

Systematic Investment Plan

Pocket-friendly way to create wealth



VINEET KUMAR

+91-9935363839 Vineet@prudentconnect.com

E-14, Siddharth Nagar, COD, Shyam Nagar Kanpur 208013
VINEET KUMAR (ARN-211918) AMFI Registered Mutual Fund Distributor

WHAT IS SIP ?

SIP is like an RD a/c - Same amount gets invested every month



Fixed Amount is deposited in Mutual Fund Investment
(As Per Your Choice)



The Amount is deposited after Fixed Duration
(Daily/ Monthly/ Quarterly)



SIP Investment
(Systematic Investment Plan)



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DIFFERENCE BETWEEN RD AND SIP

RECURRING DEPOSIT

- 1** In RD the rate of return is guaranteed
- 2** Interest income is taxable as per respective tax slab
- 3** Can be considered as saving instrument
- 4** If tax and inflation (lifestyle) are adjusted, real rate of return often becomes negative or very less

SYSTEMATIC INVESTMENT PLAN

- 1** In SIP, the rate of return is not guaranteed
- 2** Taxability is way more competitive and often charged at fixed rate*
- 3** Can be considered as wealth creation tool
- 4** Long term return of SIP in equity MF often beats inflation quite considerably

* For Equity Funds, STCG is charged @15% and LTCG is charged @10% (above 1 lakh gain). For Specified Funds, STCG is taxed as per tax slab. For Non-Equity Funds, STCG is charged as per tax slab and LTCG is taxed @20% with indexation.



HOW DOES SIP WORK?



**Amount is
auto debited
and is invested
in selected
MF scheme**



**Units are
allotted based
on the NAV
of the scheme**



**Investor
can Redeem /
Switch out
units partially
or fully,
anytime**



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KEY BENEFITS OF SIP

- Brings financial **discipline** in life
- Market **timing** risk minimised
- Power of **compounding**
- Can start with **small** amount
- SIP can be **topped-up**
- Helps to achieve various life **goals**



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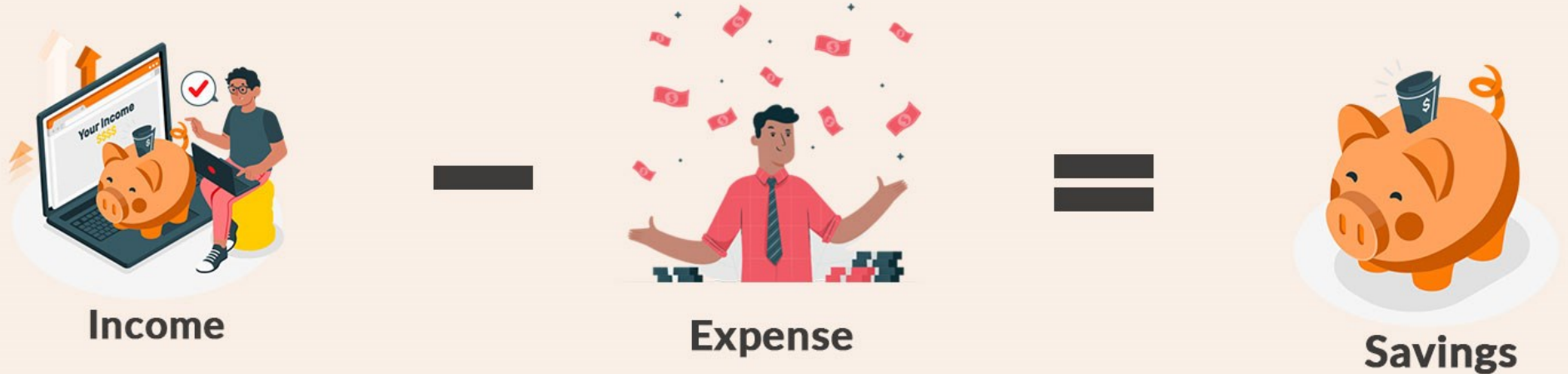
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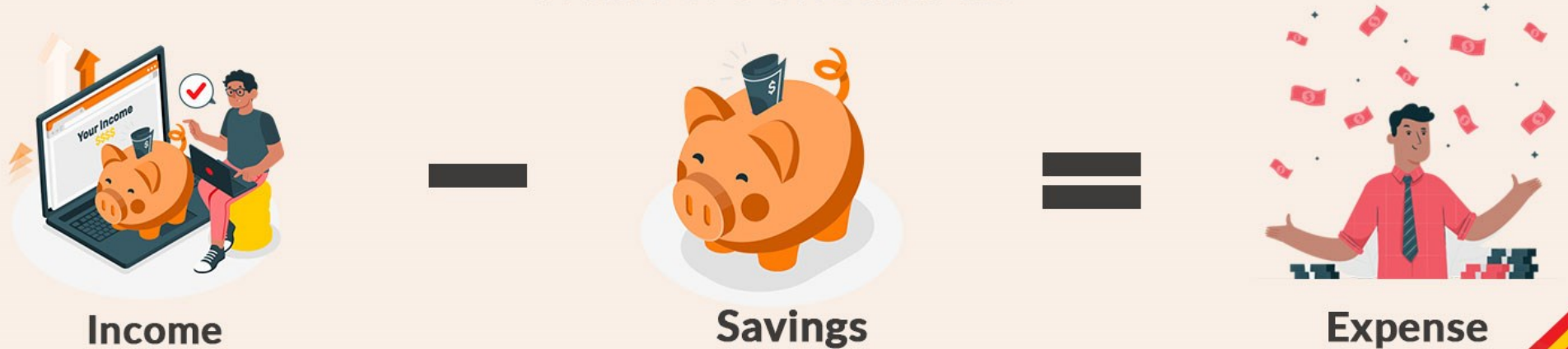
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BRINGS FINANCIAL DISCIPLINE IN LIFE

