



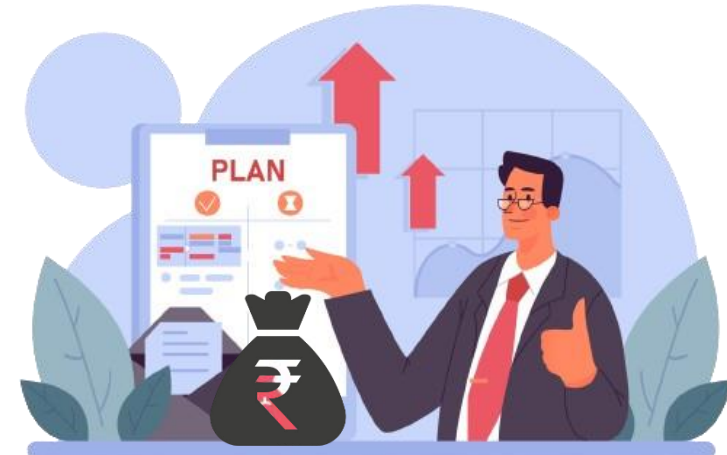
SYSTEMATIC INVESTMENT PLAN

The Power of Consistent Investing

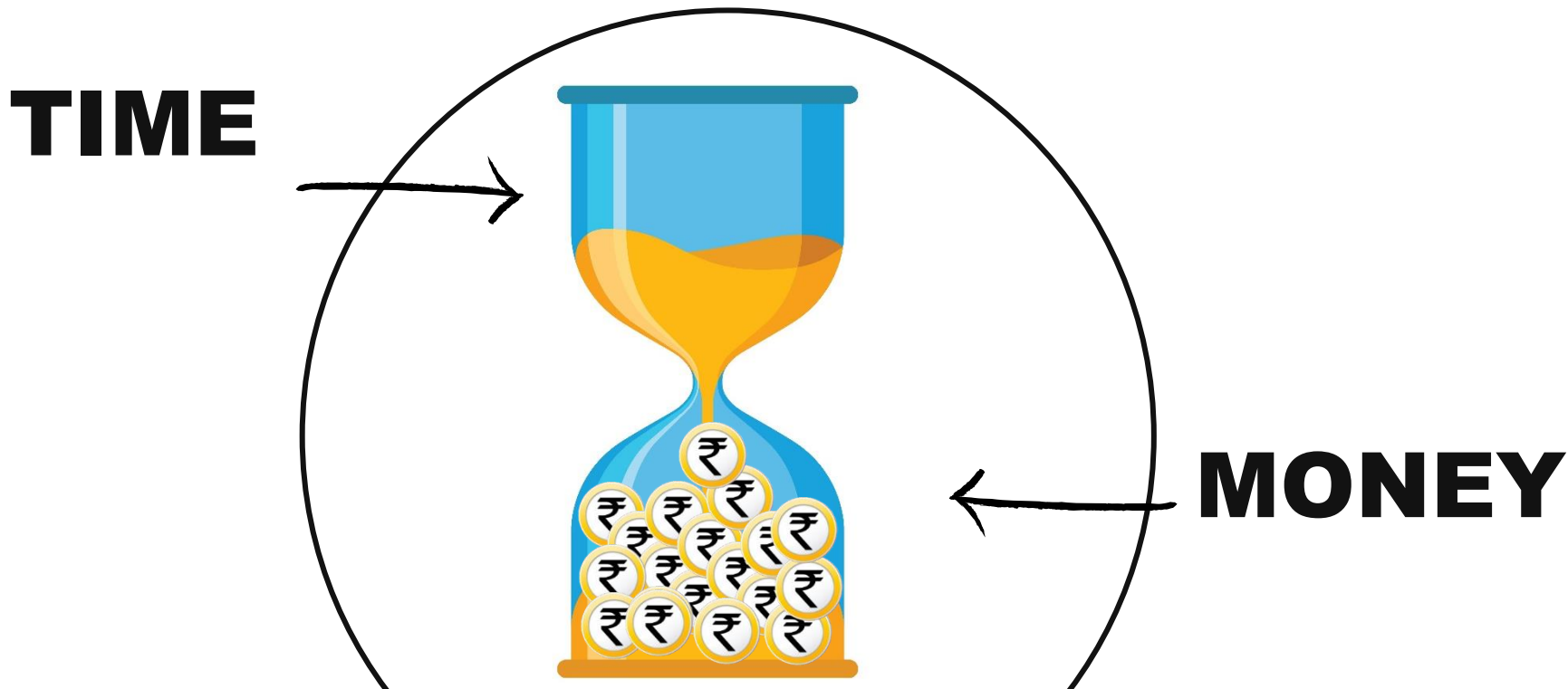
Taresh Bhatia

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AMFI Registered Mutual Fund Distributor



“Time is money, and SIPs prove it by turning consistent investments into lasting wealth.”



YOUR FINANCIAL GOALS

Life is like a roller coaster, filled with highs and lows. We all understand the importance of saving for the various responsibilities that life presents. However, no matter how much you save, it never seems to be enough!



DO YOU KNOW?

If your current monthly expenses are Rs. 25,000/- per month, then after 25 years you will require Rs. 84,659/- a month to just maintain the same lifestyle!

