

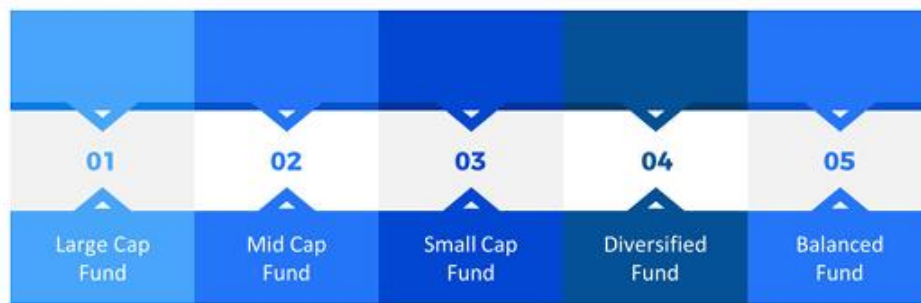
# Systematic Investment Plan

What Is SIP - (Systematic Investment Plan)

*Fixed Amount Monthly Transfer*



Different Types of Equity Funds

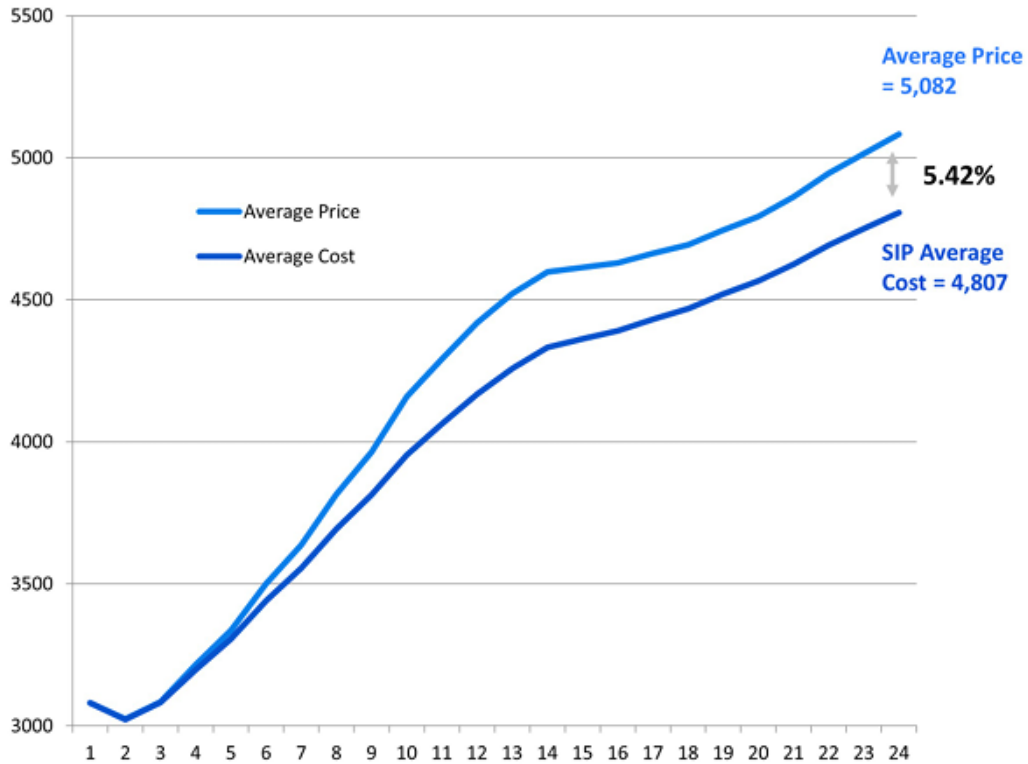


## Features of SIP

- You can choose any date for your SIP
- You can redeem your SIP anytime
- You can stop your SIP anytime
- No restriction of amount, Choose any amount
- You can stop your SIP and let your investment grow
- You can increase / decrease, your SIP amount anytime