What we normally do



What we should do



MARKET TIMING RISK MINIMISED



Regular investment
irrespective of
market conditions
stabilizes the
average purchase
price



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RUPEE COST AVERAGING

Month	Unit Price	SIP Investment		Lumpsum Investment	
		Amount Invested (Rs.)	No. of Units Allotted	Amount Invested (Rs.)	No. of Units Allotted
1	20	10,000	500	90,000	4500.00
2	17	10,000	588		
3	21	10,000	476		
4	16	10,000	625		
5	13	10,000	769		
6	15	10,000	667		
7	19	10,000	526		
8	20	10,000	500		
9	22	10,000	454		
Total Amount Invested		90,000		90,000	
Average Price per unit		18.11		20.00	
Total No of units purchased		5106.18		4500.00	
Value at the end of 9 months		1,12,336		99,000	

In a volatile market, SIP ends up creating more wealth as it gains from lower average price per unit.

In this example end price (22) is still higher than the start price (20)



RUPEE COST AVERAGING

Month	Unit Price	SIP Investment		Lumpsum Investment	
		Amount Invested (Rs.)	No. of Units Allotted	Amount Invested (Rs.)	No. of Units Allotted
1	20	10,000	500	90,000	4500.00
2	21	10,000	476		
3	18	10,000	556		
4	15	10,000	667		
5	13	10,000	769		
6	20	10,000	500		
7	22	10,000	455		
8	14	10,000	714		
9	18	10,000	556		
Total Amount Invested		90,000		90,000	
Average Price per unit		17.88		20.00	
Total No of units purchased		5192.03		4500.00	
Value at the end of 9 months		93,457		81,000	

SIP still ends up creating more wealth when compared to lump sum investment.

