



**net brokers**  
Private Wealth Management  
we know your investment needs

## **Knowledge Initiative**

**Dear Patrons,**

**Greetings from Net Brokers!**

We are pleased to share our monthly newsletter “**Knowledge Initiative**” for October 2015.

We thank you for reading and acknowledging our newsletter every month. Knowledge Initiative Team is committed to bring to you more educative and informative articles in the Financial Year 2015 -16.

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. The Surprise Move
2. Have a Plan to Retire Rich
3. Portability in Health Insurance
4. Investment Opportunities in Real Estate
5. SIP Returns in Top Equity Mutual Funds



**Akhil Chugh**

**Warm Regards,**

**Akhil Chugh**  
**Director**



# BRAND NEW HIGH-END COMMERCIAL DESTINATION

In Sector 82A, Gurgaon

The Vatika Group is proud to present **One India Next** - a top-notch commercial project on the NH8. A high-end commercial complex, **One India Next** will also have stunning apartments and well-designed work spaces.

- Part of Vatika India Next, strategically located on the NH-8
- Walking distance from proposed metro hub at the intersection of South Delhi-Gurgaon metro line and the Dwarka metro line
- Upcoming ISBT project in close vicinity

## Assured Return Plan\*

Assumed Rental	Rs. 65/- sq.ft.
Return	1. Rs.75.83/- sq.ft. till offer of possession 2. Rs.65/- sq.ft. thereafter till renting of the space or for 36 months whichever is earlier
Unit Sizes	500 & 1000 sq.ft.

## Illustration (When purchasing 500 sq.ft.)

Area	500 sq.ft.
Rate	Rs. 8667/- sq.ft. + taxes
Total Sale Consideration (8667×500)	Rs. 43,33,500/-
Monthly Return till Completion (75.83×500)	Rs. 37,915/-
Monthly Return after Completion (65×500)	Rs. 32,500/-



\*The pay outs shall be subject to tax deductions

- THE PICTURE are artistic/graphical depictions only and do not represent the actual architectural view of the proposed building/apartment etc. This is not a legal offer. Mentioned features and amenities are indicative and are subject to change without any prior notice as may be decided by the company or competent authority
- Subject to terms & conditions.

For more information on Vatika One India Next, contact us on [mail@netbrokers.co.in](mailto:mail@netbrokers.co.in)



## The Surprise Move

The Reserve Bank of India (RBI) came to the rescue of stock market on 29<sup>th</sup> September by cutting the repo rate by 50 bases points. Many experts were foreseeing 25 bases cut, but the RBI surprised everyone and the stock market rallied despite global liquidity concerns.

The repo rate cut was done based on strong domestic economic indicators – lower fiscal & current account deficit (CAD), lower inflation figures (WPI & CPI), lower commodity prices, good forex reserves, etc. This is a good sign for the economy as it will bring down the interest liability for many corporate and will boost their confidence to go ahead with the expansion plans.

The US Fed has brought lot of uncertainty by delaying the interest rate hike in its last meeting on 17<sup>th</sup> September. This signals the fear of global liquidity concerns. Once the Fed goes ahead with the rate hike which will happen soon, the emerging markets will be worst hit as all cheap money will flow out from the system affecting their currencies, exports, fiscal & current account deficit, commodity prices and many other things. India will be also affected as it forms a significant part of the emerging markets basket. But, India will manage to sail the storm smoothly because of the strong domestic factors.

The Foreign Portfolio Investors (FPI's) have been on a selling spree since August. But the positive thing is the domestic institutions majorly mutual funds are matching them by buying heavily on every dip signalling the confidence of Indian investors in the economy.

Going ahead, a lot will depend whether the corporate earnings will be able to catch up with the stock market levels or not. Further 25 bases cut is expected in current fiscal and thereafter series of rate cuts. The government is also putting lot of efforts to implement the major reforms like GST, land reforms, etc at the earliest. The interest rate cuts, implementation of reforms, Make in India campaign, state election results in favor of BJP will definitely improve the sentiments and fundamentals of the Indian economy.

Having said that, volatility will continue and test the patience of investors in the next couple of quarters. The best way is to focus on your financial goals and stick to your plan to generate long term returns. Investments should be always backed by a financial plan. If you don't have a financial plan yet, consult your advisor today.

