



Knowledge Initiative

Dear Patrons,

Greetings.

We are pleased to share our monthly newsletter “**Knowledge Initiative**” for June 2014.

We thank you for reading and acknowledging our newsletter month on month. Knowledge Initiative Team is committed to bring you more educative and informative articles in the New Financial Year 2014-15.

We trust you will enjoy reading the Issue, 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 Issue includes:

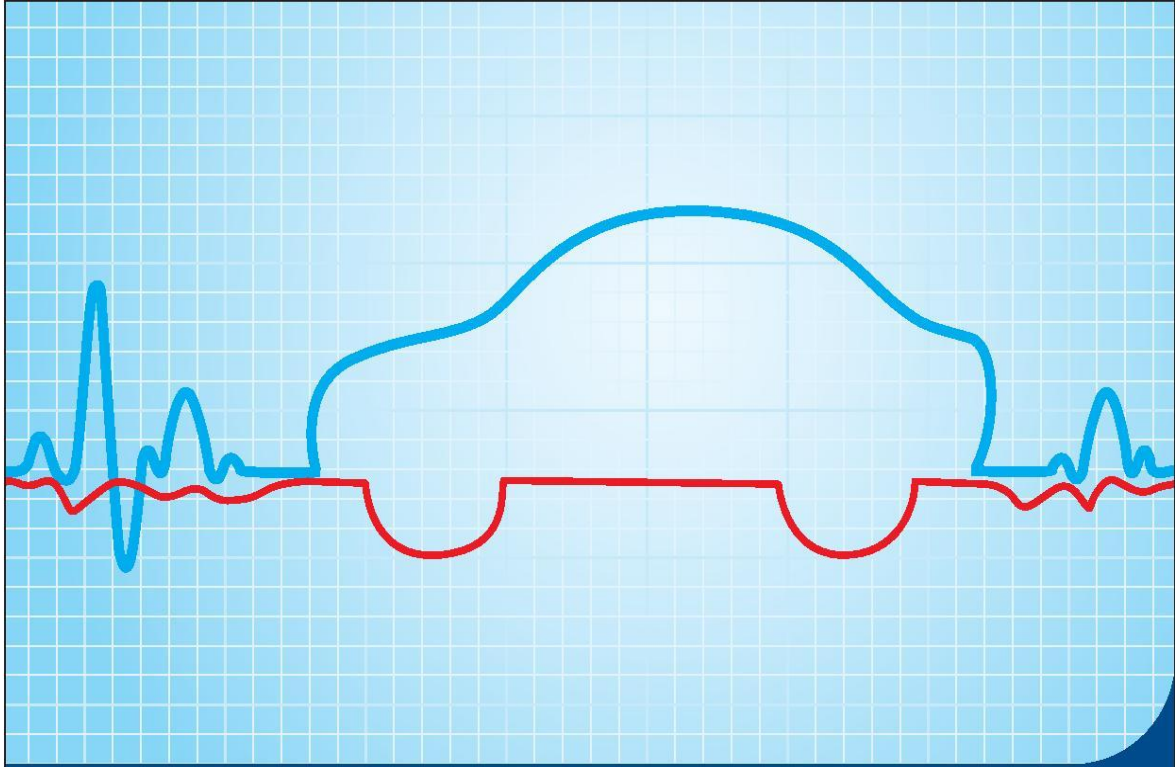
1. SIP ! SIP ! SIP
2. Sector Funds – Not for Everyone
3. Time for Duration Funds
4. Why Estate Planning is Essential?
5. Real Estate Along The DELHI-JAIPUR Highway
6. Investment Opportunities in Real Estate



Akhil Chugh
Director

Warm Regards,

Akhil Chugh



Invest regularly to achieve your dreams.