In this example end price (18) is lower than the start price (20)



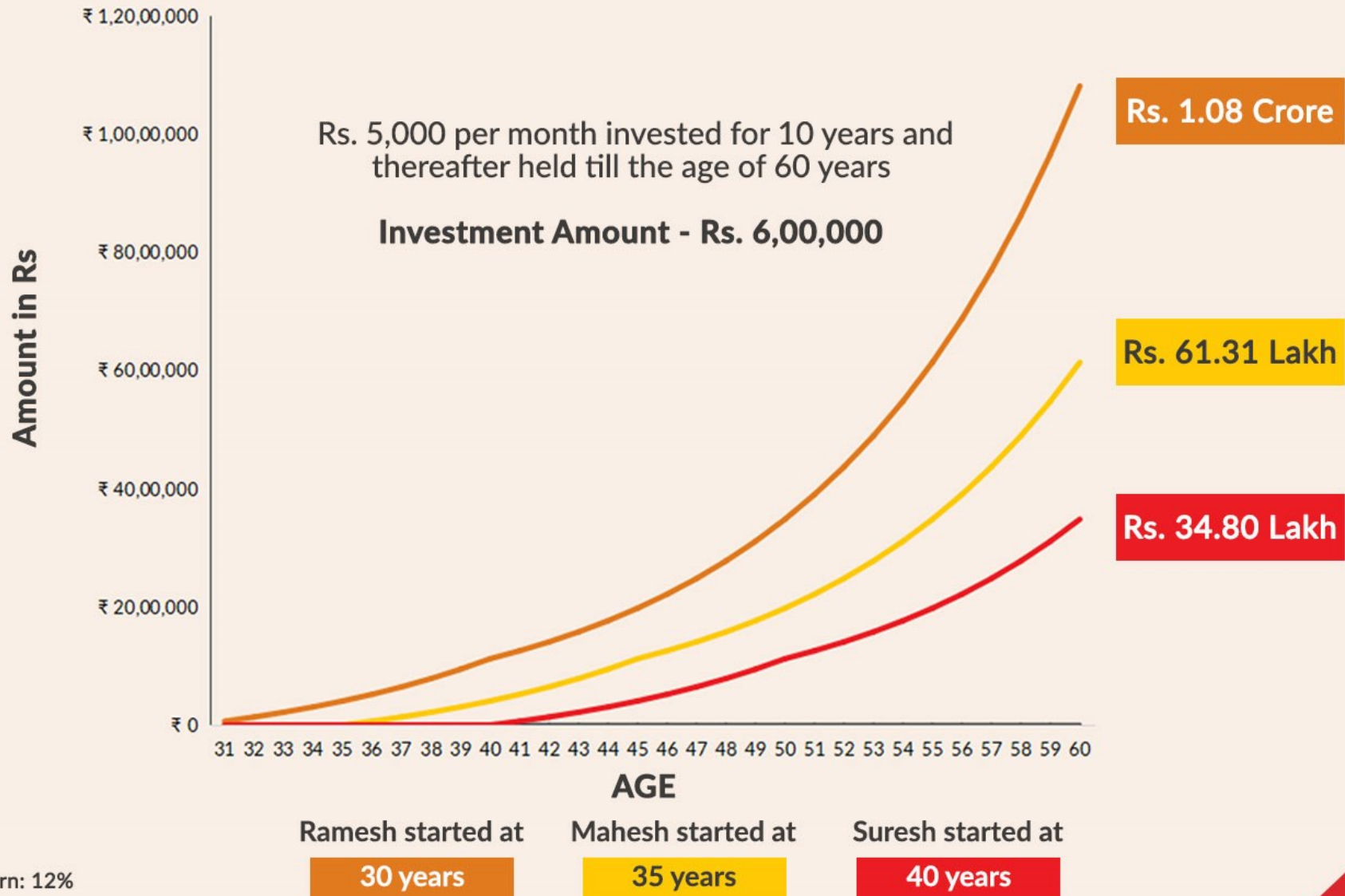
POWER OF COMPOUNDING

Growth of investment after different no. of years
@assumed return of 12%

5 Years	1.76 Times
10 Years	3.11 Times
15 Years	5.47 Times
20 Years	9.65 Times
25 Years	17.00 Times
30 Years	29.96 Times



THE BENEFITS OF STARTING EARLY



EFFECTS OF COMPOUNDING

Value of Investment - Rs. 10,000 per month					
No. of Years	Saving A/c	Bank FD	Equity MF		
	4%	6%	10%	12%	15%
2	2,50,072	2,55,162	2,65,451	2,70,650	2,78,515
5	6,63,957	6,98,240	7,71,717	8,11,036	8,73,421
10	14,71,762	16,32,643	20,14,576	22,40,359	26,30,182
15	24,54,580	28,83,085	40,16,212	47,59,314	61,63,656
20	36,50,329	45,56,458	72,39,867	91,98,574	1,32,70,734
25	51,05,140	67,95,808	1,24,31,596	1,70,22,066	2,75,65,608
30	68,75,140	97,92,565	2,07,92,927	3,08,09,732	5,63,17,704

“The most powerful force in the universe is the power of compounding” - Albert Einstein

