

# Systematic Investment Plan

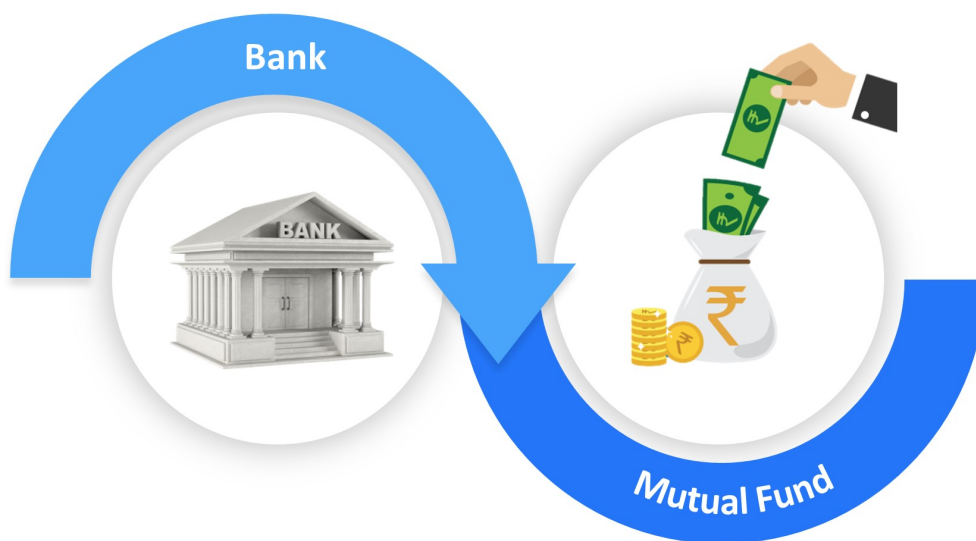
Small Steps to Wealth Creation



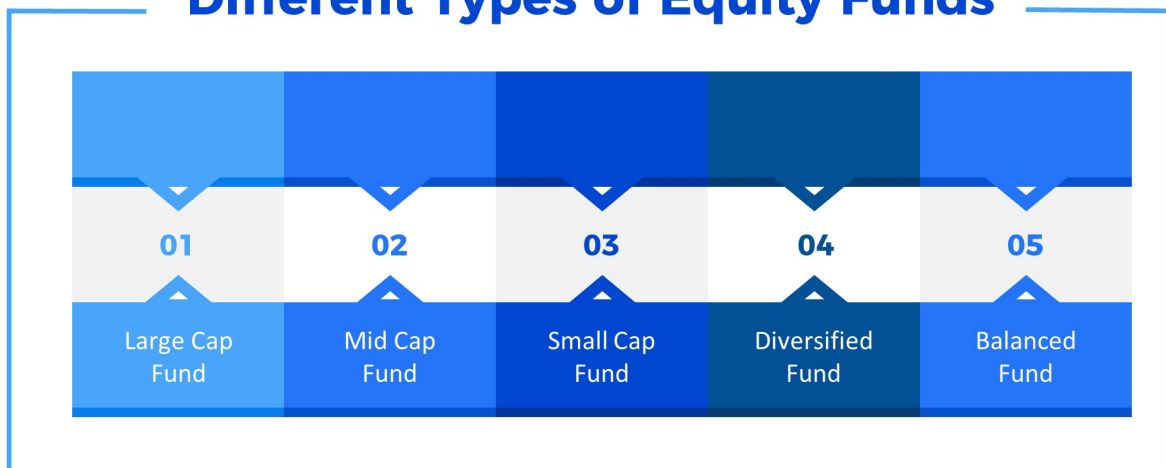
Mutual Fund investments are subject to market risk, please read all scheme related document carefully.