At inflation of 5%



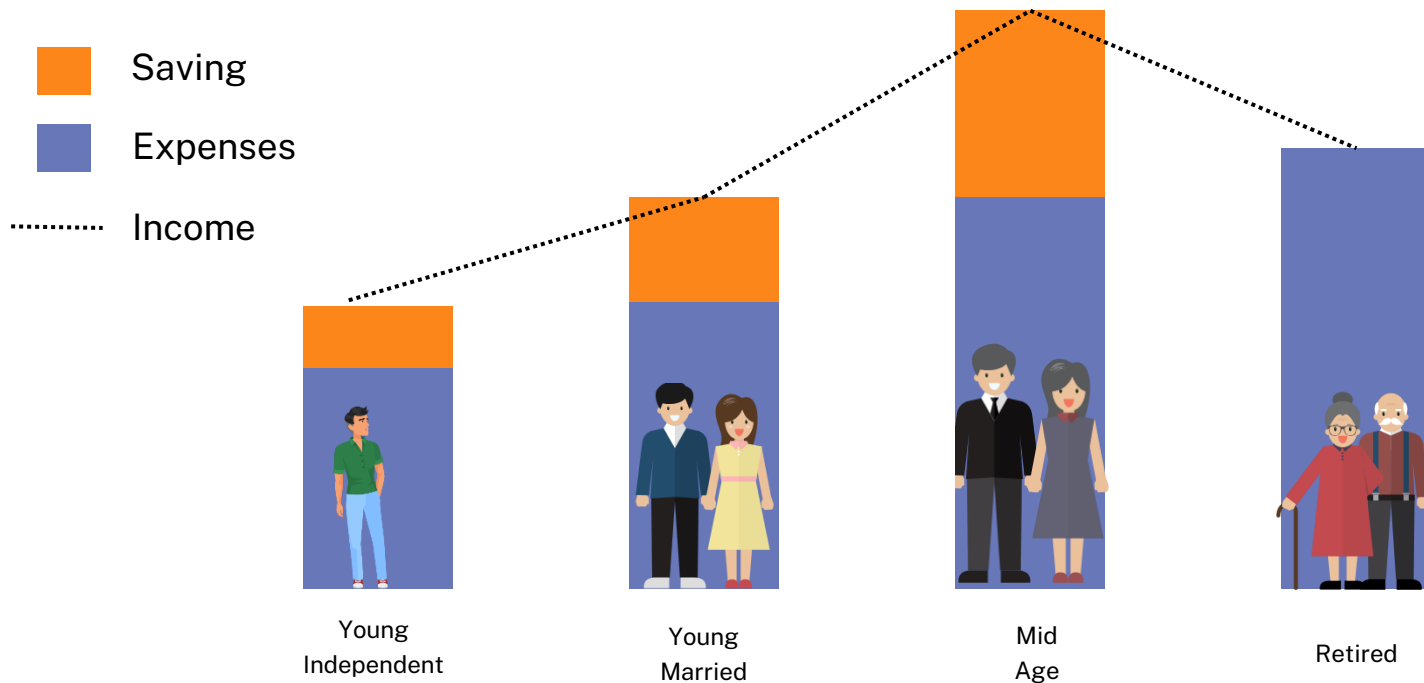


DO YOU KNOW?

An education degree for your child which currently costs Rs. 25 lakh could cost over Rs. 51.97 lakh after 15 years!

