

SIP

CONVERSATIONS

Dec 2024



- **What is an SIP?** [\(Link\)](#)
- **Advantages of an Equity SIP?** [\(Link\)](#)
- **How has Equity SIP performed in the past?** [\(Link\)](#)
- **Why does an Equity SIP work?** [\(Link\)](#)
- **7-5-3-1 Rule of Successful Equity SIP Investing** [\(Link\)](#)
- **FAQs**
 - **How to Decide your Equity SIP amount?** [\(Link\)](#)
 - **Why should you start your Equity SIP investments early?** [\(Link\)](#)
 - **Market looks like it's at the top. Should you wait till the next bottom to start your SIP?** [\(Link\)](#)
 - **What if you start your Equity SIP and the market crashes?** [\(Link\)](#)
 - **Should you add Mid cap exposure in long term Equity SIP?** [\(Link\)](#)
 - **Should you manually time the date of your SIP every month?** [\(Link\)](#)
 - **Which SIP frequency (Daily/Weekly/Monthly) to select?** [\(Link\)](#)
 - **Which date to select for monthly SIP?** [\(Link\)](#)
 - **How to Exit your Equity SIP when you are nearing your goals?** [\(Link\)](#)

What is an SIP?

- **Systematic Investment Plan (SIP)** is an **automated investment plan** that helps you **invest a fixed amount** into **your chosen mutual funds** at **regular intervals**
- Works **similar to a recurring deposit** in a bank
- **Super convenient** as the amount is automatically moved from **your savings bank account to your chosen mutual fund at the chosen intervals** (daily, weekly, monthly, quarterly etc)
- While the frequency is up to you, **monthly SIPs** are the **most popular** as they can be **aligned with your salary cycle**.

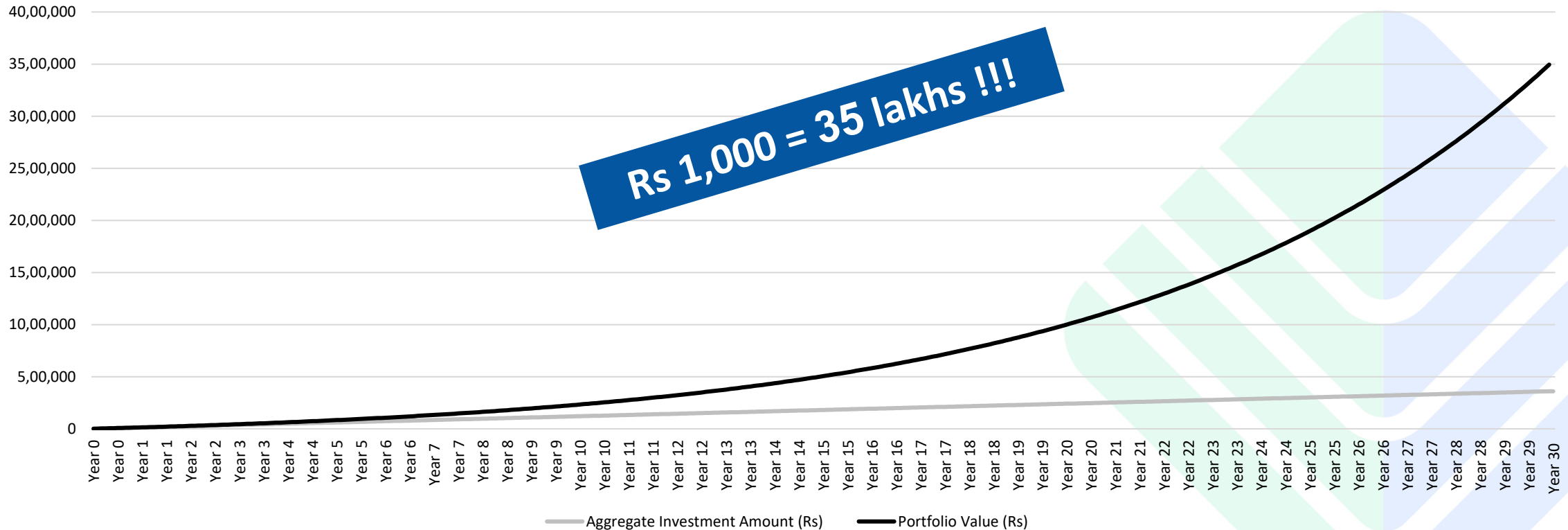
3 Advantages of an Equity SIP

Advantage 1: Equity SIPs Help You Build Large Sums of Money with Smaller Amounts using the Power of Compounding