# What Is SIP (Systematic Investment Plan)

*Fixed Amount Monthly Transfer*



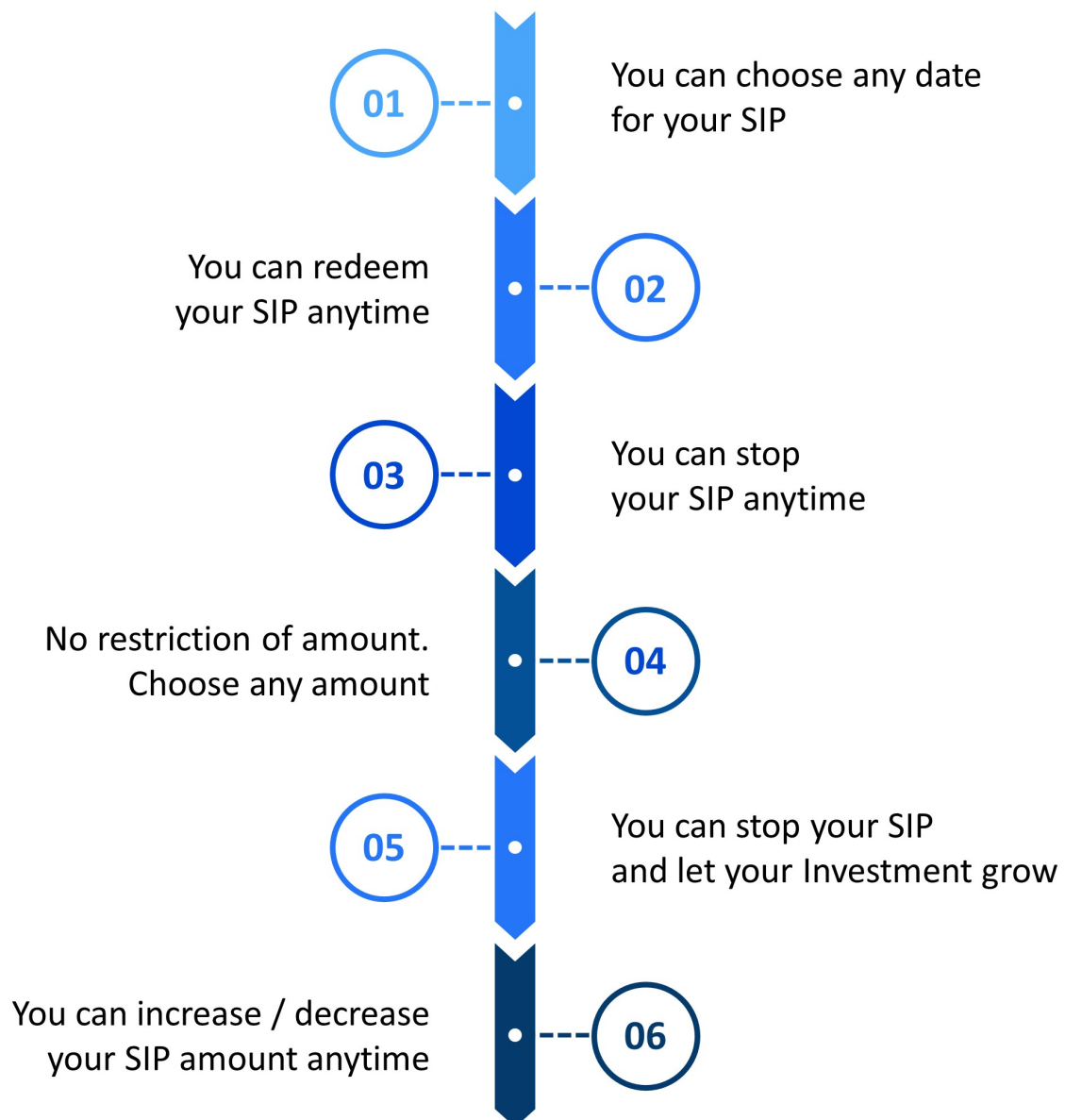
## Different Types of Equity Funds



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# Features of SIP

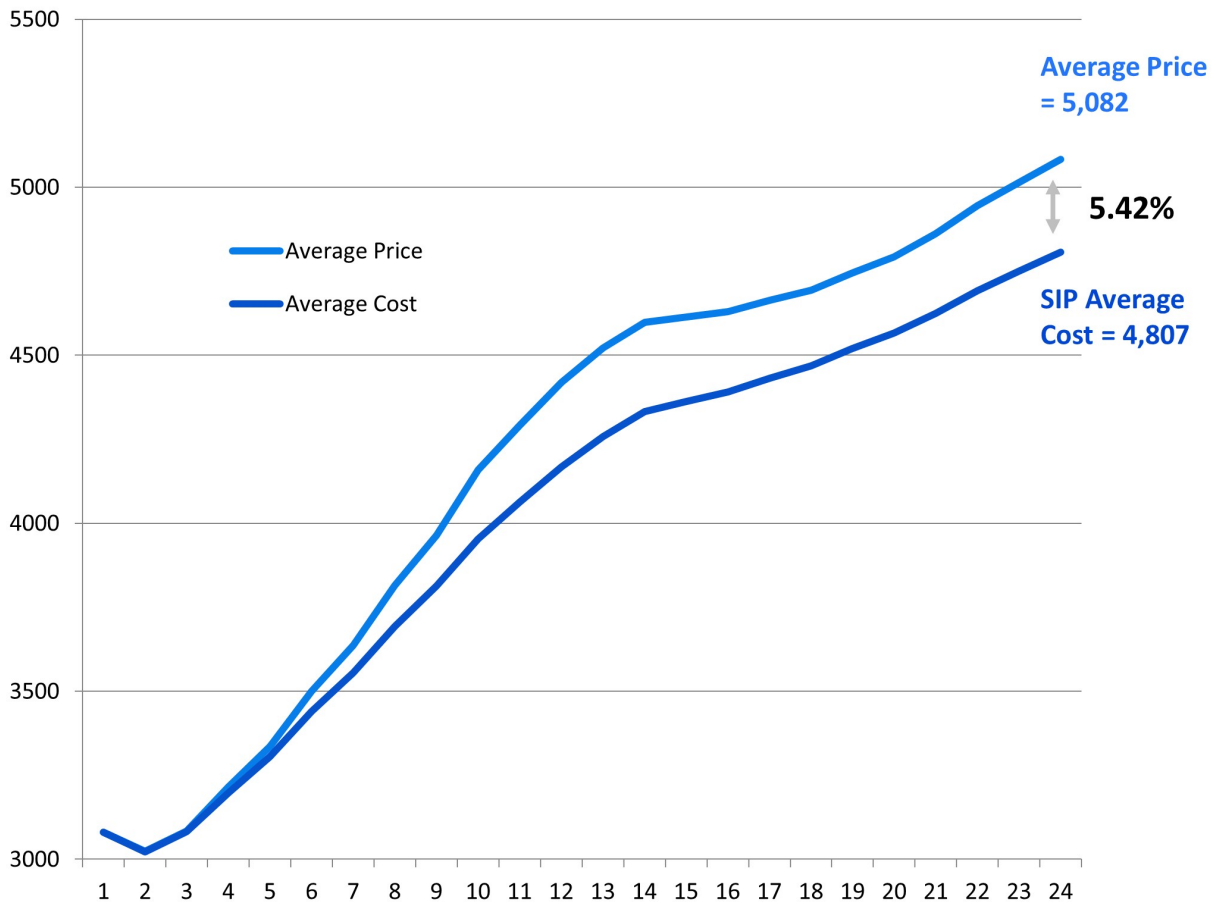
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# Rupee Cost Averaging