At inflation of 5%

Life Stages of Investor

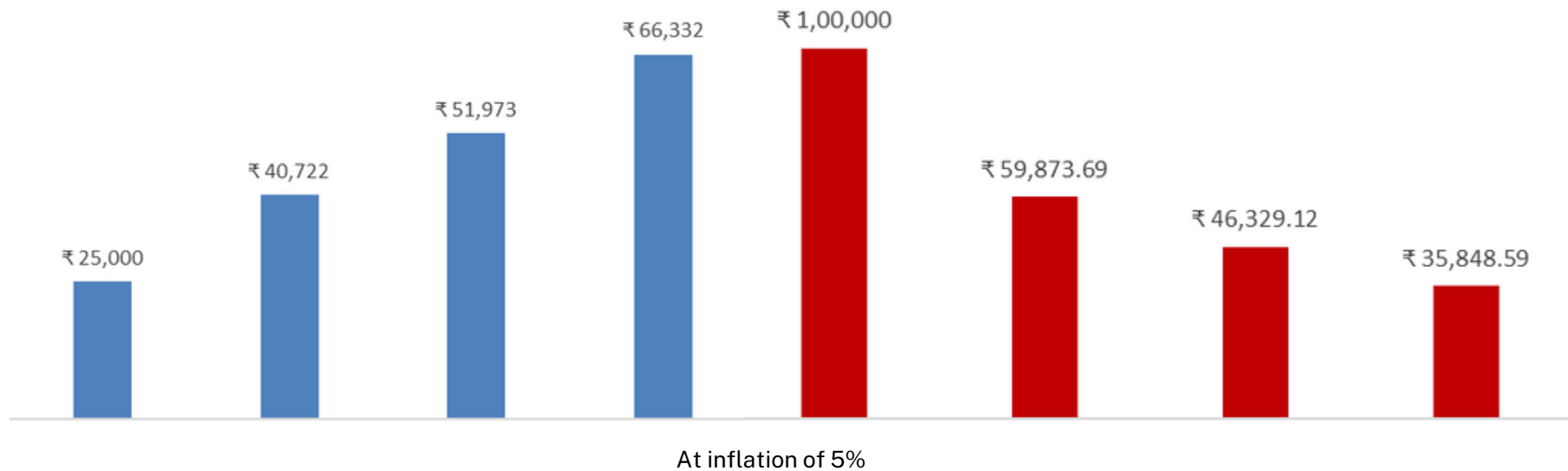


Every individual has a limited time to save for their investment goals

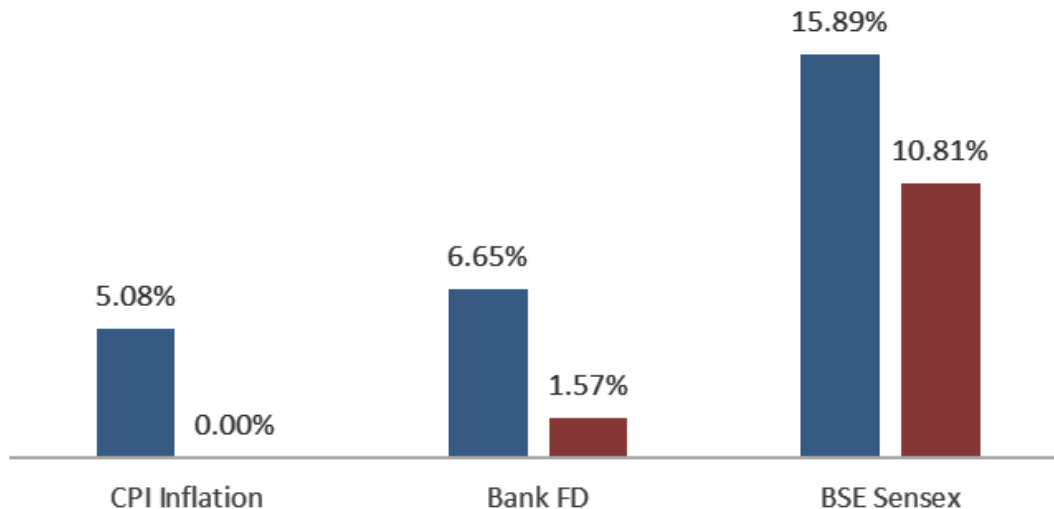
Value of money - over time

Impact of Inflation on your Household **Expenses**

Impact of Inflation on your Household **Savings**



Performance of Asset Classes



Source: <https://www.bankbazaar.com/fixed-deposit-rate.html> As on 15th July for 5 years FD rates

CPI inflation is as on June 2024. Sensex return is annualised return of Sensex since inception. Source: Internal Research and www.bseindia.com

Past performance may or may not be sustained in future and should not be used as a basis for comparison with other investments.

Investor's worry about market

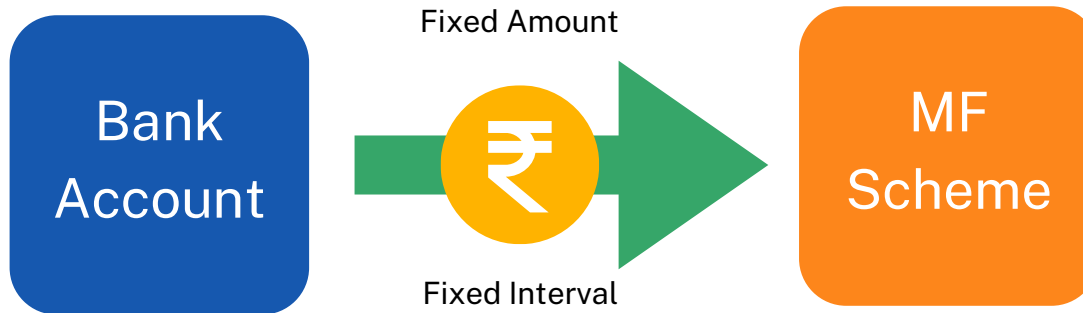


Solution

SYSTEMATIC INVESTMENT PLAN



What is SIP?



- Systematic Investment Plan (SIP) is a smart and hassle-free way to invest in mutual funds with a predetermined amount at regular intervals (e.g., quarterly).
- It helps investors to regularly invest and accumulate wealth in a disciplined manner over the long term.
- SIP is a smart financial tool that helps build wealth gradually over time.

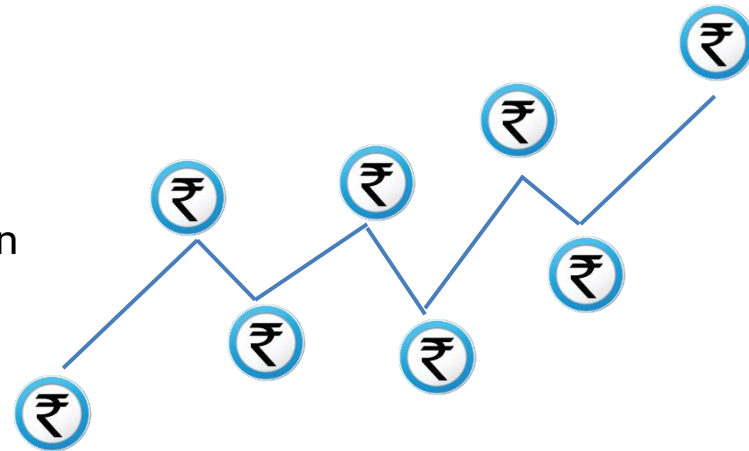
Systematic Investment Plan

- The Benefits of Long-Term Equity Investment
 - Equities can provide superior returns compared to other asset classes over the long term.
- The Benefits of Systematic Monthly Investment
 - Eliminates the risk of market timing.
 - Leverages rupee cost averaging and the power of compounding.