- SIPs help **grow wealth** with the **power of compounding**
i.e you make **returns not just on the invested amount**, but **also on the gains earned** as the **gains get reinvested back into the fund**.
- By **investing regularly** through an SIP, you are allowing **smaller investments** to **build gradually over time** into a **large sum**.
- **Longer your money stays invested, Larger the multiplier effect of Compounding!!**

Even a small amount of Rs. 1,000 saved every month can lead to significant gains over time

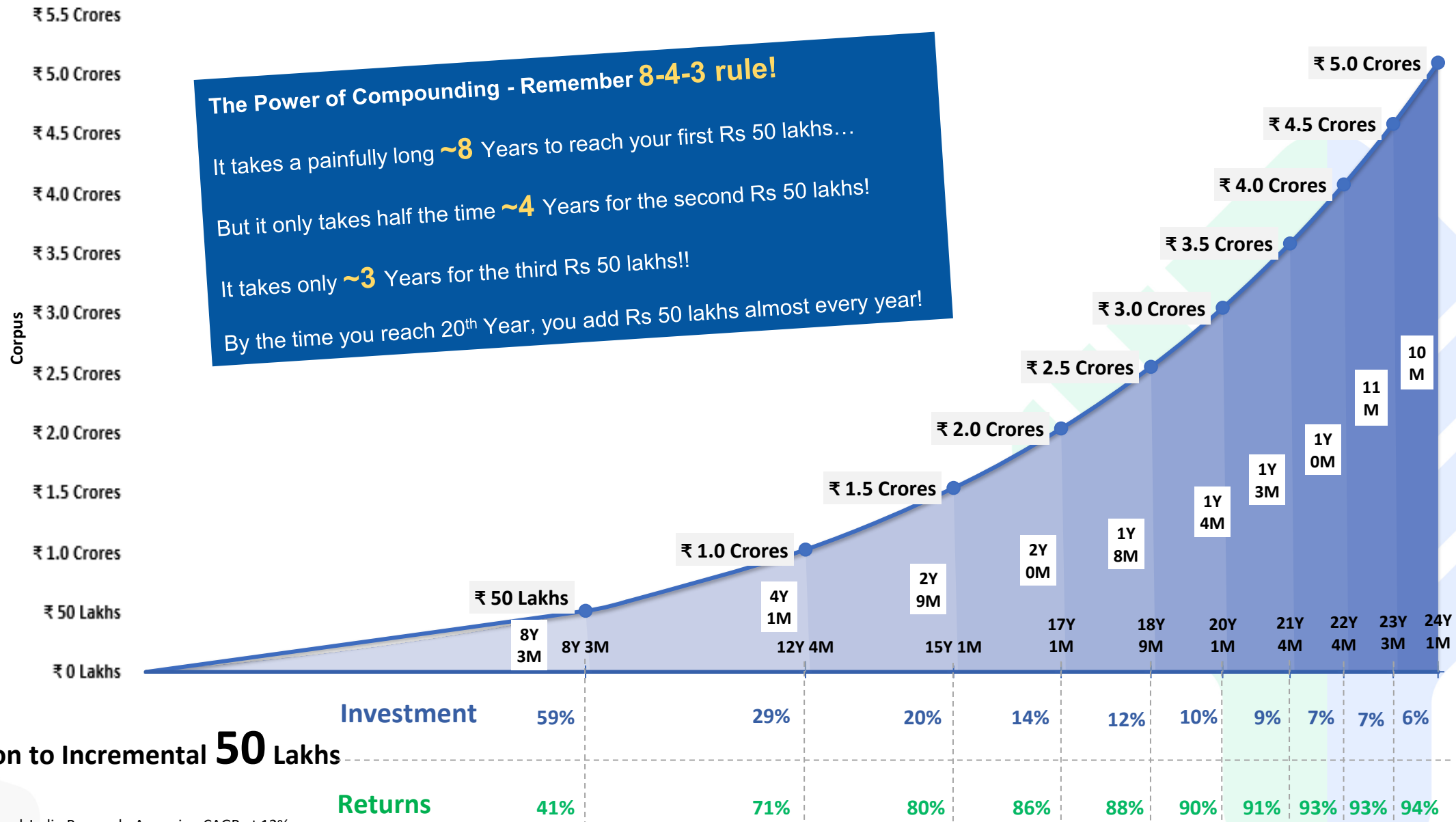
Portfolio Journey - Rs. 1000 every month for 30 years
assuming CAGR of 12%



