

# RIDE THE EQUITY WAVE TO REACH YOUR LONG-TERM FINANCIAL GOALS

**"If you are not willing to own a Stock for 10 years, do not even think about owning it for 10 minutes"**  
 - Legendary investor Warren Buffett once said when asked for investment advice. Equity investments require patience. But, they can help you achieve your long-term financial goals. Let's see how investing in Equity is a great option in the long run.

**DO YOU HAVE ANY OF THE FOLLOWING LONG-TERM GOALS?**

- Higher Education
- Overseas Vacation
- Marriage
- Buying a House
- Buying a Car
- Children's Education
- Children's Marriage
- Retirement

**ARE YOU PLANNING ON INVESTING IN ONE OF THESE?**

- Stocks or Equity Mutual Funds (MFs)
- Gold
- Fixed Deposits (FDs)
- Public Provident Fund (PPF)
- Savings Bank Account
- Real Estate

**THEN YOU MUST OPT FOR EQUITY WAY. HERE'S WHY:**

	Initial Investment (Oct 1986) (₹)	Current worth (Sept 2017) (₹)	Compound Annual Growth Rate
S&P BSE Sensex	10,000	5,38,540	13.7%
Gold	10,000	1,57,280	9.3%
Bank FD	10,000	1,32,840	8.7%
PPF	10,000	1,96,600	10.1%
Savings Bank Deposit	10,000	31,990	3.8%
Diversified Equity Fund	10,000	7,31,660	14.9%

Source: SBI, RBI, Bloomberg, MFIE

Equity MFs have come out as a winner over a period of 31 years. They have outperformed the property sector in the last 10 years as well. While they have provided returns of 12.11%, real estate has grown around 11% over the same time period\*.

\* Note: An Indian Brand Equity Foundation report has forecasted the property sector to grow by 11.2% between 2008 and 2020.



## APART FROM HIGH RETURNS, YOU GET AN ARRAY OF BENEFITS WHEN YOU INVEST IN EQUITY MFs:

**AN EXPERT MANAGES YOUR MONEY**

You need to spend a lot of time to research and monitor the financial market if you invest in stocks. But with MFs, Fund Managers do this for you. They use their expertise to choose and monitor Stocks on your behalf.

**HELPS WHOM**  
Those with little knowledge about Stock market

**DIVERSIFIES RISK**

Divide and rule, diversify and win. An Equity MF invests your money across various sectors. This lessens the risk of losing all your money. The well-performing Stocks make up for the underperforming ones in your portfolio.

**HELPS WHOM**  
Investors who want to invest in multiple Stocks in the Equity market

**CAN INVEST WITH A SMALL AMOUNT**

Achieving your long-term goals does not necessarily need huge investments. A Systematic Investment Plan (SIP) helps you grow your money. If you start early, even a sum of ₹500 is enough to meet your goals.

**HELPS WHOM**  
Investors with a steady income wanting to accumulate wealth

**EASY REDEMPTIONS**

Mutual Funds allow redeeming your investment any time, except for Equity-Linked Savings Schemes (ELSS). That is a big advantage because you have the option to withdraw money in an emergency situation.

**HELPS WHOM**  
Those who probably need liquidity

**TAX BENEFITS**

Equity MFs are Tax-efficient. For example, you can invest in ELSS and claim Tax deductions up to ₹1.5 lakh under Section 80C of the Income Tax Act. Also, you don't pay any Tax on your Long Term Capital Gains (LTCG).

**HELPS WHOM**  
Investors looking to save Tax

\*This content was created exclusively for UTI Swatantra. Visit [www.beswatantra.com](http://www.beswatantra.com) for more information