



**Akhil Chugh**  
Director - Net Brokers

Dear Patrons,  
Greetings!

We are pleased to share our monthly newsletter “Knowledge Initiative” for May 2021.

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.



## 1. Flexi-Cap Fund- All Season Fund:

Flexi-cap funds are those funds which invest in companies across the market capitalization spectrum, i.e. large-cap, mid-cap, and small-cap stocks. These funds must invest minimum 65 percent in equity instruments.

The fund managers have complete flexibility to invest funds in any proportion among large, mid & small-cap stocks.



## 2. Contingency Fund:

A contingency fund is money reserved to address unforeseen financial circumstances. It is designed to be used for meeting any unforeseen emergencies and may be either in cash or liquid assets.

The primary objective is to enhance your financial stability and to protect your financial plan in case of emergencies.



## 3. LIST OF TOP MUTUAL FUNDS:

Most of us either Google for it or ask his/her friend or colleagues about it. So, here we have collated a list for you.

Check the best performing funds in their respective categories.



## 1. Flexi-Cap Fund- All Season Fund:

SEBI has introduced a new equity mutual fund category - flexi-cap fund making dynamic allocation across large cap, mid cap, and small cap stocks.

Since smaller caps are prone to higher volatility which can increase the risk to the portfolio. The presence of large caps in the portfolio would offset some of the volatility. This makes flexi-cap funds suitable for investors having moderate to high-risk appetite and an investment horizon of at least 5 years.

### Factors to Consider:

- Flexi-cap funds offer a diversified portfolio due to which the fund balances the risk and return aspects pretty well. These funds are also known to deliver steady returns over long investment horizon.
- The fund manager can choose to assess the fund allocation and switch between different market caps (large-cap, mid-cap & small-cap) depending upon the market conditions.
- For example, if the fund manager learns that a particular market cap which he/she had invested in has turned unattractive over time, the fund manager can change the allocation to an alternate market cap which has been performing well lately. This gives investors the dual benefit of not only investing in the best-performing stocks across different market caps but also the option to exit from the unattractive ones.
- Market capitalization plays a determinant role when choosing the companies to invest in. Not only does market capitalization show the size of a given company but also other various characteristics which investors look into, such as the track record, growth potential, and the risk inherent to these companies.

### A Systematic Investment Plan (SIP) Presentation

#### Current Value & Yield (XIRR) %

Scheme	Value & Return (3 Yr)		Value & Return (5 Yr)		Value & Return (10 Yr)	
Total Investment (Rs)	36,000	%	60,000	%	1,20,000	%
UTI Flexi Cap Fund Reg (G)	52,075	25.5	96,570	19.1	283,253	16.4
Aditya Birla SL - Flexi Cap Fund (G)	49,199	21.4	87,506	15.1	281,180	16.2
Parag Parikh - Flexi Cap Fund Reg (G)	54,527	28.9	102,970	21.8	-	-

As on 11th May 2021. Assuming monthly SIPs of Rs 1,000 by investors in different flexi cap funds for different time periods.

**Disclaimer:** Past performance of the Sponsor / AMC / Mutual Fund is not indicative of the future performance of the Scheme.

**Flexi-cap Funds should form the core part of your portfolio. Net Brokers strongly advise to invest at least 25% of your overall portfolio in such funds.**



## 2. Contingency Fund:

In the current situation, many people have experienced salary cuts or even job loss. During such trying times, a contingency fund can come handy and help you tide over such situations with relative ease.

Life is full of unexpected situations – good and bad. Hence, apart from other things, you need to be prepared for it financially.

### 3 Steps to build a Contingency Fund:



#### Decide the size of your fund

- As a rule of thumb, decide a corpus amount considering 6-12 months of all your expenses.
- This includes utility bills, discretionary expenses, SIPs, any premiums and so on.



#### Identify highly liquid saving products

- There are many option to create a contingency fund. Some of them are listed below:
- Saving Bank Account
- Arbitrage Funds
- Ultra Short Term Debt Fund
- Floating Rate Fund



#### Create a financial plan to build your emergency fund

- It is important to set aside a portion of your monthly income towards this goal.
- The best way is to automate it. You may set up a SIP in an arbitrage fund or alternative debt fund.

Given the current situation, most people will agree that six months of basic living expenses stashed as a contingency fund is a must at all times to manage exigencies efficiently.

Contingency Fund Requirements	
Salary per month	Rs. 100,000
Monthly Expense	Rs. 50,000
Minimum Emergency Fund (6 months)	Rs. 3,00,000
Ideal Emergency Fund (12 months)	Rs. 6,00,000

This is the fund you rush to in cases of emergencies. Such a fund should offer little in terms of interest but allow immediate accessibility, which in case of extreme situations can suffice.

We advise you to invest in a mix of Arbitrage Funds, Ultra Short-Term Debt Funds & Floating Rate Funds.

### 3. LIST OF TOP MUTUAL FUNDS

Check the best performing funds in their respective categories.

CATEGORY	NAME OF SCHEME
LARGE CAP	Axis Bluechip Fund Mirae Asset Large Cap Fund
LARGE AND MID CAP	Tata Large & Midcap Fund Edelweiss Large & Midcap Fund
FLEXI CAP	UTI Flexi Cap Fund Parag Parikh Flexicap Fund
FOCUSED	Principal Focused Multicap Fund Axis Focused 25 Fund
MID CAP	Axis Midcap Fund PGIM India Midcap Opportunities Fund
SMALL CAP	Axis Small Cap Fund Kotak Small Cap Fund
ELSS	Axis Long Term Equity Fund Mirae Asset Tax Saver Fund
HYBRID AGGRESSIVE	Mirae Asset Hybrid Equity Fund Kotak Equity Hybrid Fund
BALANCED ADVANTAGE FUND	Kotak Balanced Advantage Fund Edelweiss Balanced Advantage Fund
TECHNOLOGY	ICICI Prudential Technology Fund Tata Digital India Fund
HEALTHCARE	Nippon India Pharma Fund DSP Healthcare Fund
GLOBAL	PGIM Global Equity Opportunities Fund Edelweiss Greater China Equity Off-shore Fund
DEBT MEDIUM DURATION	Axis Strategic Bond Fund ICICI Prudential Medium Term Bond

**Download Net Brokers App for smart investment experience. Available for both Android & Apple devices.**



**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.

**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