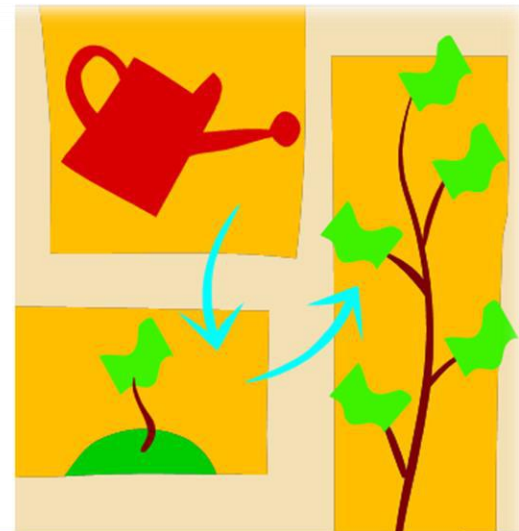




Systematic Investment Plans & Your Financial Goals

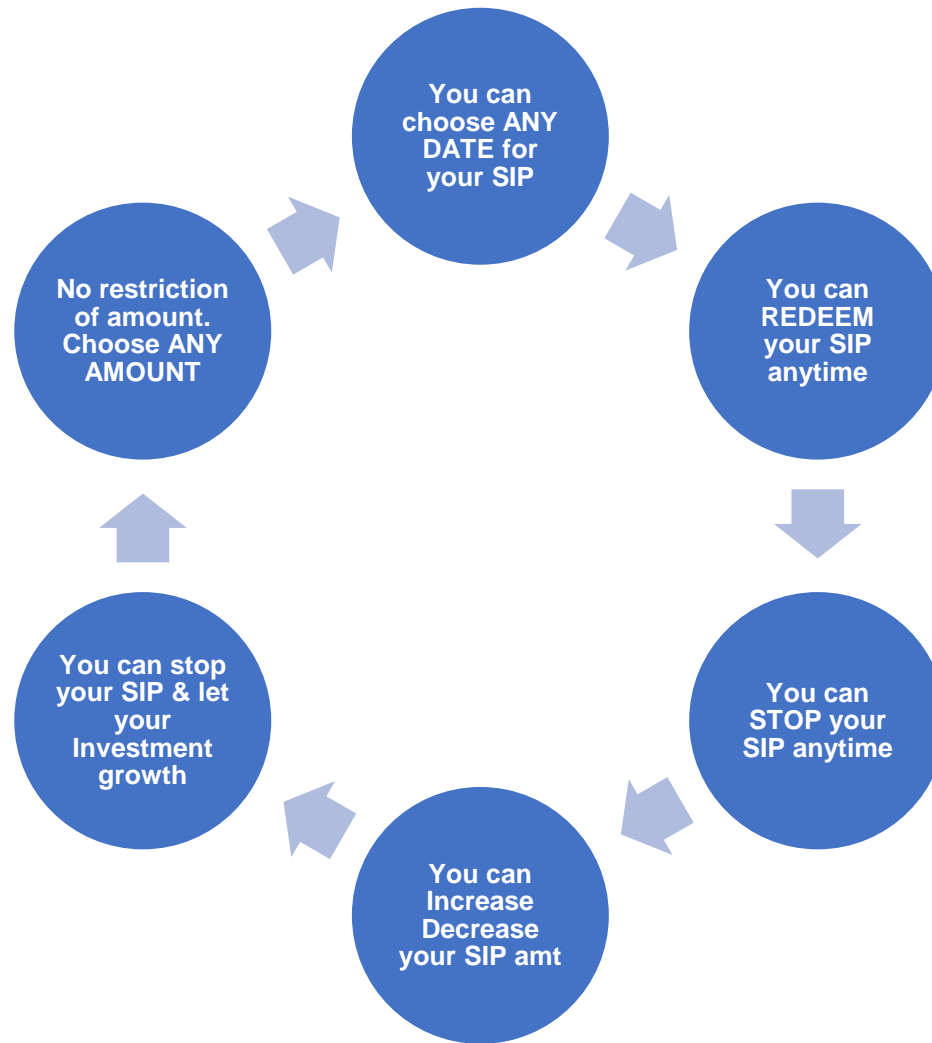
Investing Fixed Amount every month in Equity Mutual Fund

An investment plan to invest a fixed amount regularly at a specified frequency say, monthly or quarterly.