# Rupee Cost Averaging

## Scenario 1: Rising Market

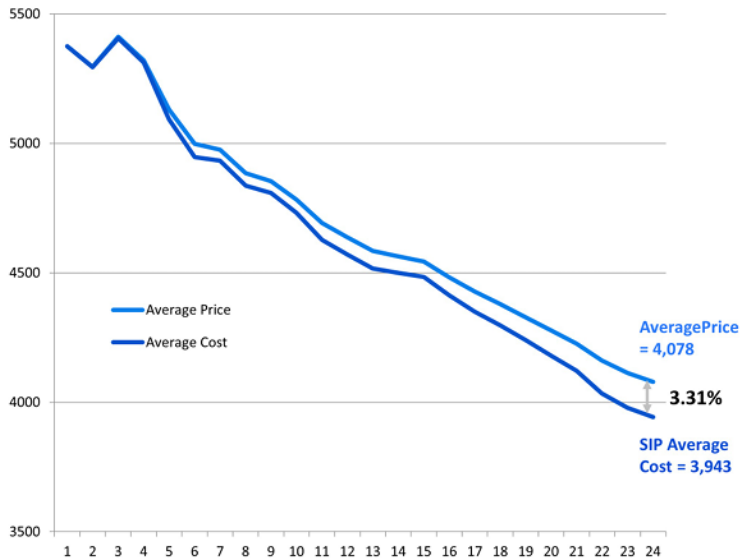


SIP Start Date: April' 2003 (BSE Sensex @3,081)	Average Price / Unit : 5082
SIP End Date: March' 2005 (BSE Sensex @6,651)	Average Cost / Unit : 4807
% Difference: 5.42%	

\*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

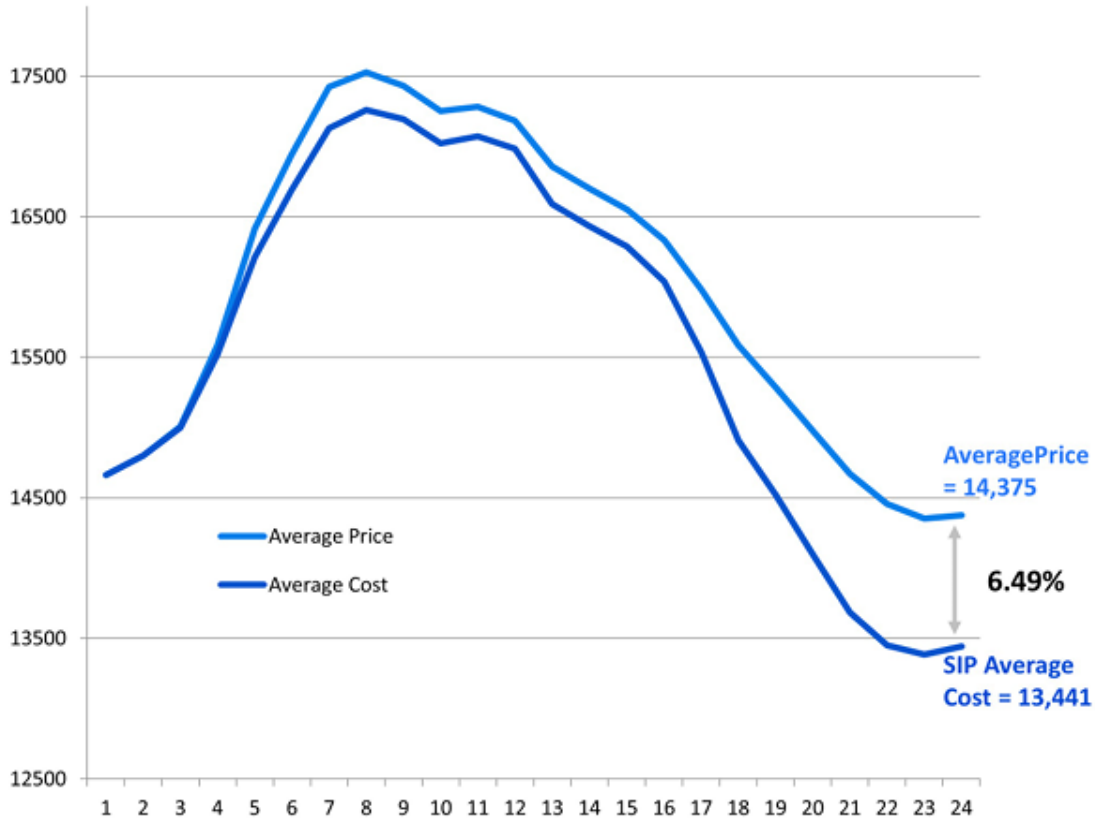


SIP Start Date: January' 2000 (BSE Sensex @5,375)	Average Price / Unit : 4078
SIP End Date: December' 2001 (BSE Sensex @3,275)	Average Cost / Unit : 3943
% Difference: 3.31%	

\*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 3: Volatile Market



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

\*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
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

