



# Systematic Investment Plan

— Disciplined way of investment —



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# What is SIP ?

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



You



Fixed Amount



Bank



Recurring  
Deposit



You



Fixed Amount  
Transfer from bank

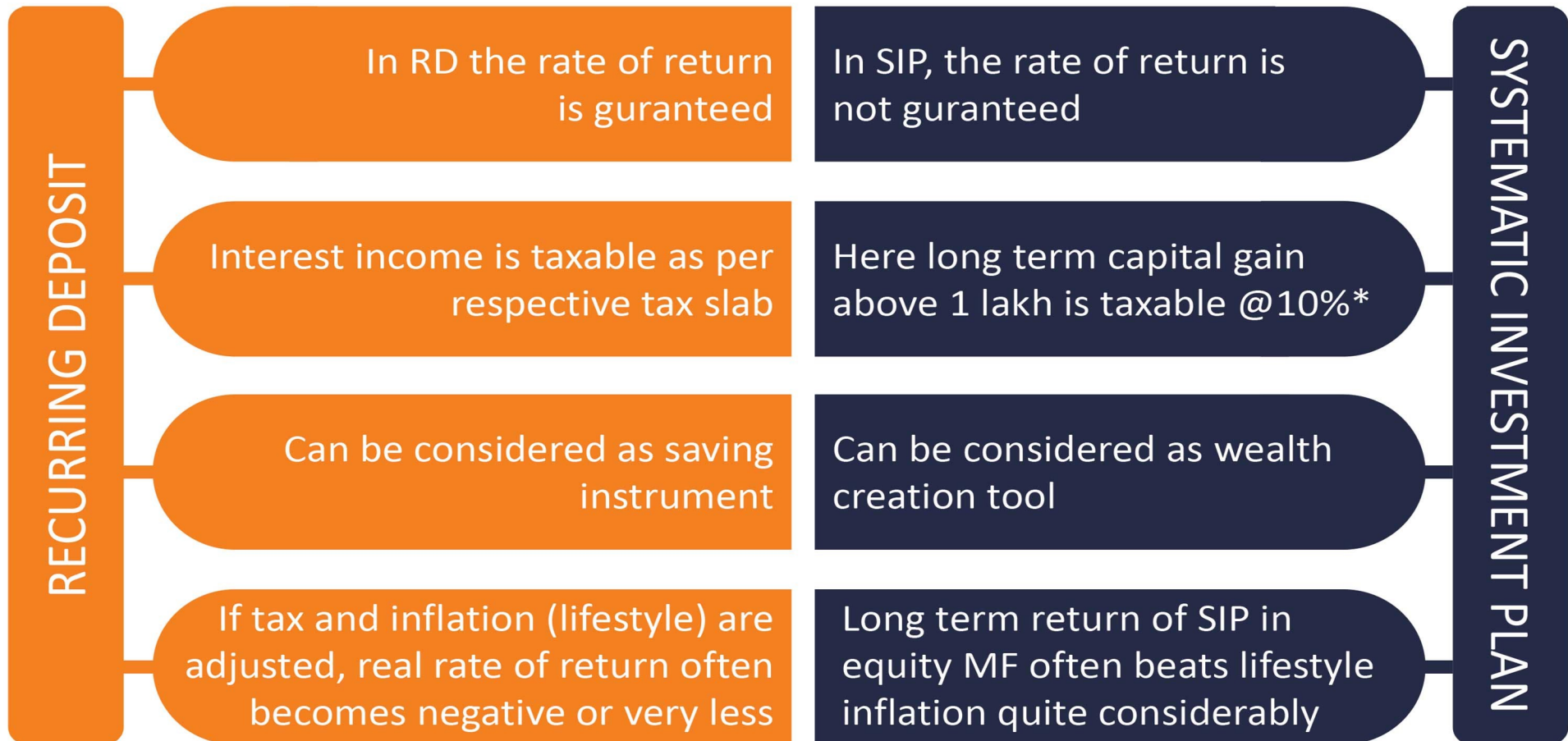


Mutual Fund  
Schemes



SIP

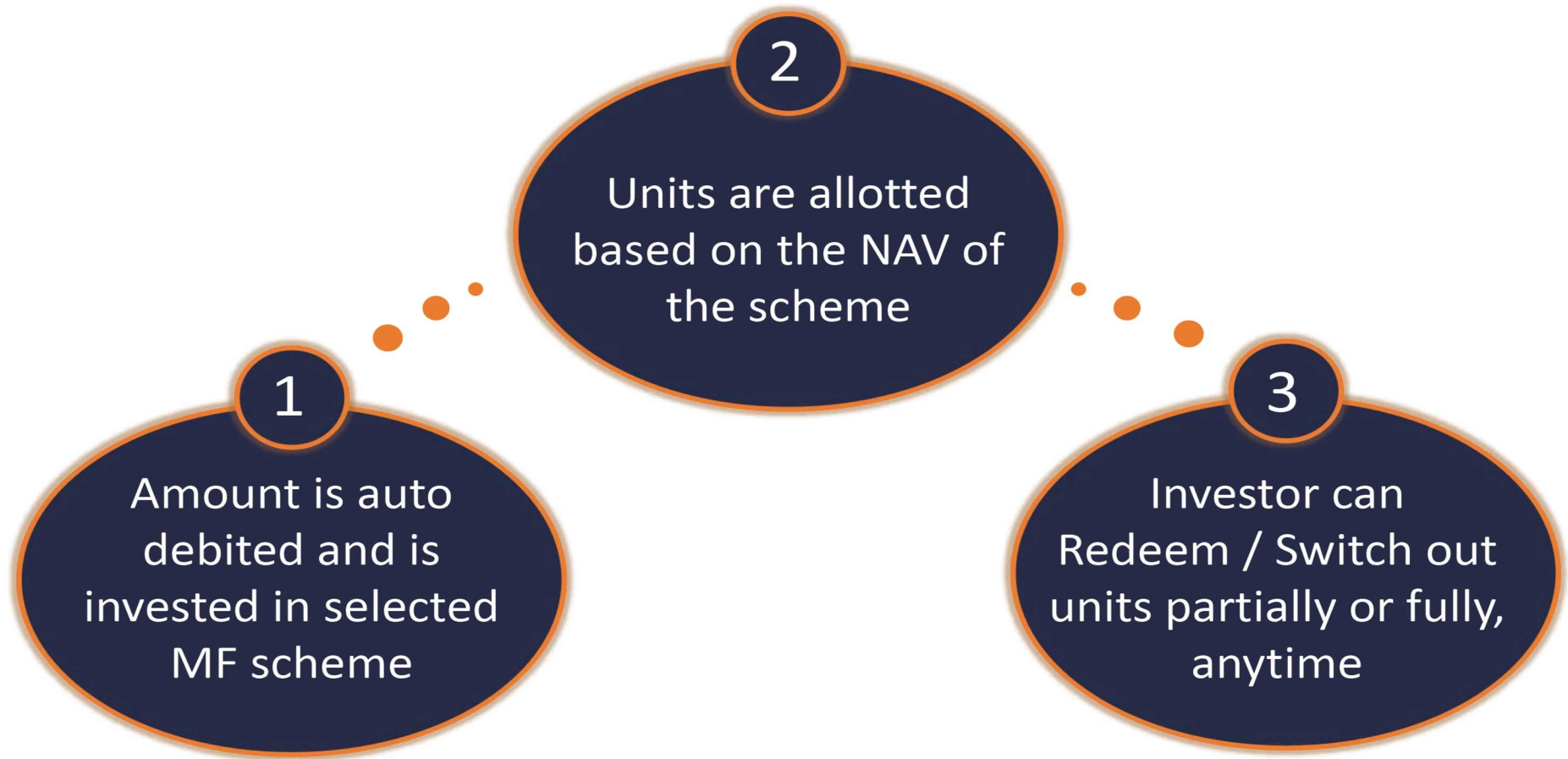
# Difference Between RD and SIP



\* This is for Equity Funds. For Debt Funds STCG is taxed as per tax slab and LTCG is taxed @20% with indexation.

