

THINGS TO REMEMBER

Myth No. 1



- **Myth:** Rs10 NAV is cheaper and attractive
- **Reality:** NAV level does not matter. Your fund's higher NAV is due to past gains it made over the years
- **What you should do:** Ignore the actual NAV level. Higher NAV is actually good news. Go for well-diversified funds that come with a good track record

Myth No. 2



- **Myth:** Dividend-paying funds are better than non-dividend-paying funds
- **Reality:** A well performing fund may not pay dividends and may still be better than those that regularly pay dividends. Actual performance is more important than dividend declaration or the quantum of distribution

Myth No. 3



- **Myth:** Passive funds are for wimps
- **Reality:** If you wish to avoid fund manager's risk and yet want returns same as equities, passive funds such as index funds and exchange-traded funds are the best way to go. Low cost and a low tracking error are the other benefits of going the indexing way to multiply your wealth

Myth No. 4



- **Myth:** I can do a better job than the fund manager
- **Reality:** When equity markets fall, it's only your MF scheme that falls, your investment in stock market, too, falls. But it's tough to beat the market consistently, something that successful fund managers have done. Watch out for MFs with a good track record