

Twitter Thread by JayneshKasliwal



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Learn All About ETF Investing for Brighter Future

Thread on Nifty BeES

A Path on Passive Wealth Creation

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1■■■Nifty BeES is an ETF (Exchange Traded Fund) by Nippon India, which tracks the Nifty Index.

2■■■To explain in simpler terms, Nippon India takes your money and uses it to buy the equivalent number of all 50 stocks that the component of Nifty Index.

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3■■■ Each single share of Nifty BeES is priced approximately 1/100th of the Nifty Index.

4■■■If Nifty is at 17000, the price of Nifty BeES would be (about) Rs.170 to 180

So if you buy 1 stock of Nifty BeES, the ETF would have invested in all of the 50 shares in Nifty

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5■■■But you can say one can't buy all of the stocks with just Rs.180. Right, but when lakhs of people buy it, the fund can buy enough stocks and your returns will be weighted according to your investment.

6■■■ Will you return be exactly like Nifty ?

ANS: NO !

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7■■■As Nifty bees is traded like stock

All the charges are applied . Nippon Nifty etf has a expense ratio of 0.05%

9■■■ If you are looking for safe and benchamark returns Nifty etfs are best suited.

1■■■0■■■ Etf is better in terms of expense ratio

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Difference Between :

Particulars	Active MFs	Index Funds	ETFs
Fund Manager Risk	Yes	No	No
Investing Strategy	Active	Passive	Passive
Expense Ratio	1-2%	0.25-0.5%	0.05%-0.1%
Demat account	Not Necessary	Not necessary	Must
Brokerage Cost	Nil	Nil	Yes
Listing on exchange	Not compulsory	Not compulsory	Compulsory
Liquidity	Highly Liquid in India	Highly liquid in India	Illiquid in India at the moment
Pricing	End of Day NAV	End of Day NAV	Real-time price on the exchange
Redemption	No of units fall	No of units fall	Every seller matches a buyer like stocks

There Are ETFs for every Category of Stocks Like PSUs , IT , Metals.

Example : ICICIMIDCAP etf , Nifty Next 50 Etf (Juniour BeEs).

The volatility is less and this is called passive investing.

One Can start SIP with as low as 100 Rs

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