

ACHIEVE

TRUE FINANCIAL INDEPENDENCE

IN THREE PRACTICAL STEPS



Financial independence sounds incredibly appealing—something you aspire to, and often, something others envy. But it's not about being rich. It's frequently and falsely equated with wealth. True financial independence comes from knowing where to draw the line with money. It's about understanding what you truly value and using your money in alignment with those values. To move toward genuine financial independence, you must first reflect on the role money plays in your life. Beyond that, here are three practical steps to help you get started:

STEP 1

TRACK YOUR EXPENSES



Until you understand your spending habits, you won't be able to estimate what your financial independence fund should look like. Tracking expenses means writing down all your daily expenditures, aggregating them monthly, and including big annual costs. The exercise may feel tedious at first, but the insights can be eye-opening. You might discover you're overspending on things that bring little joy—or underspending on yourself despite having adequate savings, thereby missing out on true value. Once you identify the level of spending that aligns with your current values, you can begin planning ahead.

TAKE CALCULATED RISKS WITH YOUR INVESTMENTS



STEP 2

Ideally, your investment returns should beat inflation—especially on a post-tax basis. Taking calculated risks means focusing on high-quality growth investments while being willing to absorb short-term volatility, provided there's solid earnings backing the assets you choose. Also, prioritize assets that are liquid and flexible, so you're not forced to accept unfavourable prices when you eventually exit to realize your financial independence.

STEP 3

REVIEW YOUR PORTFOLIO



It's important to review your investment portfolio at regular intervals, typically once a year, to ensure it remains aligned with your financial goals. Market conditions and personal priorities can change over time, so periodic realignment helps keep your strategy on track. Whenever possible, seek guidance from a qualified financial advisor to gain clarity and make informed decisions.

These steps are essential to set the right foundation for your financial independence journey. Remember, this isn't just a money goal defined by a specific amount—it's a lifestyle. One that you'll sustain on your own, for life.

Disclaimer:

Past performance may or may not be sustained in future and is not a guarantee of any future returns. Mutual Funds do not have a fixed rate of return and it is not possible to predict the rate of return. This is an investor education and awareness initiative by PGIM India Mutual Fund.

Mutual Fund investments are subject to market risks, read all scheme related documents carefully.