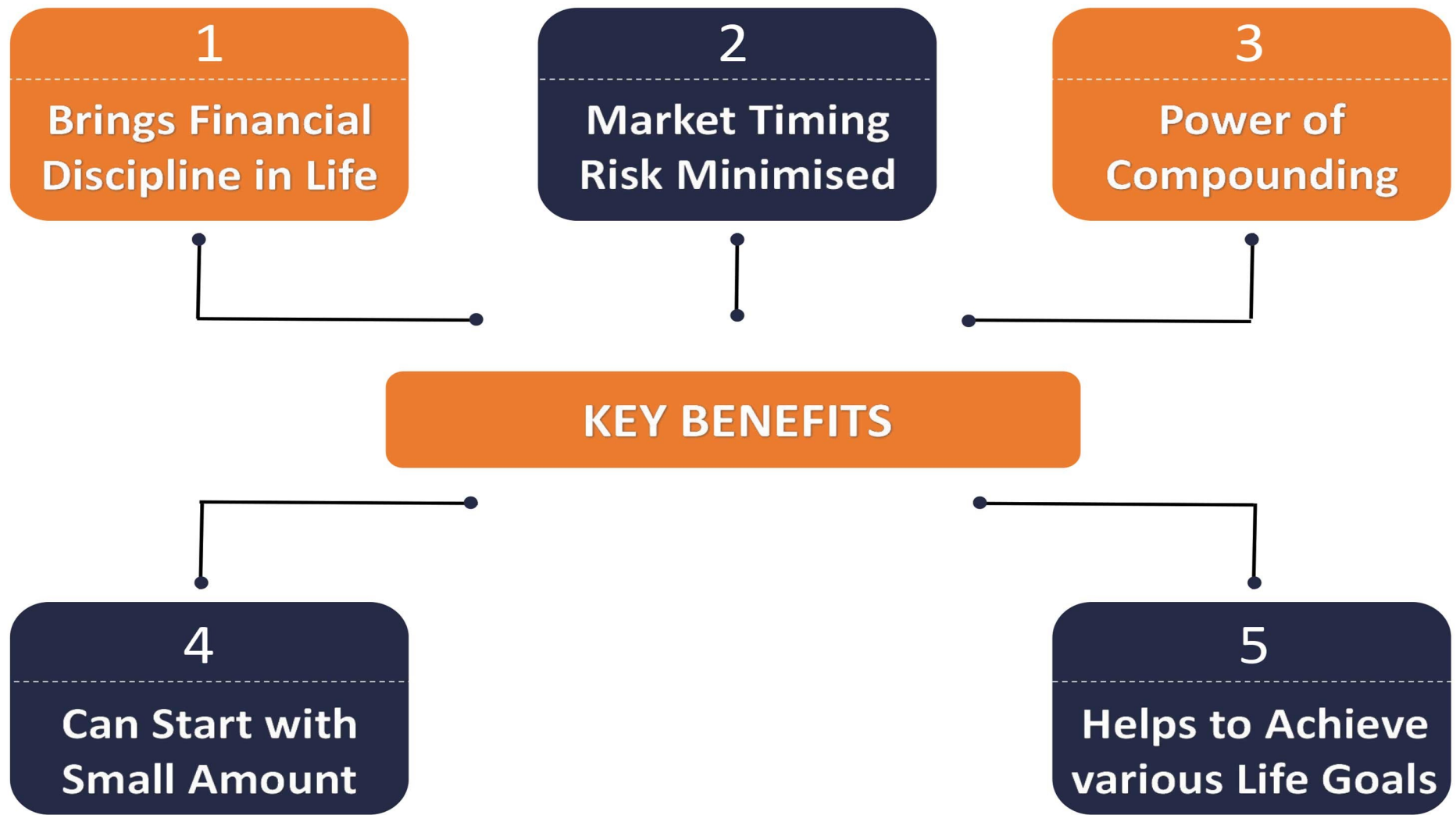


# How does **SIP** work?





# Key benefits of investing through **SIP**



# SIP Brings Financial Discipline in Life

## WHAT WE NORMALLY DO



## WHAT WE SHOULD DO



**SIP Helps Us Save Automatically and makes us Disciplined**

# SIP Minimises Market Timing Risk



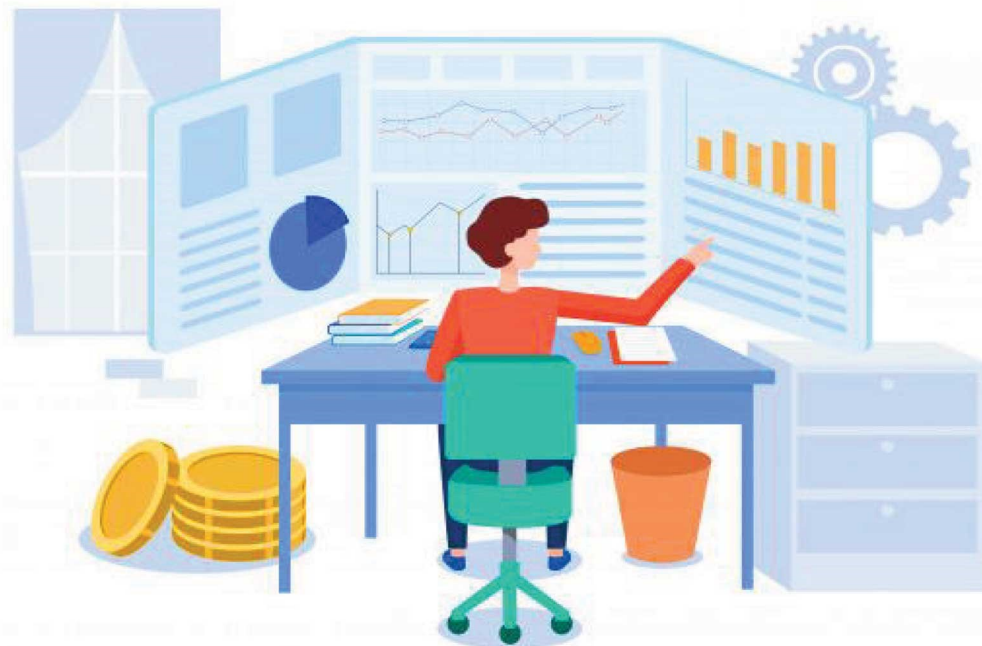
Lower Risk than Direct stocks as Portfolio is Diversified



Regular Investment Irrespective of Market Conditions



Stock Picking Skill is not Required as It's Managed by Experts





# Benefits of **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)**

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# Benefits of **Rupee Cost Averaging**

