

Swatantra Kumar Explains:

Why long-term friendship with Equity matters

You make a lot of friends in life, but not all of them stay forever. But again, those who remain are your closest. Much like friendship, your investments should be long term. After all, it has a wide range of benefits:

You can beat Inflation

Long-term investments in Equity Mutual Funds help you beat Inflation since they generate higher returns.



You can save more Tax



You pay 15% Short-Term Capital Gains on Equity Mutual Funds. On the other hand, if you hold your investments for more than a year, Gains exceeding ₹1 lakh will be taxed at 10%.

You can build Funds

For compounding to work, you need time. The Power of Compounding can convert a small sum into a large amount over time.



You refrain from emotional investing



Equity markets are volatile, but they have the potential to deliver good returns in the long run. Thus, you stay calm when markets fluctuate.

