

KNOWLEDGE INITIATIVE

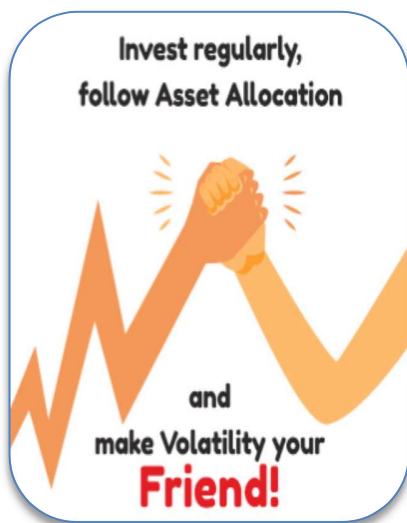


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Dear Patrons,
Greetings!

We are pleased to share our monthly newsletter “Knowledge Initiative” for July 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. Make volatility your friend:

The toughest challenge investors face is to stay invested for longer periods as they are unable to ring-fence themselves from the negativity about volatility that they see, read and hear during such periods.

It is important to continue your SIPs to take advantage of rupee cost averaging in the long run. SIPs can help you to weather market storms so stay invested in mutual funds via SIPs and embark on a journey of wealth creation.



2. Term Insurance Benefits:

Term insurance is a type of life insurance that provides coverage for a specific period i.e., a term. This type of life insurance provides a financial benefit to the nominee in case of the unfortunate demise of the insured during the policy term.

Term Insurance policies provide high life cover at lower premiums.



3. LIST OF TOP MUTUAL FUNDS:

Check the best performing mutual funds in their respective categories.



1. Make volatility your friend:

Markets are volatile by nature. The sooner investors accept volatility as a friend and learn to manage it, the better off your investment will be. It is not possible to control the macro-economic variables impacting volatility but we can take actions to reduce their impact on the investment portfolio.

Taking and continuing the SIP route is an ideal way for investors to invest in the equity market in the prevailing volatile phase and avoid timing the market. Continue with your **SIPs** and let the money grow exponentially with the **power of compounding**.

Benefits of Rupee Cost Averaging in SIP to Beat Market Volatility:

Rupee Cost Averaging: When you invest a fixed amount every month, the number of mutual fund units you actually buy depends on their market price. Therefore, with the money you invest each month, you can buy fewer units when the market moves up and more units when the market moves down. This brings down and averages the price of purchase. Thus, rupee cost averaging helps an investor beat market fluctuations and makes an investment averse to market volatility.

Make Market Volatility Your Best Friend

Month	Amount Invested	Unit Price(Rs)	No of Units Purchased
Jan	10,000	14	714
Feb	10,000	13	769
Mar	10,000	12	833
Apr	10,000	14	714
May	10,000	15	666
Jun	10,000	16	625
Jul	10,000	11	909
Aug	10,000	9	1111
Sep	10,000	10	1000
Oct	10,000	12	833
Nov	10,000	14	714
Dec	10,000	15	666

Invest through a SIP and see how Rupee Cost Averaging helps you to smooth out the market ups and downs over a year.

Total Amount Invested Regularly for 1 year Rs 1,20,000
Average Cost Rs 12.6
No Of Units Purchased 9,554

Total Lumpsum Invested In Jan Rs 1,20,000
Average Cost Rs 14
No Of Units Purchased 8,571

Tame market volatility with SIP to build wealth!

Tips to Follow During a Volatile Market:

- ✓ **Keep patience:** If you are already investing through SIP, continue it. Allow disciplined investing to work in your favour.
- ✓ **Falling market can be a good opportunity:** A falling (low) market is considered an opportunity to invest more at a lesser price. It is an ideal time to step-up your SIPs to make the most out of falling markets.
- ✓ **Avoid panic selling:** It is important to note that markets will recover eventually. So, the best strategy is to stay invested via SIPs.
- ✓ **Be a long-term investor with a goal-based investing strategy:** Investors must understand that a goal-based investment strategy accompanied by a long-term investment horizon can make market volatility your friend.



2. Term Insurance Benefits:

Life is short and one can never foretell what the future holds. To make sure that your family is financially secure even after you are gone, opt for a term insurance. Besides choosing the right term insurance plan, having adequate coverage is a must as it should be able to provide the family with adequate income.

Term insurance plans secure your family's financial future even when you are not around. These plans are considered by many as one of the basic financial necessities of life, especially in today's times.

What are the Benefits of Term Insurance?

Term insurance offers multiple benefits, here are a few you should be aware of:

- **Affordable Premiums** - You can get a high-value life cover from a term insurance plan by paying an affordable premium amount. Premium payments can be made monthly/half-yearly/yearly. The earlier you buy a term insurance plan, the lower the premium amount you must pay.
- **Whole Life Cover** - Term insurance plans offer substantially longer coverage. Whole life insurance plans offer coverage till the age of 99 years.
- **Payout of Sum Insured** - In case of the unfortunate demise of the person insured, the family members will receive the sum assured as a payout. The policyholder can choose for this payout to be in the form of a lump sum, an income that is either monthly or annual, a combination of lump sum and income or an increasing income at the inception. This will help take care of financial needs and household expenses among other costs.
- **Critical Illness Coverage** - In case optional Critical Illness Coverage is included in your term insurance plan, you will get a lump sum payout upon diagnosis of any critical illness that is covered in the plan.
- **Accidental Death Benefit** - You can add the Accidental Death Benefit to your term insurance plan. This will offer protection against any mishaps in the future.
- **Coverage for Terminal Illnesses** - Term insurance plans can give you lump sum payouts in case of diagnosis of terminal illnesses.
- **Tax Benefits** - You can get tax benefits on premiums paid under Section 80C along with premiums paid towards critical illness benefit under Section 80D. The lump sum amount received by nominees as the sum assured/death benefit is also exempted from taxes subject to Section 10 (10D) of the Income Tax Act, 1961.

Evaluate your financial needs and family expenses when you finalize the best insurance plan for you. Remember, the period of coverage should be available till all your liabilities are over. Once you retire, you may not need a term Plan. For your retirement planning, you may choose a mutual fund via the SIP route.

Get in touch with us at mail@netbrokers.co.in to learn more about available Term Insurance plans.

3. LIST OF TOP MUTUAL FUNDS

Check the best performing funds in their respective categories.

CATEGORY	NAME OF SCHEME
LARGE CAP	ICICI Pru Bluechip Fund Nippon India Large Cap Fund
LARGE AND MID CAP	SBI Large & Midcap Fund HDFC Large & Midcap Fund
FLEXI CAP	PGIM India Flexi Cap Fund Parag Parikh Flexi Cap Fund
FOCUSED	SBI Focused Equity Fund Nippon India Focused Equity Fund
MID CAP	SBI Magnum Midcap Fund PGIM India Midcap Opportunities Fund
SMALL CAP	SBI Small Cap Fund Canara Robeco Small Cap Fund
ELSS	Parag Parikh Tax Saver Fund PGIM India ELSS Tax Saver Fund
HYRBID AGGRESSIVE	ICICI Pru Equity & Debt Fund Kotak Equity Hybrid Fund
BALANCED ADVANTAGE FUND	Tata 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	Kotak Medium Term Fund ICICI Prudential Medium Term Bond

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