Rupee cost averaging

- No need to worry about when or how much to invest; systematic investing significantly reduces risks from daily market movements.
- Eliminates the need to time your equity investments.
- Smooths out market fluctuations, reducing risks in volatile markets.
- Buys more units when prices are low and fewer units when prices are high, navigating market volatility risks.

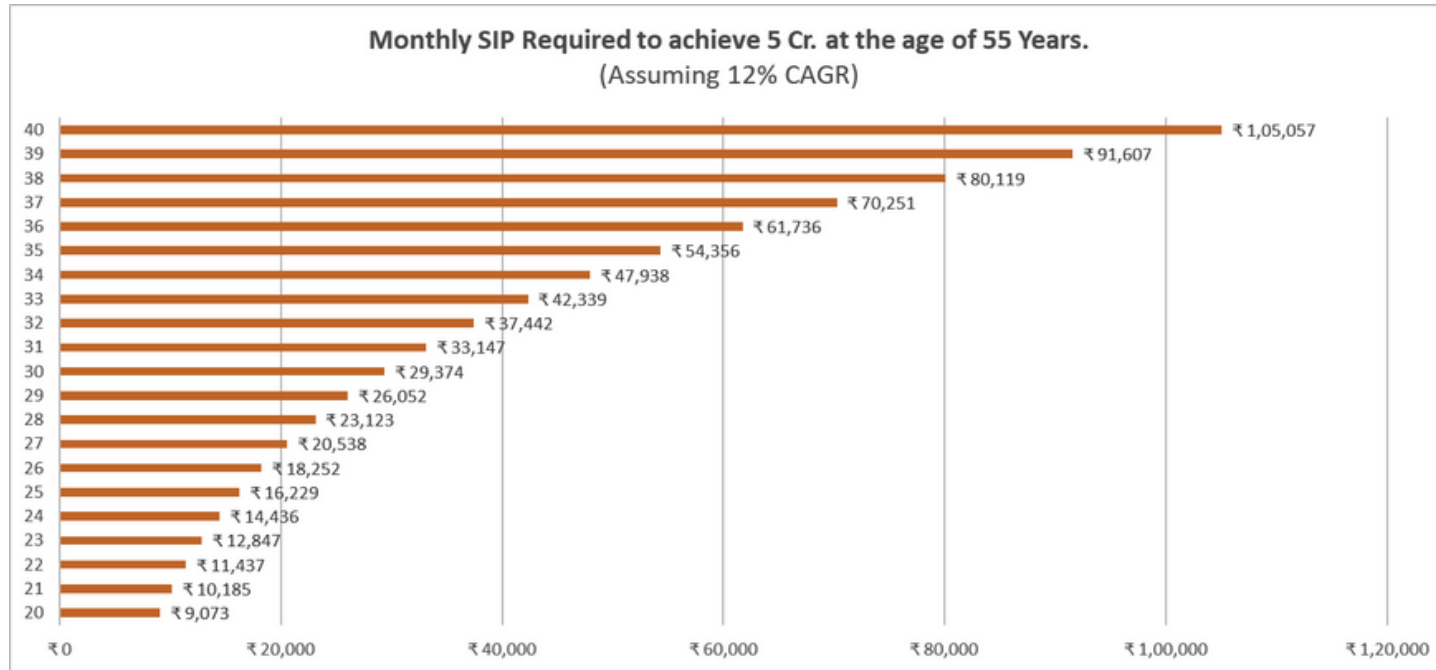


Time (Month)	SIP Amount	NAV	Units Purchased
1	₹ 5,000	23	217.39
2	₹ 5,000	21	238.10
3	₹ 5,000	22	227.27
4	₹ 5,000	19	263.16
5	₹ 5,000	16	312.50
6	₹ 5,000	17	294.12
7	₹ 5,000	17	294.12
8	₹ 5,000	20	250.00
9	₹ 5,000	21	238.10
10	₹ 5,000	19	263.16
11	₹ 5,000	25	200.00
12	₹ 5,000	24	208.33
Total Investment	₹ 60,000	Total Units	3006.24

Average NAV per Unit over 12 months =
 $(23+21+22+19+16+17+17+20+21+19+25+24)/12$ or Rs. 20.34

Average Cost per Unit over 12 months =
 $60,000/3006$ or Rs. 19.96

Key is to start early



*Assumed rate of return @ 12% is only for illustrative purposes. The calculation is only for the illustrative purposes

Time to reach your dream target

SIP Amount /Target Amt	Number of Years It will take to reach your Dream targetted amount with SIPs (Assumed rate of return - 12% CAGR)							
	₹ 10,00,000	₹ 25,00,000	₹ 50,00,000	₹ 1,00,00,000	₹ 2,00,00,000	₹ 5,00,00,000	₹ 7,50,00,000	₹ 10,00,00,000
₹ 5,000	9.33	15.36	20.66	26.34	32.24	40.18	43.73	46.25
₹ 10,000	5.85	10.67	15.36	20.66	26.34	34.16	37.67	40.18
₹ 15,000	4.29	8.32	12.52	17.50	22.99	30.67	34.16	36.65
₹ 20,000	3.40	6.86	10.67	15.36	20.66	28.22	31.68	34.16
₹ 25,000	2.82	5.85	9.33	13.77	18.90	26.34	29.77	32.24
₹ 30,000	2.41	5.10	8.32	12.52	17.50	24.82	28.22	30.67
₹ 35,000	2.10	4.53	7.51	11.51	16.34	23.55	26.92	29.36
₹ 40,000	1.86	4.08	6.86	10.67	15.36	22.46	25.81	28.22

*Assumed rate of return @ 12% is only for illustrative purposes. The calculation is only for the illustrative purposes

3 Golden rules for all investors

Starting to invest early is crucial. It gives your investments more time to grow, harnessing the power of compounding. This process accumulates both the principal and the interest or dividends earned, increasing your income year after year.