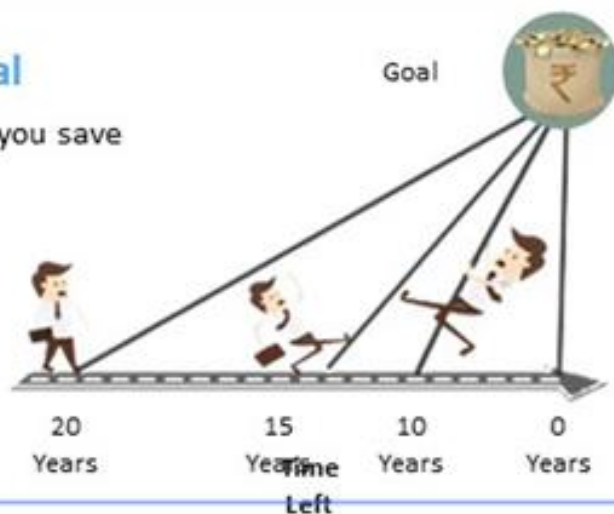
\* The above shows a comparison between two persons, wherein person A starts investing monthly from age 40 and person B starts investing double the amount of person A from age 50. They both continue investing till age 60. Though, total investment made by both of them is equal, the value of investment 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.

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.

### Investing for Future Goal

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



## Power Of Compounding

### 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 annually.

\* The above is for illustration purpose only.

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

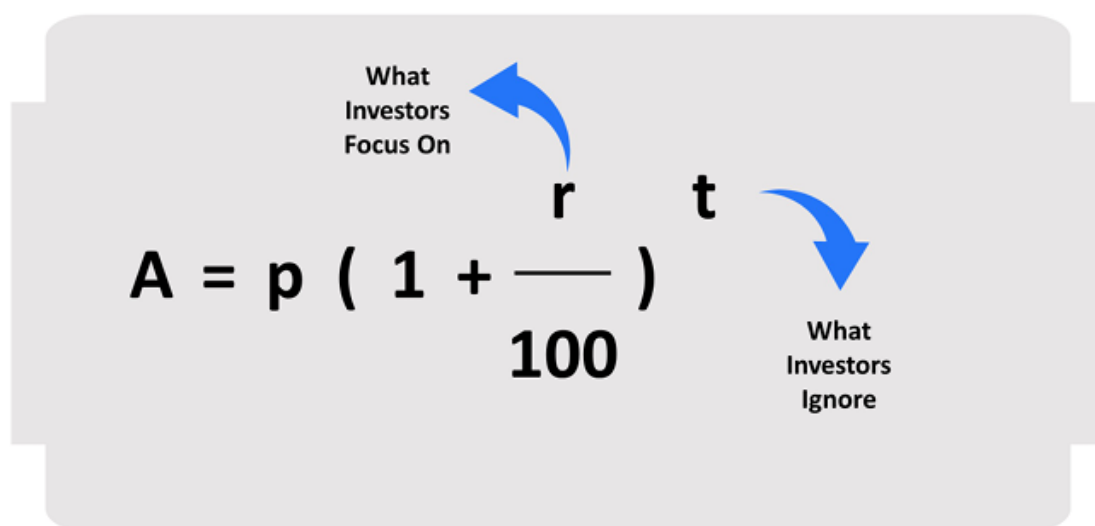
Time / Rate	10 Year	15 Year	20 Year	25 Year
8%	1,812,832	3,397,785	5,726,600	9,148,394
12%	2,240,359	4,759,314	9,198,574	17,022,066
15%	2,630,182	6,163,656	13,270,734	27,565,608

\* Returns are compounded monthly.

\* The above is for illustration purpose only.

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

## The Wealth Creation Formula



The diagram shows the compound interest formula  $A = p \left( 1 + \frac{r}{100} \right)^t$  centered on a light gray background. A blue arrow points from the text "What Investors Focus On" to the variable  $r$ . Another blue arrow points from the text "What Investors Ignore" to the variable  $t$ .

