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AMFI Registered Mutual Fund Distributor

»»» NEWSLETTER

# KNOWLEDGE INITIATIVE



»»» **1. INDEPENDENCE DAY 2023: KEY TIPS TO ACHIEVE FINANCIAL FREEDOM:**

India got its freedom from British colonial rule on August 15, 1947. Freedom, in any way or form, is important to everyone's life. One of them is financial freedom which is very important to have in life. It gives us the monetary independence we need to spend life the way we want.

Financial independence is not just about making money, it is about how you manage it.

**2. SAVING VS INVESTING: WHAT'S THE DIFFERENCE?** <<<

Saving and investing are critical to building wealth but play different roles in your money management system. Saving is the act of setting aside money for future use, typically for emergency funds or short-term expenses. However, investing involves putting money into assets such as stocks, bonds, or real estate with the expectation of earning a return over a longer period of time.



»»» **3. LIST OF TOP MUTUAL FUNDS**

Check the best performing mutual funds in their respective categories.



## 1. Independence Day 2023: Key tips to achieve financial freedom:

As we celebrate Independence Day in 2023, it's a perfect time to reflect on our personal aspirations for freedom, including financial independence. Achieving financial freedom is a goal that many of us share, as it offers us the opportunity to live life on our own terms and pursue our dreams without being shackled by financial constraints. In this article, we will explore some essential tips to help you embark on a journey towards financial independence, where you can liberate yourself from debt, build a stable future, and enjoy the freedom that comes with being in control of your finances.

### Some ways to manage your finances that will help in achieving financial freedom: -

#### 1. Plan investments and savings:

To achieve financial freedom, it is extremely vital to plan investments and lay a lot of emphasis on savings. Investments planned and rightly timed can prove to be the game changers in your way of financial freedom. The power of compounding should never be underestimated.

#### 2. Make a strategic plan:

One major example that is evident from the recent past is how the pandemic disrupted all the plans by revealing all the additional holes in your safety net of finances. However, this acts as a wakeup call, to take the charge of the present, and the future. It all starts with a financial plan and constantly updating yourself with a lot of financial knowledge on what's right and what's not right for you. Since this term is subjective, it also becomes extremely important to have a clear set of financial goals in your mind.

#### 3. Time your purchases well:

When it comes to making decisions of purchases and going shopping, plan on the things you have to buy instead of making impulsive purchases. With a budget set aside, planned purchases help you spend responsibly and account for your buying behavior efficiently.

#### 4. Buy Insurance:

When you are young you do not realize the importance of having an insurance policy. One mishap or an untoward incident can ruin your life as well as of your family. The only way to protect you is to take comprehensive medical insurance and a term policy. Premiums are low when one starts early.

#### 5. Start early:

Achieving financial freedom early in life is all about learning and living the formula of compounding. There are two components in compounding your wealth – time and return on investment. The longer you stay invested in a quality investment, the higher return you will get.

#### 6. Monitor your plan:

Most plans start off on a promising note but fail on account of various reasons. In the corporate world, regular monitoring and taking course correction helps one to stay on course, the same is true in personal finance.

Achieving financial freedom cannot simply rely on hoping for future earnings. Without a well-defined plan, the aspiration of attaining financial freedom will remain nothing more than a distant dream.

**On this Independence Day, we extend our sincere wishes to all those aspiring for financial freedom. At Net Brokers, we are dedicated to helping you create a solid financial plan that paves the way towards achieving your goals. Feel free to reach out to us at [mail@netbrokers.co.in](mailto:mail@netbrokers.co.in), and let us assist you on your journey to financial independence.**



## 2. Saving VS Investing: What's the Difference?

Imagine a 50-overs cricket match in which the #6 batsman walks in to bat only in the 5th over. His job is to first ensure he does not lose the wicket, and then focus on scoring runs. While saving is a must for investing, it is important to save one's wicket in order to be able to score later. One can save the wicket by playing defensive cricket and avoiding all sorts of shots. But that would result in a very low score. He would need to hit some boundaries by taking certain risks like lofted shots or drives between fielders or cuts and nudges. Similarly, in order to accumulate large sums to meet one's financial goals, in order to beat inflation, one must take certain investment risks.

Parameter	Saving	Investing
Meaning	Setting aside some portion of your income in a saving instrument	Putting your money in financial instruments for long-term growth
Ideal for	Everyday expenses, emergencies, short-term objectives	Medium to long-term financial goals
Liquidity	High	High
Risk	Low risk	Higher risk
Returns	Generally lower	Potentially higher
Examples	Saving bank accounts, Liquid/ Arbitrage Funds	Stocks, mutual funds

### Decoding the Dilemma: Saving vs. Investing - Unraveling the Better Choice

- If you have multiple financial goals in mind, you might want to consider using a mix of saving (for short-term goals) and investing (for long-term goals).
- A good place to start is by working out how much you can afford to put away each month. Creating a budget can help you do this.
- When you have a figure in mind, think about what you might need the money for and when.

It's helpful to split your money among several pots:

#### 1. Unexpected things that could happen:

- Before you save for anything else, you should build up an emergency fund to fall back on, in case something goes wrong. This should be in easily accessible Liquid/ arbitrage funds.

#### 2. Things you plan to do within the next 2-3 years:

- For money you'll need in the short-term, such as international family travel – investing the money in safe assets like debt funds makes more sense.

#### 3. Things you plan to do within 5 to 10 years:

- For medium-term money, like buying a car or child's wedding – investing in a mix of Equity and Debt like Hybrid funds could make sense.

#### 4. Things you want to do at least 10 years from now:

- For money you may not need straight away, such as a retirement fund – taking a degree of investment risk could earn you a greater return, pick pure equity funds and focus only on growing your money.

*The golden rule: Save for what's around the corner and invest for the future.*

Get in touch with us at [mail@netbrokers.co.in](mailto:mail@netbrokers.co.in) to assist and guide you in your investing and saving journey.

### 3. LIST OF TOP MUTUAL FUNDS

Check the best performing funds in their respective categories.

CATEGORY	NAME OF SCHEME
LARGE CAP	ICICI Prudential Blue chip Fund Nippon India Large Cap Fund
LARGE AND MID CAP	SBI Large & Midcap Fund HDFC Large & Midcap Fund
FLEXI CAP	HDFC Flexi Cap Fund Parag Parikh Flexi Cap Fund
FOCUSED	SBI Focused Equity Fund Nippon India Focused Equity Fund
MID CAP	SBI Magnum Midcap Fund HDFC Mid Cap Opportunities Fund
SMALL CAP	SBI Small Cap Fund Nippon India Small Cap Fund
ELSS	Parag Parikh Tax Saver Fund Bandhan Tax Advantage Fund
HYBRID AGGRESSIVE	ICICI Prudential 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
HEALTHCARE	Mirae Asset Healthcare Fund DSP Healthcare Fund
HYBRID- EQUITY SAVINGS	ICICI Prudential Equity Savings Fund Mirae Asset Equity Savings Fund

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