Particular	Scenario 1	Scenario 2	Scenario 3
Start Age	25	35	40
SIP amount	₹ 10,000	₹ 10,000	₹ 10,000
SIP till age	60	60	60
FV of SIP	₹ 5,51,08,311	₹ 1,70,22,066	₹ 91,98,574

Assuming CAGR of 12% for the entire period Source: Internal Analysis. The statements contained herein may include statements of future expectations and other forward-looking statements that are based on external current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements.

Past performance - 5 Years

Category	Large Cap	Mid Cap	Small Cap	Large & Mid Cap	Flexi Cap	ELSS
Highest Return	26.29%	40.28%	48.38%	33.27%	37.75%	37.32%
Average Return	20.14%	30.13%	33.94%	25.13%	22.52%	23.11%
Lowest Return	15.29%	23.81%	27.38%	18.97%	14.81%	16.04%
No of Funds	27	22	19	23	23	35
Scheme with 15%+ CAGR	27	22	19	23	22	35
Scheme with 12%+ CAGR	27	22	19	23	23	35
Scheme with 10%+ CAGR	27	22	19	23	23	35



As of 11th June 2024. Past performance may or may not sustain in the future. Source: Internal Research

Past performance - 10 Years

Category	Large Cap	Mid Cap	Small Cap	Large & Mid Cap	Flexi Cap	ELSS
Highest Return	17.74%	25.37%	27.92%	22.42%	25.12%	26.38%
Average Return	14.95%	20.15%	21.91%	17.78%	16.78%	16.67%
Lowest Return	12.51%	17.30%	16.69%	14.07%	13.13%	12.38%
No of Funds	25	19	23	19	17	25
Scheme with 15%+ CAGR	12	19	23	17	12	20
Scheme with 12%+ CAGR	25	19	23	19	17	25
Scheme with 10%+ CAGR	25	19	23	19	17	25



As of 11th June 2024. Past performance may or may not sustain in the future. Source: Internal Research

Past performance - 15 Years

Category	Large Cap	Mid Cap	Small Cap	Large & Mid Cap	Flexi Cap	ELSS
Highest Return	16.49%	21.21%	21.63%	20.20%	20.04%	21.47%
Average Return	14.04%	19.33%	19.69%	16.35%	15.60%	15.91%
Lowest Return	11.67%	16.69%	16.66%	14.23%	12.11%	13.38%
No of Funds	20	16	8	18	13	20
Scheme with 15%+ CAGR	3	16	8	13	9	12
Scheme with 12%+ CAGR	19	16	8	18	13	20
Scheme with 10%+ CAGR	20	16	8	18	13	20



As of 11th June 2024. Past performance may or may not sustain in the future. Source: Internal Research

Which is the best date for starting SIP?



Sensex SIP analysis

Aug 2014 to July 2024

SIP Deducted on	SIP Amount	Total Investment	Current Value	XIRR
Best day of month	₹ 10,000	₹ 12,00,000	₹ 26,28,972	15.20%
Closing of month	₹ 10,000	₹ 12,00,000	₹ 25,20,779	14.41%
Worst day of month	₹ 10,000	₹ 12,00,000	₹ 24,54,576	13.90%

Back-testing of SIP done for the Sensex shows us that there is no significant difference in return for all 3 scenarios.

The best day of the month means the lowest value of Sensex of every month.

Closing of the month means the closing value of the Sensex of every month.

The Worst day of the month means the highest value of the Sensex for every month.

As on 24th July, 2024 – valuation date

Sensex SIP analysis

Aug 2004 to July 2024

SIP Deducted on	SIP Amount	Total Investment	Current Value	XIRR
Best day of month	₹ 10,000	₹ 24,00,000	₹ 1,30,90,089	13.08%
Closing of month	₹ 10,000	₹ 24,00,000	₹ 97,72,033	12.57%
Worst day of month	₹ 10,000	₹ 24,00,000	₹ 94,24,633	12.27%

Back-testing of SIP done for the Sensex shows us that there is no significant difference in return for all 3 scenarios.