By investing **Rs. 1,000 per month in Equity SIP over 30 years at 12% per annum**, you would have invested only **Rs. 3.6 lakhs**, but your **portfolio value** would be a whopping **Rs. 34.9 lakhs!!**

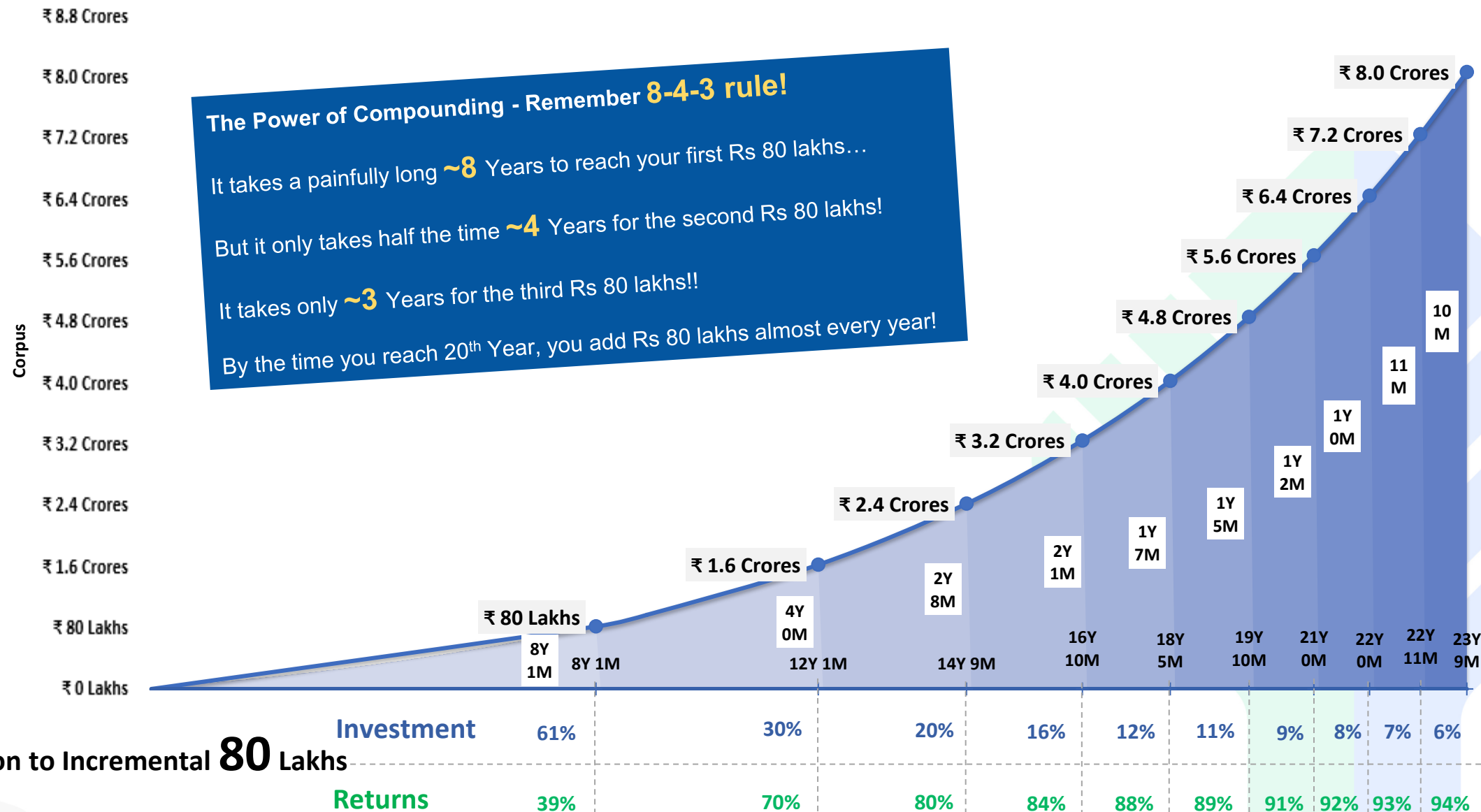
Power of Compounding – Journey of Rs. 30,000 Equity SIP