SIP is a simple method of investing used across the world as a means to creating wealth

SIP - Features



No need to time the market



No need to time the market



Rupee cost averaging

Time (Month)	Amount Invested	NAV (Per Unit Rs)	Units Purchased
1	1,000	23	43.48
2	1,000	21	47.62
3	1,000	22	45.45
4	1,000	19	52.63
5	1,000	16	62.50
6	1,000	17	58.82
7	1,000	17	58.82
8	1,000	20	50.00
9	1,000	21	47.62
10	1,000	19	52.63
11	1,000	25	40.00
12	1,000	24	41.67
Total	12,000		601

Average NAV Per Unit over 12 months =
 $(21+21+22+19+16+17+17+20+21+19+25+24)/12$
or Rs 20.34

Average Cost per unit over 12 months =
 $12000/601$
or Rs 19.96

Source: Internal, hypothetical numbers for illustration purpose only

Average Cost Per Unit Will always be lesser than the Average NAV per Unit, regardless of the market movements.

KEY BENEFITS of INVESTING THROUGH SIP

- ✓ **It brings financial discipline in life**
- ✓ **Timing risk is eliminated**
- ✓ **Works well over long period**
- ✓ **Enjoy the Power of compounding**
- ✓ **No need to wait to accumulate big sums**
- ✓ **Reach financial goals in a painless manner**