HDFC MF Systematic Investment Plan (SIP) is a simple, convenient and disciplined plan that helps you meet your financial goals by investing a fixed sum regularly. It invests a minimum of ₹ 500 monthly, irrespective of market conditions thus reducing the risk of investing a large sum at a high price. SIP adopts Rupee Cost Averaging wherein more units are purchased when prices are low and fewer when prices are high. So, don't let an unpredictable market compromise your dreams anymore.

Toll Free No.: 1 800 3010 6767

HDFC **SIP**
MUTUAL FUND
Systematic Investment Plan
www.hdfcfund.com

**MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS,
READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.**



SIP ! SIP ! SIP

We at Net Brokers strongly believe Systematic Investment Plan (SIP) is the best way to invest in equity markets. We have been telling our clients about this day and night. Many of our clients listened to us and had not taken the extreme call of terminating the SIPs during difficult times.

Since 2008, equity markets have been in doldrums and have witnessed a difficult time in last 6 years. All started with subprime mortgage crisis in America followed by sovereign default crisis of European Countries, slow down in China, policy paralysis of UPA 2 government and their corruption scams in 2G, Coal, Rail, etc. All this lead to uncertainty in stock markets and difficult investment climate for investors. Now with the American and European Economy slowly reviving and a new government in India under Narendra Modi, things are looking much brighter ahead for equity markets.

Investors who started SIP in equity mutual funds during this lean period, witnessed high volatility in returns and became sceptical about SIPs. At one stage, they started questioning the concept and were slowly losing their confidence. But those who showed patience and had linked SIPs to their financial goals are reaping the benefits now. ***SIPs in Top equity diversified mutual fund schemes have delivered returns close to 20% CAGR in last 5 years.***

Important points to keep in mind before starting SIPs:

- ***Any time is a good time to start SIPs in equity schemes.*** One should not look at market levels to start an SIP. He/She must have a minimum tenor of 5 years to invest in equity. Any tenor below this should be invested in debt.
- ***Always link SIPs to financial goals*** – Retirement, Children Future Planning, Buying a Home, Car, Planning a Vacation, etc. This ensures an emotional attachment towards the goal and long term continuity of SIPs.
- ***Never take a hasty decision of terminating SIPs in falling markets.*** In fact, SIP works best in such a scenario as one receives more units when market falls and lesser units when market rises. As a result, the number of units and the purchase cost (NAV) gets averaged out.
- ***Stagger the SIPs Across Dates.*** If you have four active SIPs, spread them in a way that each SIP is made on a different date of the month. This helps in reducing the risk of market timing because the money gets invested on different days, negating any adverse market movements.
- ***Review your SIPs after one year.*** Check whether your asset allocation is in synch with your original asset mix. If the portfolio is skewed towards a particular asset class, you need to rebalance it. If the underperformance of the fund is because the broader market is in a slump, then all you need to do is rebalance the portfolio. If the fund itself is underperforming, then it is a red flag and you should switch to a better fund.

For more information on mutual fund SIPs, contact us on mail@netbrokers.co.in



Sector Funds – Not for Everyone

Sector funds are not meant for everyone and carry high risk. One requires expert knowledge of the sector and strong ability to time the market. The fund manager invests in a particular sector and the returns are depended on the performance of that sector.

When the sector is doing well and is in the investors' good books, sector funds can be out-performers. But when the tide turns, sector funds can be among the big losers. When a sector starts slipping on performance and falls out of favour, funds focussed on it suffer sharper cuts than the broader market. This is because the portfolios of sector funds are concentrated in a limited number of homogenous stocks. This 'all eggs in one basket' of sorts approach makes these funds a high-risk bet.

High risk does not always guarantee high returns. You must know well enough about the sector and its cycles to benefit from such funds. Every sector goes through peaks and troughs, which reflect in the performance of its stocks.

The 'buy-low and sell-high' mantra for investment success requires that you be able to time your entry into the sector fund when the stocks are at a trough, and exit when they are at their peak. The trouble here is, even experts can and often do go wrong on their calls regarding the timing and length of sector cycles. It is advisable to adopt the approach of systematic investment plan (SIP) while investing in sector funds.