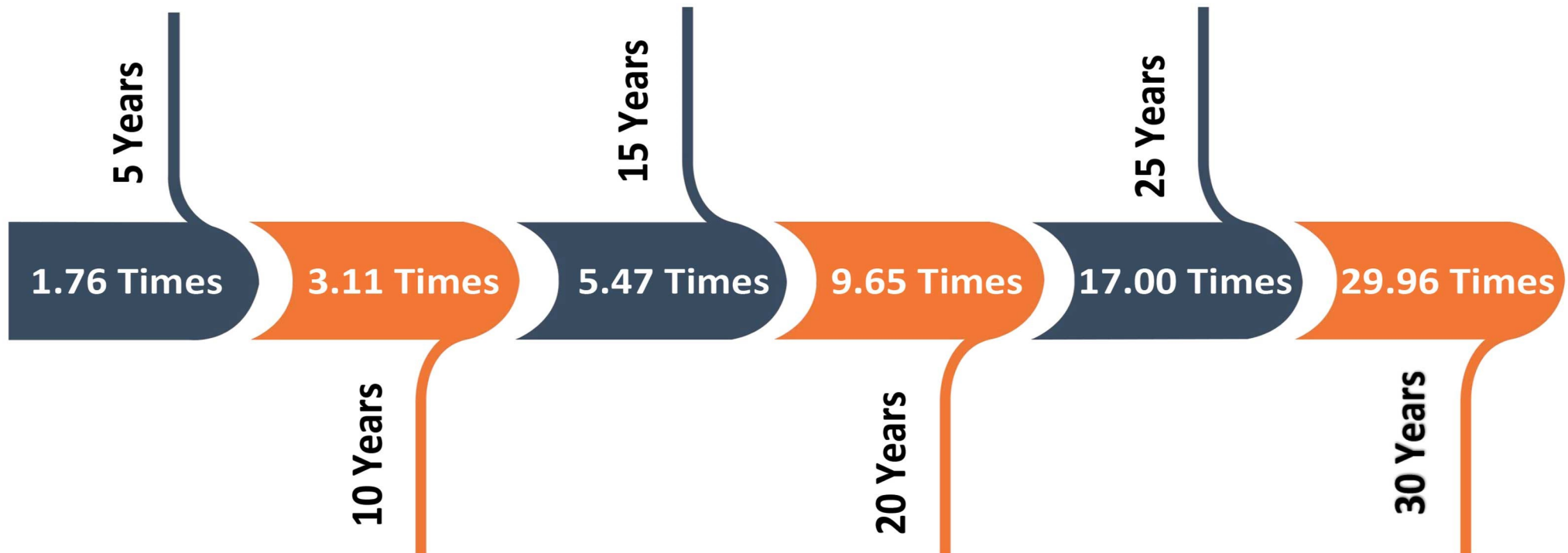
Month	Unit Price	SIP Investment		Lumpsum Investment	
		Amount Invested (Rs.)	No. of Units Allotted	Amount Invested (Rs.)	No. of Units Allotted
1	20	10,000	500	90,000	4500.00
2	21	10,000	476		
3	18	10,000	556		
4	15	10,000	667		
5	13	10,000	769		
6	20	10,000	500		
7	22	10,000	455		
8	14	10,000	714		
9	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	

In a volatile market, **even when end price (18) is lower than the start price (20)**, SIP still ends up creating more wealth when compared to lump sum investment.

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# Power of **Compounding**

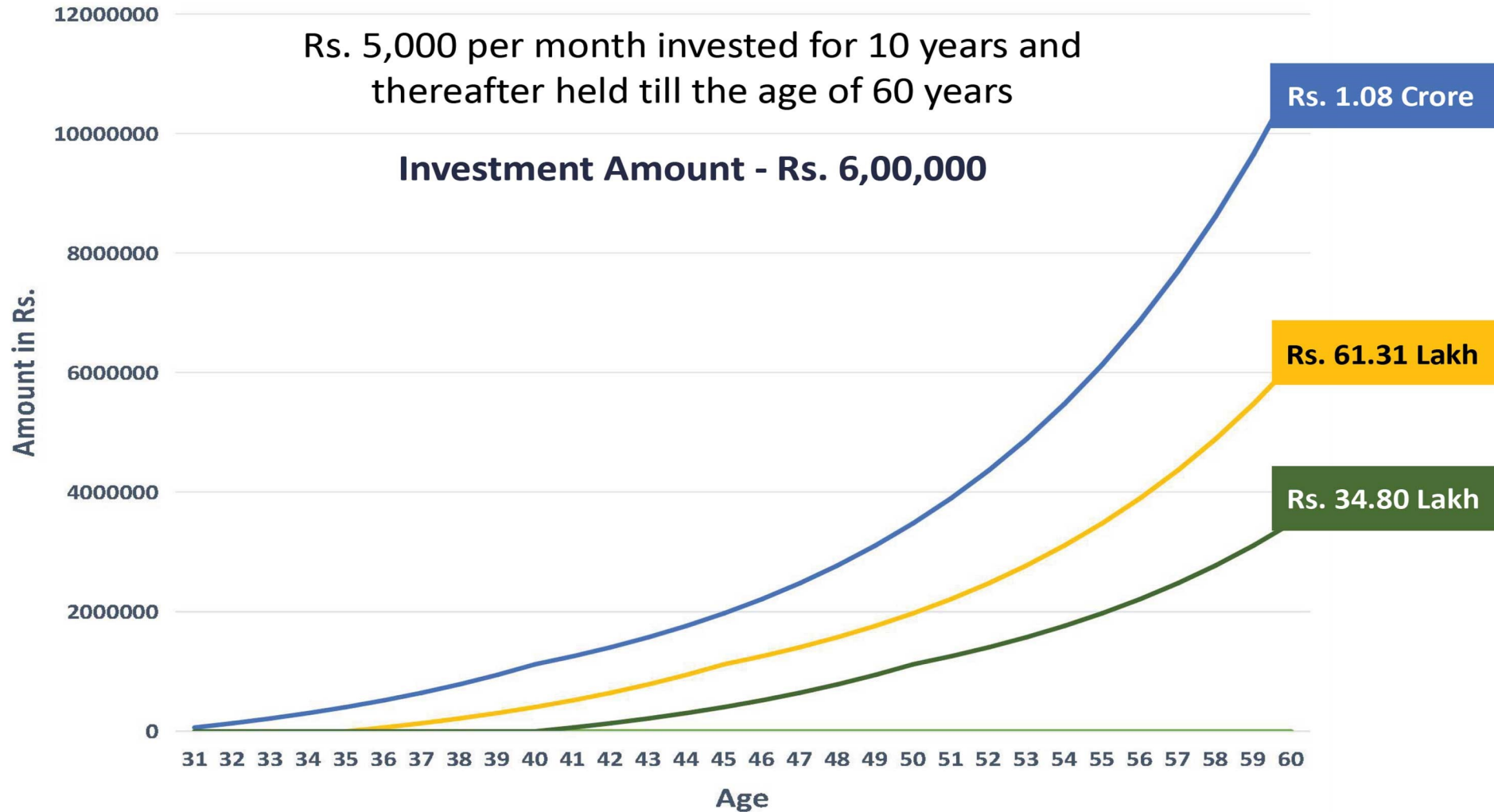
Do you know what will be the growth of your investment after different no. of years?