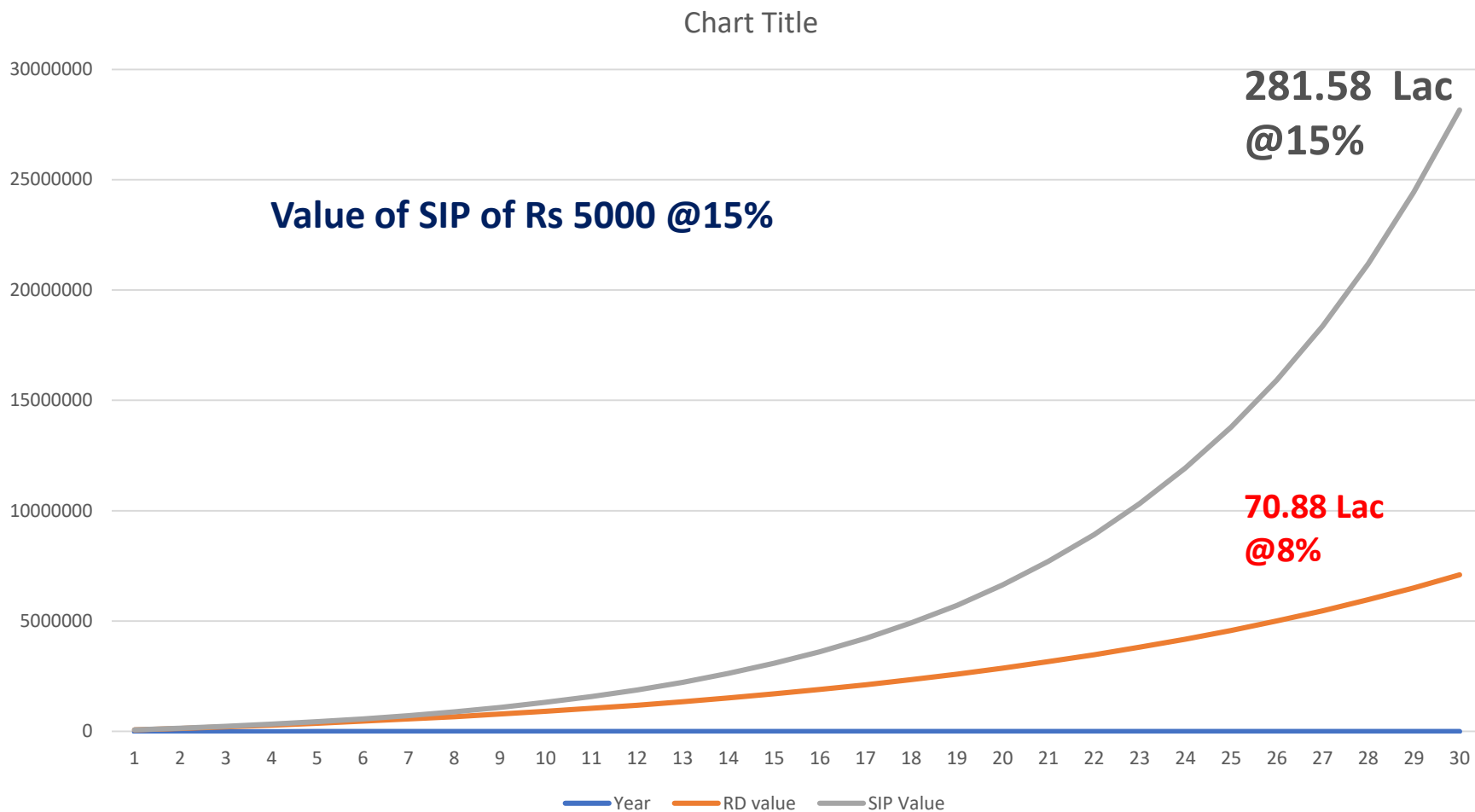
Discipline

I fear not the man who has
practiced 10,000 kicks once,
but I fear the man who has
practiced one kick 10,000 times.

Bruce Lee

www.thequotes.in

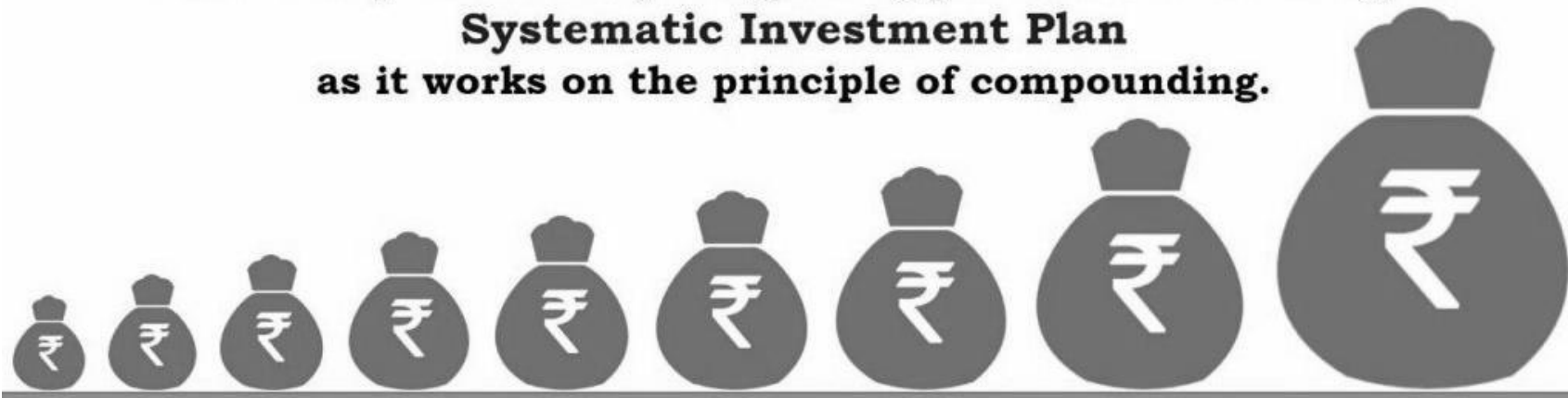
Power of Compounding



Power of Compounding

Monthly SIP Amount	Wealth	
	10 Years	25 Years
₹ 5,000	13.15 Lacs	1.37 Cr
₹ 10,000	26.3 Lacs	2.75 Cr
₹ 15,000	39.45 Lacs	4.13 Cr

One of the preferred ways of growing your wealth is through a Systematic Investment Plan as it works on the principle of compounding.



Start Early

Value of Investment
at Age 55 yrs

₹ 275.6
Lakhs



Monthly
Investment
Rs 10,000

Start at
Age 30



₹ 132.7
Lakhs



Monthly
Investment
Rs 10,000

Start at
Age 35



₹ 61.65
Lakhs



Monthly
Investment
Rs 10,000

Start at
Age 40



Power of compounding :

Earnings of the current year contribute to the earnings of the following year and so forth...