Portfolio Value when investing Rs. 30,000 every month @ 12% per annum returns



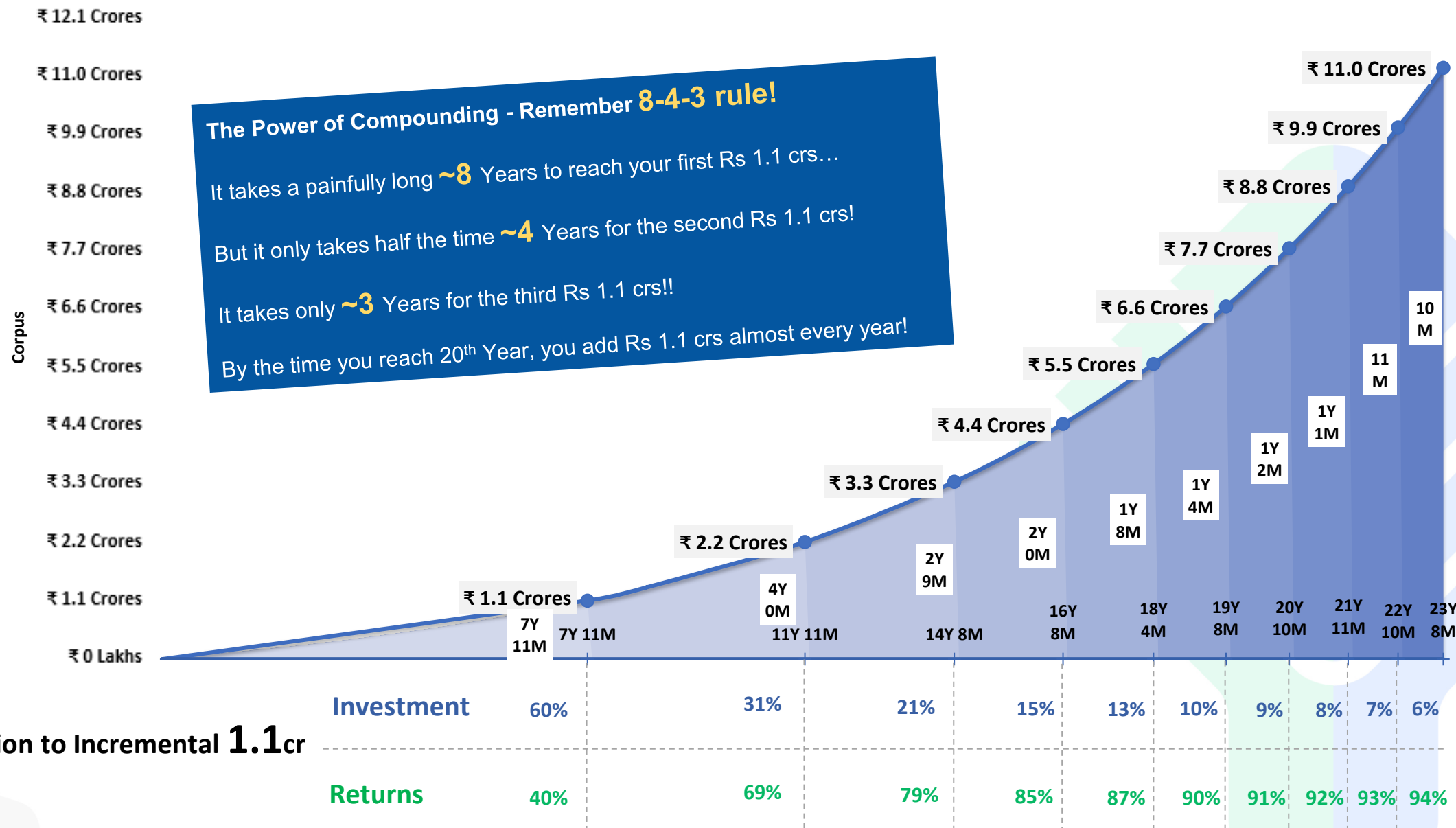
Power of Compounding – Journey of Rs. 50,000 Equity SIP