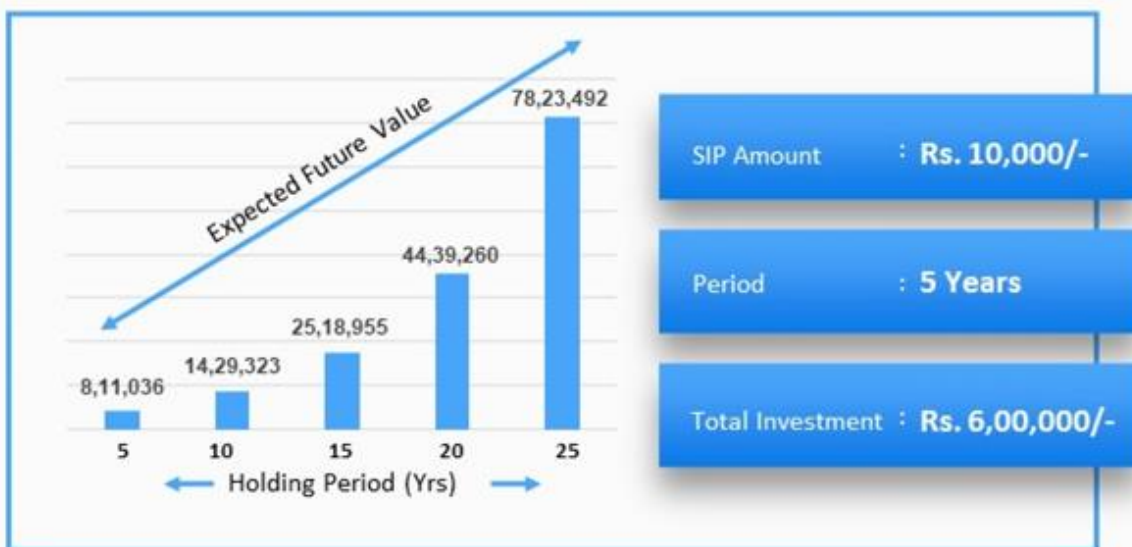
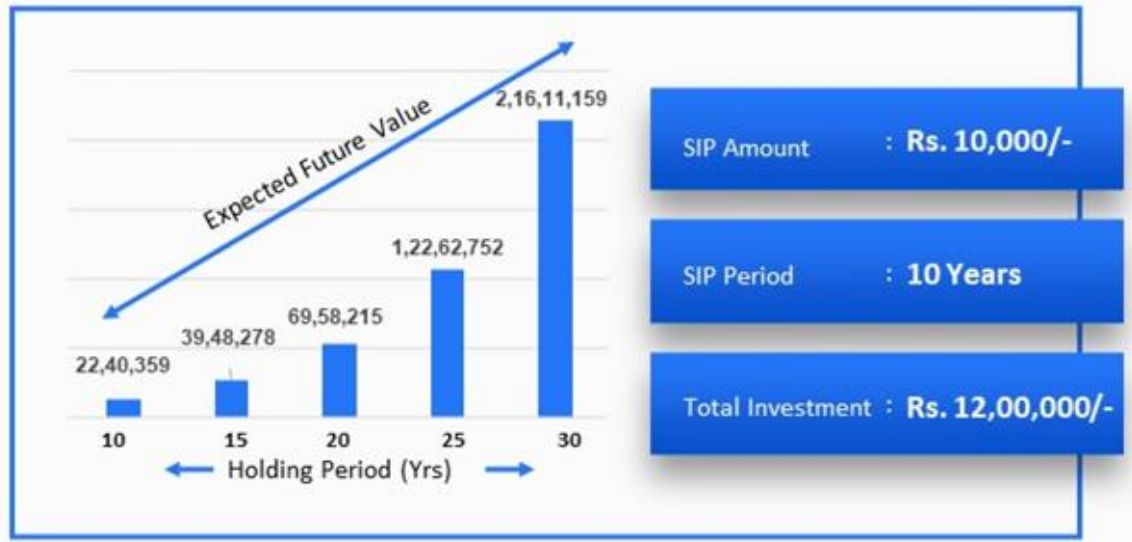
$$A = p \left( 1 + \frac{r}{100} \right)^t$$