Assumption: 15% pa return

Cost of Delay



(assuming a 15% p.a. rate of return)



Always invest in mutual funds
with
LONG TERM HORIZON

PROBABILITY OF LOSS

Rolling 1 yr	13/38
Rolling 5 yr	3/34
Rolling 10 yr	1/29
Rolling 15 yr	0/24

*Calculations based on Sensex (1979-2016)

Mutual Fund investments are subject to market risk. PLEASE READ THE OFFER DOCUMENT CAREFULLY BEFORE INVESTING.

**Market Risk is lesser
In Long term**

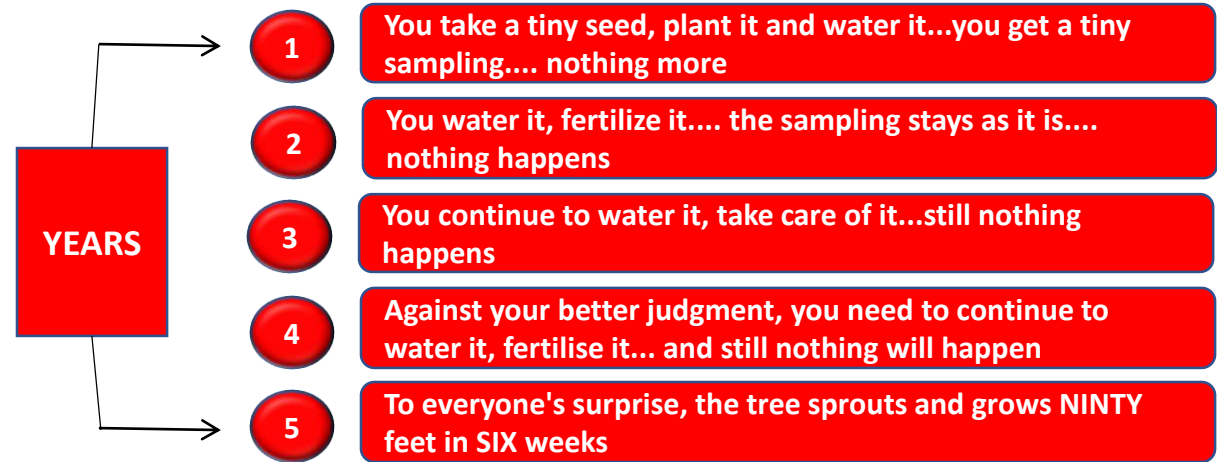
**Always invest for long
term in Equity**

Patience is the key

Curious case of Chinese Bamboo



Chinese Bamboo tree
tests your patience



What was going on in first Few Years?

- ✓ The tiny sampling was actually developing its root system underground to sustain its impending over the ground growth fifth year onwards.
- ✓ If you had uprooted the sampling to see why it was not growing, it would die.
- ✓ But if you were patient and had faith, you would witness the miraculous growth later on

SIP – SIMILAR GAME OF PATIENTS

What if, return is Negative?

43 LC funds	3 Years
Investment	360000
Value	348896
CAGR	-2.02%



Should I stop my SIPs?

**Average Return of all Large cap funds of Rs 10000 of SIP started on 1st September 2010.*

Keep Investing

Continue your SIPs

43 LC funds	3 Years	4 Years
Investment	360000	480000
Value	348896	699858
CAGR	-2.02%	19.10%

**Average Return of all Large cap funds of Rs 10000 of SIP started on 1st September 2010.*

Staying invested is the key

43 LC funds	3 Years	4 Years	Till Feb 2018
Investment	360000	480000	900000
Value	348896	699858	1541167
CAGR	-2.02%	19.10%	14.03%