## Scenario 1 : Rising Market



SIP Start Date: April' 2003 (BSE Sensex @3,081)

Average Price / Unit : **5082**

SIP End Date: March' 2005 (BSE Sensex @6,651)

Average Cost / Unit : **4807**

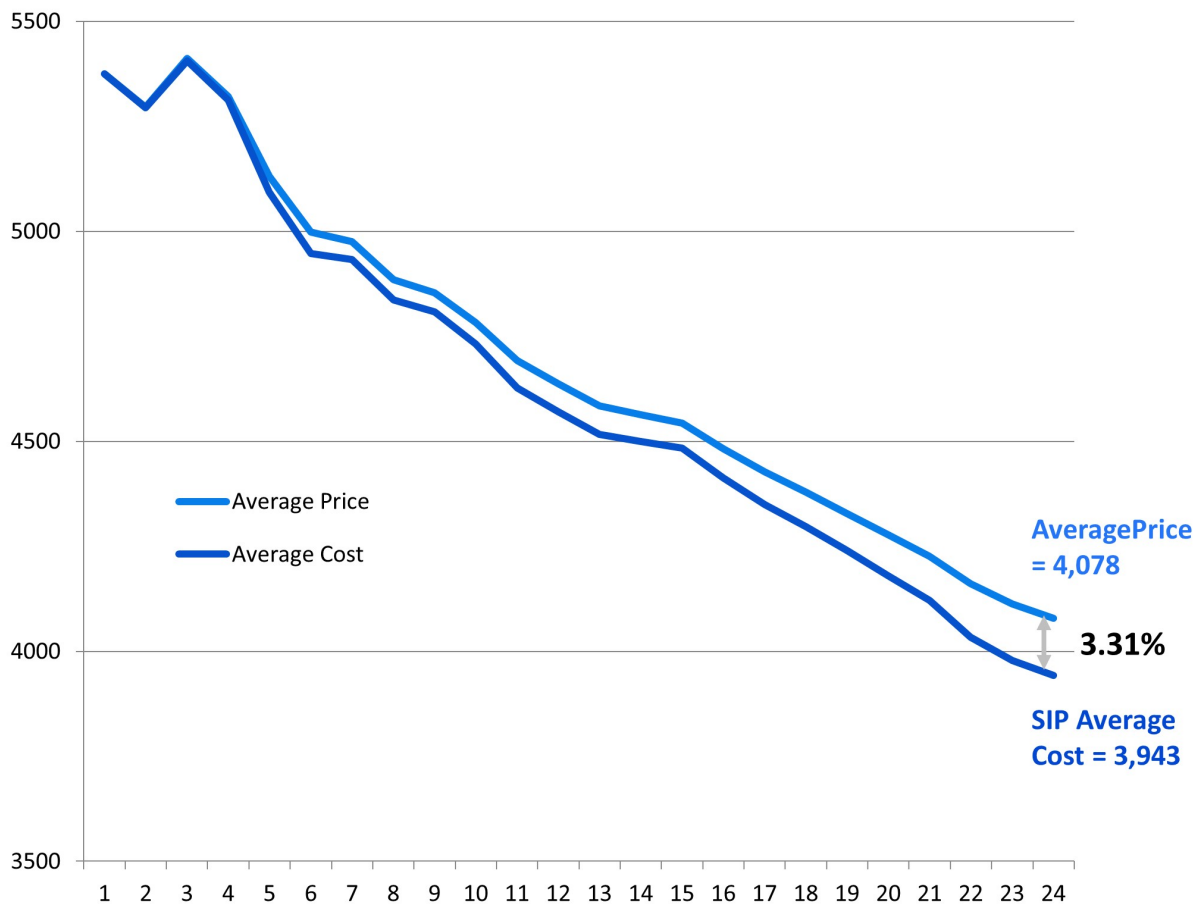
**% Difference: 5.42%**

\*It is assumed that SIP in BSE Sensex is done on the 1st day of each month. \*The above is for illustration purpose only. Mutual Fund investments are subject to market risk, please read all scheme related document carefully. \* The above is for illustration purpose only.



