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For the home purchase after five years, you may want to use a combination of debt funds and hybrid funds for this purpose

I am 25 years old, single and earn 47,000 per month. I have an NPS account where my contribution. and that of my employer. is every month. I am also around 10.000 investing 8,000 in a systematic investment plan (SIP), all in equity. Do I need to effect any change in my investments since my parents are dependent on me and I am planning to buy a house of around 20 lakh after 5 years.

## -Name withheld on request

Considering your age, the NPS due to its low-cost structure and its ability to save diligently for retirement is a good choice. Additionally, due to your long investment horizon, your use of equity SIPs is also a good idea, as long as you are using a combination of index and actively managed equity funds. For the home purchase after five years, you may want to use a combination of debt funds and hybrid funds for this purpose. Considering that your parents are dependent on you, it is crucial that you create a medical and emergency provision through the use of bank deposits/debt funds as well, in case you have not done so already.

I am 31 years old and earn 70,000 per month, I have invested 6 lakh in real estate, accumulated 9 lakh in my provident fund (PF), 7.5 lakh in mutual funds (MFs). Currently, I am investing 12,000 per month in MFs and 35,000 in PF. I have two sons, aged 9 years and 7 years, respectively. I want to retire after eight years. Should I invest more in MFs?

-Name withheld on request

We advise you to increase your allocation toward equity and reduce the PF contributions as you are relatively young. Additionally, you would also need to plan for other goals like education for your children, which is also a long-term goal, along with retirement. Hence, you must plan for your children's education and marriage first and then plan for your retirement.

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

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