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Knowledge Initiative

Dear Patrons,

Here we are with the Sixth Issue of our monthly newsletter "**Knowledge Initiative**".

We trust you will enjoy reading this newsletter, even while soaking in the contents. We would very much appreciate your feedback which consistently helps us in improving and upgrading the contents.

Also send us your questions or queries related to any financial product.

The Sixth Issue includes:

1. Investment Tips in Current Market Scenario
2. Good Time to Invest in Tax Free Bonds
3. Select an Ideal Mix of Schemes
4. Take Control of Your Retirement
5. Investment Opportunities in Real Estate

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Director

Warm Regards,
Akhil Chugh

Investment Tips in Current Market Scenario

The current market scenario has not only made investors jittery, but also sent many of them scurrying for safer havens. A majority of investors, however, are still in a fix over their next move. Should they still stay invested for the long haul or make an exit with whatever losses or gains they have had in the equity market? Is this the right time to start cherry picking from a longer-term perspective or should one still wait in anticipation of the market going to give more attractive levels to get in?

Although the answer may vary from individual to individual, depending upon one's risk appetite and investment goal, here are some tips which may help you stay clear of the mess and chart out some winning strategies in these times of crisis and world-wide panic:

1. Do not try to time the market
One thing that Warren Buffett, one of the world's greatest investors, doesn't do is try to time the stock market, although he does have a very strong view on the price levels. In fact, nobody has ever done this successfully and consistently over multiple business or stock market cycles. Catching the tops and bottoms is a myth. It is so till today and will remain so in the future. In fact, more people have lost money than gained in doing so.

2. Stay in the market
Instead of trying to time the market, one should spend time in the markets. Waiting on the sidelines is simply not an option as empirical research has shown the majority of gains in the stock markets is concentrated over a very few days. If somebody misses these days, and there is a high probability that you will if you wait on the sidelines for that proverbial bottom, the return from investment drops sharply to even less than 50% than what it could have been. You never know when the markets will start recovering.

3. Stick to your asset allocation
One must not over or under expose to any particular asset class simply based on a widely held perception. Individual investors have a habit of falling prey to the herd mentality. Historical evidence suggests that typically adverse news flow is at its peak during market bottoms. It is very tough to go against the herd or 'popular wisdom' as we incorrectly call it.

Only a disciplined asset allocation strategy combined with a robust rebalancing process can help you avoid falling into the trap. People tend to allocate more and more money towards the perceived safety of debt or money market instruments near market bottoms, thereby trying to protect their capital from further erosion. One must not under expose to any asset class merely because he believes that markets will fall more. Similarly, one must also not over expose to any asset class if he believes it to be cheap.

Maintaining a balanced asset allocation in line with the risk profile and future financial goals is the best thing to do in such circumstances.

4. Don't rely too much on tips

You should never invest on recommendations alone. Instead, always have a proper analysis before investing. Should you be unable to do that, take the help of your Financial Adviser.

5. Research properly before investing

Proper research is a must before investing in equity or debt. But that is rarely done. Investors generally go by the name of a company or mutual fund. If one doesn't have the time or temperament for studying the markets, always take help of your Financial Adviser.

6. Invest Systematically

Rather than investing lump sum, go for systematic investment plan (SIP) offered by mutual funds. An SIP is low on pocket and encourages investment discipline. It is based on an important fact of investing at all levels and not timing the market. SIP gives the benefit of rupee cost averaging and power of compounding. Rupee cost averaging means we get more units when the market falls and lesser units when the market goes up. As a result, the number of units and NAV (price) gets averaged out. An SIP is an important investment tool to achieve future financial goals such as Children Education and Marriage, Retirement, Buying a home, Planning a Vacation, etc.

Equity Investment has always been challenging and volatility is a part of it. The important thing is to spend maximum time in the market. These investment tips will throw some light on your investment pattern and will guide you on the right investment path.

Good Time to Invest in Tax Free Bonds

The market will be soon flooded with Tax Free Bonds issued by government enterprises. The government has allowed several PSU's to raise up to Rs 48000 crore during the financial year 2013-14.

The yields on these bonds are linked to the average yield of government securities of similar maturity in the previous 15 days. The benchmark 10-year yield crossed 9% recently and is now trading close to 8.6%. The companies with AAA rating are allowed to offer 55 basis points less than the reference government bond rates to retail investors. Retail investors are defined as resident individuals, HUFs or NRIs, who invest up to Rs 10 lac across all series of bonds in each tranche.