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

**Albert Einstein**

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

## Power of SIP

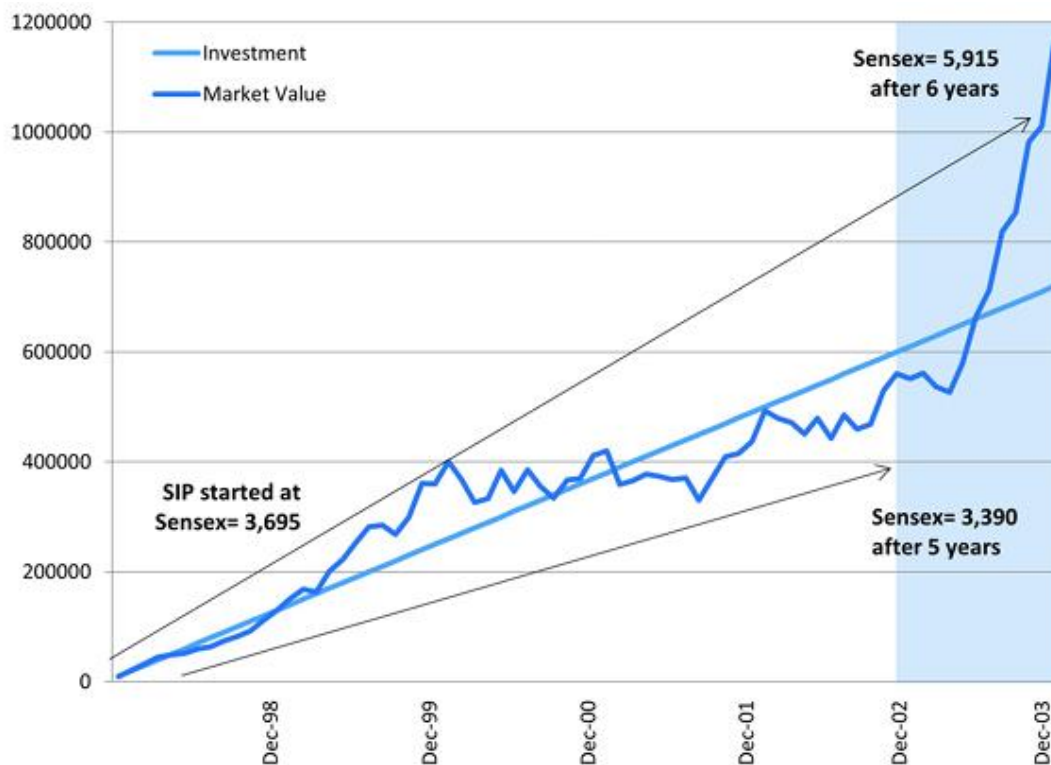




\* For illustration purpose only. Rate of return is assumed @12% p.a. Mutual Fund investments are subject to market risks. Please read all scheme related documents carefully.

## 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

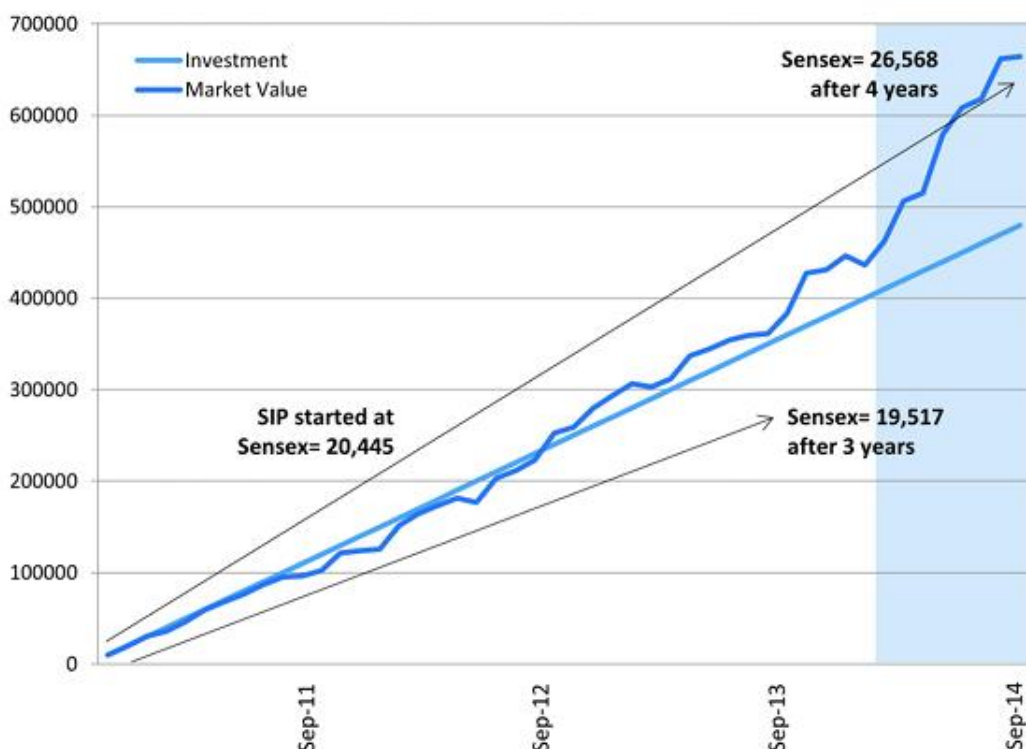
Period	Jan' 1998 - Dec' 2002	Period	Jan' 1998 - Dec' 2003
Total Investment	Rs.6,00,000/-	Total Investment	Rs.7,20,000/-
MV of Investment	Rs.5,59,975/-	MV of Investment	Rs.11,70,252/-
IRR Return:	(2.71%)	IRR Return	16.05%

