Twitter Thread by Finalysis

Finalysis
@Finalysis20

Listened to an excellent episode of Paisa Vaisa podcast with:

Monika Halan @monikahalan author of the best-selling book "Let's Talk Money" hosted by Anupam Gupta @b50

A thread ■ on key takeways from this excellent podcast.
#PaisaVaisa
@IVMPodcasts



Learnings from pandemic:

~ Need for a bigger emergency fund
~ Move money from equity to emegency funds during bull runs

~ Re-balance portfolio as per market changes

~ Maintain asset allocation

Beware of current environment

~ Unauthorised & unqualified people are giving equity investing advice

~ New investors haven't seen deep crash & scary market environment

~ Times of get rich quick schemes through stock & crypto

Understand your impression about the market

Most youngster's idea of the market is:
~ Driven by the current environment
~ Influenced by the media & news
~ Motivated by bull market returns

Understand who are you?

~ Are you a trader or an investor.
~ Stock market is for all types of people.

Once you understand yourself, then choose the investment path accordingly.

A new emerging theme

Buoyancy in agriculture sector:

New age startups are coming in:
~ Mapping climate
~ Studying cropping patterns
~ Technological farming

They are eager to participate in the markets

Economy will benefit when these startups list on market in coming years.

Is the market overvalued or too high?

Don't look at sensex value.
Look at the future growth.

Market was too high at 2000, 3000, 4000, 10000, 15000 etc.

As long as future growth is present, the market will keep touching new highs!!

Relationship of money in pandemic

Importance of money:
~ For medicines
~ To access quality treatment
~ To avail oxygen

Futulity / Limitation of money

~ Couldn't spend anywhere
~ Rich also lost their lives.
~ Couldn't save the poor even if rich were ready to help!

Prepare for your death!

Be rational, than emotional!

Purpose: To provide a clear financial path for family.

Collate these details in a file:
~ Bank accounts
~ Investments
~ Insurances
~ Websites
~ Passwords
~ Imp. paperwork

Here's a thread by Monika:
https://t.co/NrOIjDfmQh

> The quest for money.
> Sudden covid deaths are leaving those left behind in a blind search for assets and liabilities.
> I write a series that tries to put the pieces together.
>
> 1. Post-death Money Trail: 7 people who can help. https://t.co/JY5BePCG3y
>
> — Monika Halan (@monikahalan) May 27, 2021

Pocess is important than result

Uncertainties of life may force you offtrack from investments

System will make sure you:

~ Don't need to find time to invest
~ Don't need to take decisions every time
~ Don't invest money in fake schemes
~ Have Money working for you every moment

What if you have the itch for speculation

~ Don't put everything in speculative assets
~ Allocate a fixed capital to such in venvstments
~ 10% out of total rest for long term investment.
~ Don't over-leverage.

A Pro tip to be safe from structured deals

~ Ask what worst can happen in the deal.
~ Get it in writing
~ Get it signed with date from the deal selling person

If he doesn't tell, run away from that person since it's sureshot trap to dupe.

Basics of life insurance

~ To protect family when primary earner dies
~ Don't combine insurance & investment
~ Don't buy for tax breaks
~ Everbody doesn't need it.
- Very rich don't need bcoz family can live off assets
~ Cover: 10x of salary
~ Duration: Till retirement age

Health Insurance pointers

Tedious due to fine print!!

~ Have your own, inspite of employer provided cover

Why?
~ You switch jobs
~ You won't be covered post retirement

Be aware of:
~ Room rent limit
~ Disease waiting periods
~ No claims bonus
~ Claims & claim complaints

How should you start your investment journey?

Have separate bank accounts with these labes:
~ Income
~ Expenses
~ Investment

Understand whether your savings is a target or a residue.

Then have:
~ Emergency funds
~ Insurances
~ Investment

Finding a financial advisor

~ Advisor should be trustworthy
~ Check within circle of friends
~ Talk with 3-4 advisors

Advisor should ask you personal questions about your lifestyle, goals etc.

Stay away from an advisor who asks about how much money you have!

That's a wrap friends:

TL;DR:

~ Beware of current market environment
~ Understand your nature before investing
~ Protect your income, insure then invest
~ Follow a process
~ Find a trusted advisor
~ Have record of finances, easily accessible for family!!

If you have found this valuable, consider re-tweeting the first tweet in this thread:

https://t.co/cad13L69TO

Do listen to this insightful podcast on IVM app or youtube:

https://t.co/s9CLG9z8SA

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> A thread \U0001f9f5 on key takeways from this excellent podcast.#PaisaVaisa@IVMPodcasts pic.twitter.com/vTMasgbV21
>
> — Finalysis (@Finalysis20) October 28, 2021