Systematic Investment Plan (SIP) in mutual funds is an ideal to invest in such market conditions. Don't panic and stop your SIPs. SIP works best in falling markets. You end up with more units when the market is down and fewer when it is up. In this way, your cost of acquisition evens out.



## Have a Plan to Retire Rich

You may be working hard for a comfortable present and better future, but with little planning you can retire rich and have a luxurious life. It is important to start early in life and you may be surprised that by simply saving a modest amount every month, you may end having crores as savings.

The first step is to have a retirement plan. This will help to identify the retirement corpus, current monthly expenses, risk taking capability, etc based on this you will get a rough idea of how much you would need for your retirement.

Selection of investment products plays a very crucial role in the retirement plan. You have plenty of options like Public Provident Fund (PPF), Employee Provident Fund (EPF), Bank Fixed Deposits, Traditional Insurance Plans and other Post Office Schemes. All these are fixed income options with returns ranging from 8.00-9.5% p.a. Apart from PPF, EPF and Insurance Plans, the interest earned in all other schemes is taxed as per slab. With interest rates heading south, all these options will become unattractive. Therefore, it is important to choose products which give good returns and are tax efficient.

Equity and Debt schemes of Mutual Funds are ideal investments to be included in your retirement plan. Equity diversified schemes have a potential to deliver tax free returns of 12-15% CAGR provided you have a minimum tenor of 10 years. A longer tenor helps to reduce risk and overcome market fluctuations. Debt schemes offer good tax efficient returns with the help of indexation benefit.

Systematic Investment Plan (SIP) on monthly basis is the best way to invest in mutual funds. The earlier one start starts saving and investing, the more time your money will have to grow. If you delay, you may have to invest much more to achieve a similar corpus.

**Let's understand this through an example. Returns assumed @ 12% CAGR:**

	<b>Ram</b>	<b>Shyam</b>
<b>Start investing at age of</b>	25 years	30 years
<b>Invests till age of</b>	45 years	45 years
<b>Number of years SIP done</b>	20 years	15 years
<b>Monthly SIP amount</b>	10000	10000
<b>SIP date</b>	1st of every month	1st of every month
<b>Cost of Investment</b>	24 Lacs	18 Lacs
<b>Value of Investment</b>	99.91 Lacs	50.45 Lacs

**A five year gap lets Ram lead by almost double.**

**For more information on Retirement Plans, contact us on [mail@netbrokers.co.in](mailto:mail@netbrokers.co.in)**



## Portability in Health Insurance

The portability in health insurance has increased the competition in a big way among the insurance companies. They are offering plans with more benefits to attract new customers and retain the existing ones. Porting means that the benefits of the existing policy like sum assured, no claim bonus, pre-existing waiting period will be transferred to the new policy. Porting provides flexibility to the customers who are not satisfied with the services of the existing insurer or are looking for more benefits from different insurance company.

Let us go through some important points before we opt for porting in health insurance:

### Sum Assured

There are chances that the new insurance company may not have the same coverage to offer you. For example, your existing policy has a cover of 15 lacs, but the new insurer does not have policies with such high coverage. Do a thorough check on this aspect, before you decide for portability.

### Low Premium

The new insurer may lure you by offering a lower premium. Check whether the low premium gives you the same coverage provided by the existing insurer or it stands reduced.

### Features

You need to carefully analyze that the features under the new insurer remains the same. Features like sub room limits, waiting period for pre existing diseases, hospitalization cover, etc should be checked carefully.

### Background

It is very important to check the background of the insurer with regard to claim settlement ratio and other customer services. A company with high claim settlement ratio should be considered.

### Claim Settlement

Cashless facility is an important feature of any health insurance these days. The new insurer must offer cashless settlement with large network of hospitals across India.

## Investment Opportunities in Real Estate

Real estate has been the most sought-after asset class, given the kind of returns it has delivered in the past. Even after the financial crisis of 2008, some residential markets saw fast growth. And, when equities bit the dust after 2008, people further increased their dependence on real estate. Investors entering now will have to keep a horizon of 5 -7 years to get good returns provided they invest in the right kind of property.

