

Where should I invest ₹ 1 lakh to earn best returns in a short time

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From a longer-term perspective, in order to get an international fund that is more diversified, you could consider stopping SIPs into the Motilal Oswal Nasdaq 100 fund and invest in HDFC Developed World Indexes Fund of funds instead

I am a 19-year-old student and I want to invest upto ₹ 1 lakh. This may be used for either my higher education or a vacation. What is the best way to invest so that I can get good returns?

We would assume that the money you want to invest may be needed back in about two years from now. Investing in equities is not ideal for this time frame, as it is too short for equities, which as an asset class is not designed for short-term investments. In light of the same, we would advise you to invest in debt mutual funds. Basis your goals, you can invest in ultra-short or low duration funds. If you are looking to put away a portion of your corpus for more than 10 years, a combination of an index fund and a flexicap fund could be considered.

I'm a 35-year-old central govt employee. My in-hand salary is ₹ 80,000 per month. I have been investing in mutual funds since 2016. My current MF balance is ₹ 10 lakh. Currently, I'm investing ₹ 27,000 per month in MFs. These include ₹ 2,000 per month in ABSL Tax Saver, ₹ 3,000 in Mirae Asset Emerging Bluechip, ₹ 4,000 each in Mirae Asset Healthcare Fund, Axis Focus, and Axis long term equity, ₹ 5,000 each in Nippon India Nifty 250 Smallcap, and Motilal Oswal Nasdaq 100.

My goal is to create a corpus of ₹ 50 lakh for my child's education after 7 years and ₹ 1 crore in 13 years for another child's education. I want to create another corpus of ₹ 1 crore in 20 years. I want to add ₹ 7,000 per month to my investments. I have ₹ 1 crore term insurance. Please suggest if I need to make changes in my portfolio and where I should invest the additional ₹ 7,000.

We would advise you to stop your SIPs in Mirae asset healthcare fund as we would not suggest using a sectoral fund in a portfolio. You could instead consider investing in an index fund. You could also consider stopping your SIPs into the ABSL tax saver fund & consolidate those funds into the Axis long term-equity fund. From a longer-term perspective, in order to get an international fund that is more diversified, you could consider stopping SIPs into the Motilal Oswal Nasdaq 100 fund and invest in HDFC Developed World Indexes Fund of funds instead. For the additional ₹ 7,000, you could consider a medium-term debt fund like SBI magnum medium duration fund. Assuming that you have accounted for inflation in your goals and you step-up your SIP by 6% every year as your income goes up, you are likely to reach your first goal comfortably but you may face a shortfall in your second goal as the gap between the first and second goal is six years only. Thus, we advise you to increase your SIP from ₹ 34,000 to ₹ 40,000 per month as this should enable you to achieve your second and third goals within the timeframe.

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