WHY ARE MUTUAL FUNDS BETTER THAN EQUITY INVESTING?

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Mutual Funds offer diversified portfolios

Diversification is necessary to reduce risk by allocating investments among various industries and categories as different industries perform in different economic conditions, Mutual funds offer readymade diversified portfolios compared to equity investment as it requires a large amount of initial investment to build a truly diversified portfolio.

Low investment options available

Mutual Funds investments start as low as Rs 500 whereas one needs to invest high capital to build a diversified portfolio through direct equity investing. One can also start investing with a small amount through a systematic investment option which has the potential to become a big corpus with rupee cost averaging and the power of compounding.

A highly Qualified Fund Manager manages the portfolio

A qualified fund manager manages your portfolio with the backing of research. When you manage your own portfolio, you have to make your own investment decisions which may be tedious and time-consuming. Hiring a professional will require a considerable cost which is generally not practical for a retail investor.

Risk of Individual stock selection

Mutual Fund invests in a basket of diversified equity shares portfolio depending on the scheme's objective. Market regulator SEBI has put some major regulations for mutual funds regarding investing in the equity market in the interest of retail investors. On the other hand, investing in equity without proper research can result in adverse stock selection which might impact the performance of any individual portfolio.

Can avoid behavioral biases through investing in Mutual Funds

Behavioral biases often dent the return expectation of equity investment but mutual fund follows pre-determined investment strategies which minimizes investment biases.

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Tax saving options are also available by investing in ELSS

You are eligible for deduction up to Rs 150000/- u/s 80C if you invest through ELSS category mutual funds but no such option is available when you invest in equity shares on your own.

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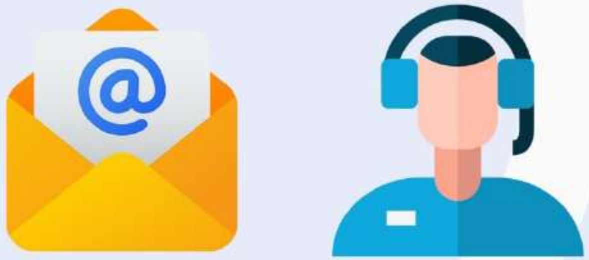
Contact us to know more



Disclaimer: Mutual Fund investments are subject to market risk. Please read the scheme related documents carefully before investing

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