Net Brokers presents to you lucrative options in Real Estate for October 2015:

Project	Type	BSP/Sq.ft /Sq.Yd	Cost
Godrej 101, Sector 79, Gurgaon	Residential	6500	90 Lacs onwards
Vatika Xpressions , Sector 88 B, Gurgaon	Residential	5350	72 Lacs onwards
Supertech Azalia, Sector 68, Gurgaon	Residential	5800	41 Lacs onwards
Countywalk, Dharuhera, Plots - Assured Buyback @ 15% p.a	Residential	22,000	25 Lacs onwards
Mahagun Mirabella, Sector- 79, Noida	Residential	5300	73 Lacs onwards
Supertech Eco Village - 3, Noida Extension	Residential	3950	32 Lacs onwards
Vatika Towers, Golf Course Road, Sector 54, Gurgaon – Assured Returns @ 10% p.a	Commercial	16000	80 Lacs onwards
Vatika One India Next, Sector- 82 A, Gurgaon - Assured Returns @ 10.50% p.a	Commercial	8667	43 Lacs onwards
WTC Noida - Assured Returns @ 12% p.a.	Commercial	5500	22.50 Lacs onwards
Cyberwalk, Manesar, Gurgaon – Assured Returns @ 15% p.a & Assured Buyback	Commercial	6000	15 Lacs onwards



For more information on Real Estate Projects, contact us on [mail@netbrokers.co.in](mailto:mail@netbrokers.co.in)

## SIP Returns in Top Equity Mutual Funds

\* Returns as on 14th October, 2015

Current Value & Yield (XIRR) %							
Scheme Name Monthly Investment: Rs 10,000	Category	Value & Return (3 Yr)		Value & Return (5 Yr)		Value & Return (10 Yr)	
		360000	%	600000	%	1200000	%
UTI Equity Fund (G)	Large Cap	489,378	21.0	943,428	18.1	2,727,544	15.7
ICICI Prudential Focused Bluechip Equity Fund (G)	Large Cap	464,217	17.2	890,905	15.8	NA	NA
Franklin India Prima Plus (G)	Large & Mid Cap	527,662	26.5	1,019,865	21.4	2,945,002	17.1
Birla SL Frontline Equity Fund (G)	Large & Mid Cap	482,812	20.0	938,961	18.0	2,773,680	16.0
L&T India Value Fund (G)	Multi Cap	595,645	35.6	1,167,870	27.0	NA	NA
Franklin India High Growth Companies Fund (G)	Multi Cap	571,270	32.4	1,147,547	26.3		
UTI Mid Cap Fund (G)	Mid Cap	641,133	41.3	1,277,030	30.8	3,589,482	20.8
Franklin India Prima Fund (G)	Mid Cap	583,443	34.0	1,182,701	27.5	3,301,577	19.2
Tata - Balanced Fund Plan (G)	Hybrid Equity	513,668	24.5	1,004,310	20.7	2,943,018	17.1
HDFC Balanced Fund (G)	Hybrid Equity	506,894	23.5	971,398	19.3	2,964,823	17.2
Axis Long Term Equity (G)	ELSS	570,924	32.4	1,166,869	27.0	NA	NA
Religare - Invesco Tax Plan (G)	ELSS	525,077	26.1	1,016,096	21.2	NA	NA

\*Returns over 1 Year are compounded annualised



**net brokers**  
 Private Wealth Management  
 we know your investment needs

### Net Brokers Private Limited

**Registered Office:** A-35, Shivalik, New Delhi -110017

**Head Office:** 22, New Market, Malviya Nagar, New Delhi- 110017

**Telephone:** +91-11-41881002. **Mobile:** +91-9311999924. **FAX:** +91-11-26676419.

**E-mail:** mail@netbrokers.co.in

**Disclaimer:** Net Brokers has taken due care and caution in presenting factually correct data contained herein above. While Net Brokers has made every effort to ensure that the information / data being provided is accurate, Net Brokers does not guarantee the accuracy, adequacy or completeness of any data/information in the publication and the same is meant for the use of receipt and not for circulation. Readers are advised to satisfy themselves about the merit details of each investment scheme, before taking any investment decision. Net Brokers shall not be held liable for any consequences, legal or otherwise, arising out of use of any such information/data and further states that it has no financial liability whatsoever to the recipient /readers of this publication. Neither Net Broker nor any its directors/employees/ repetitive accept any liability for any direct or consequential loss arising from the use of data/information contained in the publications or any information/data generated from the publication. Nothing contained in the publication shall or be deemed to constitute a recommendation or any an invitation or solicitation for any product or service. Any dispute arising in future shall be, subject to the Court(S) at Delhi. Readers are advised to go through the respective product brochure / offer documents before making any investment decisions.