Assumed Return: 12%



# The Benefits of Starting Early



Assumed Return: 12%

**Ramesh started at**

**30 Years**

**Mahesh started at**

**35 Years**

**Suresh started at**

**40 Years**

**10**

# Effects of **Compounding over time**

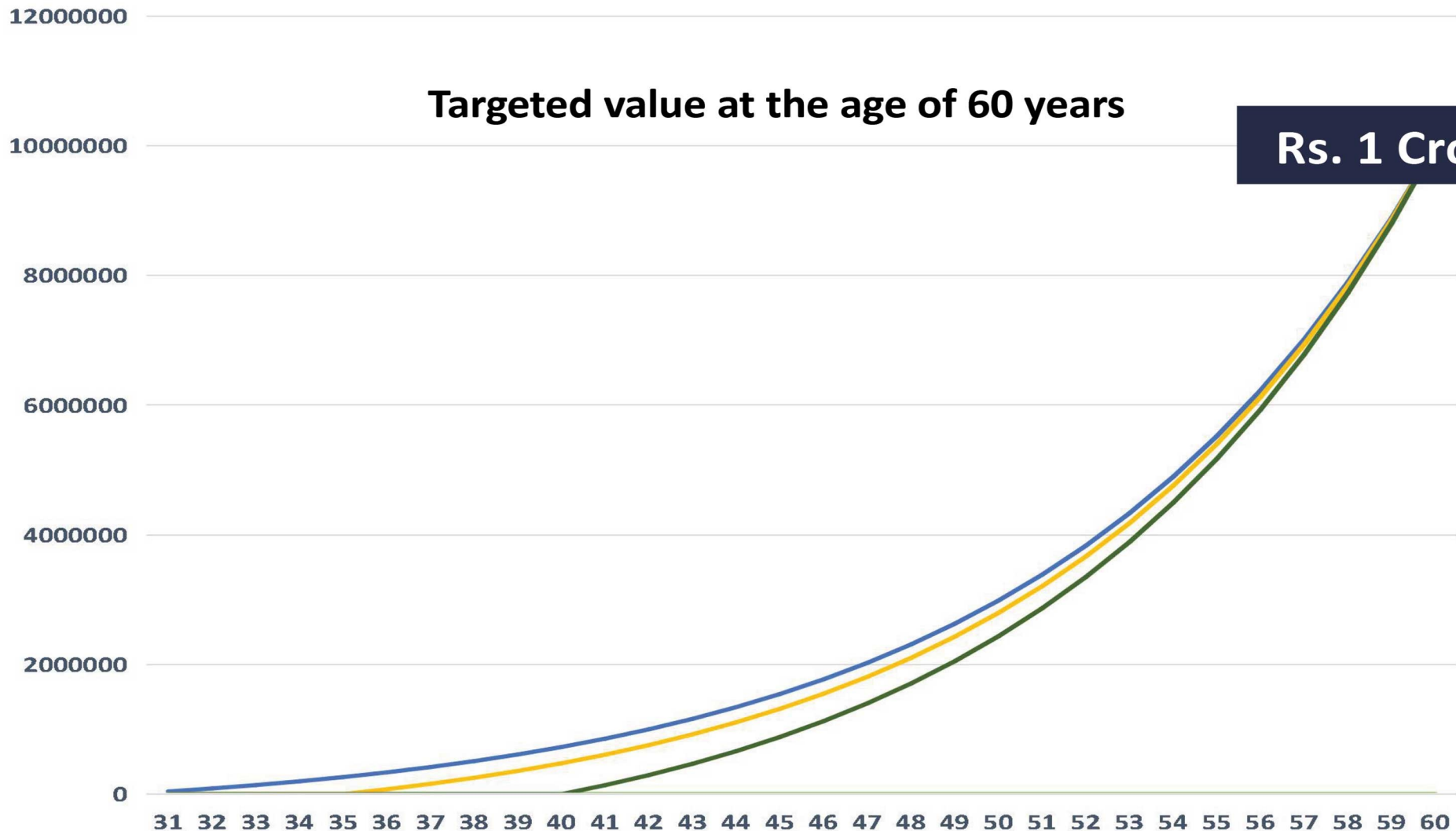
## Value of Investment - Rs. 10,000 per month

