

# Can investing in Index Funds make you a millionaire?

Index Funds are Mutual Funds that track the performance of a particular index like the Nifty 50. The fund portfolio will have the same Stocks and in the same proportion as the benchmark index. Let's understand how this approach can benefit investors and help them become a millionaire.

## Benefits of investing in an Index Fund tracking broad market indices:

- Index Funds are easy investments as they mimic the movements of the broad market index like Nifty 50 which is easy to check and track.
- They are generally available at low cost as compared to Active Funds.
- The components of Index Funds are selected based on predefined rules and without any individual's biases.
- They do not demand time and resources to check the holding Stocks or other Fund intricacies.



## Index Funds: The secret sauce to becoming a millionaire

Here's how a monthly SIP in Nifty 50 based Index Fund could set you on the path to becoming a millionaire.

Monthly Investment Amount	₹ 3,000
Investment Tenure	15 years
Rate of return	12%*
Investment value after 15 years	₹14,27,794

\*The above table is for illustration purpose only. In this calculation, the annual return of 12% has been assumed based on the return potential of Nifty 50 over the past 15 years.

## Bottom Line

Index Funds allow you to own a diversified portfolio and help you convert a few thousands into millions over time.