

>>> NEWSLETTER

KNOWLEDGE INITIATIVE



>>> 1. The Cost of Pausing SIPs: A case study

Geopolitical tensions like the ongoing India-Pakistan situation often trigger market volatility and investor panic. Many pause their SIPs, thinking it's a safe move—but this often leads to long-term wealth loss. Markets do recover, and those who stay invested benefit from compounding.

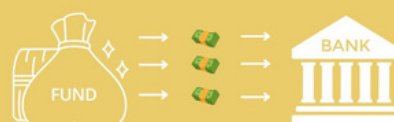
Like national strategy, investing needs patience and consistency. In uncertain times, discipline pays more than fear.

2. SWP: The Smart Way to Create Monthly Income in Retirement <<<

A Systematic Withdrawal Plan (SWP) is a smart way to create a regular income stream during retirement. It allows you to withdraw a fixed amount monthly from your mutual fund investments while keeping the remaining corpus invested for growth.

For those seeking a balance between income and growth, SWP offers a smart, reliable solution.

Systematic **WITHDRAWAL PLAN**



>>> 3. LIST OF TOP MUTUAL FUNDS

Check the best performing mutual funds in their respective categories



1. The Cost of Pausing SIPs: A case study

With the ongoing India-Pakistan tensions dominating headlines and sparking widespread uncertainty, it's natural for investors to feel anxious about market stability. Geopolitical events like these often lead to short-term market volatility, prompting many to question whether they should continue investing or hit the pause button.

One of the most common reactions during such periods is pausing SIPs in the hope of safeguarding capital. While this might seem like a smart defensive move but the long-term cost of such a pause—especially when driven by emotion rather than strategy—can significantly impact wealth creation.

Consistent Investing Wins: A Tale of Two Investors

Case Study: Investor A vs. Investor B

- Investor A starts a SIP of INR 50,000/month in an equity mutual fund with a CAGR of 12%, and continues without interruption for 10 years.
- Investor B starts the same SIP but pauses it for 2 years (Year 4 to Year 5) during market uncertainty, and resumes afterward.

Total Value of Investments (₹)		
Year	Investor A (Continuous SIP)	Investor B (Paused SIP in Yrs 4 & 5)
1	6,40,466	6,40,466
3	21,75,382	21,75,382
5	41,24,318	27,62,147
7	65,98,951	48,69,344
10	1,16,16,955	91,42,260

Loss Due to Pausing SIPs: INR 24.7 Lakhs

Reason for the Loss:

- **Lost Compounding:** Pausing SIPs breaks the compounding cycle and reduces potential corpus.
- **Missed Market Recoveries:** SIPs during down markets buy more units at lower prices—key to long-term gains.
- **Reduced Rupee Cost Averaging:** Skipping investments limits your ability to average out cost across market cycles.

Key Takeaways for Investors:

1. Markets Reward Consistency

The biggest mistake retail investors make is pausing their SIPs in Mutual Funds during volatility, fearing further losses. However, historical trends show that continuing SIPs, even at market highs, delivers strong returns over the long term. Patience and consistency are the keys to wealth creation.

2. Stopping SIPs Reduces Wealth Creation

Pausing or stopping SIPs due to short-term volatility can result in missing out on compounding benefits. Investors who stay invested in mutual funds for longer durations witness substantial returns despite market fluctuations.

3. Short-Term Pain, Long-Term Gain

Short-term volatility may seem painful, but it is the price investors pay for long-term wealth creation.

Final Verdict: Stay Invested, Stay Disciplined, Build Wealth! Get in touch with us to know more.

Systematic WITHDRAWAL PLAN



2. SWP: The Smart Way to Create Monthly Income in Retirement:

A Systematic Withdrawal Plan (SWP) is an investment strategy that lets you withdraw a fixed amount of money at regular intervals from a mutual fund. This approach is ideal for retirees looking to generate a stable monthly income while keeping their principal relatively safe and invested.

The key difference between SIP & SWP is in their purpose and cash flow direction. SWP involves withdrawing funds from an investment, making it suitable for income generation, while SIP focuses on accumulating wealth.