No. of Years	Saving A/c	Bank FD	Equity MF		
	4%	7%	12%	15%	18%
2	2,50,072	2,57,721	2,70,650	2,78,515	2,86,461
5	6,63,957	7,15,984	8,11,036	8,73,421	9,40,094
10	14,71,762	17,20,189	22,40,359	26,30,182	30,90,801
15	24,54,580	31,28,638	47,59,314	61,63,656	80,11,097
20	36,50,329	51,04,061	91,98,574	1,32,70,734	1,92,67,543
25	51,05,140	78,74,693	1,70,22,066	2,75,65,608	4,50,19,564
30	68,75,140	1,17,60,649	3,08,09,732	5,63,17,704	10,39,33,950

# Can Start With **Small Amount**

Targeted value at the age of 60 years

**Rs. 1 Crore**



Assumed Return: 12%

**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**

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# Helps to Achieve **various Life Goals**



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# Invest right amount to **Achieve Goals**

## FAMILY VACATION



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





# Invest right amount to **Achieve Goals**

## CHILD'S EDUCATION



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



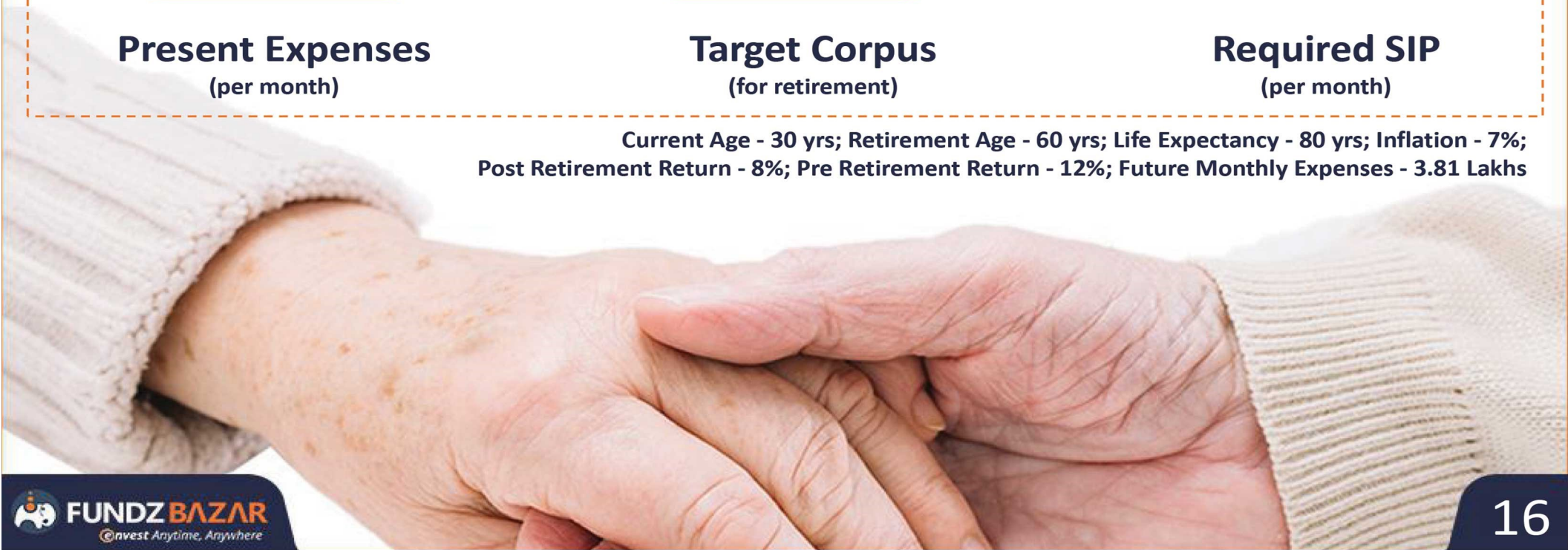


# Invest right amount to **Achieve Goals**

## RETIREMENT



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



# SIP v/s STEP - UP SIP



## 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.**



# SIP Returns - 15 years & 20 years

SIP Start Date: 1st of Every Month	Total Investment			
SIP Amount: Rs.10000/- per month	18,00,000		24,00,000	
Valuation As on: 31 <sup>st</sup> October 2019	15 Year		20 Year	
Scheme Name	Present Value	Yield (%)	Present Value	Yield(%)
ICICI Prudential FMCG - Growth	75,86,724	17.37	2,38,63,427	19.70
UTI MNC Fund - Growth	66,90,637	15.94	1,85,35,448	17.68
UTI Transportation and Logistics Fund - Growth	63,88,017	15.41	1,85,35,448	17.68
Franklin India Prima Fund - Growth	62,33,802	15.13	2,66,22,014	20.57
SBI Magnum Global Fund - Growth	62,34,190	15.13	2,45,28,181	19.92
Tata Mid Cap Growth Fund - Reg - Growth	58,18,696	14.33	1,54,47,532	17.46
SBI Large & Midcap Fund - Growth	56,67,772	14.03	1,87,73,124	17.78
HDFC Equity Fund - Growth	56,38,411	13.97	2,25,87,219	19.26
Aditya Birla Sun Life Equity Fund - Growth	55,35,784	13.76	1,94,85,707	18.08
ICICI Prudential Long Term Equity Fund (Tax Saving) - Reg - Growth	54,97,615	13.67	2,14,19,865	18.84
Franklin India Taxshield - Growth	54,66,211	13.61	1,82,03,568	17.54
HDFC Top 100 Fund - Growth	54,62,309	13.60	2,15,55,008	18.89
UTI Equity Fund - Growth	54,12,391	13.49	1,56,34,672	16.32
Franklin India Equity Fund - Growth	54,02,671	13.47	1,90,63,543	17.91
SBI Magnum Equity ESG Fund - Growth	53,46,207	13.35	1,49,33,254	15.95
HDFC Capital Builder Value Fund - Growth	52,87,903	13.22	1,84,87,810	17.77
Nippon India Growth Fund - Growth	52,41,914	13.12	2,72,01,427	20.74
ICICI Prudential Multicap Fund - Growth	51,56,596	12.93	1,71,12,961	17.04

