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AMFI Registered Mutual Fund Distributor

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>>> NEWSLETTER

KNOWLEDGE INITIATIVE



>>> 1. RECOVER YOUR HOME LOAN INTEREST BY INVESTING IN SIPs:

Wondering how to make a home loan interest-free?

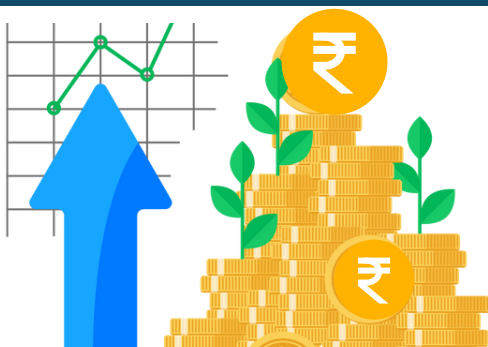
SIPs (Systematic Investment Plans) are financial lifelines which help you reach your money goals while also helping you deal with large home loan payments.

2. IS TIMING THE MARKET INTERRUPTING YOUR SIP



SIPs don't require market timing. The time you stay invested in the market is more important than trying to time the market.

When the markets are down, it may be tempting to halt a SIP. But SIPs do not need you to time the market! All you need to know is that your SIP will ultimately succeed despite any short-term ups and downs.



>>> 3. LIST OF TOP MUTUAL FUNDS

Check the best performing mutual funds in their respective categories.



1. Recover your Home Loan Interest by Investing in SIPs:

Buying a house is a dream of most Indians. With increasing Real Estate Prices & Interest costs, it is becoming harder to own your dream house.

SIPs can help you achieve a variety of financial goals, one of them being the recovery of interest cost on home loans. If you have taken or are planning to take a loan to buy your dream home, you will have to pay interest costs. But with a small SIP, you can recover the entire amount with ease.

How to recover Interest from SIP investing?

- By starting a SIP of .10% of your home loan amount in a mutual scheme, you recover the interest amount. Let's understand this better with an example:

If the Home Loan amount is ₹ 1 Crore, @9% Interest and for a tenure of 20 years:

| | |
|---|-----------------|
| Home Loan Amount | 1 Cr |
| EMI Per Month | 89,973 |
| Interest Payable | 1.15 Cr |
| Tenure | 20 years |
| SIP Amount (0.10%) | 10,000 |
| Total invested Amount (in 20 years) | 24 Lakhs |
| Total Corpus Accumulated | 1.49 Cr |
| Total Corpus (after deduction of invested amount) | 1.25 Cr |

So, if you keep paying monthly EMI for 20 years, you end up paying ₹ 2.15 crores in total. This ₹1.15 crores extra is the interest you pay. Take a moment to think about it – you pay more than what you borrowed as interest plus the actual amount.

However, there is no way out to get rid of interest because that's the way the loan system works.

Now, If you start a monthly SIP of ₹ 10,000 (0.10% of the loan amount), your investments at a 15% average annual return will grow to a total of ₹ 1.49 crores in 20 years. From this corpus, even if you deduct your invested amount, which is ₹ 24 lakhs, then also you will have ₹ 1.25 crores in your hands which is more than enough to cover the interest you will pay.

If you have taken or are planning to take a loan to buy your dream home, you will have to pay interest costs. But with a small SIP, you can recover the entire amount with ease. However, this will become a reality only if you keep investing that amount and demonstrate patience.

Get in touch with us at mail@netbrokers.co.in to learn more about the power of SIPs.



2. Is Timing the Market interrupting your SIP:

Attempting to time the market by starting or stopping SIPs based on market peaks is fraught with risk. Many of us try to invest at the lowest and sell at the highest market points to maximize our profits.

Theoretically, this is not a bad idea. However, in practice, it is incredibly difficult to do so. No one can consistently time the markets and make their investment decisions spot-on every time, & also there is a Delay cost associated with timing the market.

Benefits of SIPs:

- **Rupee Cost Averaging:** SIPs allow investors to buy more units when prices are low and fewer units when prices are high, thus averaging out the cost per unit over time. It helps you mitigate the impact of market volatility.
- **Timing the market is not possible:** Predicting market peaks and bottoms accurately is extremely difficult, if not impossible, even for seasoned investors.
- **Compounding:** Consistently investing over the long term allows for the power of compounding to work its magic. Compounding refers to earning returns not only on the original investment but also on the returns generated by that investment over time.
- **Discipline:** SIPs enforce discipline by encouraging regular investing regardless of market conditions. It prevents you from making emotional decisions driven by market euphoria or panic.

If you plan to stop your SIP at current levels because the market is at an all-time high - you need to answer this - how do you know this is the peak? How can you confirm it will not rise further? Stopping SIPs during market peaks will deprive you of the benefits of rupee cost averaging and long-term compounding, potentially leading to missed opportunities for wealth creation.

A study done shows there is not much impact on the valuation or return in the long term if you have invested regularly & the investments get a pretty good time to grow.

| Monthly SIP Amount | Total Investment in 10 yrs | SIP done on Nifty lows every month | | SIP done on 15th of every month | | SIP done on Nifty Highs every month | |
|--------------------|----------------------------|------------------------------------|--------|---------------------------------|--------|-------------------------------------|--------|
| | | Investment value after 10 years | IRR | Investment value after 10 years | IRR | Investment value after 10 years | IRR |
| ₹10,000 | ₹12,00,000 | ₹21,97,485 | 11.71% | ₹21,27,663 | 11.11% | ₹20,68,261 | 10.59% |

Study on SIP in Nifty50 Index. SIP period - 01/04/2013 to 31/03/2023. Valuation date 31/03/2023



Get in touch with us at mail@netbrokers.co.in to start your SIPs now.

3. LIST OF TOP MUTUAL FUNDS

Check the best performing funds in their respective categories.

| CATEGORY | NAME OF SCHEME |
|-------------------------|--|
| LARGE CAP | ICICI Prudential Bluechip Fund Nippon India Large Cap Fund |
| LARGE AND MID CAP | Franklin India Opportunities Fund Whiteoak Capital Large & Mid Cap Fund |
| FLEXI CAP | JM Flexi Cap Fund Parag Parikh Flexi Cap Fund |
| MULTI CAP | Nippon India Multi Cap Fund HSBC Multi Cap Fund |
| FOCUSED | SBI Focused Equity Fund Nippon India Focused Equity Fund |
| MID CAP | Quant Midcap Fund Whiteoak Capital Mid Cap Fund |
| SMALL CAP | Bandhan Small Cap Fund Franklin India Smaller Companies Fund |
| ELSS | Parag Parikh Tax Saver Fund Bandhan Tax Advantage Fund |
| HYRBID AGGRESSIVE | JM Aggressive Hybrid Fund Edelweiss Aggressive 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 |

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