Sector funds could also suffer from lack of flexibility and may be left holding the can. Being mandated to hold predominantly stocks of the sector, these funds may not be able to completely exit when the going gets tough, or to capitalise on good buying opportunities in other sectors.

Therefore, sector funds may not be suitable for those who seek consistent returns and want to build a long-term portfolio. But if one still wants to bet, he/she should not have more than 10% exposure of the total portfolio in sector funds. At present, sectors such as banking, energy, pharma and media looks good to bet on.

Popular Sector Funds:

- Reliance Banking Fund
- UTI Energy Fund
- SBI Pharma Fund
- Reliance Media & Entertainment Fund

At Net Brokers, we always emphasize on investing in equity diversified mutual funds which provides diversification across various sectors and reduces dependence on one particular sector.

For more information on Sector Funds, contact us on mail@netbrokers.co.in

WHEN IT COMES TO MY FAMILY
I ALWAYS WANT MORE

AXIS
MIDCAP FUND
GO FOR MORE

relax. IT'S AXIS.

 **AXIS MUTUAL FUND**

There's nothing closer to our hearts than our families. However big or small we are, we always want to give them the best. Be it more pocket money for kids, a bigger house for your wife, a better hotel when you travel, or a better school for your children. And to do this, in most cases, we simply require more money.

AXIS MIDCAP FUND - GO FOR MORE

Invests at least 75% in mid cap companies

Focused on emerging sectors/businesses that have potential to deliver high growth

- Nurtures a mix of value & growth companies through their business cycles
- Tactically exploits opportunities by investing in good businesses undergoing significant events

Risk management embedded in the investment process

- Follows a strategy of combining growth potential of mid cap companies with the track record of larger companies
- Investment in larger mid caps help to reduce the business & price risk of mid cap companies

This product is suitable for investors who are seeking*

- Capital appreciation over long term
- Investing predominantly in equity & equity related instruments of mid size companies with focus on relatively larger companies within this category
- High risk  (BROWN)

* Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Note: Risk is represented as:

 (BLUE) investors understand that their principal will be at low risk

 (YELLOW) investors understand that their principal will be at medium risk

 (BROWN) investors understand that their principal will be at high risk

Statutory Details: Axis Mutual Fund has been established as a Trust under the Indian Trusts Act, 1882, sponsored by Axis Bank Ltd. (liability restricted to ₹ 1 Lakh). Trustee: Axis Mutual Fund Trustee Ltd. Investment Manager: Axis Asset Management Co. Ltd. (the AMC). Risk Factors: The sponsor is not liable or responsible for any loss or shortfall resulting from the operation of the scheme. Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.



Time for Duration Funds

The Reserve Bank of India in its recent monetary policy has maintained a status quo in Repo Rate and Cash Reserve Ratio (CRR) at 8% and 4 % respectively. However, the Statutory Liquidity Ratio (SLR) was cut by 50% and now stands at 22.5%. A reduction in SLR suggests more money being freed up for broad based credit deployment.

There are concerns regarding El Nino, which may impact the monsoon, and in turn the food inflation but the risk to RBI's medium-term target of CPI inflation- 8 per cent by January 2015, and 6 per cent by March 2016, is likely to be balanced by government's efforts towards fiscal consolidation and better food supply management.

We believe that bond yields are likely to remain range-bound with a downward bias, in the medium term. Fiscal consolidation, continued improvement in current account and moderating CPI could provide RBI, the space for monetary easing and lower interest rates. We continue to remain positive on interest rates, and in next 4-6 quarters, there could be about 100 bps decline in bond yields.

A higher-maturity segment offers the best value at this point in time; given the yields in the 10-year plan are about 8.60%. The margin of safety is the highest in high-duration segment and, therefore, we recommend investment in high-duration products such as income fund and gilt fund.