**Average Return of all Large cap funds of Rs 10000 of SIP started on 1st September 2010.*

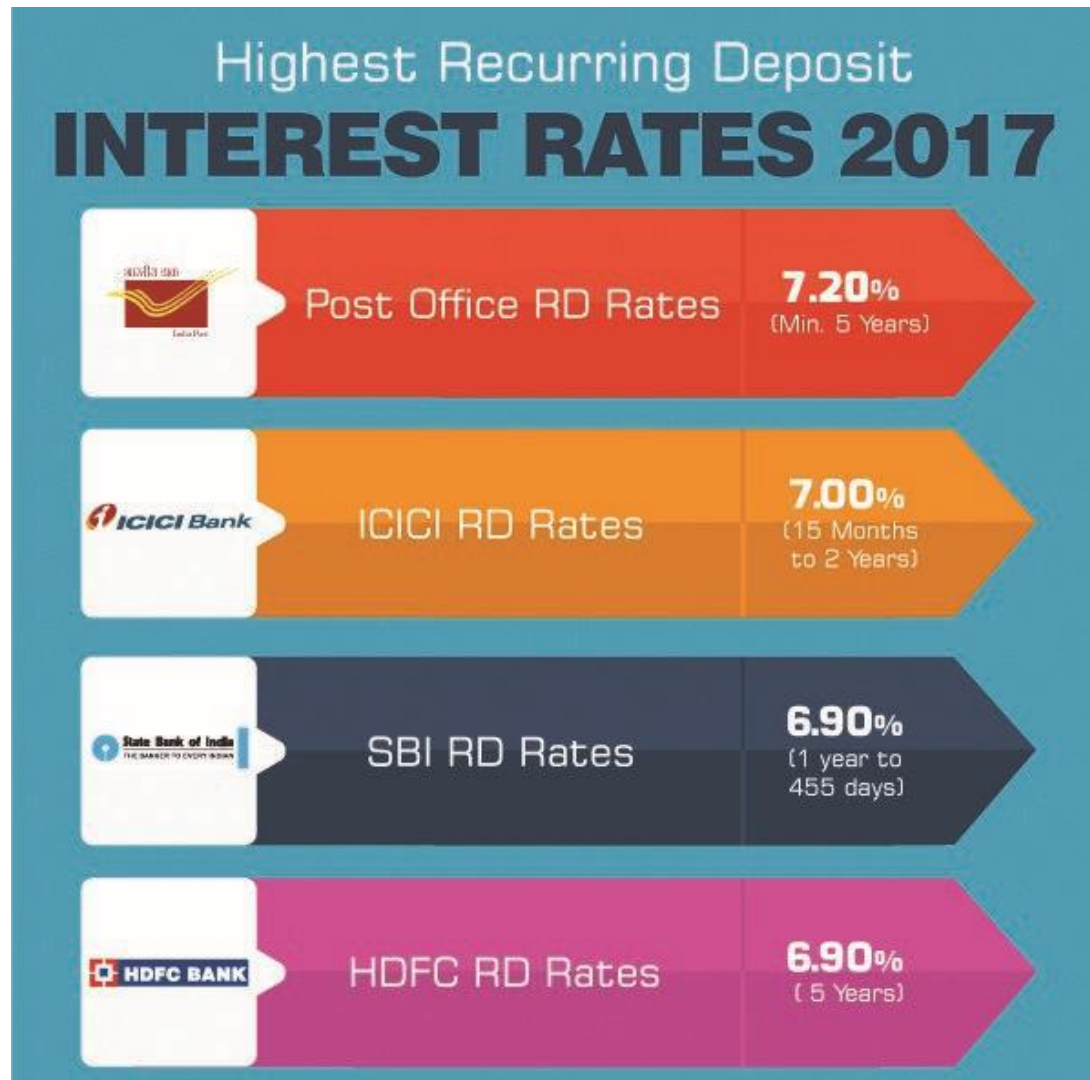
Past Performance

Particulars	15 Years	20 Years
Total no. of schemes	67	29
Highest Return (%)	22.96	24.21
Lowest Return (%)	10.13	12.53
Average Return (%)	16.19	18.63
Schemes with 20% + CAGR	4	10
Schemes with 15% + CAGR	48	24
Schemes with 12% + CAGR	63	29
Schemes with 8% + CAGR	67	29

All diversified equity funds which has completed 15 years and 20 years respectively as on 30th April, 2018

SIP vs Recurring Deposits

Recurring Deposit is one of the favourite instrument of saving among Indians.



SIP vs Recurring Deposits

Investment Period	Monthly Investment of Rs 5000			
	Total Investment	Post Office	SIP @15%	Difference
5 Years	300000	₹ 3,59,791	₹ 4,36,710	₹ 76,919
10 Years	600000	₹ 8,69,150	₹ 13,15,091	₹ 4,45,941
15 Years	900000	₹ 15,90,255	₹ 30,81,828	₹ 14,91,573
20 Years	1200000	₹ 26,11,129	₹ 66,35,367	₹ 40,24,238

Choose Wisely

Home loan & SIP

Would you
like to get
back all EMIS
paid for
Home Loan?



