

Where should I invest to create a retirement corpus of ₹10 crore?

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I am 27 years old and earn ₹1 lakh per month. Please find below the investments and payments I do every month. Every year, I invest ₹1.5 lakh in PPF and ₹50,000 in NPS. I pay ₹22,000 premium per annum for a sum assured of ₹5 lakh. My mutual fund investments include ₹8,000 in Aggressive super fund (managed by phonepe), ₹7,000 each in Tata equity P/E fund and Aditya Birla sun life liquid Fund, ₹5,000 each in Edelweiss US technology equity FoF direct growth, Axis long term equity direct plan growth and ICICI prudential India opportunities fund growth . I also pay an EMI of ₹5,237 per month.

Please advise if I am on the right track to create a corpus of ₹10 crore by the age of 60. What would be some of the other MFs where I should invest?

—Name withheld on request

We would advise you to exit from the fund — Aggressive Super fund by Phonepe and Tata equity PE fund and reinvest in a Flexi cap fund and index fund, considering your long investment horizon. The Parag Parikh Flexi Cap Fund and the UTI Nifty Index Fund are good options to consider in that space. The Edelweiss US Technology equity FOF is appropriate for high-risk investors as it is a sector fund. Analysing your current mix, you would be able to achieve the desired corpus by the age of 60.

I'm 23 years old and currently doing a master's in business administration (MBA). I'll be taking a loan of ₹15 lakh for my studies. I am hopeful of getting a job in a reputed company in the next two years. Currently, my family's financial condition is very weak as my father is a marginal farmer. How should I plan my financial journey once I get a job, while taking care of my family's financial commitments? I'm aiming at a financially secure life at the age of 40-45 years.

Considering that there is probably no other option but to support your MBA with an education loan, it will be critical to look at repaying your education loan as soon as possible once you complete your MBA so that you can start saving towards other financial goals to make yourself financially secure in your 40s. Considering an average MBA salary of about ₹9 lakh per annum (this varies significantly from business school to business school) and a 10-year loan period, you should be able to pay off your loan amount. By paying it off early and investing a significant portion of the leftover salary post EMI, you should be on the path of financial security after that. It will be crucial to control your expenses, and be disciplined with your savings and investments to get to your financial goals.

Vishal Dhawan is a certified financial planner and founder of Plan Ahead Wealth Advisors, a Sebi registered investment advisory firm.
