

Twitter Thread by Aditya Shah



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What to do when u first save money?■

Do u straight away invest in equities/shares?■

A simple thread■explaining how u can systematically create a structured portfolio on ur own.

Hit "Retweet" to educate maximum retail/small investors

Lets go■

(1/14)

Step No 1.-

Golden Rule of Finance-

Expenses=Income-Saving

■In the starting years as an investor save as much as u can.

■Cut down as much as u can on discretionary spending.

■Initial years are tough as capital comes in slowly and seeds for compounding are being laid

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Step No 2:-

Buy a health insurance:-

Health insurance will protect your portfolio against undue shocks of unforeseen hospitalization

A detailed review of how to buy health insurance is here■:-

<https://t.co/2vsWcH1ZZE>

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As part of financial planning

A thread on health insurance

What is health insurance?

Health insurance is a insurance that covers medical expenses that arise due to an illness. These expenses could be related to hospitalisation costs, cost of medicines etc.

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— JST Investments (@JstInvestments) [December 24, 2020](#)

Step No 3:-

Buy a Life Insurance(If required):-

Evaluate the need for life insurance.

If need be buy a term plan.

A detailed review of how to buy life insurance is here■:-

<https://t.co/3Q0bwfqVZM>

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Term Plan or a ULIP or a endowment plan?\U0001f914

Life Insurance simplified:

Do 're-tweet' & help us educate more investors

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— JST Investments (@JstInvestments) [April 5, 2021](#)

Step 4:-

Evaluate ur life goals

Goals can be:-

- Retirement
- Buying a house
- Child's Marriage
- Child's Education

Evaluate the year in which the goal will be achieved with the amount of estimated amount

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Step 5:-

Evaluate ur Risk Profile:-

Create a statement of asset and liability

Based on how aggressive of ur goals....evaluate how much risk u can really take.

U can also approach various financial planners to evaluate ur risk profile.

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Step 6:-

Create an emergency corpus:-

Emergency corpus helps u fight against any unforeseen emergency that may require financial assistance.

Deploy the fund in fixed deposits or debt mutual funds

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Step 7:-

Asset Allocation:-

Based on ur risk profile create a % allocation to

1. Equity
2. Debt
3. Real Estate
4. Gold.

A detailed thread on how to go about asset allocation here:-

<https://t.co/nRXioviFy6>

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Financial Planning is the first step to having a secure life.

Asset allocation is vital part of financial planning!

A thread on Asset Allocation\U0001f9f5

Do "retweet" for Maximum Reach

Lets go\U0001f447

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— JST Investments (@JstInvestments) April 8, 2021

Equity:-

- Create the desired allocation to equities as part of asset allocation
- If u do not know how to analyze shares do not go direct equities and invest in mutual funds
- Create a mixture of index funds+active funds
- SIP a mutual fund for 10 years at least.

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- When going direct equity...do not take advise from social media like youtube/twitter.
- Constantly evaluate ur portfolio 3-6 months to make sure the portfolio is going in the right direction.

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Debt:-

- Stick to fixed deposit if tax planning allows it
- Stick to short term debt funds when investing in debt mutual funds
- Avoid credit risk funds

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Real Estate:-

- Should be at least 10% of the portfolio
- However do not make the mistake of putting 80-90% in this asset.
- REITs can be a better option than physical real estate

A detailed thread on REITs:-

<https://t.co/sMXkxZjtMN>

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Real Estate Investment Trusts (REITs) Simplified.

A product that provides a fixed income that is better than FD +an upside like equity.

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— JST Investments (@JstInvestments) June 9, 2021

Step 8:-

Re-evaluation

Constantly keep re-elevating at regular intervals of 3-6 months.

Also re-evaluate the portfolio at any big life changes that u may have.

This will ensure u are aligned to ur goals

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Conclusion:-

- By following simple processes u can make a great portfolio
- Be systematic tabulate everything down
- Buy adequate insurance cover
- Maintain emergency corpus
- Diversify across all asset classes
- Constantly keep re-evaluating

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