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Dear Patrons,  
Greetings!

We are pleased to share our monthly newsletter “Knowledge Initiative” for June 2022.

We thank you for reading and acknowledging our newsletter every month. Knowledge Initiative Team is committed to bringing to you more educative and informative articles.



## 1. Invest for your child's bright future:

As a responsible parent, you are always willing to take steps today so that your little ones get to see a better tomorrow. Be it basic education, the most coveted foreign degree or a dream marriage. Parent desires to provide enough financial security for each milestone in a child's life.

But have you thought how you would be able to fulfill these desires, given the huge increases in costs that are likely to occur with every passing year?



## 2. Importance of Emergency Fund:

An emergency fund is an essential corpus that you must keep aside to tackle emergencies. An emergency fund cannot be built overnight but is done gradually.

The importance of maintaining an emergency fund is paramount. It is essential for all class of population. Before a person starts to invest money, it is essential to first build the emergency fund.



## 3. LIST OF TOP MUTUAL FUNDS:

Check the best performing mutual funds in their respective categories.



## 1. Invest for your child's bright future:

A little bit of careful planning, regular saving and consistent investing today is what is required so that you can take care of the future needs of your child, without worrying too much. If you are looking for an investment today which would help you realize your children's dreams tomorrow, then investing in mutual funds via SIPs is perhaps the right choice for you.

With a SIP, you invest a fixed amount regularly so it accumulates over a period of time. If you have a long-term goal, investing in a SIP will help your money compound over the years.

### Here's how a SIP can help you to achieve the most important life goals:

1. Start to invest in your child's future as early as possible to reap the twin advantage of the power of compounding and rupee cost averaging.
2. With time on your side, not only does an equity SIP give you better returns, but it also gives you the option to link the SIP to your child's education milestones.
3. Gradually increase your investments via SIP top-ups with rising income so that either you can use the funds for other purposes or you can get the corpus ready earlier.

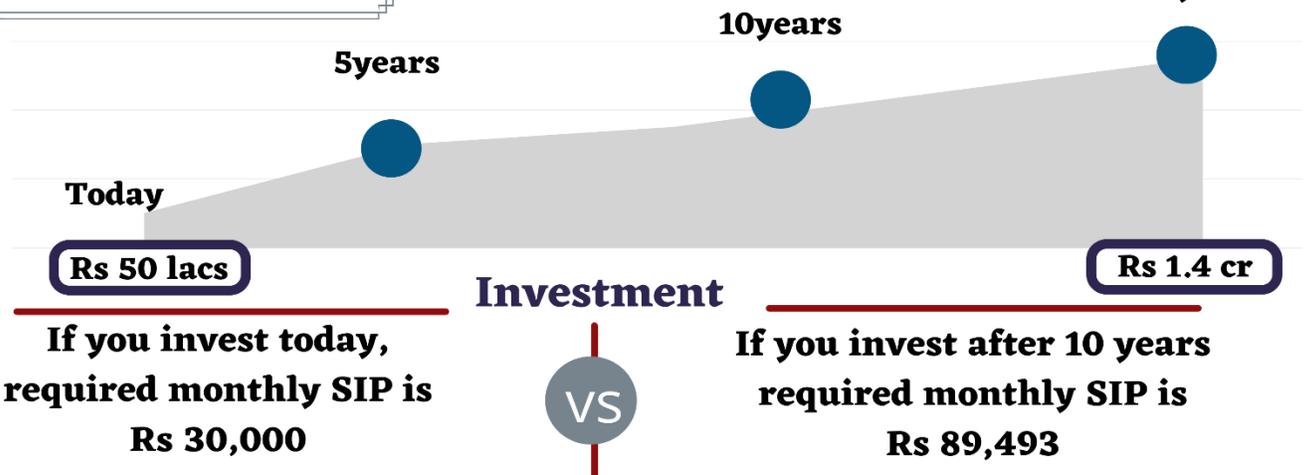
## Advantage of Investing Early

Mr. Nair has a 6-year-old son who is going to graduate in 15 years, possibly pursuing MBA for post-grad.

### Cost of Post-Graduation

(@7% p.a inflation)

After 15years



Assuming CAGR of 12% in Equity Mutual Funds

Returns on Mutual Funds are not guaranteed. The above is for illustration purposes only. Mutual funds are subject to market risks, read all scheme related documents carefully.



## 2. Importance of Emergency Fund:

Emergency funds create a financial buffer that can keep you afloat in a time of need without having to rely on credit cards or high-interest loans. It is a fund that you can fall back on at the hour of crisis or for unexpected and unplanned scenarios, and not for meeting your routine expenses. So, you must design it specifically to meet unanticipated financial shortfalls that may apply to you.

Preparing for sudden emergencies and securing future finances form the crux of ideal financial planning.

### 3 Steps to Build an Emergency 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 savings 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. 1,00,000
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 an 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	Axis Growth Opportunities Fund HDFC Large And Midcap Fund
FLEXI CAP	PGIM India Flexi Cap Fund UTI Flexi Cap Fund
FOCUSED	SBI Focused Equity Fund Nippon India Focused Equity Fund
MID CAP	Axis Midcap Fund PGIM India Midcap Opportunities Fund
SMALL CAP	Nippon India Small Cap Fund Canara Robeco Small Cap Fund
ELSS	Axis Long Term Equity Fund Kotak Tax Saver Fund
HYRBID AGGRESSIVE	Mirae Asset Hybrid Equity Fund Kotak Equity Hybrid Fund
BALANCED ADVANTAGE FUND	Nippon India Balanced Advantage Fund Edelweiss Balanced Advantage Fund
TECHNOLOGY	ICICI Prudential Technology Fund Tata Digital India Fund
GLOBAL	PGIM Global Equity Opportunities Fund Edelweiss Greater China Equity Off-shore Fund
HEALTHCARE	Mirae Asset Healthcare Fund DSP Healthcare Fund
DEBT - MEDIUM DURATION	Axis Strategic Bond Fund ICICI Prudential Medium Term Bond

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