Benefits of SWP for Retirees:

- 1. Regular Monthly Income:** Receive a fixed, predictable amount every month—ideal for retirees or anyone needing consistent cash flow without liquidating the full investment.
- 2. Steady Cash Flow:** Acts as a salary replacement, ensuring a consistent income stream.
- 3. Tax-Efficient Withdrawals:** Equity & hybrid fund SWPs attract 12.5% LTCG tax, with the first ₹1.25 lakh of annual LTCG tax-free.
- 4. Beats Inflation:** Unlike traditional savings, SWP from equity or hybrid funds has the potential to outpace inflation.
- 5. Flexibility & Liquidity:** Unlike annuities, SWP can be modified or stopped anytime.

How much you can Withdraw Through SWP?

Monthly SWP for Different Investment Amounts

(Assumed 12% CAGR, 10-year SWP period with 9% p.a. monthly withdrawal)

Initial Investment (₹)	Monthly SWP Amount (₹)	End Period Value (₹)
20,00,000	15,000	28,82,746
30,00,000	22,500	43,24,119
40,00,000	30,000	57,65,492
50,00,000	37,500	72,06,864

Even after 10 years of monthly withdrawals, a well-planned SWP can still leave a substantial corpus!

SWP Advantage for Retirees:

- **Stress-Free Retirement Planning:** Converts your investment into a stable income source, ensuring peace of mind in your golden years.
- **Financial Discipline:** Promotes regular, automated withdrawals—no need to make ad-hoc redemption decisions.
- **Better Legacy Planning:** The unused corpus can continue to grow and be passed on to beneficiaries.

If planned well, SWP helps maintain financial independence and ensures a worry-free retirement.

Reach out to us at mail@netbrokers.co.in for expert guidance and support in creating a stress-free and sustainable SWP.

3. LIST OF TOP MUTUAL FUNDS

Check the best performing funds in their respective categories.

CATEGORY	TOP SCHEMES
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	WhiteOak Capital Flexi Cap Fund Parag Parikh Flexi Cap Fund
MULTI CAP	Nippon India Multi Cap Fund Kotak Multi Cap Fund
FOCUSED	SBI Focused Equity Fund Invesco India Focused Equity Fund
MID CAP	Motilal Oswal Midcap Fund WhiteOak Capital Mid Cap Fund
SMALL CAP	Bandhan Small Cap Fund Franklin India Smaller Companies Fund
ELSS	DSP ELSS Tax Saver Fund Motilal Oswal ELSS Tax Saver Fund
HYBRID AGGRESSIVE	DSP Aggressive Hybrid Fund SBI Equity Hybrid Fund
BALANCED ADVANTAGE FUND	DSP Dynamic Asset Allocation Fund Parag Parikh Dynamic Asset Allocation Fund
MULTI ASSET FUND	WhiteOak Capital Multi Asset Allocation Fund DSP Multi Asset Allocation Fund

Download [Net Brokers App](#) for smart investment experience. Available for both Android & Apple devices.



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

Disclaimer: Net Brokers has taken due care and caution in presenting factually correct data contained herein above. While Net Brokers has made every effort to ensure that the information/data being provided is accurate, Net Brokers does not guarantee the accuracy, adequacy or completeness of any data/information in the publication and the same is meant for the use of receipt and not for circulation. Readers are advised to satisfy themselves about the merit details of each investment scheme, before taking any investment decision. Net Brokers shall not be held liable for any consequences, legal or otherwise, arising out of use of any such information/data and further states that it has no financial liability whatsoever to the recipient/readers of this publication. Neither Net Broker nor any its directors/employees/ repetitive accept any liability for any direct or consequential loss arising from the use of data/information contained in the publications or any information/data generated from the publication. Nothing contained in the publication shall be deemed to constitute a recommendation or any an invitation or solicitation for any product or service. Any dispute arising in future shall be, subject to the Court(S) at Delhi. Readers are advised to go through the respective product brochure/offer documents before making any