ELSS THROUGH SIP

ELSS is one of the options to **save tax and generate wealth** over the long-run.
However, if you simply think tax savings as once- in- a- year ritual, you're bound to make a big financial mistake!

Deferring your investment can put your hard earned money at risk!

Why people delay investing?

- Lower awareness
- Irregular cash flows
- Laziness
- Unfamiliarity with tax rules
- Confusion in selecting a tax saving option

Consequences of the delay in planning

- Investing without proper contemplation
- Investing in haste
- Not selecting a right product

SO WHAT SHOULD ONE DO?

PLAN YOUR INVESTMENT USING SIP

- Discipline to investing
- No last minute rush
- Advantage of rupee cost averaging
- Ease of investment
- Takes out the risk of market timing
- No liquidity crisis
- Lighter on the wallet as you don't have to shell out Rs. 1.5 Lakhs at one go

But does SIP score over last minute investments in ELSS in terms of performance?
Let's check out with a hypothetical example

Assume two friends, **A and B invest Rs 1,50,000 annually for a 5 year** period in ELSS to save tax and generate wealth. "A" likes planning and invests through SIP from start of the financial year in April every year, whereas B being lazy invests at the last minute, just before the March 31 deadline.

Assuming, **both earned 12% returns annually** on their investment, check out how their investments would have grown after 5 years.

	Invested	Investment Value
Mr.A ₹ 12,500 Monthly	₹ **7,50,000**	₹ **10,42,449**
Mr.B ₹ 1,50,000 Annually	₹ **7,50,000**	₹ **9,89,361**

₹ 53,088 is additional returns that Mr. A would have earned

Mr. A invests on 1st day of every month (monthly SIP); whereas Mr. B invests on March 1 of every year

SIP - Systematic Investment Plan; ELSS - Equity Linked Saving Scheme

Stop the last minute tax planning, start an SIP in an ELSS scheme & generate wealth in the long-run

UTI Mutual Fund
Haq, ek behtar zindagi ka.

UTI SWATANTRA
An investor education initiative