Portfolio Value when investing Rs. 50,000 every month @ 12% per annum returns



Power of Compounding – Journey of Rs. 70,000 Equity SIP

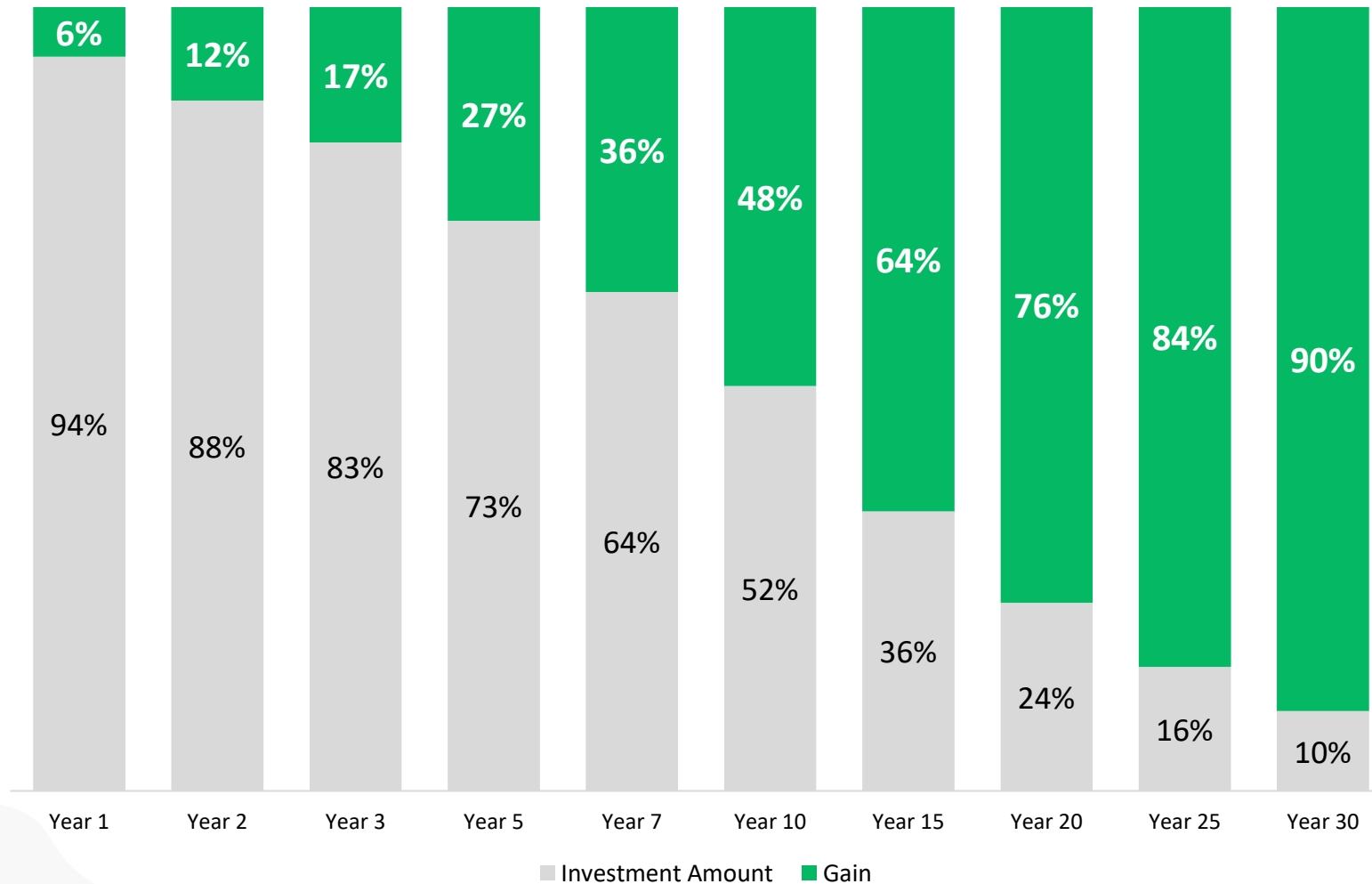
Portfolio Value when investing Rs. 70,000 every month @ 12% per annum returns



Impact of compounding is negligible in the beginning but becomes significant over time

Investment Amount and Gain as a percentage of SIP Portfolio

(Assuming XIRR of 12%)