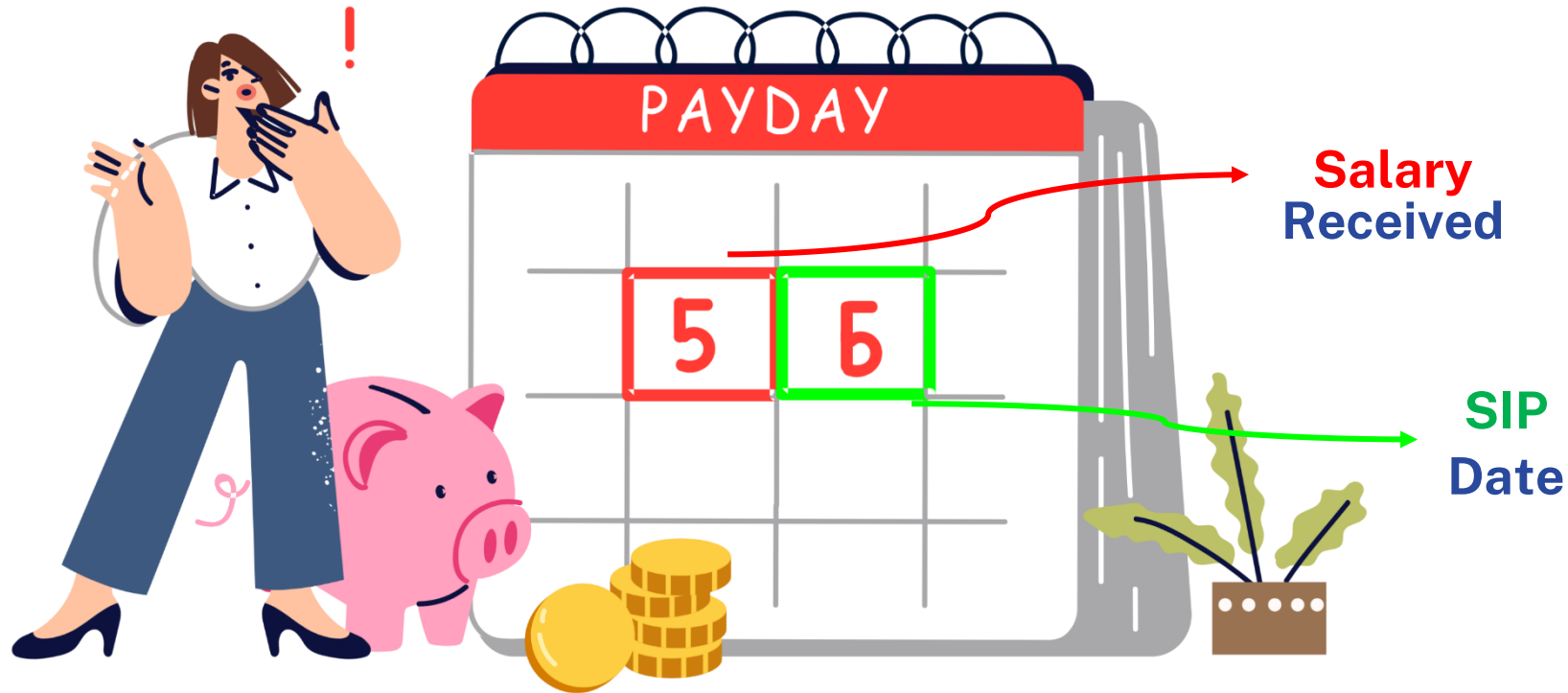
The best day of the month means the lowest value of Sensex of every month.

Closing of the month means the closing value of the Sensex of every month.

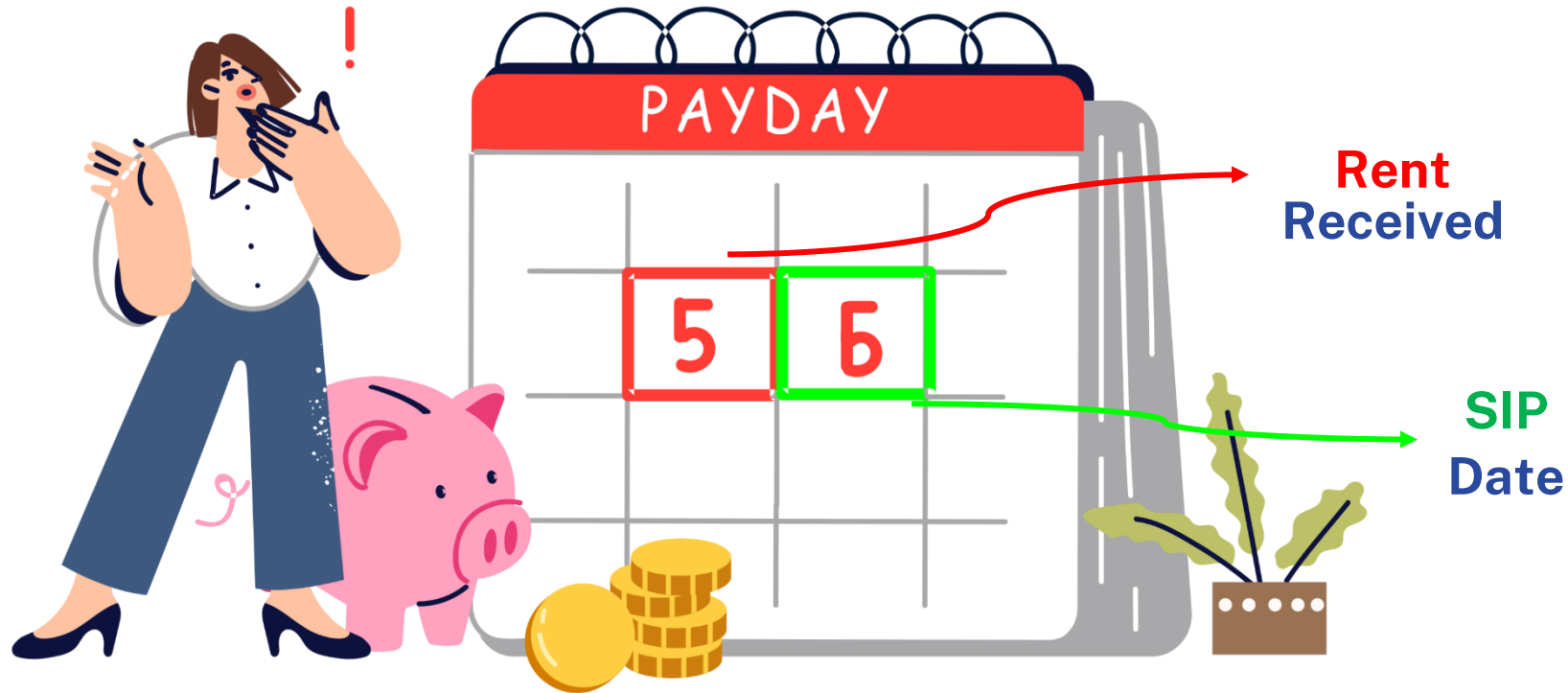
The Worst day of the month means the highest value of the Sensex for every month.

