

HERE'S WHY YOU MUST START INVESTING RIGHT FROM YOUR FIRST SALARY

Four graduates - AarKaay, PeeCee, DeePee and CeeKay were placed in the same company at the same salary 5 years ago. With the decision to make their first job count, they started making investments of the same amount. But one of them overtook the rest. Here's why:



Particulars	AarKaay	PeeCee	DeePee	CeeKay
Started Investing	5 years ago	4 years ago	3 years ago	1 year ago
Monthly SIP amount in Equity Mutual Funds	₹10,000	₹10,000	₹10,000	₹10,000
Returns*	17.73%	16.94%	9.14%	10.58%
Investment value	₹9.7 lakh	₹6.9 lakh	₹4.2 lakh	₹1.3 lakh

* CRISIL AMFI Equity Fund Performance Index, Returns as on March 28, 2018.

Higher return, thanks to the power of compounding, is just one of the reasons why you must start investing as soon as you get your first salary. Let's look at the other benefits:

Better risk appetite

- AarKaay could take higher risks since he had limited or no responsibilities
- Equity Mutual Funds may be high on the risk-o-meter, but they have the potential to deliver better returns in the long run
- AarKaay, thus, assumed risks, tapped the Equity market and built his wealth faster

Efficient money management

- CeeKay is struggling to meet his goals; whereas, AarKaay and PeeCee are in a much more comfortable situation
- They have now developed the habit of spending rationally and saving regularly
- They can, thus, manage their finances better than the other two

Greater investment flexibility

- To match the investment value of AarKaay, PeeCee, or even DeePee; CeeKay will have to invest a higher amount
- Moreover, CeeKay does not even have the time to rectify his investment mistakes, if any

*This content was created exclusively for UTI Swatantra. Visit <http://www.utiswatantra.com> for more information

Please note that since the latest report for March 2019 is not yet publicly available, the Equity Returns data has been taken from the CRISIL-AMFI Equity Fund Performance Index Factsheet dated March 2018. The intention of using the data of the financial year ended March 2018 is not to undermine or inflate the numbers in any way. Furthermore, the Indian Equity Benchmark Nifty 50 gained 14.93% and BSE Sensex gained 18.77% for the year ended March 2019.