

MANAGE YOUR MONEY



Topic: Tips for Investing wise

What is Investing wise?



An individual should start investing at the right time and in right instrument as per his/her risk taking capacity.

What are the basic tips to wise investment?

- Starting Investment at right age
- Assessing our own risk taking capacity
- Determining our own Investment objective
- Selecting right investment tool as per requirement and objective
- Planning for additional investments as individual needs and responsibilities grow
- Invest for long term

What is the cost of delay in investment?

Let's understand the cost of delay in investment by an example:

	Rohan	Rahul
		
	Started investing at age 28	Started investing at age 38
	Monthly saving INR 5000	Monthly saving INR 5000
	Returns expected from Bank FD – 8%	Returns expected from Bank FD – 8%
	Invest till age - 58	Invest till age - 58
	Total Investment - INR 18,00,000	Total Investment – INR 12,00,000
	Wealth accumulated – INR 74.52 lacs	Wealth accumulated – INR 29.45 lacs

So, to catch up to Rohan's investment; Rahul has to do the following 2 things:

- Either he should earn interest on his investment at 17%
- Or he should start saving INR 12,651 per month

} **Difficult..isn't it?**

What are the advantages of Long term investment?

One of the basic premise of investing is that your money multiplies manifold over time and this multiplication of money is normally referred as **Power of Compounding**.

The compounding effect of investing your money is perhaps one of the most important aspects to achieve long term wealth.

