

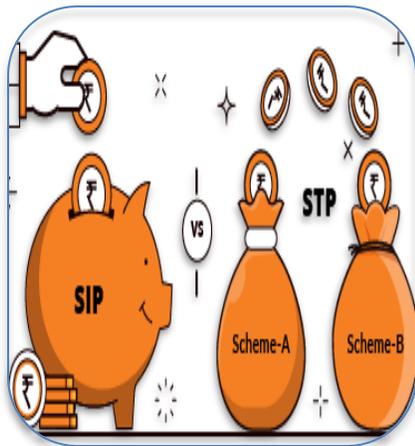


Akhil Chugh
Director - Net Brokers

Dear Patrons,
Greetings!

We are pleased to share our monthly newsletter “Knowledge Initiative” for November 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. Take help of SIP/STP during volatile times:

There is no escaping volatility when investing in equities. As a smart investor, you should make volatility your friend in your wealth-creation journey. Your investment success would depend to a large extent on how you use this inherent quality of the equity market to your advantage.

SIP and STPs are two investing strategies that can help you to beat current volatility & achieve your financial goals.



2. Adequate Health Insurance is a must - Don't be underinsured:

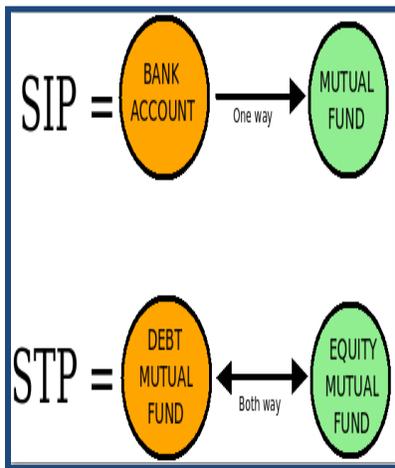
Life is uncertain and anyone can get sick or injured at any time. With rising medical expenses in India, health insurance has become more of a necessity than a choice. The COVID-19 pandemic experience has also encouraged a lot of people to buy medical insurance but buying the right coverage amount is still a matter of concern.

Let's find out the ideal health insurance coverage amount for different individuals.



3. LIST OF TOP MUTUAL FUNDS:

Check the best performing mutual funds in their respective categories.



1. Take help of SIP/STP during volatile times:

In the current times, it is impossible to predict which way the stock market will move or by how much. Hence, for retail investors, the safest way to invest is in a staggered manner. This can be done using the Systematic Transfer Plan (STP) or Systematic Investment Plan (SIP) routes via mutual funds.

A Systematic Transfer Plan (STP) is a variant of a Systematic Investment Plan (SIP) which is one of the best risk mitigation strategies in the volatile market. Investors should opt for a mix of Systematic Investment Plan (SIPs) and Systematic Transfer Plan (STPs) to achieve their financial goals.

Taking SIP Route

- **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. Since fixed sums are invested at regular intervals, you buy more units when the markets are down and the NAV is low; and lesser units when the markets are up and the NAV is high. This brings down and averages the price of purchase. Since this happens automatically, you don't have to worry about timing the market and in turn the market volatility. Thus, rupee cost averaging helps an investor beat market fluctuations and makes an investment averse to market volatility.
- Say you need Rs 50 lakh for your child's future education 10 years from now. To achieve this goal, you would need to start a monthly SIP of approximately Rs 21,500 in an equity-oriented fund, assuming an annualised return of 12%.

Taking STP Route

- When you have a large sum to invest in and the equity markets are volatile, it is best to systematically invest in the market via Systematic Transfer plan (STP). This does exactly what a SIP does, except that the money to be invested, in this case, does not lie in your savings bank account. It lies in a liquid debt fund.
- For instance, if you have an investible surplus, and want to set aside money for your long-term financial goals; in the current volatility scenario, it might make sense to initially invest the money in a Liquid Fund and then do systematic transfers from there into an equity-oriented mutual fund rather than investing the lumpsum amount in the equity market.
- Say, you earned a bonus of Rs 10 lakh and wish to deploy this for your child's future education needs. You may invest this amount equally in a staggered manner over 12 months via the STP route i.e., Rs 83,333 per month from a Liquid Fund with an average yield of approximately 4-5% p.a. to an equity-oriented fund. Assuming a return of 12% p.a. from the equity-oriented fund, your amount of Rs 10 lakh deployed would grow to Rs 10.96 lakh at the end of the 12-month tenure and the money in equities thereafter would continue to grow as long as you stay invested.

Remember, wealth creation is a journey; so manage the twists and turns that come your way. There would be a great deal of volatility on the way and therefore you need to approach it prudently with a sensible investing strategy.

Get in touch with us at mail@netbrokers.co.in to assist and guide you in this volatile market situation.



2. Adequate Health Insurance is a must - Don't be underinsured:

The right amount of coverage depends on several factors like the type of hospital you prefer, current age and health conditions of yourself and your family members, your affordability etc. Healthcare costs vary significantly by hospital and the facilities opted. For example, the cost of a knee replacement surgery nearly doubles if you opt for an imported implant instead of an indigenous one. This way, the size of your Health Insurance should be linked to your income and lifestyle.

Two Market-Broadly-Accepted Rules to Find the Right Health Insurance Amount

The right health insurance coverage amount varies from one person to another. However, there are two rules that you must follow to choose the right coverage amount for your health insurance policy. They are:

1. Your medical insurance coverage amount should be at least 50% of your annual income. For instance, if your annual income is Rs 8 lakh, then you must opt for health insurance cover of at least Rs 4 lakh.
2. Your coverage amount should be able to cover the cost of a coronary artery bypass graft at your preferred hospital.

How Much Health Insurance to Buy?

	Amount (Rs)
Individual	Above 3 lakhs or 50% of your annual income
Family (2 adults & 2 kids)	Minimum health insurance cover of Rs 10 lakh
Senior Citizens	50% of Annual income + 100% of last 3 year's expenses on health (hospitals)

This is a broad idea of an adequate health coverage. However, you must analyze your family history, age, pre-existing health problems, and healthcare costs in the city you are residing in.

The rising costs of medicines and treatments may render your individual Health Insurance coverage inadequate to cover all expenses. The basic Health Insurance policy may not cover expenses related to the recovery phase such as extensive nursing care, counseling sessions, and rehabilitation. But you can substantially enhance your health coverage – over and above your basic policy – with tools like Riders and Top-Ups without a corresponding increase in the premium.

Analyze your unique requirement with the above pointers and opt for an adequate health insurance cover to ensure you and your loved ones are well-protected with a robust health insurance plan.

It is advisable to get an adequate health insurance plan at the soonest and secure your lives and the lives of those you care about. Get in touch with us at mail@netbrokers.co.in to learn more about Health 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 Nippon India Small Cap Fund
ELSS	Parag Parikh Tax Saver Fund PGIM India ELSS Tax Saver Fund
HYBRID 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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Net Brokers Private Limited

Office: 309, 3rd Floor, DLF Avenue, Saket, New Delhi -110017

Telephone: +91-11-41520298, +91-11-41720222, **Mobile:** +91-9811264927.

E-mail: mail@netbrokers.co.in

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