# Rupee Cost Averaging

## Scenario 2 : Falling Market



SIP Start Date: January' 2000 (BSE Sensex @5,375)

Average Price / Unit : **4078**

SIP End Date: December' 2001 (BSE Sensex @3,275)

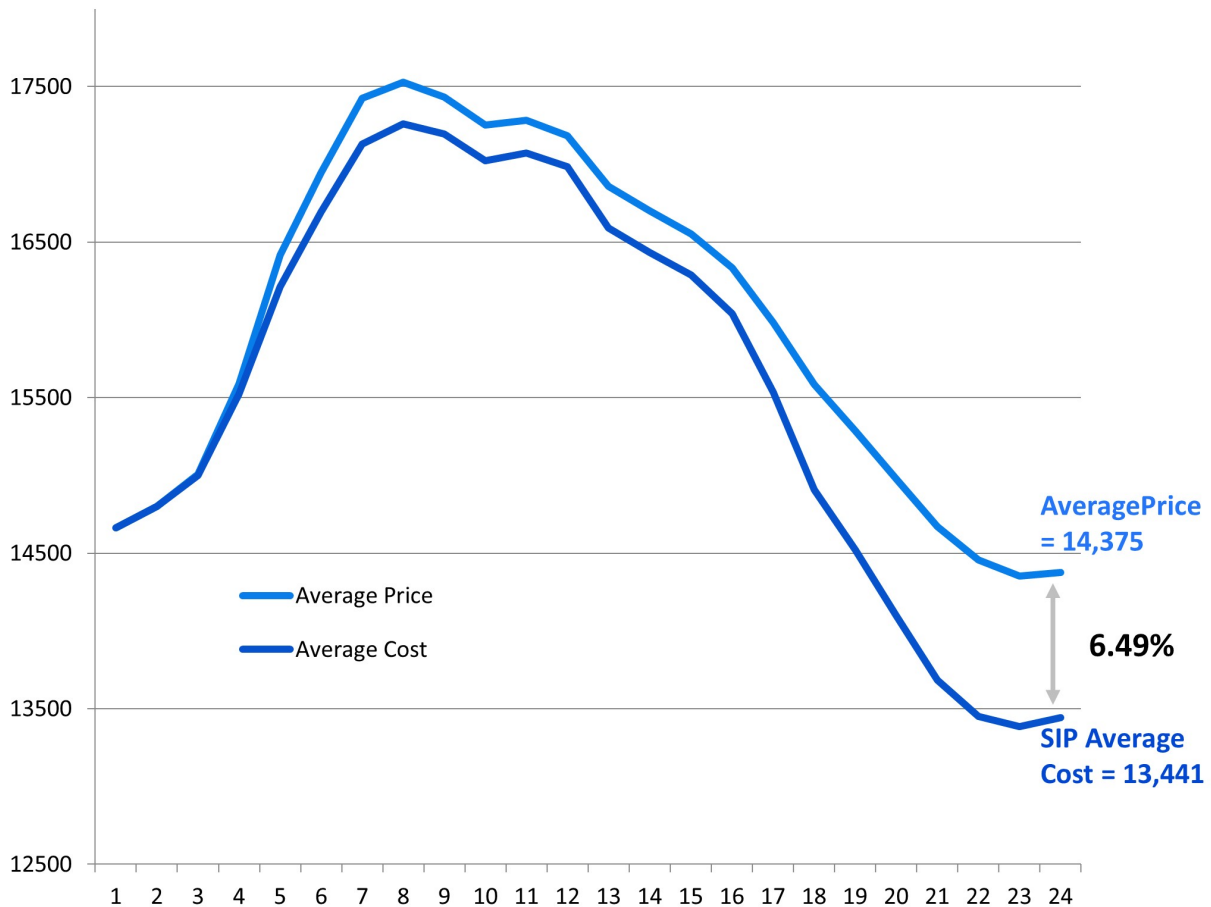
Average Cost / Unit : **3943**

**% Difference: 3.31%**

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# Rupee Cost Averaging

## Scenario 3 : Volatile Market



SIP Start Date: July' 2007 (BSE Sensex @14,664)	Average Price / Unit : <b>14375</b>
SIP End Date: June' 2009 (BSE Sensex @14,841)	Average Cost / Unit : <b>13441</b>
<b>% Difference: 6.49%</b>	

\*It is assumed that SIP in BSE Sensex is done on the 1st day of each month. \*The above is for illustration purpose only. Mutual Fund investments are subject to market risk, please read all scheme related document carefully. \* The above is for illustration purpose only.

# Benefit of Starting Early

SIP Start Age	SIP Stop Age	Monthly Investment	Total Investment	Value at Age 60 @15%	No. of Times
30	40	10,000	12,00,000	4,30,46,970	35.87
40	60	10,000	24,00,000	1,32,70,734	5.53

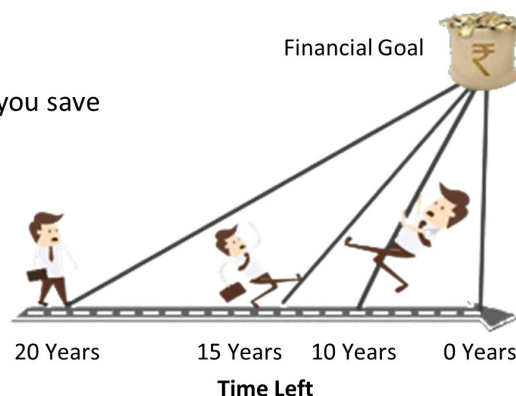
\* The above shows a comparison between two persons, wherein Person A starts investing monthly from age 30 and stops at age 40. On the other hand, person B starts investing at the age 40 and continues till 60. Though, total investment made by person A is half the amount invested by person B, the value of investment of person A is almost 7 times more than value of investment of person B. \* The above illustration is based on an IRR of 15% compounded monthly.

SIP Start Age	SIP Stop Age	Monthly Investment	Total Investment	Value at Age 60 @15%	No. of Times
40	60	10,000	24,00,000	1,32,70,734	5.53
50	60	20,000	24,00,000	52,60,364	2.19

\* The above shows a comparison between two persons, wherein person A starts investing monthly from age 40 and person B starts investing double the amount of person A from age 50. They both continue investing till age 60. Though, total investment made by both of them is equal, the value of investment of person A is almost 2.5 times more than the value of investment of person B. \* The above illustration is based on an IRR of 15% compounded monthly.