As on 24th July, 2024 – valuation date

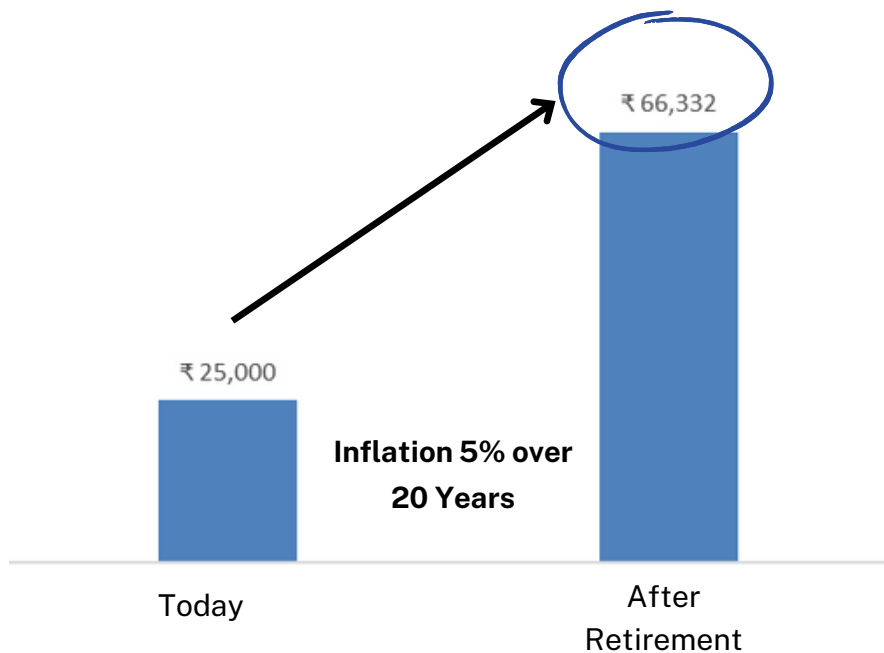
The day next to pay day



The day next to pay day



SIP for Retirement



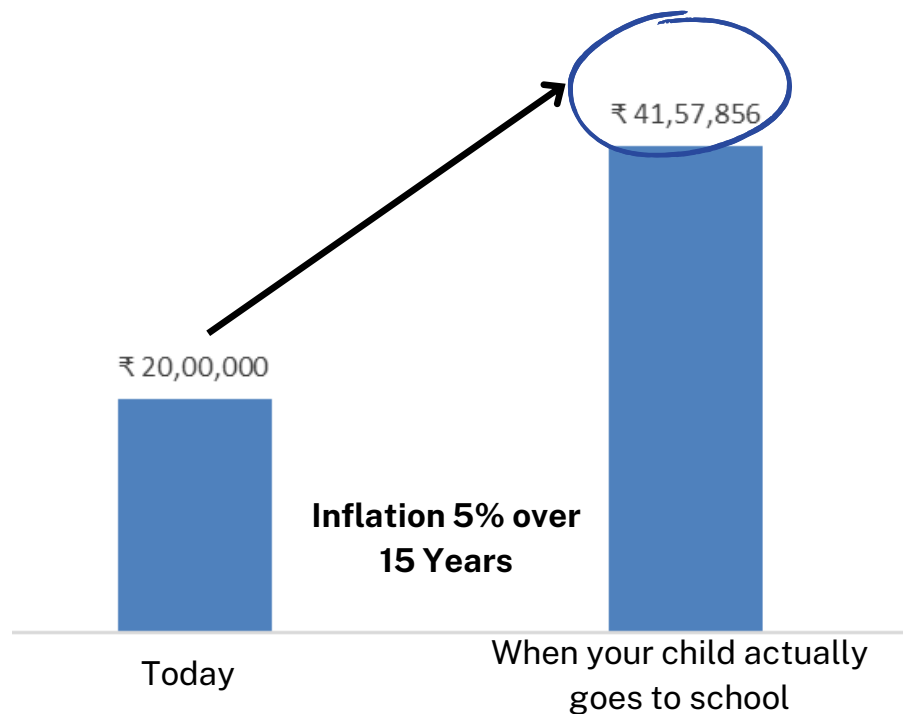
Retirement corpus required to meet post retirement expenses (if invested at 7%): Rs. 1.34 cr