Investors can look to invest in dynamically-managed debt funds with a medium- to long-term perspective. Flexibility to alter the stance of the portfolios depending on evolving macroeconomic environment makes a dynamically managed income fund an all-weather fund. Portfolio consists of government securities, corporate papers and money market instruments. Because of falling bond prices (inversely related to interest rates), which affect net asset value of debt mutual funds, the biggest mistake investors tend to make is exiting the duration or maintaining passivity at this point in time. Rather, this is the time to further increase allocation on duration funds.

Top Dynamic Bond Funds:

- Birla Sun Life Dynamic Bond Fund
- UTI Dynamic Bond Fund
- IDFC Dynamic Bond Fund
- Canara Robeco Dynamic Bond Fund
- SBI Dynamic Bond Fund

For more information on Dynamic Bond Funds, contact us on mail@netbrokers.co.in



Why Estate Planning is Essential?

The term 'estate' immediately brings to mind the image of a rich and wealthy individual. And 'estate planning' makes most relate to preparing a will when they are old. However, everyone has an estate, regardless of its size and worth. It is nothing but the difference between your assets and liabilities at the time of your death, which will be inherited by your legal heir(s).

The purpose of estate planning is simply to ensure that at the time of your death, your estate is distributed to the people of your choice or for certain purposes (that you want) in the same way you want it to be passed on / distributed / used, of course in the most cost-effective and tax-efficient way possible. Many individuals shun the mere idea of estate planning since the value of their assets put together may not sum up to a sizeable amount (or to their satisfaction). In fact, estate planning involves very basic issues and having the right documents in place, and not necessarily something complex or pertaining only to the wealthy.

If you are one of such individuals who have been postponing planning your estate, you should keep in mind that if an estate plan is not in place, then the estate would be passed on in accordance with the succession laws and regulations, as applicable. Depending on your religion, these laws could vary and may lead to the estate being passed on to people, merely because of their relationship with you and much against your desire.

Below are top ten reasons to create an estate plan and the benefits it provides for you and your loved ones.

1. Most often, people equate estate planning with death, but what happens if you become incapacitated or disabled? A properly drafted estate plan will allow you to designate someone you trust to manage your affairs by following your specific written instructions.
2. On your death, an estate plan can protect inherited assets from lawsuits, divorce, creditors and other claims.
3. A proper estate plan allows your estate to pass to your beneficiaries without the lengthy and costly process of probate.
4. A well drafted estate plan can minimize or avoid estate taxes, income taxes and capital gains taxes.

5. Estate plans often include a “no-contest” provision. Such an election can discourage challenges to your estate plan, giving you additional assurances that your wishes will be honoured.
6. What happens if, after your death, your spouse gets remarried to someone who already has children? By planning properly you can protect your children’s inheritance while still providing for your spouse after your death. You will not have to worry that your children or step-children from a later marriage will have a claim to your estate.
7. Many individuals, especially those with limited financial experience, can make unwise decisions when given an inheritance. They often struggle at making responsible decisions when handed a large sum of money at once. An estate plan can help inexperienced beneficiaries do the right thing with their inheritance, such as getting a good education, purchasing a home, getting a safe car and making wise investments.
8. A good estate plan provides for special needs beneficiaries by ensuring that they can receive their inheritance without losing their government assistance.
9. You can actually create your estate plan to encourage your heirs to live well by rewarding them with a portion of their inheritance when they make good life decisions. Additionally, this can protect your estate from depletion by preventing your heirs from making poor decisions with your funds.
10. A good estate plan can give you peace of mind knowing that your affairs are in order and your loved ones are protected and provided for.

If even one of these reasons is important to you, make sure you take the time to complete a thorough estate plan. At Net Brokers, we can help you ensure that your estate planning accomplishes everything listed above and much more.

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



Real Estate along the DELHI-JAIPUR Highway

The 250-kilometer stretch between Delhi and Jaipur has become a hotbed for real estate development, with areas like **Manesar, Dharuhera, Bhiwadi, Neemrana, Kotputli and Alwar** becoming the new catchwords for investors.