## Financial Goal Planning

The Earlier you start, the easier you save money for your financial goals



# Power Of Compounding

## Value Of Rs.10,000/- Invested Monthly

Time / Rate	10 Year	15 Year	20 Year	25 Year
8%	1,812,832	3,397,785	5,726,600	9,148,394
12%	2,240,359	4,759,314	9,198,574	17,022,066
15%	2,630,182	6,163,656	13,270,734	27,565,608

\* Returns are compounded monthly.

\* The above is for illustration purpose only.

## Monthly SIP Required to become Crorepati

Time / Rate	10 Year	15 Year	20 Year	25 Year
8%	55,163	29,431	17,463	10,931
12%	44,636	21,012	10,872	5,875
15%	38,021	16,225	7,536	3,628

\* Returns are compounded monthly.

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Mutual Fund investments are subject to market risk, please read all scheme related document carefully.

# The Wealth Creation Formula

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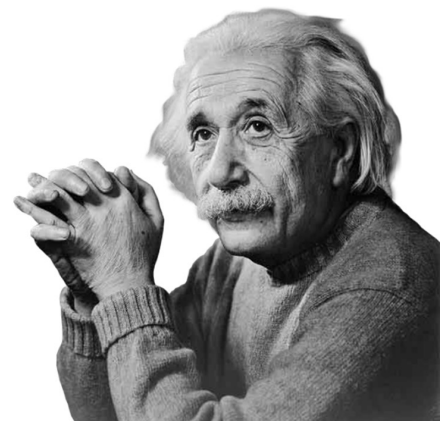
What Investors Focus On

$$A = p \left( 1 + \frac{r}{100} \right)^t$$

What Investors Ignore

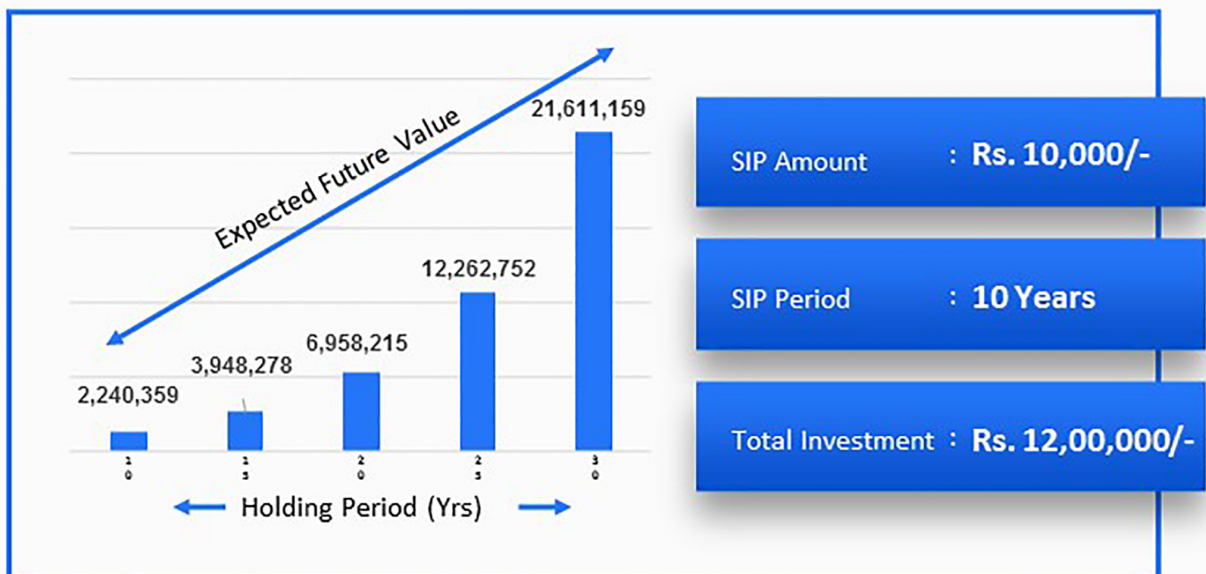
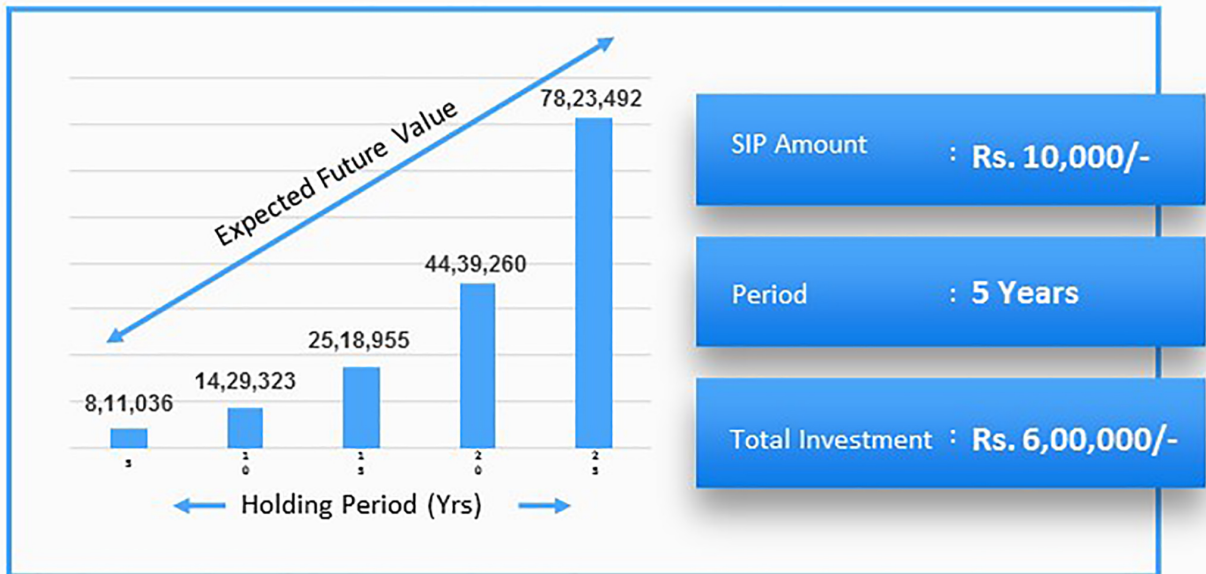
*“Compound interest is the eighth wonder of the world. He who understands it, earns it. He who doesn't pays it.”*