# SIP Returns - 15 years & 20 years (cont...)

SIP Start Date: 1st of Every Month	Total Investment			
SIP Amount: Rs.10000/- per month	18,00,000		24,00,000	
Valuation As on: 31 <sup>st</sup> October 2019	15 Year		20 Year	
Scheme Name	Present Value	Yield (%)	Present Value	Yield(%)
Tata Large & Mid Cap Fund - Reg - Growth	50,20,833	12.62	1,57,57,795	17.49
Tata Ethical Fund - Reg - Growth	48,82,992	12.30	1,54,29,982	16.21
Aditya Birla Sun Life Equity Advantage Fund - Growth	48,57,189	12.23	1,29,08,102	14.77
Tata Large Cap Fund - Reg - Growth	47,99,257	12.09	1,63,81,043	16.69
Franklin India Technology Fund - Growth	47,89,526	12.07	1,05,46,104	13.12
HDFC Tax saver - Growth	47,83,896	12.06	1,99,27,389	18.26
ICICI Prudential Large & Mid Cap Fund - Growth	47,76,275	12.04	1,36,47,850	15.22
SBI Magnum Tax Gain Scheme 93 - Growth	46,87,595	11.82	1,89,92,114	17.99
UTI Mastershare Unit Scheme - Growth	46,05,196	11.61	1,13,09,574	14.04
Principal Tax Savings Fund	45,99,585	11.60	1,38,72,474	15.35
Franklin India Bluechip - Growth	45,74,595	11.53	1,55,33,874	16.26
SBI Healthcare Opportunities Fund - Growth	44,59,284	11.23	1,29,72,114	14.81
Templeton India Value Fund - Growth	44,35,538	11.17	1,46,06,703	15.77
UTI Healthcare Fund - Growth	41,63,524	10.42	98,75,278	12.58
Nippon India Vision - Growth	41,22,316	10.31	1,78,03,762	17.36
SBI Contra Fund - Growth	38,70,479	9.56	1,83,88,263	17.62
UTI Core Equity Fund - Growth	38,43,940	9.48	1,02,05,640	12.85
HDFC Growth Opportunities Fund - Growth	35,83,708	8.64	90,84,410	11.89



# SIP Returns - 15 years & 20 years

Particulars	15 Years	20 Years
Total Number of Schemes	36	36
Highest Return (%)	17.37	20.74
Lowest Return (%)	8.64	11.89
Average Return (%)	12.73	16.87
Schemes with CAGR $\geq$ 15%	5	29
Schemes with CAGR $\geq$ 12%	25	35
Schemes with CAGR $\geq$ 10%	33	36



# SIP Returns for different investors

SIP of Rs 5,000 per month SIP start date: Aug 2010	Confused Investor			Patient Investor		
	Stopped SIP on 17 <sup>th</sup> Aug 2013 after 3 Years			Continued SIP till 31 <sup>st</sup> Oct 2019		
Scheme Name	Total Investment	Value	CAGR	Total Investment	Present Value(SIP)	CAGR
Aditya Birla Sun Life Equity Fund - Growth	1,80,000	1,71,550	-3.18	5,50,000	10,65,706	13.92
Aditya Birla Sun Life Mid Cap Fund - Plan A - Growth	1,80,000	1,64,143	-6.06	5,50,000	9,32,097	11.15
DSP Equity Fund - Reg - Growth	1,80,000	1,66,688	-5.06	5,50,000	10,27,398	13.16
DSP Small Cap Fund - Reg - Growth	1,80,000	1,63,727	-6.22	5,50,000	11,08,112	14.72
HDFC Equity Fund - Growth	1,80,000	1,64,483	-5.92	5,50,000	9,62,805	11.82
HDFC Top 100 Fund - Growth	1,80,000	1,68,836	-4.23	5,50,000	9,51,590	11.57
Kotak Bluechip Fund - Reg - Growth	1,80,000	1,76,206	-1.42	5,50,000	9,52,922	11.60
Nippon India Growth Fund - Growth	1,80,000	1,63,058	-6.49	5,50,000	9,50,539	11.55
Nippon India Vision - Growth	1,80,000	1,53,192	-10.47	5,50,000	8,38,606	08.95
SBI Bluechip Fund - Growth	1,80,000	1,87,923	2.90	5,50,000	10,35,595	13.33
SBI Large & Midcap Fund - Growth	1,80,000	1,77,954	-0.76	5,50,000	10,26,864	13.15
Sundaram Small Cap Fund - Reg - Growth	1,80,000	1,50,320	-11.67	5,50,000	9,02,584	10.48
Tata Equity P/E Fund - Reg - Growth	1,80,000	1,62,954	-6.53	5,50,000	10,86,538	14.32
Sensex TRI	1,80,000	1,87,925	2.89	5,50,000	9,83,710	12.26