Calculation is only for illustrative purposes

Monthly SIP Required to achieve the targeted fund of 1.34 Cr for retirement

Assumed Return	SIP Required
12%	₹ 14,552
13%	₹ 12,890
16%	₹ 8,913

SIP for Education

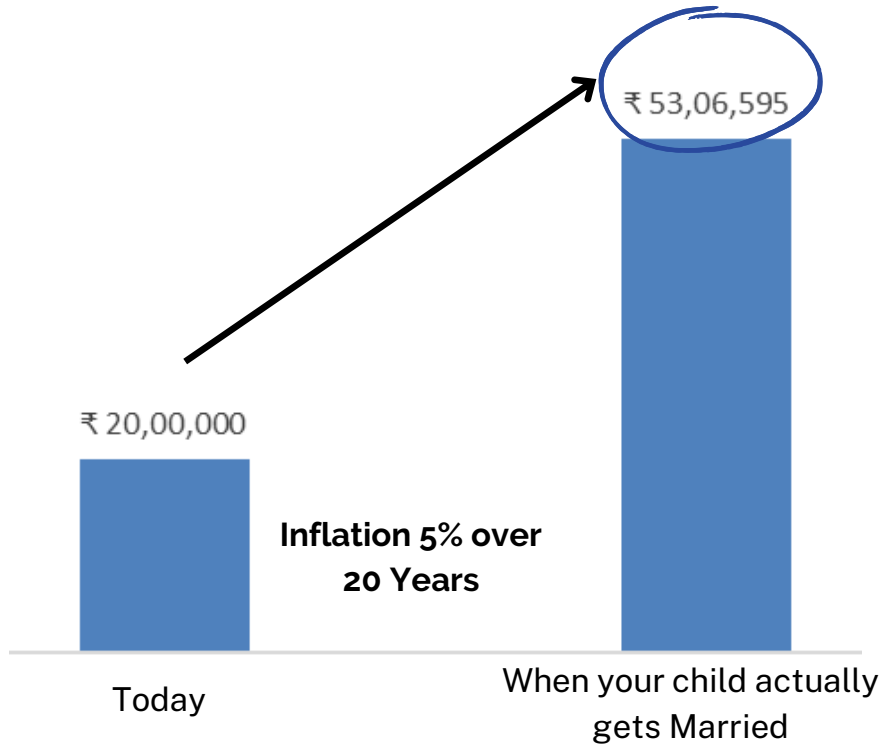


Monthly SIP required to achieve targetted Rs. 41.57 Lacs of Education fund

Assumed Return	SIP Required
12%	₹ 4,520
13%	₹ 4,004
16%	₹ 2,769

Calculation is only for illustrative purposes

SIP for Marriage



Calculation is only for illustrative purposes

Monthly SIP required to achieve targetted Rs. 53.06 Lacs of Marriage Fund

Assumed Return	SIP Required
12%	₹ 5,769
13%	₹ 5,110
16%	₹ 3,533

Achieve your GOALs faster with



**SYSTEMATIC
INVESTMENT PLAN**

Top-up SIP

The Top-Up Systematic Investment Plan (SIP) enables investors to periodically increase their SIP contributions by a fixed amount or percentage, aligning with growth in their income or savings.



Topup SIP

- **Income Growth Investment:** Increase SIP contributions as your income rises, scaling investments over time.
- **Enhanced Compounding:** Periodically increasing contributions boost compounding effects, potentially increasing long-term returns.
- **Faster Goal Achievement:** Higher contributions accelerate wealth accumulation, helping achieve financial goals sooner.
- **Automated Convenience:** Automate SIP increases at set intervals for disciplined investing, eliminating frequent manual adjustments.

A graphic consisting of a blue arrow pointing to the right, with the text "TOP-UP" written inside it in white, bold, uppercase letters. Below the arrow, the words "SYSTEMATIC" and "INVESTMENT PLAN" are written in large, bold, blue and black uppercase letters respectively.

TOP-UP
SYSTEMATIC
INVESTMENT PLAN

Normal SIP vs Topup SIP

SIP Amount	Rs. 10000
No. of Years	20
Rate of Return	12%
TopUp Amount	Rs. 1000

Type	Future Value
Normal SIP	Rs. 91.98 Lacs
TopUP SIP	Rs. 1.47 CR

Calculation is only for illustrative purposes. Assumed return is only for the illustrative purposes.



TOP-UP
SYSTEMATIC
INVESTMENT PLAN

Buying a Home?

Home Loan amount	Rs. 5000000
No. of Years	25
Interest Rate	8.5%
EMI	Rs. 40,261
Total Payment	Rs. 1,20,78,406

Calculation is only for illustrative purposes. Assumed return is only for the illustrative purposes.

Do you want to get back all EMIs?

START
SIP



WITH
EMI

EMI + SIP

Recovery of all EMIs paid

Home Loan amount	Rs. 50,00,000
No. of Years	25
Interest Rate	8.5%
EMI	Rs. 40,261
Total Payment	Rs. 1,20,78,406

Start SIP of	Rs. 8,600
Total SIP Investment	Rs. 25,80,000
Assumed Return on SIP	12%
Total Outflow (EMI+SIP)	Rs. 1,46,58,406
FV of SIP	Rs. 1,46,38,976

*Assumed return of 12% is assumed and is only for illustrative purposes.

Mutual Fund Investments are subject to market risk, read all scheme related documents carefully.

Disclaimer

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