Home loan & SIP

- While taking a Home Loan start an SIP along with the EMI.
- Home Loan Tenure is normally longer in nature.
- By Starting a small SIP you can recover entire amount you paid to bank.

Case Study

Home Loan Vs SIP Calculator

Loan Amount	2500000	SIP Amount	₹ 2,500
Tenure	25	Tenure	25
Loan Interest	8.60%	Expected Return	0.00%
EMI	₹ 20,299		
EMI	₹ 60,89,829	You Receive (SIP FV)	
SIP	₹ 7,50,000		
You Pay	₹ 68,39,829		

Case Study

Home Loan Vs SIP Calculator

Loan Amount	2500000	SIP Amount	₹ 2,500
Tenure	25	Tenure	25
Loan Interest	8.60%	Expected Return	15.00%
EMI	₹ 20,299		
EMI	₹ 60,89,829	You Receive (SIP FV)	₹ 68,91,402
SIP	₹ 7,50,000		
You Pay	₹ 68,39,829		

SIP & your Financial Goals

We All Need To Save For

- ❖ Retirement
- ❖ Child's Education
- ❖ Child's Marriage
- ❖ Buying a House
- ❖ Buying a Car
- ❖ Saving for Vacation



Case Study – Retirement Planning

Name Raj Sharma - Age 30

- Retirement Age 55Years
- Life Expectancy 75 Years
- Current Monthly Expense 25000
- Inflation 6%
- Post Tax Retirement 8%

- **Monthly Expense at retirement 1,07,297**
- **Corpus Required for the Retirement 2,16,86,910**

Monthly Investment Required

Years to Save – 25

Retirement Corpus needed 3.76 Cr.

Expected Return	8%	12%	15%	18%	20%
Monthly Investment required	29,386	14,355	8,519	5,095	3,627

Power of compounding is the 8th wonder of world.

Case Study – Higher Education

Parent: Anil Kumar / Child Name: Samir

- Child Age 5 Years
- Higher Education Age 18 Years
- Current Education expense 10,00,000 Rs.
- Inflation 8%
- **Expected Education cost(after 13 years) 27,19,623 Rs.**



Monthly Investment Required

Years to Save – 20

Child Education Fund Required 27.29 Lacs

Expected Return	8%	12%	15%	18%	20%
Monthly Investment required (Rs)	10,111	7,600	6,111	4,902	4,228

Power of compounding is the 8th wonder of world.

Case Study – Marriage Funding

Parent : Anil Kumar / Child Name : Samir

- Child Age 5 Years
- Marriage Age 25 Years
- Current Marriage expense 20,00,000
- Inflation 8%
- **Expected Marriage cost after 20 years 9,321,914**



Monthly Investment Required

Years to Save – 20

Child's Marriage Fund Required 93.21 Lacs

Expected Return	8%	12%	15%	18%	20%
Monthly Investment required (Rs)	16,278	10,134	7,024	4,838	3,765

Power of compounding is the 8th wonder of world.

Goal Based Investment - SIP

Expected Return	8%	12%	15%	18%	20%
Higher Education	10,109	7,599	6,111	4,902	4,227
Retirement Planning	29,386	14,355	8,519	5,095	3,627
Marriage Funding	16278	10134	7024	4838	3765
Total SIP Required	55773	32088	21654	14835	11619

Is your SIP amount good enough?

Power of One degree

At 99 Degree Celsius Water is hot



At 100 Degree Celsius Water boils
And it can pull the engine

TopUp SIP

- With Top-Up SIP you can increase your SIP amount periodically in auto mode.
- TopUp can be done in % or Absolute term.
- SIP Amount will increase automatically

Example,

SIP Amount – Rs 5000/- TopUP Amount – Rs 500/- Frequency – Yearly

- ✓ 1st Year SIP Amount – Rs 5000/-
- ✓ 2nd Year SIP Amount – Rs 5500/-
- ✓ 3rd Year SIP Amount – Rs 6000/-

TopUp SIP

	SIP	TopUPSip
SIP Amount	10000	10000
Top UP Amount	NA	1000
Return	15%	15%
Tenure	20	20
Future Value	₹ 61,63,656	₹ 89,64,387

Thank You