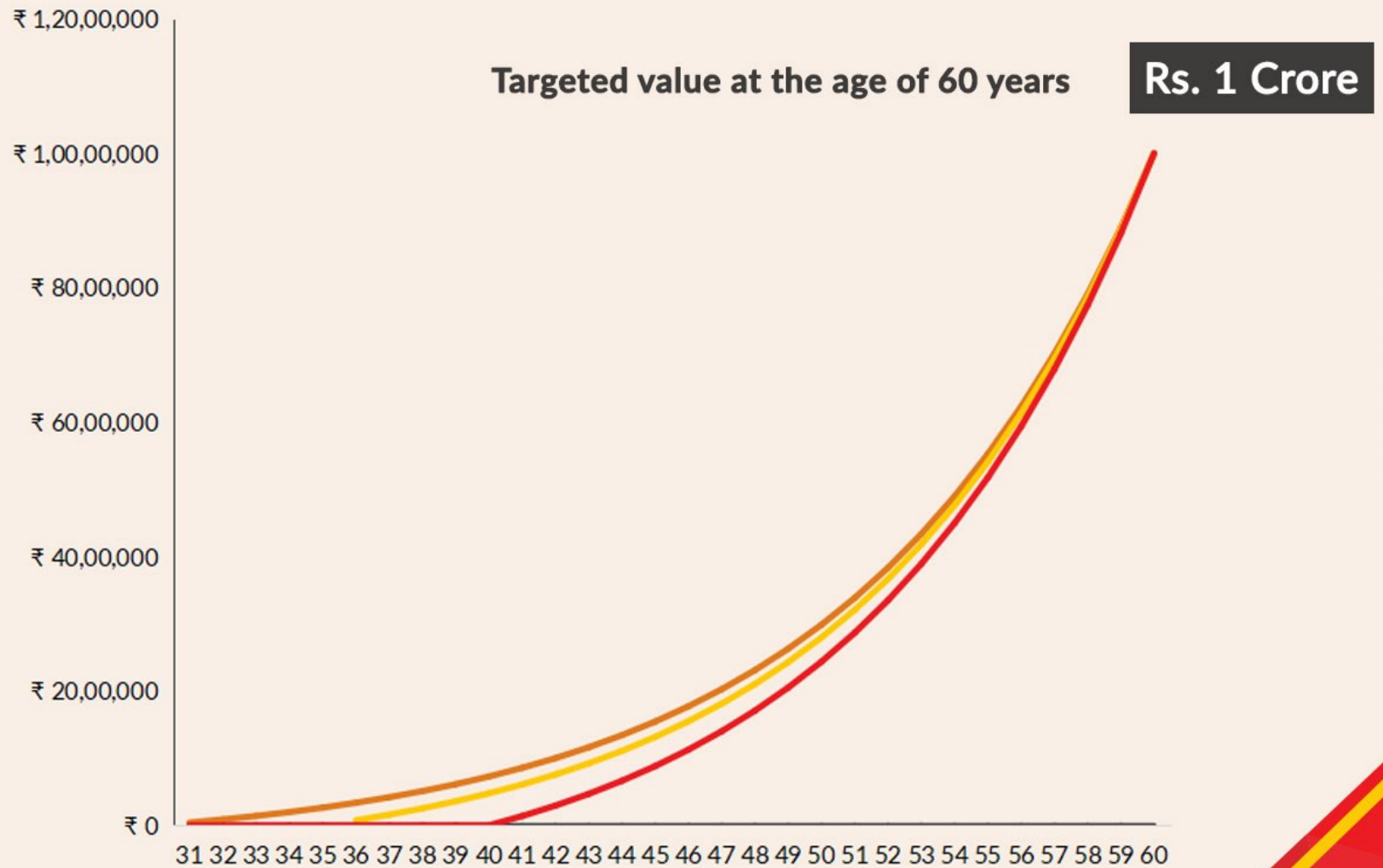


CAN START WITH SMALL AMOUNT

Ramesh started @30
With SIP of Rs. 3,250
Invested Rs. 11,68,462

Mahesh started @35
With SIP of Rs. 5,900
Invested Rs. 17,62,418

Suresh started @40
With SIP of Rs. 10,800
Invested Rs. 26,09,100



Assumed Return: 12%



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SIP CAN BE STEPPED-UP

SIP



SIP per month- Rs.10,000

Assumed Rate of Return
12%

Period of Investment
25 Years

Total Amount Invested
Rs. 30,00,000

Corpus at the end of 25 years
Rs. 1.70 Crores

STEP - UP SIP



SIP per month- Rs.10,000
(increased by Rs. 1,000 per year)

Assumed Rate of Return
12%

Period of Investment
25 Years

Total Amount Invested
Rs. 66,00,000

Corpus at the end of 25 years
Rs. 2.85 Crores

**By investing Rs. 36 lakhs extra, you accumulate extra wealth of
Rs. 1.15 Cr.**



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SIP REQUIRED FOR FAMILY VACATION



5
Lakhs

Present Value

7.01
Lakhs

Future Value

8,647
p.m.

Required SIP

After 5 yrs

SIP Amt.

Inflation Assumed - 7%; SIP Rate of Return Assumed - 12%;



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SIP REQUIRED FOR CHILD'S EDUCATION

SIP Amt.	After 10 yrs	10 Lakhs Present Value
		19.67 Lakhs Future Value
		8,781 p.m. Required SIP



Inflation Assumed - 7%; SIP Rate of Return Assumed - 12%;



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SIP REQUIRED FOR RETIREMENT



**50
Thousand**

Present Expenses
(per month)

**8.37
Crore**

Target Corpus
(for retirement)

**27,180
p.m.**

Required SIP

After 30 yrs

SIP Amt.