**Albert Einstein**



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# Power of SIP

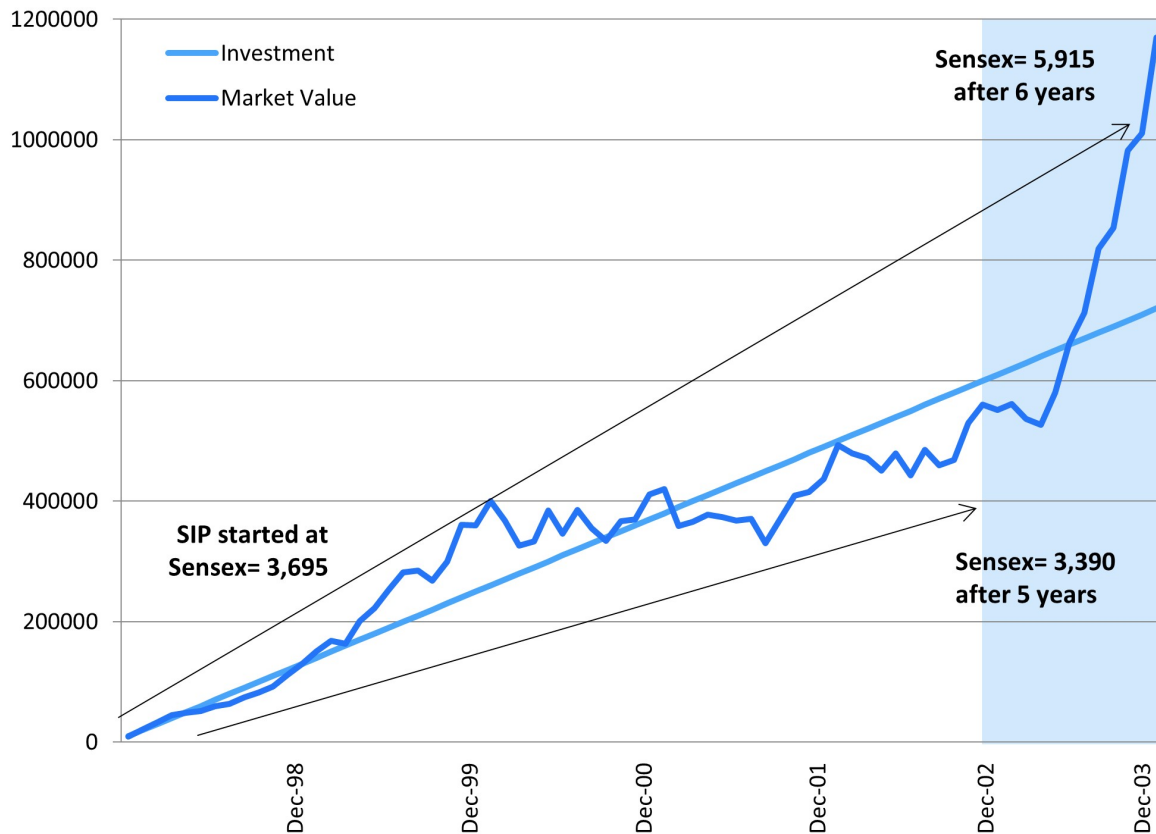


*\* For illustration purpose only. Rate of return is assumed @12% p.a. Mutual Fund investments are subject to market risks. Please read all scheme related documents carefully.*



# SIP: Patience is the KEY

## SIP in BSE Sensex: Jan'1998 - Dec'2003



The Graph shows the value of SIP of Rs.10,000/- in BSE Sensex from Jan'98 - Dec'03