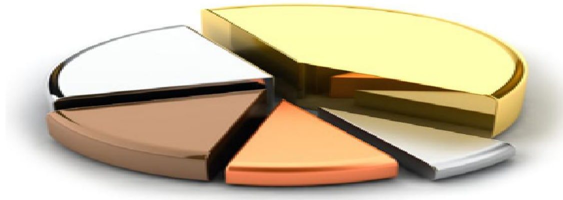
Rural Electrical Corporation has recently come up with Tax Free Bond Issue offering attractive interest rates across different tenors ; 10 Years**- 8.26%, 15 Years- 8.71% and 20 Years - 8.62%** for Retail investors. For Corporate and HNI's, the rates are 10 Years **- 8.01%, 15 Years - 8.46% and 20 Years – 8.37%.** REC has been assigned AAA rating by agencies. While it is better to go with the AAA rated companies, it is advised not to follow this rule mechanically. Even AA+ companies, such as Hudco, can be a good investment. The companies with a lower rating typically offer a higher coupon rate compared to AAA entities. Since all of them are government enterprises, there is no default risk. Investors can take advantage of the yield difference by putting money in AA+ companies.

Benefits of Tax Free Bonds:

1. Attractive rate of interest
2. Interest received is tax free
3. Short term capital gain from sale within a year will be taxed as normal income, long term capital gain from sale after a year will be taxed at 10%
4. Any time exit as it will be listed in NSE and BSE and will have no exit load
5. Highly liquid as it will be traded in good volumes on the stock exchange platform

As the Indian economy has slowed down, the interest rates will have to come down sooner or later. The timing of interest rate cut is difficult to predict as so much is happening globally and domestically. Tax Free Bonds are good option for investors looking for long term investment as such high interest rates will not prevail in the years to come.

For more information on Tax Free Bonds, contact us on mail@netbrokers.co.in



Select an Ideal Mix of Schemes

Never depend upon single or too many mutual fund schemes to deliver returns whether investing in equity or a debt. Mutual Funds are long term investments and it is advisable to consider investing in a combination or right mix of schemes to achieve your special goals.

After deciding the asset allocation which depends upon the investor's goal, risk appetite, income, etc the next step is to select the investment schemes.

According to us, a portfolio should have maximum 5-7 mutual fund schemes. This helps the adviser and the investor to handle and monitor the investments properly. Having more schemes always results in overlapping. You will end up having 3-4 schemes of the same category. It is advisable to choose one or maximum two schemes of the same category. For example, a part of the portfolio may consist of two large cap funds. This largely depends upon the asset allocation of the investor.

Asset Allocation in mutual funds is very important. Sometimes, one or two schemes out of five schemes may not perform in a particular period even though the stock market is doing well due to some calls based on fund manager's conviction or due to some other fundamental reasons. But, rest of the schemes may perform resulting in offsetting notional losses created by others. As a result, the overall portfolio returns does not suffer. 5-7 mutual fund schemes including a mix of Equity, Debt and Gold are sufficient enough to provide good balance and diversification to the portfolio.

While investing in mutual funds, it is very important to compare the returns of the schemes within the same category. But returns itself is not the sole criteria of selection. Other factors like goals, risk appetite, income, etc of an individual or family are also taken into consideration.

For Example: You want to invest Rs 15,000 per month for 20 years for your daughter's wedding. You can split the investment in three mutual fund schemes to get the benefit of diversification:

S. No.	Scheme Name	Investment Mode	Category	Invested Amount	Asset Allocation
1.	Franklin India Blue Chip Fund	Monthly SIP	Large Cap	Rs 6000	100% Equity
2.	HDFC Prudence Fund	Monthly SIP	Balanced	Rs 6000	65% Equity: 35% Debt
3.	SBI Gold Fund	Monthly SIP	Gold Fund	Rs 3000	100% Gold

Note: The above asset allocation may differ from individual to individual. We advise our clients to go through the process of Financial Planning, if not yet done. This will help in identifying Future Financial Goals such as Children Education and Marriage, Retirement, etc. After the analysis, we will help you out with right selection of investment schemes.

For more details on Financial Planning, contact us on mail@netbrokers.co.in

Take Control of Your Retirement

Retirement is the ultimate reality that happens to every working person and it should be your best phase of life. However, it is important to plan for your post-retirement life today if you really want to retain your financial independence and live a comfortable life. The financial situation in the country has changed in the last few years in such a manner that it will be difficult for one to maintain a decent standard of living with the current means.

Very often, people postpone planning for retirement till they are very close to it. But that can leave them severely under-prepared.

The cost of delaying; I am too young to bother about retirement."

The sooner you begin setting aside money for your retirement investments, the better off you'll be. The longer you wait the more sacrifices you'll have to make to catch up. That's because of the power of compounding—your investments earn income, and that income earns income, and that income further earns income. Consider Ram and Shyam who plan to retire at the age of 58. Let's assume their investments each earn 15% annually.

	Ram	**Shyam**
Starts investing at the age	**28 years**	**48 years**
Monthly savings	**Rs. 5000**	**Rs. 15000**
Returns (assumed)	**15% p.a.**	**15% p.a.**
Both invest till the age of	**58 years**	**58 years**
Total investment	**Rs. 18 lacs**	**Rs. 18 lacs**
Wealth accumulated at 58	**Rs. 299.97 lacs**	**Rs. 42.03 lacs**

The above table clearly indicates the benefits of investing early in life.

