CREATE WEALTH WITH TIME, NOT JUST RETURNS

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Invest in multiple SIPs to maximise your returns. Long term returns depend on how long you have invested and not the portfolio.

SYSTEMATIC INVESTMENT PLAN

When it comes to investments in Mutual Funds, don't do it at one go – opt for Systematic Investment Plans (SIPs). Someone had joked, "SIP is like having the Equity market sip by sip." You have the option of investing in SIP with all kinds of MF schemes viz. Debt, Equity, Gold etc.

POWER OF COMPOUNDING

SIP helps you invest on a longer term. When it comes to creating wealth, the duration of investments is important. This helps you benefit from the power of compounding – when you earn interests on your prior interest payments.

IT'S THE TIME THAT MATTERS

To calculate compound interest, you need to know the present value of investment (PV), the rate of return (R), and the number of years for which investment is made (N). If you want to end up with a large sum, then the most important factor from the above is 'N'.

As teenagers, we used to lay bets about drinking an entire bottle of cold drink in one go. Whenever we drank it in one go, our eyes would be watery along with some discomfort in our chest. Drinking cold drinks that way was never fun. Fun was having it slowly - sip by sip.

WHY IS THIS SO?

The longer your money stays invested, the more the compounding, and the greater will the eventual amount be. Several times, investors forget this simple maths and chase 'R', the rate of return. Don't make that mistake.

TIME v/s TIMING

Keep investing for longer duration – the number of years (N) is most important. In simple terms, it is not 'TIMING' the market but 'TIME-IN' the market is important. This applies to all categories of Funds – Debt Funds, Gold Funds, Equity Funds etc.

ALL ABOUT COMPOUND INTEREST

So when it comes to wealth creation, take advice from a man who had the highest IQ, Albert Einstein. He had said "Compound interest is the eighth wonder of the world. He who understands it, earns it. He who doesn't, pays it."

STAY INVESTED... PATIENTLY

The biggest mistake an investor can make is churn the portfolio based on NOISE and not necessarily the NEWS. It's like measuring blood pressure throughout the day and taking a medicine at the slightest increase. Remain invested for long.

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