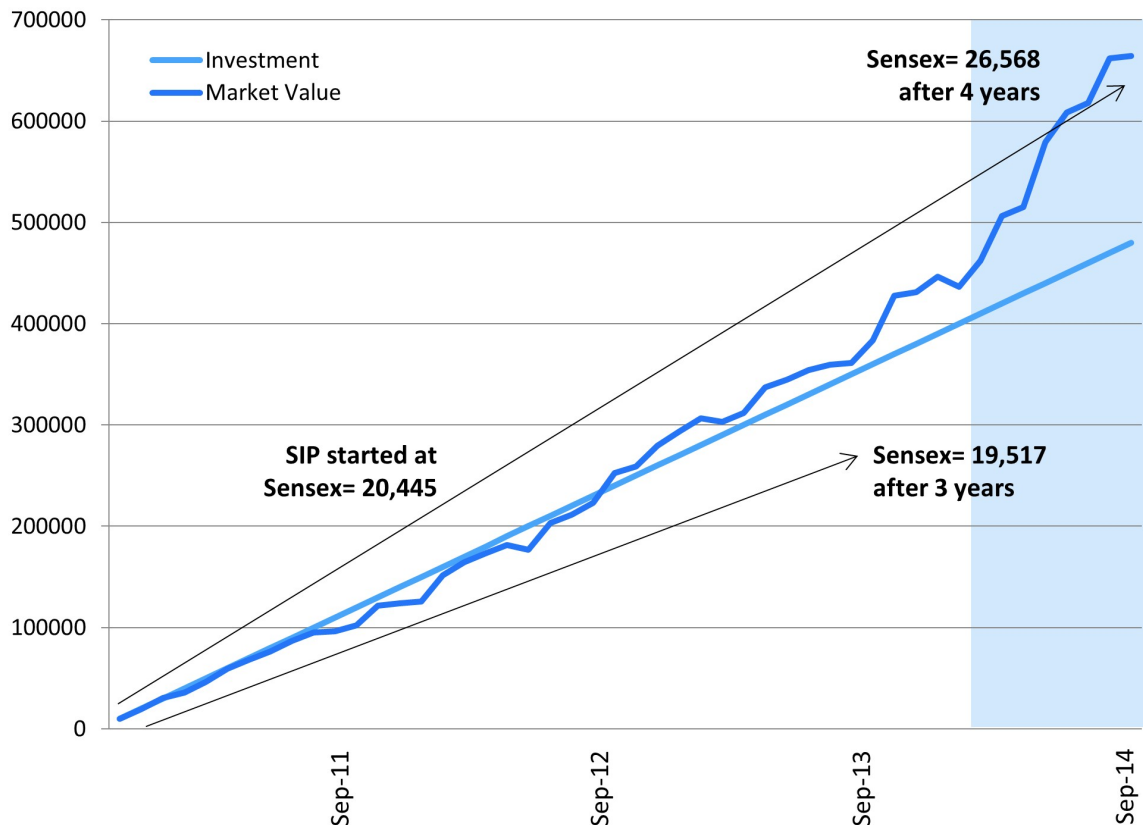
<b>Period</b>	Jan' 1998 - Dec' 2002	<b>Period</b>	Jan' 1998 - Dec' 2003
<b>Total Investment</b>	Rs.6,00,000/-	<b>Total Investment</b>	Rs.7,20,000/-
<b>MV of Investment</b>	Rs.5,59,975/-	<b>MV of Investment</b>	Rs.11,70,252/-
<b>IRR Return:</b>	(2.71%)	<b>IRR Return</b>	16.05%

\*The above is for illustration purpose only.\*Past performance may or may not sustain in future.  
Mutual Fund investments are subject to market risk, read all scheme related document carefully.

Source: DASPL Research

# SIP: Patience is the KEY

## SIP in BSE Sensex: Oct'2010 - Sep'2014



The Graph shows the value of SIP of Rs.10,000/- in BSE Sensex from Oct'10 - Sep'14

<b>Period</b>	Oct' 2010 - Sep' 2013	<b>Period</b>	Oct' 2010 - Sep' 2014
<b>Total Investment</b>	Rs.3,60,000/-	<b>Total Investment</b>	Rs.4,80,000/-
<b>MV of Investment</b>	Rs.3,83,551/-	<b>MV of Investment</b>	Rs.6,64,557/-
<b>IRR Return:</b>	4.15%	<b>IRR Return</b>	16.40%

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Mutual Fund investments are subject to market risk, read all scheme related document carefully.  
Source: DASPL Research



# SIP : Patience Is The Key



SIP started in a bull market. 1st year returns were 56% pa. Then it fell to 5.50% pa. in the 2nd year. Markets were down in the 3rd and 4th year also with CAGR returns in negative territory. However, when markets went up in the 5th year, CAGR returns for 5 year period went up to 18% pa.

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Source: DASPL Research

# SIP : Patience Is The Key



SIP started in bad markets. In the first year, returns were negative by -57% pa. However, if the clients continued SIP for longer duration, his eventual returns were good.

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Mutual Fund investments are subject to market risk, read all scheme related document carefully.  
Source: DASPL Research

# SIP : Patience Is The Key



SIP started in the year in which markets went up. 1st year returns were 27% pa. Then it fell to -14% pa. in the 2nd year. Markets recovered in the 3rd and 4th year giving decent returns. However, when markets rallied again in the 5th year, CAGR returns for 5 year period went over 14% pa.

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Source: DASPL Research

### SIP Proposal For Dummy Client

<b>Target Amount</b>	₹ 10,00,000
<b>SIP Period</b>	10 Years
<b>Step-Up % Every Year</b>	5.00 %

### Monthly SIP Required

<b>Mode</b>	<b>Scenario 1 @ 12.00 %</b>	<b>Scenario 2 @ 10.00 %</b>
<b>Normal SIP</b>	₹ 4,464	₹ 4,964
<b>Step-Up SIP</b>	₹ 3,712	₹ 4,100

### Total Investment

<b>Mode</b>	<b>Scenario 1 @ 12.00 %</b>	<b>Scenario 2 @ 10.00 %</b>
<b>Normal SIP</b>	₹ 5,35,628	₹ 5,95,659
<b>Step-Up SIP</b>	₹ 5,60,336	₹ 6,18,778

\* Mutual fund investments are subject to market risks, read all scheme related documents carefully. Returns are not guaranteed. The above is for illustration purpose only.