\*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

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

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Source: DASPL Research

## SIP: Patience Is the Key

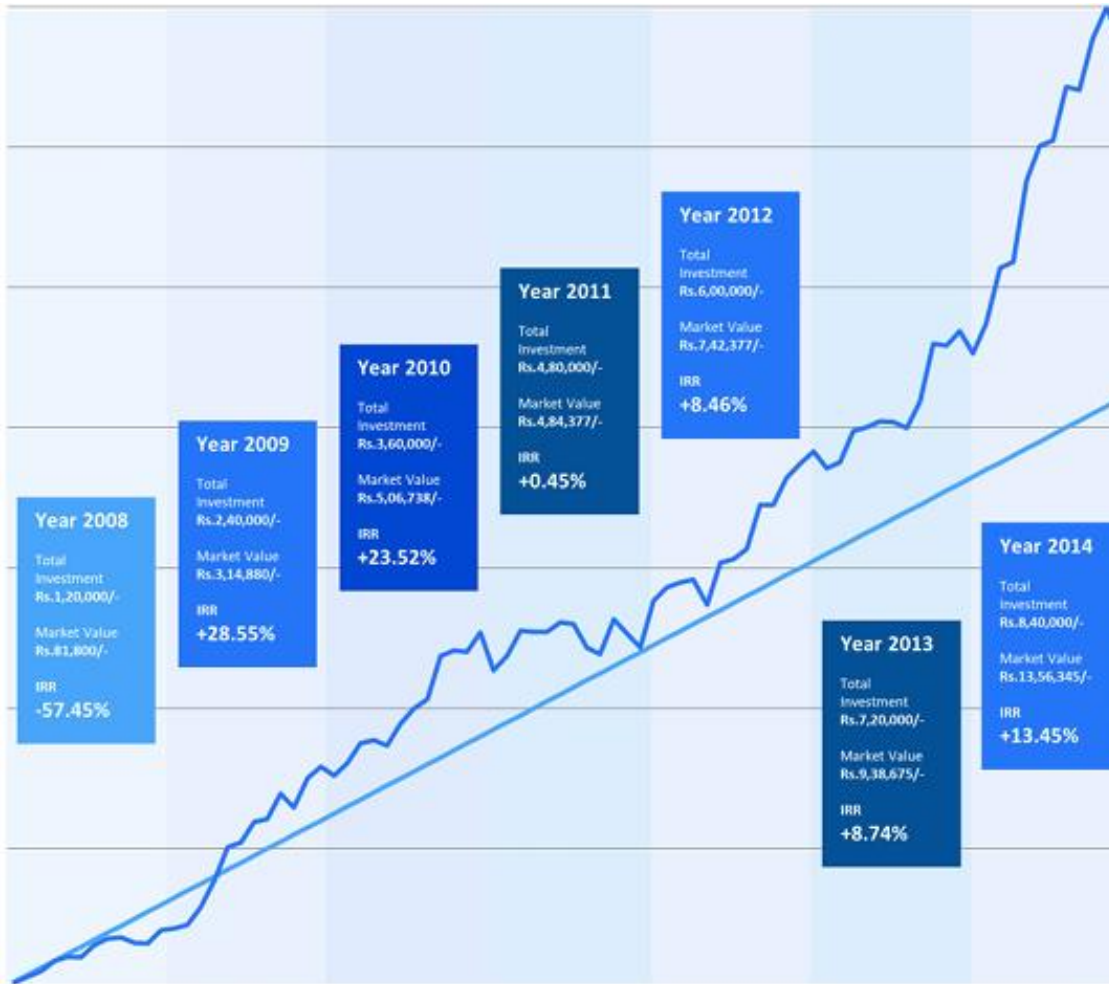


SIP started in a bull market. 1st year returns were 56% pa. Then it fell to 5.50% pa. in the 2nd year. Markets were down in the 3rd and 4th year also with CAGR returns in negative territory. However, when markets went up in the 5th year, CAGR returns for 5-year period went up to 18% pa.

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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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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.

\*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



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related document carefully.  
Source: DASPL Research



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