

## **Background:**

The journey to financial freedom is complex. Perhaps all of us have more questions than answers when we envisage about attaining different financial goals during the life span. There is a myriad of options and we take time to understand our current needs and future aims. Financial Planning is one such device that brings a holistic approach to address those questions and puts in place a structure that takes you precisely to attainment of goals/destination.

## **Financial Planning includes,**

- a) Identifying all the financial needs of an individual-be it his marriage or his child's education or to take care of his needs during the winter of his life.
- b) Translating these needs into monetary measurable goals at different time periods in future. Building a home can be a goal but that has to be expressed in monetary terms. Moreover, for all future goals inflation also has to be taken into account.
- c) Planning financial investments that will allow to provide for and satisfy future financial needs thereby achieving his life's goals.

## **Benefits of Financial Planning**

A few of the benefits,

- It helps you achieve your financial goals.
- It helps you achieve your financial independence.
- It helps you understand where all your money is spent.
- It may help you support those who have supported and nurtured you.
- To retire someday.

## **Role of Mutual Funds in financial planning**

While planning your investments in achieving your financial goals, one has to evaluate various financial instruments. We feel that mutual funds have to figure in one's investment planning.

Mutual funds have an important role to play in devising a investment plan for the following reasons:

- Mutual fund products have different risk return profile - They provide a variety of schemes ranging from liquid schemes which has the lowest risk to equity schemes which have the highest potential for return with commensurate high risk.
- Small amounts of investment - There is always a common complaint that there is not much money for investment. However investing early is important and not the quantum of investment for successful financial planning. One can invest as low as Rs. 500/- in a mutual fund.
- Tax efficiency - Mutual funds are quite tax efficient as compared to other financial products.
- Mutual funds make the task of financial planners easy- The role of financial planner is to make strategic asset allocation in response to the needs of client and then leave the fund managers of appropriate mutual fund schemes to select securities within those asset class.
- Since mutual fund portfolios are driven by pre - stated investment objectives , it is easier to match one's objectives with the mutual fund product.
- Mutual fund provides liquidity -Whenever one wishes he/she can en-cash at NAV without much of impact cost.

Mutual funds due to their simplicity provide great benefit to investors with limited knowledge about capital markets, time or money. UTI Mutual Fund's product basket fills in it products for different stages of life. All you need to do is to set out your financial destination and match it with our offerings.

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| <h1>SIMPLY INVEST KARO</h1> <p>Toll-Free: 1800 22 1230   SMS: INVEST to 5676756</p>   | <p>An Investor Education Initiative</p>  <p><b>uti</b><br/>UTI Mutual Fund</p> |
| <p>Mutual fund investments are subject to market risks. Please read the scheme information document carefully before investing.</p> |   |