### Normal SIP Year-Wise Projected Value

Year	Scenario 1 @ 12.00 %		Scenario 2 @ 10.00 %	
	Annual Investment	Year End Value	Annual Investment	Year End Value
1	₹ 53,563	₹ 56,984	₹ 59,566	₹ 62,745
2	₹ 53,563	₹ 1,20,806	₹ 59,566	₹ 1,31,765
3	₹ 53,563	₹ 1,92,287	₹ 59,566	₹ 2,07,687
4	₹ 53,563	₹ 2,72,346	₹ 59,566	₹ 2,91,201
5	₹ 53,563	₹ 3,62,012	₹ 59,566	₹ 3,83,067
6	₹ 53,563	₹ 4,62,437	₹ 59,566	₹ 4,84,119
7	₹ 53,563	₹ 5,74,914	₹ 59,566	₹ 5,95,276
8	₹ 53,563	₹ 7,00,888	₹ 59,566	₹ 7,17,549
9	₹ 53,563	₹ 8,41,978	₹ 59,566	₹ 8,52,050
10	₹ 53,563	₹ 10,00,000	₹ 59,566	₹ 10,00,000

\*The above chart is approximate and for illustration purpose only

### Step - Up SIP Year-Wise Projected Value

Year	Scenario 1 @ 12.00 %		Scenario 2 @ 10.00 %	
	Annual Investment	Year End Value	Annual Investment	Year End Value
1	₹ 44,549	₹ 47,395	₹ 49,196	₹ 51,822
2	₹ 46,777	₹ 1,02,847	₹ 51,655	₹ 1,11,417
3	₹ 49,116	₹ 1,67,441	₹ 54,238	₹ 1,79,692
4	₹ 51,571	₹ 2,42,400	₹ 56,950	₹ 2,57,651
5	₹ 54,150	₹ 3,29,096	₹ 59,798	₹ 3,46,405
6	₹ 56,857	₹ 4,29,077	₹ 62,788	₹ 4,47,185
7	₹ 59,700	₹ 5,44,080	₹ 65,927	₹ 5,61,349
8	₹ 62,685	₹ 6,76,059	₹ 69,223	₹ 6,90,403
9	₹ 65,820	₹ 8,27,210	₹ 72,684	₹ 8,36,007
10	₹ 69,111	₹ 10,00,000	₹ 76,319	₹ 10,00,000

\*The above chart is approximate and for illustration purpose only

### Cost of Delay in Starting Normal SIP

This illustration explains the increase in SIP amount due to delay in starting your SIP to achieve the target amount.

Delay in No. of Year	Scenario 1 @ 12.00 %		Scenario 2 @ 10.00 %	
	SIP Amount	Total Investment	SIP Amount	Total Investment
1	₹ 5,301	₹ 5,72,539	₹ 5,826	₹ 6,29,180
2	₹ 6,368	₹ 6,11,371	₹ 6,918	₹ 6,64,104
3	₹ 7,764	₹ 6,52,167	₹ 8,339	₹ 7,00,450
4	₹ 9,652	₹ 6,94,964	₹ 10,253	₹ 7,38,239
5	₹ 12,330	₹ 7,39,794	₹ 12,958	₹ 7,77,487
6	₹ 16,389	₹ 7,86,688	₹ 17,046	₹ 8,18,209
7	₹ 23,213	₹ 8,35,669	₹ 23,900	₹ 8,60,417
8	₹ 36,948	₹ 8,86,755	₹ 37,672	₹ 9,04,121
9	₹ 78,330	₹ 9,39,960	₹ 79,111	₹ 9,49,327

For example, If you delay your SIP by 1 year, your SIP amount will increase to ₹5,301 instead of ₹4,464 in case of Scenario(1) and will increase to ₹5,826 instead of ₹4,964 in case of Scenario(2).

\*Returns are not guaranteed. The above is for illustration purpose only.

## Suggested Schemes For Investment

### HYBRID

S. No.	Scheme Name	Category	Past Performance						
			1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr
1	Kotak Balanced Advantage Fund-Reg(G)	Hybrid - Balanc..	2.52%	3.14%	8.83%	31.59%	N/A	N/A	N/A

### EQUITY

S. No.	Scheme Name	Category	Past Performance						
			1 Mth	3 Mth	6 Mth	1 Yr	3 Yr	5 Yr	10 Yr
1	HDFC Top 100 Fund(G)	Equity - Large ..	8.35%	4.38%	24.61%	60.11%	11.73%	13.37%	11.37%
2	SBI Banking & Financial Services Fund-Reg(G)	Equity - Sector..	7.18%	1.54%	18.01%	70.83%	14.21%	18.32%	N/A
3	Axis Bluechip Fund-Reg(G)	Equity - Large ..	5.68%	5.65%	14.46%	48.15%	15.28%	16.14%	14.20%

\*Returns over 1 year are annualized. Returns shown for 1 year and below are absolute. Past performance is a not a guarantee of future returns. Performance data is as per last published NAV. Source : Accord Fintech. Mutual funds investments are subject to market risk. Please read the offer documents carefully before investing.  
Report Date : 02/06/2021