economic conditions and job loss. Keep a contingency fund to meet 3 months' expenses.
- Health Insurance:** As long as you have a health cover, there is no problem. However, once your service ends, there may or may not be sufficient cover. Therefore, opt for health insurance.
- Life Insurance:** Your family may struggle financially without you. Please ensure that there is enough life insurance through Term Plans.

**Attack:** Embark on your journey to accumulate wealth:

- Firstly, pay off all outstanding loans at the earliest. They are hurdles in wealth creation.
- Invest keeping in mind your financial goals. Also link existing investments to financial goals. This way you know your attack is going as planned. Never invest randomly.

Gaurav Mashruwala is a renowned expert on personal finance.

## Swatantra Kumar Explains: HOW SIP WORKS

Systematic Investment Plans (SIPs) are one of the best ways to invest. Here's how they work:

- 1 Select the Fund:** Before you start investing in an SIP, select the Mutual Fund (MF) you want to invest in depending on your goal, risk appetite and investment duration.
- 2 Decide Investment amount:** Next step, decide how much you can invest every month. You will also have to decide how long you will invest for through the SIP.
- 3 Allot Units:** Every month, your money will be debited from your account. Depending on the value of the Fund, you will be allotted units of the Fund you choose.
- 4 Market-based:** The value of the Fund is based on the market value of the underlying assets like Stocks, Bonds, etc. If the market value jumps, you will get less units for the same amount.
- 5 Bear Markets:** This is why bear markets can be a good time to invest through SIP. You get more units for the same amount. In the future, the combined profits could be higher.
- 6 Decide Units:** Alternatively, you can also fix the number of units you wish to buy every month. In this case, your investment amount will vary per month.

## DID YOU KNOW

The worst performing Indian MF outperformed Warren Buffett in dollar terms by over four times in the past 17 years.



They said it:

“Someone is sitting in a shade today because someone planted a tree a long time ago.”

– Warren Buffett

What it means:

Better to start saving as early as possible to be ready for a comfortable life in the future.