ASSUMPTIONS: Current Age - 30 yrs; Retirement Age - 60 yrs; Life Expectancy - 80 yrs; Inflation - 7%;
Post Retirement Return - 8%; Pre Retirement Return - 12%; Future Monthly Expenses - 3.81 Lakhs



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SIP RETURNS - 10, 15 & 20 YEARS

SIP Start Date: 1st of Every Month			Total Investment					
SIP Amount: Rs.10,000/- per month			Rs. 12,00,000		Rs. 18,00,000		Rs. 24,00,000	
Valuation As on: 31st March 2024			10 Year		15 Year		20 Year	
Scheme Name	Category	Corpus (Cr.) as on Feb 2024	Present Value	Yield(%)	Present Value	Yield(%)	Present Value	Yield(%)
Aditya Birla Sun Life Flexi Cap Fund	Flexi Cap Fund	19,767	26,04,520	15.03	62,67,894	15.32	1,37,90,341	15.40
Aditya Birla Sun Life Frontline Equity Fund	Large Cap Fund	26,480	24,92,853	14.20	57,10,652	14.24	1,34,38,092	15.19
Aditya Birla Sun Life Mid Cap Fund	Mid Cap Fund	4,982	26,84,925	15.60	64,66,116	15.68	1,49,99,520	16.08
DSP Equity Opportunities Fund	Large & Mid Cap Fund	10,917	28,26,987	16.58	66,17,238	15.95	1,45,84,368	15.85
Franklin India ELSS Tax Saver Fund	ELSS	6,144	27,50,128	16.06	65,26,578	15.79	1,46,20,636	15.87
Franklin India Flexi Cap Fund	Flexi Cap Fund	14,471	28,65,019	16.83	68,12,818	16.29	1,57,44,252	16.47
HDFC ELSS Tax saver Fund	ELSS	13,820	27,47,624	16.04	60,48,682	14.91	1,34,86,041	15.22
HDFC Flexi Cap Fund	Flexi Cap Fund	49,657	30,53,412	18.03	69,20,635	16.47	1,66,45,649	16.92
HDFC Top 100 Fund	Large Cap Fund	31,653	26,91,132	15.65	58,65,866	14.55	1,38,97,043	15.46
ICICI Prudential Large & Mid Cap Fund	Large & Mid Cap Fund	11,333	30,58,167	18.05	68,35,921	16.33	1,46,49,295	15.89



