

## **Why did you decide to become a Financial Advisor?**

It has been a rare privilege for me to have worked both as a sea farer and also on shore in the same field. The corporate world balanced my sea time experiences both in the work place as well as socially. I had the opportunity to interact frequently and at length with families of seafarers and seafarers themselves on family and community commitments. I understood that across cultures, national and international, various nationalities dealt with family and community commitments in differently but at the same time tended to overlook their own safety net. The OECD country seafarers have no problems as regards to this as their social security system caters to old age pensions and medical treatment. In other countries especially South Asian and Asian, seafarers are mostly living as non-residents. They do not pay taxes and the Social Security system in these countries are very basic which is not sufficient to carry them through the trials and tribulations of life or keep the standard of their lifestyle in order when required.

My interaction with several seafarers who supported their families, relied on Company insurance or invested in expensive Lifestyle accessories (SUV's or luxury cars or second homes etc.), but forgot to take care of their own retirement needs of steady income and medical support so they could live well and have a worry-free life beyond sailing.

After a long corporate career in Shipping and its associated rewards, it's time to give back and share my experiences with the community to help with Retirement planning. Life gave me a wonderful opportunity during Covid 19 to explore ways to enhance my skills in this direction. As a Financial advisor I am certified for Insurance and investment planning, and it is my commitment to ensure that our seafarers are given the best possible advise towards securing their future.

## **What is the Role of a Financial Advisor**

A Financial advisor creates awareness of various investments in terms of Returns, Exit barriers, Risk and Tax implications of the same.

One of the most popular investments these days are Mutual funds and direct equity investments. In the long term, both have high returns but also come with a considerable amount of risk. To begin with one can consider investing a minimal amount of Rs 1000 each month in mutual funds to garner some experience. Mutual funds charge annual fees or commissions that can eventually affect your overall returns. The gain on sale of Equity or mutual funds is also subject to capital gains tax. Safer investments such as Fixed deposits face declining rates of interest and are subject to Tax , hence barely stay ahead of Inflation. Government bonds, Post Office bonds, Senior citizen schemes are longer term investments and have tax advantages but returns are limited. Life insurance investments provide risk cover for loss of Life, Income Tax savings and guaranteed return on some schemes. Property

and gold investments require higher capital and are bought for security rather than high rate of returns.

A Financial planner would advise you an investment portfolio out of the above options based on your earnings, age and expectations for wealth enhancement , pension plans etc.

### **What are the drawbacks of being a Financial Advisor**

It's the start of a second career and there is so much I do not know. It's like starting cadetship again and I learn every day and hope to get better knowledge and skills as I go forward.

The Questions I will be asked by my Clients remains the same as when I climbed my first gangway – “ Find out and let me know”

### **What are the benefits of being a Financial Advisor?**

Apart from the satisfaction of giving back to the profession that gave me so much Joy and Wealth, I get a small commission on the business I generate while learning how to manage my investments better.

My Father retired from the Indian Navy at a senior rank and started a similar career and today he has accumulated enough wealth to support the family , his retirement and his favourite charities. I hope to do the same one day.

### **How do you build relationships with your clients? How do you guide them through tough situations?**

Your Client must trust your Integrity, be non-partisan (walk away from bad business decisions) and compliant with the National investment law.

If there are tough situations then I must find an innovative solution which is compliant and serves my Customers goals to avoid similar situations in the future.

### **Describe how you handle demanding<sup>1</sup> clients. What would you do if they pushed you to act unethically?**

Demanding Clients push you to do better and find innovative solutions while being compliant. So Demanding clients are welcome.

Due to various national legislation that is common – Prevention of Corruption Act, Anti Money Laundering Act , Moral Fraud (in Insurance policies) – we cannot act unethically or against the law.

### **What information do you use to evaluate a client's financial position? Why?**

There is a questionnaire which is used to determine the source of income, savings and risk appetite for investment. There is also the experience that an investment advisor offers in choosing the right instrument to plan for Life / Disability insurance , buying a house , Retirement planning , Endowments for children's education , etc. This is an important first process to understand the Clients real and

perceived / aspirational needs and provide them options commensurate with their Income and the investment options available.

### **What are some underutilised financial resources ? how do you stay current on industry developments?**

There are very good Insurance plans that also provide you steady retirement income or wealth growth. In the last one year all of us have faced disruption due to COVID 19 and livelihood has been impacted . Even at this time guaranteed return plans have delivered high returns to insulate customers from financial stress.

I interact with Insurance advisors, Mutual Fund advisors, attend conferences on investing and monitor trends to stay updated. Shipping stays a passion and I monitor market conditions on different trades through publications.

### **What advise would you give to seafarers / NRI's in Shipping?**

My first advise is to get a financial planner that you trust when you get your first job. Secondly please Insure yourself for death, medical and disability so that yourself and loved ones are secure in case of a mishap. Thirdly start planning for your retirement early by investing periodically in long term funds that offer guaranteed return in excess of bank interest rates. Invest in India as an NRI as the growth potential is high and if you plan to return back eventually.

Keep current with financial trends, your financial needs and adapt accordingly.

For example real estate in India has been doing poorly for last 6 years and rental yields have always been very low (as compared to Hong Kong or Singapore) so should you invest in real estate for retirement planning with so much uncertainty.

Another example would be to invest in an endowment policy that gives you risk cover and financial growth when you start your career and helps you plan children's education , marriages , etc. Later on in Life invest in pension plans that guarantee a decent standard of living after retirement.