Gurgaon, being closer to Delhi and part of NCR, has seen spiralling growth in the real estate development. With existing road infrastructure in the form of NH-8 and the Gurgaon city exhausting its land resources nearer the main city, the city boundaries have been pushed further down NH-8. The residential real estate sector has seen exponential growth along this route, with residential projects underway even on the upcoming Dwarka-Gurgaon expressway which runs nearly parallel to the NH-8 and meets it near Sector 82.

Prominent township projects are coming up on NH-8 beyond the second toll plaza. The major developers active there include **Vatika (Vatika City Next), DLF (GardenCity) and Orris Infrastructure**. Other major developers on this stretch are **Godrej, Emaar MGF, 3C, Ansal API and Spaze**, among others.

Manesar, Dharuhera and Bhiwadi are satellite cities of Gurgaon and have a thriving industrial sector. Manesar is also witnessing commercial developments and residential projects by **ABW, DLF, SARE and Sidharatha**, which have seen good demand on account of their affordability quotient. Dharuhera has developers like **Parsvnath, Vipul, Bestech, Vardhman, M2K, Ferrous Infrastructure and Dwarkadhis**, among others.

Bhiwadi is seeing residential developments by the likes of **Omaxe, Ashiana Group, BDI, Star Raison Landmark, MVL, Cosmos Infra, Avalon, Krish infrastructure and Piyush Group** among other small players that do not have significant development credentials.

Neemrana has attracted heavy industrial investment from Japanese manufacturing firms. Currently, a 1,200-acre Japanese Zone is 70% operational, with heavy investment in manufacturing facilities by firms such as Daikin, Mitsui Chemicals, Nissan, Nippon and NYK Logistics. Some **residential projects by Ashiana, Eldeco and Anant Raj** have already been launched. This sub-market has tremendous potential for integrated township projects and low-cost, affordable housing.

PROPERTY PRICES

Prices are a function of demand and supply, and currently are at an all-time high in Gurgaon. Manesar is also a well-established industrial town, is a nascent office destination and is considered a part of Gurgaon. This has led to significant price increments in housing projects located here. Dharuhera and Bhiwadi largely catering to affordable housing in terms of amenities and pricing, and prices there have remained largely stable, showing only range-bound growth in projects which are nearing completion.

For more information on Delhi Jaipur Highway Projects, contact us on mail@netbrokers.co.in

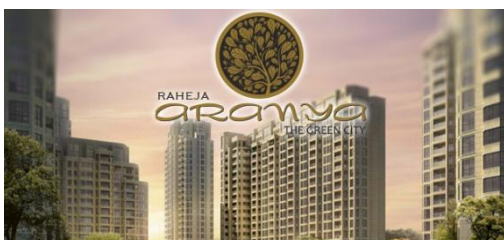
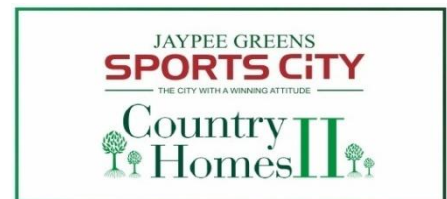
Investment Opportunities in Real Estate

Average housing prices remained stable in the national capital region (NCR) during January – March period compared with the previous quarter on low demand.

There is an urgent need to reduce the long approval cycles by bringing in a single-window clearance mechanism for all real estate projects, particularly those relating to affordable housing. Delayed approvals act as a huge impediment to the growth of this sector and significantly add to the cost of development.

Net Brokers presents to you lucrative options in the real estate division, for the month of June 2014.