SIP RETURNS - 10, 15 & 20 YEARS (Contd.)

SIP Start Date: 1st of Every Month			Total Investment					
SIP Amount: Rs.10,000/- per month			Rs. 12,00,000		Rs. 18,00,000		Rs. 24,00,000	
Valuation As on: 31st March 2024			10 Year		15 Year		20 Year	
Scheme Name	Category	Corpus (Cr.) as on Feb 2024	Present Value	Yield(%)	Present Value	Yield(%)	Present Value	Yield(%)
ICICI Prudential Multicap Fund	Multi Cap Fund	11,180	29,08,849	17.11	67,40,317	16.16	1,43,25,051	15.71
Kotak Bluechip Fund	Large Cap Fund	7,679	25,53,661	14.66	55,61,268	13.93	1,17,49,955	14.09
Nippon India Growth Fund	Mid Cap Fund	24,481	34,82,137	20.49	80,74,714	18.24	1,92,09,126	18.08
SBI Contra Fund	Contra Fund	25,325	34,76,212	20.46	72,73,628	17.04	1,55,30,482	16.36
SBI Large & Midcap Fund	Large & Mid Cap Fund	20,633	28,64,661	16.83	68,55,779	16.36	1,61,18,615	16.66
SBI Long Term Equity Fund	ELSS	21,203	30,69,020	18.12	68,76,045	16.39	1,24,97,728	14.60
Sundaram Multi cap Fund	Multi cap Fund	2,391	27,95,138	16.36	66,36,978	15.98	1,20,90,551	14.33
Tata Ethical Fund	Thematic	2,343	25,70,255	14.78	59,46,980	14.71	1,28,18,864	14.80
Tata Mid Cap Growth Fund	Mid Cap Fund	3,293	31,81,575	18.80	84,84,962	18.81	1,79,72,820	17.54
UTI Mid Cap Fund	Mid Cap Fund	10,047	28,45,727	16.70	79,45,612	18.06	1,69,67,919	17.08



SIP RETURNS - 10, 15 & 20 YEARS

Particulars	10Y	15Y	20Y
Total Number of Schemes	76	64	24
Highest Return (%)	24.61	20.70	18.08
Lowest Return (%)	9.32	9.74	13.19
Average Return (%)	17.26	16.59	15.55
Schemes with 15% plus CAGR	67	52	17
Schemes with 12% plus CAGR	75	63	24
Schemes with 10% plus CAGR	75	63	24
As on 31st Mar 2024			



