

10:16 AM 11 JAN	LIVE	ಸೆನ್ಸೆಕ್ಸ್ 34,431 ▼ -1.17	ನಿಫ್ಟಿ 50 10,625 ▼ -6.90	ಚಿನ್ನ (ಎಂಸಿಎಕ್ಸ್) (₹/10 ಗ್ರಾ... 29,314.00 ▼ -10.00	ಯುಸ್ ಡಿ/ಭಾರತೀ... 63.79 ▲ 0.20	CREATE PORTFOLIO	ಈ-ಟಿ ಮಾರುಕಟ್ಟೆಗಳ ಆಪ್ ಅನ್ನು ಡೌನ್‌ಲೋಡ್ ಮಾಡಿ	CHOOSE LANGUAGE KAN	LIVE TV
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Is it good to invest in a mutual fund scheme for one year?

BY ET ONLINE | UPDATED: JAN 10, 2018, 01.56 PM IST

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Is it good to sell your **mutual fund** schemes in one year because if you search for any good funds, they are giving very high **returns** in one year, around 35 to 45 per cent. Then after three to five years it's showing around 20 to 25 per cent. Is it good to book and close the funds or is better to continue for 3 to 4 years.

--Ajay Dhobi

Vishal Dhawan, Founder, Plan Ahead Wealth Advisors, responds:

There is a recency bias when you look at short term returns as equity markets have done very well in the last 12 months which tend to normalise over longer periods. You need to keep in mind that both the 1 year returns of 35-45 per cent that you may be seeing over the last one year and 20-25% pa over the last 3 to four years are abnormally high and are not what you should expect going forward. You need to temper your expectations over the long term to 12-15 per cent per annum. Considering that the funds that you are looking at are likely to be equity funds, you will also need to remember that they will be volatile and that there will be periods wherein the returns are likely to be negative as well, so having the patience and being a long term investor is critical.



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UTI MUTUAL FUND

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