Personal Finance is for everyone! ©



About me –

Novice Investor and trader – 2 years in the market

Currently Portfolio – 20% Stocks – 80% crypo currencies

Next Goal – index funds and real estate

Check out my insta (@santoshi_tadanki) – I will be sharing info there on 1) a crypo currency you can mine on your mobile phone created in Standford Labs 2) A document to help you make your first 1000 investment in cryptocurrency

Disclaimer – Personal Finance is for everyone, nothing shared today is financial advice!

Agenda

- 1. Power of compounding
- 2. Financial disciple vs luck
- 3. Retirement is not an age but a number
- 4. Standard Financial Instruments in India

Let's take a quick poll before we get started!



Power of Compounding



Santoshi Tadanki @Santoshi_Tadanki

Let's say you start saving ₹1000 per month - In 20 years you will save ₹2,40,000

If you start investing ₹1000 per month - @10% p.a in 20 years you will have ₹8,65,638

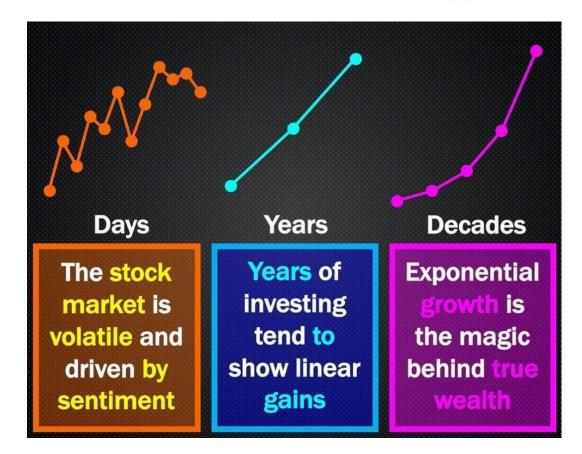
Lesson? The only way to build wealth is by investing

Power of Compounding

Budget Budget!!

Simple Interest = $P \times r \times t$

Compound Interest =
$$P \times \left[\left(1 + \frac{r}{n} \right)^{t \times n} - 1 \right]$$



Financial Discipline vs Luck



Most millionaires knew they would be Millionaires before their Net Worth actually touched \$1,000,000

Building long term wealth is more about planning and less about luck

Easy come, easy go –

" Whether they win \$500 million or \$1 million, about 70 percent of lotto winners lose or spend all that money in five years or less."



Turning \$13,600 into \$153 Million

Japanese day trader "Takashi kotegawa" turned \$13,600 into \$153 million in less than 8 years trading from his bedroom.

HE IS NOW GOING FOR BILLIONAIRE STATUS!

Retirement not an age

FIRE – Financial Independence + Retire Early



Retirement is not an age but a financial goal

If your passive income or savings can pay for your lifestyle for years to come without you having to actively work and earn money -

you are financially independent and can retire! Be it age 65 or 35



Santa started investing for planned retirement when she turned 24!

She invested to get an annual return of 20% and put in ₹5000 every month for 25 years

15,00,000

Principal Amount

4,24,26,434

Maturity Amount



Consistency >>> Perfectionism

- 1. Learn about debt use online debt calculator if you borrow 1L for 2 years, how much interest do you pay?
- 2. Learn about mortgage If you borrow 70L for 30 years, how much interest do you pay? What is your principle amount distribution? Would it help if you found an alternative to mortgage?

Rachana Ranade TO BUY OR RENT HOUSING – including excel to simulate your expenses https://www.youtube.com/watch?v=hPTrtp098vg

3. Learn about Taxes – is it better to invest in tax exemption or is it better to pay tax & invest the money for capital gains?

Financial Instruments to Explore

Get started with any financial instrument that you have access to. Some examples-

- 1. Sovereign Gold Bond 8 year lock in 0 tax investment
- 2. Equity Demat Recommend Zerodha, second best is HDFC long term investments are minimally taxed
- 3. Small Cases Zerodha
- 4. Mutual funds several providers, opt for low fee mutual fund for long term
- 4. Crypto currencies currently legal and unregulated (not taxable) in India excellent for long term hold
- 5. Pension Schemes https://www.policybazaar.com/life-insurance/pension-plans/
- some are tax exempted

PI Network – a new crypto currency by Standford's Block chain lab, an eco friendl