SIP RETURNS FOR DIFFERENT INVESTORS

SIP of Rs. 5,000 per month	Confused Investor			Patient Investor		
SIP start date : 17th August 2010	Stopped SIP on 17th Aug 2013 after 3 Years			Continued SIP till 31st Mar 2024		
Scheme Name	Total Amount	Present Value	Yield	Total Amount	Present Value	Yield
Aditya Birla Sun Life Frontline Equity Fund	1,80,000	1,66,473	-5.14	8,15,000	2,332,726	14.36
Canara Robeco Emerging Equities	1,80,000	1,73,946	-2.27	8,15,000	3,404,220	19.23
DSP Flexi Cap Fund	1,80,000	1,66,688	-5.06	8,15,000	2,449,969	14.99
DSP Midcap Fund	1,80,000	1,59,613	-7.86	8,15,000	2,761,170	16.54
HDFC Flexi Cap Fund	1,80,000	1,64,483	-5.92	8,15,000	2,812,814	16.78
ICICI Prudential Multicap Fund	1,80,000	1,79,398	-0.22	8,15,000	2,760,394	16.54
Kotak Bluechip Fund	1,80,000	1,76,206	-1.42	8,15,000	2,309,124	14.22
Kotak Emerging Equity Fund	1,80,000	1,61,278	-7.19	8,15,000	3,533,332	19.70
Mirae Asset Large Cap Fund	1,80,000	1,86,120	2.24	8,15,000	2,472,509	15.11
Nippon India Growth Fund	1,80,000	1,63,058	-6.49	8,15,000	3,323,248	18.92



SIP RETURNS FOR DIFFERENT INVESTORS (Contd.)

SIP of Rs. 5,000 per month	Confused Investor			Patient Investor		
SIP start date : 17th August 2010	Stopped SIP on 17th Aug 2013 after 3 Years			Continued SIP till 31st Mar 2024		
Scheme Name	Total Amount	Present Value	Yield	Total Amount	Present Value	Yield
Nippon India Large Cap Fund	1,80,000	1,76,211	-1.41	8,15,000	2,757,946	16.52
SBI Bluechip Fund	1,80,000	1,87,923	2.90	8,15,000	2,409,176	14.78
SBI Magnum Midcap Fund	1,80,000	1,86,018	2.21	8,15,000	3,390,075	19.18
Sundaram Mid Cap Fund				8,15,000	2,996,191	17.59
Tata Equity P/E Fund	1,80,000	1,62,954	-6.53	8,15,000	2,851,531	16.95
Tata Mid Cap Growth Fund	1,80,000	1,74,941	-1.89	8,15,000	3,388,231	19.17
BSE Sensex TRI	1,80,000	1,87,924	2.89	8,15,000	2,293,440	14.13



SIP RETURNS FOR DIFFERENT INVESTORS

SIP of Rs. 5,000 per month	Confused Investor			Patient Investor		
SIP start date : 17th August 2008	Stopped SIP on 17th Aug 2013 after 5 Years			Continued SIP till 31st Mar 2024		
Scheme Name	Total Amount	Present Value	Yield	Total Amount	Present Value	Yield
Aditya Birla Sun Life Frontline Equity Fund	3,00,000	3,38,822	4.89	9,35,000	3,250,569	14.57
Canara Robeco Emerging Equities	3,00,000	3,82,639	9.82	9,35,000	5,375,629	20.04
DSP Flexi Cap Fund	3,00,000	3,32,131	4.09	9,35,000	3,385,022	15.01
DSP Midcap Fund	3,00,000	3,44,352	5.54	9,35,000	4,152,607	17.25
HDFC Flexi Cap Fund	3,00,000	3,45,089	5.63	9,35,000	3,992,874	16.82
ICICI Prudential Multicap Fund	3,00,000	3,51,329	6.35	9,35,000	3,815,857	16.32
Kotak Bluechip Fund	3,00,000	3,35,478	4.49	9,35,000	3,092,873	14.02
Kotak Emerging Equity Fund	3,00,000	3,17,048	2.22	9,35,000	5,071,731	19.42



SIP RETURNS FOR DIFFERENT INVESTORS (Contd.)