# SIP Returns for different investors

SIP of Rs 5,000 per month SIP start date: Aug 2008	Confused Investor			Patient Investor		
	Stopped SIP on 17 <sup>th</sup> Aug 2013 after 5 Years			Continued SIP till 31 <sup>st</sup> Oct 2019		
Scheme Name	Total Investment	Value	CAGR	Total Investment	Present Value(SIP)	CAGR
Aditya Birla Sun Life Equity Fund - Growth	3,00,000	3,26,136	3.35	6,70,000	15,42,118	14.14
Aditya Birla Sun Life Mid Cap Fund - Plan A - Growth	3,00,000	3,29,874	3.81	6,70,000	13,97,141	12.52
DSP Equity Fund - Reg - Growth	3,00,000	3,32,131	4.09	6,70,000	14,96,395	13.65
DSP Small Cap Fund - Reg - Growth	3,00,000	3,67,385	8.17	6,70,000	18,64,417	17.25
HDFC Equity Fund - Growth	3,00,000	3,45,089	5.63	6,70,000	14,52,662	13.16
HDFC Top 100 Fund - Growth	3,00,000	3,42,946	5.38	6,70,000	13,98,086	12.53
Kotak Bluechip Fund - Reg - Growth	3,00,000	3,35,478	4.49	6,70,000	13,45,265	11.89
Nippon India Growth Fund - Growth	3,00,000	3,18,565	2.41	6,70,000	13,76,610	12.28
Nippon India Vision - Growth	3,00,000	2,91,471	-1.15	6,70,000	11,78,014	09.69
SBI Bluechip Fund - Growth	3,00,000	3,59,380	7.27	6,70,000	14,98,269	13.67
SBI Large & Midcap Fund - Growth	3,00,000	3,46,340	5.78	6,70,000	15,02,906	13.72
Sundaram Small Cap Fund - Reg - Growth	3,00,000	2,91,086	- 1.21	6,70,000	13,32,756	11.74
Tata Equity P/E Fund - Reg - Growth	3,00,000	3,26,035	3.34	6,70,000	16,21,974	14.97
Sensex TRI	3,00,000	3,64,047	7.80	6,70,000	13,96,815	12.52



# When is the best time to start

Scheme Name	Started SIP on 8 <sup>th</sup> Jan 2008 when Sensex was trading at 20873			Started SIP on 9 <sup>th</sup> March 2009 when Sensex was trading at 8160		
	CAGR in %			CAGR in %		
	As on 06 <sup>th</sup> Oct 2010	As on 17 <sup>th</sup> May 2013	As on 31 <sup>st</sup> Oct 2019	As on 06 <sup>th</sup> Oct 2010	As on 17 <sup>th</sup> May 2013	As on 31 <sup>st</sup> Oct 2019
Sensex Level	20543	20286	40129	20543	20286	40129
Aditya Birla Sun Life Frontline Equity Fund	35.88	13.90	12.77	49.97	13.23	12.39
DSP Midcap Fund - Reg - Growth	51.70	12.92	16.52	79.52	10.50	16.09
DSP Small Cap Fund - Reg - Growth	59.43	13.03	16.88	99.65	10.64	16.24
DSP Top 100 Equity Fund - Reg - Growth	31.81	11.01	10.91	44.62	10.05	10.67
Franklin India Bluechip - Growth	35.93	12.52	10.54	50.99	11.34	10.01
HDFC Equity Fund - Growth	47.21	13.79	13.10	68.72	11.75	12.51
HDFC Mid-Cap Opportunities Fund - Growth	47.18	16.80	16.59	73.39	15.57	15.99
HDFC Top 100 Fund - Growth	41.27	13.13	12.47	58.03	11.51	12.01
ICICI Prudential Value Discovery Fund	53.17	17.57	15.18	73.91	14.79	14.04
IDFC Core Equity Fund - Reg - Growth	26.37	07.82	10.17	42.49	08.12	10.31
Nippon India Multi Cap Fund - Growth	50.92	18.47	13.95	79.17	17.45	13.17
SBI Focused Equity Fund - Growth	45.04	22.30	17.36	77.56	23.69	17.17
SBI Magnum Global Fund - Growth	39.81	16.03	15.51	64.53	16.17	15.28
Sundaram Mid Cap Fund - Reg - Growth	45.62	12.79	14.94	68.72	10.96	14.40



# Do's while investing through SIP

## DO's



Identify your goals and **align** your SIP investments accordingly



**Calculate** the amount required to achieve various financial goals and accordingly start the SIP



Based on your **risk appetite**, diversify your portfolio by investing in different categories of mutual fund



Give enough time for your money to grow. Have a **long term** investment horizon.



Use **Step-up SIP** feature to increase your SIP amount with the increase in your income

# Don't's while investing through SIP

**Don't stop your SIPs** when markets are falling, instead make additional purchase to average out the cost

**Don't try to time the markets** while making SIP investments, instead invest regularly

**Don't switch** to another fund just because the short term performance of the fund is low compared to its peers

**Don't look at your portfolio every now and then.**  
Stay calm and let your money grow.



DONT'S

# 4 Golden Rules of SIP



# Thank You