

What's a

Unit Trust?

Here's a beginners guide to Unit Trust



01

A Unit Trust is a simple concept

Imagine there's an asset that you can't afford to buy on your own. So you gather a bunch of friends and each makes a contribution. Then they collectively buy the asset.

So it's the same with UNIT TRUST. Except instead of friends, it's hundred of other investors that you collectively invest with.



02

Is Unit Trust a form of saving?

Well yes! but savings is very vague and general term. A UNIT TRUST is best viewed as an investment.



Investors are people with clear goals, ambitions and opinions. They get their money to work for them in smarter ways.

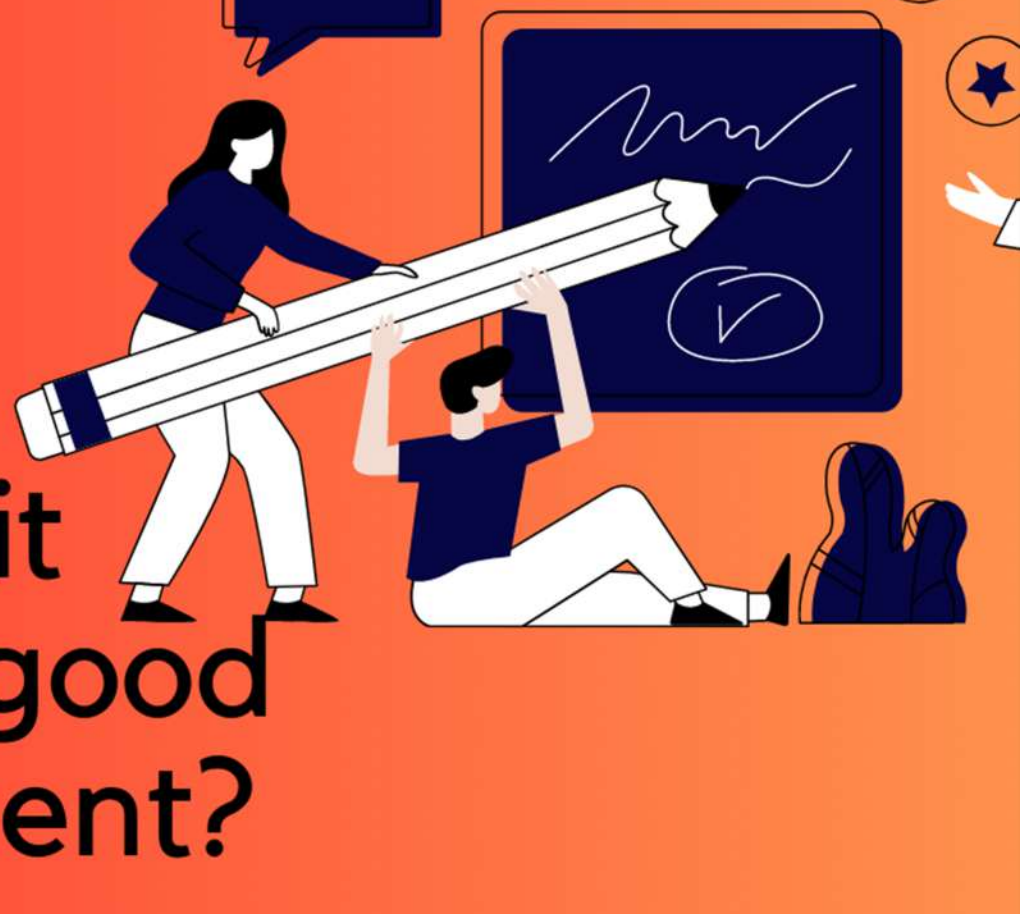


03

So is Unit Trust a good Investment?

If you look at it from a long-term perspective , the answer is almost always yes!

Unit Trusts are based on markets. It is true that the markets fluctuate, but the historical trends has always been upwards, consistently beating inflation and bank interest.



04

Why you should invest in Unit Trust?

Diversification Unit trust allows investors to spread their money across a variety of different assets.

Affordability Many Unit Trust funds have low minimum investment requirements, which makes them accessible to a wide range of investors.

Liquidity Unit trust are typically highly liquid, which means investors can easily invest & withdraw as needed without any penalties.

Transparency Unit Trusts are required to publish periodical financial statements & fund sheets on a regular basis, which can help provide transparency and accountability.



05

What are the different kinds of Unit Trust

There are many options, but let me list some of the main ones. As with many things in life, there are many trade offs between risk and reward.

- » Open-ended Funds
- » Close-ended Funds
- » Income Funds or High Yield Funds
- » Money Market Funds



06 How to Choose & How Much?

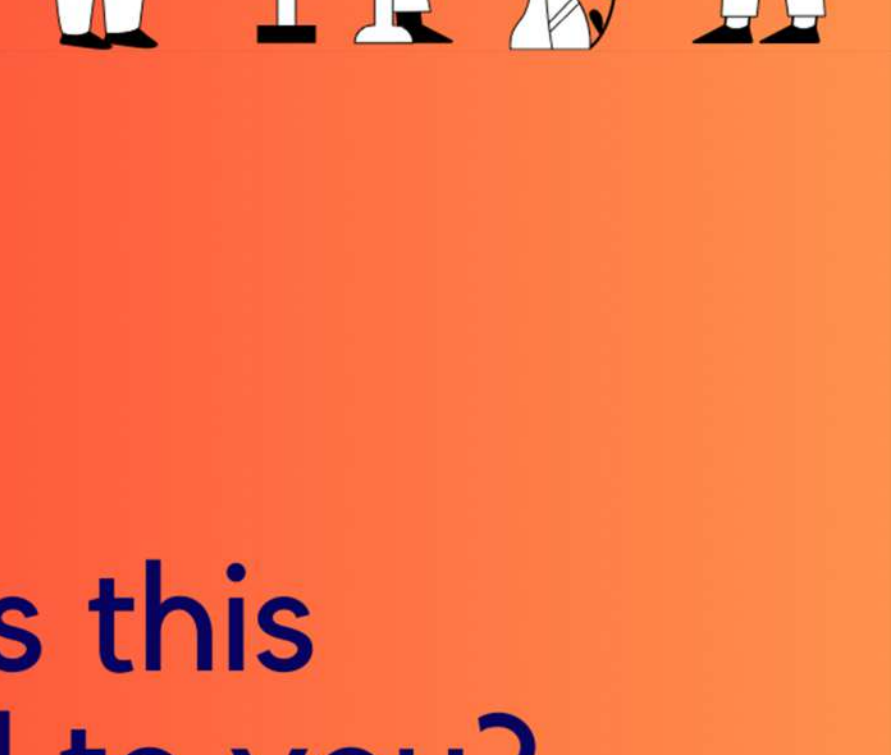
- » When choosing a Unit Trust, figure out your financial goals and what kind of risk you are willing to bear.
 - » Check out the returns they have generated for their investors over the years. Remember, when it comes to Unit Trust, past performance is only a useful guide, not a guarantee.
- » One of the great things about Unit Trust is that you don't need huge sums of money to invest in one. You can start with as little as Rs 1,000.
 - » Take advantage of the flexibility of Unit Trust. You don't have to invest a large one-off lump sum. Instead , build up your investment over a period of time.

07

Are Unit Trust Investments Not Getting TAXED?

Yes that's right, Income from dividends and capital gains from investing in Unit Trusts are TAX-FREE

If you need any further information and advice on this matter, you should consult a tax professional.



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