SIP of Rs. 5,000 per month	Confused Investor			Patient Investor		
SIP start date : 17th August 2008	Stopped SIP on 17th Aug 2013 after 5 Years			Continued SIP till 31st Mar 2024		
Scheme Name	Total Amount	Present Value	Yield	Total Amount	Present Value	Yield
Mirae Asset Large Cap Fund	3,00,000	3,97,245	11.35	9,35,000	3,658,461	15.86
Nippon India Growth Fund	3,00,000	3,18,565	2.41	9,35,000	4,580,693	18.31
Nippon India Large Cap Fund	3,00,000	3,39,862	5.01	9,35,000	3,774,898	16.21
SBI Bluechip Fund	3,00,000	3,59,380	7.27	9,35,000	3,305,947	14.75
SBI Magnum Midcap Fund	3,00,000	3,67,587	8.19	9,35,000	4,927,060	19.10
Sundaram Mid Cap Fund				9,35,000	4,442,472	17.98
Tata Equity P/E Fund	3,00,000	3,26,035	3.34	9,35,000	4,031,349	16.92
Tata Mid Cap Growth Fund	3,00,000	3,47,064	5.86	9,35,000	4,880,966	19.00
BSE Sensex TRI	3,00,000	3,64,050	7.80	9,35,000	3,090,406	14.01



WHEN IS THE BEST TIME TO START?

SCHEME NAME	Started SIP on 8th Jan 2008 when Sensex was trading at 20873			Started SIP on 9th Mar 2009 when Sensex was trading at 8160		
	CAGR in %			CAGR in %		
	As on 6th Oct 2010	As on 17th May 2013	As on 31st Mar 2024	As on 6th Oct 2010	As on 17th May 2013	As on 31st Mar 2024
Sensex Level	20543	20286	73651	20543	20286	73651
Aditya Birla Sun Life Frontline Equity Fund	35.88	13.90	14.41	49.97	13.23	14.34
Canara Robeco Emerging Equities	47.13	14.74	19.62	78.15	13.89	19.62
DSP Flexi Cap Fund	39.11	10.19	14.81	57.27	8.49	14.84
DSP Midcap Fund	51.70	12.92	17.04	79.52	10.50	16.83
HDFC Flexi Cap Fund	47.21	13.79	16.60	68.72	11.75	16.59
ICICI Prudential Multicap Fund	34.58	10.36	15.97	53.11	9.78	16.22
Kotak Bluechip Fund	27.63	10.02	13.73	43.52	10.29	13.98
Kotak Emerging Equity Fund	36.40	9.54	18.87	63.92	9.74	19.36



WHEN IS THE BEST TIME TO START?

(Contd.)

SCHEME NAME	Started SIP on 8th Jan 2008 when Sensex was trading at 20873			Started SIP on 9th Mar 2009 when Sensex was trading at 8160		
	CAGR in %			CAGR in %		
	As on 6th Oct 2010	As on 17th May 2013	As on 31st Mar 2024	As on 6th Oct 2010	As on 17th May 2013	As on 31st Mar 2024
Sensex Level	20543	20286	73651	20543	20286	73651
Nippon India Growth Fund	38.60	8.73	17.90	56.80	7.13	18.27
Nippon India Large Cap Fund	30.16	10.84	15.87	45.23	10.70	16.16
SBI Bluechip Fund	29.01	11.95	14.47	41.83	12.21	14.60
SBI Magnum Midcap Fund	31.86	10.88	18.50	54.76	11.69	18.94
Sundaram Mid Cap Fund	45.62	12.79	17.70	68.72	10.96	17.65
Tata Equity P/E Fund	38.62	8.59	16.61	55.97	6.42	16.72
Tata Mid Cap Growth Fund	35.01	9.78	18.53	56.43	9.29	18.88



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SIP DO'S WHILE INVESTING



- Identify goals and **align your SIPs** accordingly
- **Calculate** SIP amount required to achieve goals
- Based on **risk appetite**, choose MF categories
- Give your SIP time to grow. **Be patient.**
- **Step-up** your SIP with increase in your income



SIP DONT'S WHILE INVESTING

Don't stop your SIPs when markets are falling, ←

Don't try to time the markets, instead invest regularly ←

Don't switch funds just because the short term performance is low ←

Don't watch portfolio frequently. Stay calm and let your money grow. ←



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4 GOLDEN RULES OF SIP

**Start Investing
Early**

1

**Step-up as
Income Rises**

2

**Invest for
Long Term**

4

**Don't Try to
Time the Market**

3



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Thank You



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