The goal of retirement planning is to help achieve your financial dreams both during your working years and post retirement. While you may have decades to go before you retire, it's never too early to start planning and setting aside savings for retirement.

For more information on Retirement Planning, contact us on mail@netbrokers.co.in

Investment Opportunities in Real Estate

Net Brokers is a channel partner of reputed developers across Delhi/NCR and is dealing in new bookings, under construction and completed projects.

Why Net Brokers?

- We have a team of Property Advisers who are trained professionals and provide unbiased advice.
- Short listing of suitable properties from a list of 150 plus projects across Delhi/NCR.
- Comparison of multiple properties.
- Site Visits
- Market Analysis

List of Top Projects:

S.No	Developer Name	Project	Location	BSP (Per Sqft)	Type	Budget	Possession
1	ATS	Tourmaline	Sec - 109,Gurgaon	Rs. 8000	Residential	1.31 Cr - 2. 36Cr	Dec, 2016
2	DLF	The Sky Court	Sec- 86,Gurgaon	Rs 7750	Residential	1.5 Cr	Sep, 2016
3	Raheja	Revanta	Sec-78,Gurgaon	Rs 6775	Residential	1.04 Cr to 2.52 Cr	Oct ,2014
4	Vatika	Vatika Mindscapes	Mathura Road (Delhi – Faridabad border)	Rs.7500	Commercial	37.50 Lac Onwards	Sep,2016
5	ATS	ATS PRISTINE	Sec-150,Noida Expressway	Rs.5500	Residential	96 Lac Onwards	Mar,2017
6	The IITL & Nimbus Group	The Golden Palm GH-01-E	Sec-168, Noida Expressway	Rs 5500	Residential	60 Lac Onwards	Dec,2014
7	Spire World	World Trade Center	Yamuna Expressway, Greater Noida	Rs 5100	Commercial	25.50 Lac Onwards	July, 2016
8	Jaypee Group-Wishtown	Garden Isles	Sec 133,Noida Expressway	Rs.4800	Residential	62 Lac Onwards	Dec,2015
9	Eros	Sampoornam	Sec- 02, Noida Extention	Rs 3400	Residential	30 Lac - 72.48 Lac	Dec, 2015
10	Jaypee	Sports City Studio1	Yamuna Expressway, Greater Noida	Rs. 3290	Residential	18 Lac Onwards	July, 2016

For more information on Real Estate Projects, contact us on mail@netbrokers.co.in


SUNWORLD SPIREWORLD
WORLD TRADE CENTER®
NOIDA
AT SPIRETEC, GREATER NOIDA
New BSP Rs.
5,100/- Per Sq. Ft.
INVESTMENT MERI MARZI KA.
AB RETURN BHI MERI MARZI KA.
123 PLAN
THE UPG₹ADABLE INVESTMENT
Presenting, India's first investment that lets you decide the size of your returns. Upgrade your returns to suit your budget and your appetite with WTC 1.2.3 Plan that allows you to scale-up the profit from your investment depending on your investment capacity. Now, let your ROI be your decision.
WITH 10% P.A. ASSURED RETURN TILL POSSESSION + MINIMUM MONTHLY RENTAL OF RS. 42*/- P.SQ.FT. GUARANTEED FOR 3 YEARS THEREAFTER
STEP UP YOUR INSTALLMENT & INCREASE YOUR RETURNS UPTO 12%*
Also available • 100% DOWN PAYMENT PLAN
50-25-25 EASY PAY INVESTMENT PLAN
net brokers
Private Wealth Management
we know your investment needs
09999577833
09311999924
011-64722147
Plot No. TZ-13A, Sector Tech Zone, Greater Noida Industrial Development Area, District Gautam Budh Nagar (U.P.)

FIXED DEPOSITS

Earn Assured Returns up to 12.57 % p.a.

Offered By Renowned Companies

Sr. No.	Company Name	Period			3 Years Yield	Senior Citizen	
		1 Year	2 Year	3 Year	(in %)	(additional Rate)	(Yield in %)
1	Shriram Transport Finance	9.25	9.75	10.75	11.94	0.50	12.57
2	Kerala Transport Development Finance Corporation LTD	10.25	10.25	10.25	11.94	0.25	12.28
3	Mahindra & Mahindra Finance Ltd	9.25	10.00	10.25	11.34	0.25	11.64
4	DHFL	10.00	10.00	10.00	11.33	0.50	11.98
5	HDFC Ltd.	8.90	9.05	9.15	10.01	0.25	10.31

 # Interest @12.50% compounded monthly under 3 years Cumulative Scheme.

* The rates of interest are applicable as on the data mentioned herein above. The rate may be revised at the sole discretion of the respective companies inviting the Fixed Deposits without Further Notice.

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