Project	Type	BSP/sqft & sqyd	Cost
Raheja Aranya, Sohna Road, Gurgaon	Residential Plots	33275	1.01 crore onward
Raheja Revanta, Sector 78, Gurgaon	Residential	7875	94.26 lacs onward
ATS Pristine, Sector 150, Noida	Residential	5500	96.25 lacs onward
Jaypee Country Homes II, Jaypee Sport City	Residential Plots	30400	57.12 lacs onward
Mahagun Mezzaria, Sector 78, Noida	Residential	6100	1.52 crore onward
Cyberwalk, Manesar, Gurgaon	Commercial	6000	Rs 16.50 lacs onward
WTC Spire 1, Noida	Commercial	6550	Rs 28 lacs onward
Spaze Arrow, Gurgaon	Commercial	9429	28.28 lac
Vatika Mindscape, Delhi	Commercial	7800	39 lacs onward



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

New Investment Offers

- Mutual Funds**

New Fund Offers

Fund	Category	Type	Open	Close	Asset Allocation (Debt: Equity)
DWS Hybrid Fixed Term Fund - Series 24	Hybrid Debt	Closed Ended	09 June	20 June	80:20
ICICI Prudential Capital Protection Oriented Fund - Series VI - 1100 Days - Plan B	Hybrid Debt	Closed Ended	12 June	26 June	80:20
ICICI Prudential Multiple Yield Fund - Series 7 - 1100 Days - Plan A	Hybrid Debt	Closed Ended	09 June	23 June	80:20
ICICI Prudential Capital Protection Oriented Fund - Series VI - 1825 Days - Plan C	Hybrid Debt	Closed Ended	17 June	30 June	80:20
Sundaram Hybrid Fund - Series K	Hybrid Debt	Closed Ended	16 June	30 June	80:20
Tata Dual Advantage Fund - Scheme C - Plan A	Hybrid Debt	Closed Ended	11 June	23 June	80:20
JP Morgan Emerging Markets Opportunities Equity Offshore Fund	Equity-International	Open Ended	16 June	30 June	100 % Equity
Reliance Corporate Bond Fund	Debt- Income	Open Ended	16 June	30 June	100 % Debt

Fixed Maturity Plans

Fund	Tenor (Days)	Opening	Closing	Asset Allocation
DWS Fixed Maturity Plan - Series 71	730	09 June	20 June	100% Debt
DWS Fixed Maturity Plan - Series 72	1095	16 June	30 June	100% Debt
ICICI Prudential Fixed Maturity Plan - Series 74 - Plan W	1092	19 June	26 June	100% Debt
LIC Nomura MF Fixed Maturity Plan - Series 85	730	16 June	24 June	100% Debt
Reliance Fixed Horizon Fund - XXVI - Series 30	758	12 June	26 June	100% Debt
Reliance Fixed Horizon Fund - XXVI - Series 32	1094	20 June	27 June	100% Debt
SBI Debt Fund Series A - 33 - Regular Plan	1095	18 June	25 June	100% Debt

- Non - Convertible Debentures**

Issue Name	Interest Rate	Opening	Closing	Face Value Per NCD	Minimum NCDs
Muthoot Finance Limited	11.75%	26- May	26- June	Rs.1,000	10 NCDs and in multiples of 1 NCD thereafter
ECL Finance Limited	12.68%	17- June	17- July	Rs.1,000	10 NCDs and in multiples of 1 NCD thereafter

For more information on New Investment Offers, contact us on mail@netbrokers.co.in

FIXED DEPOSITS

Earn Assured Returns up to 12.28 % p.a.

Offered By Renowned Companies

S.No.	Company Name	Period			3 Years Yield (In %)	Senior Citizen	
		1 Year	2 Year	3 Year		(additional Rate)	(Yield in %)
1	Shriram Transport Finance	9.25	9.75	10.75	11.94	0.25	12.25
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	Bajaj Finance LTD	9.25	9.40	9.65	10.61	0.25	10.91
5	DHFL	10.250	10.25	10.25	11.34	0.50	11.95
6	HDFC LTD Platinum Deposit 15/22/33 Months	9.50%			10.34	0.25	10.64

* 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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 we know your investment needs

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