5 yr gains: **27%** of the portfolio

7 yr gains: **36%** of the portfolio

10 yr gains: **48%** of the portfolio

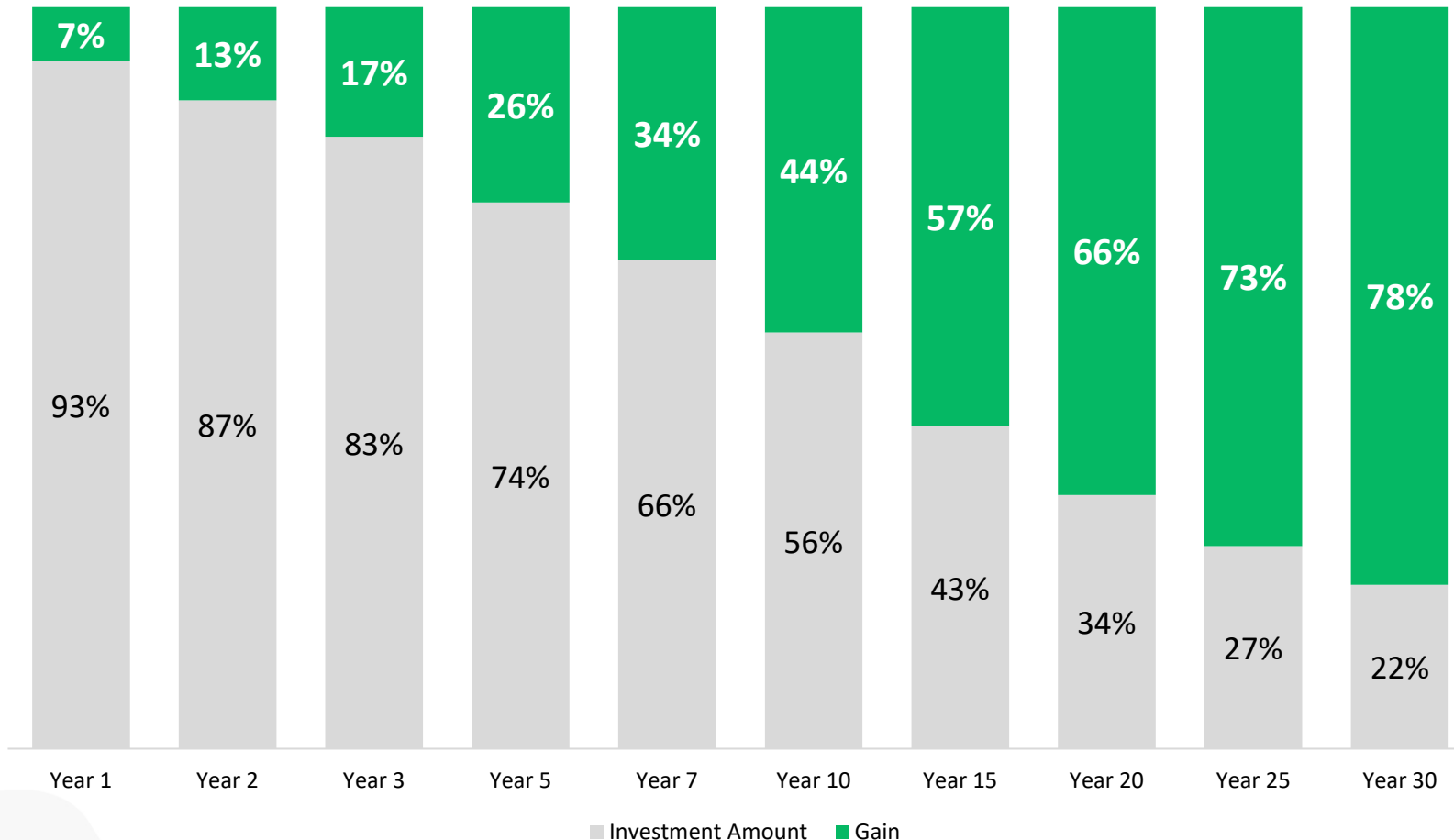
20 yr gains: **76%** of the portfolio

30 yr gains: **90%** of the portfolio

Impact of compounding is negligible in the beginning but becomes significant over time

Investment Amount and Gain as a percentage of SIP Portfolio

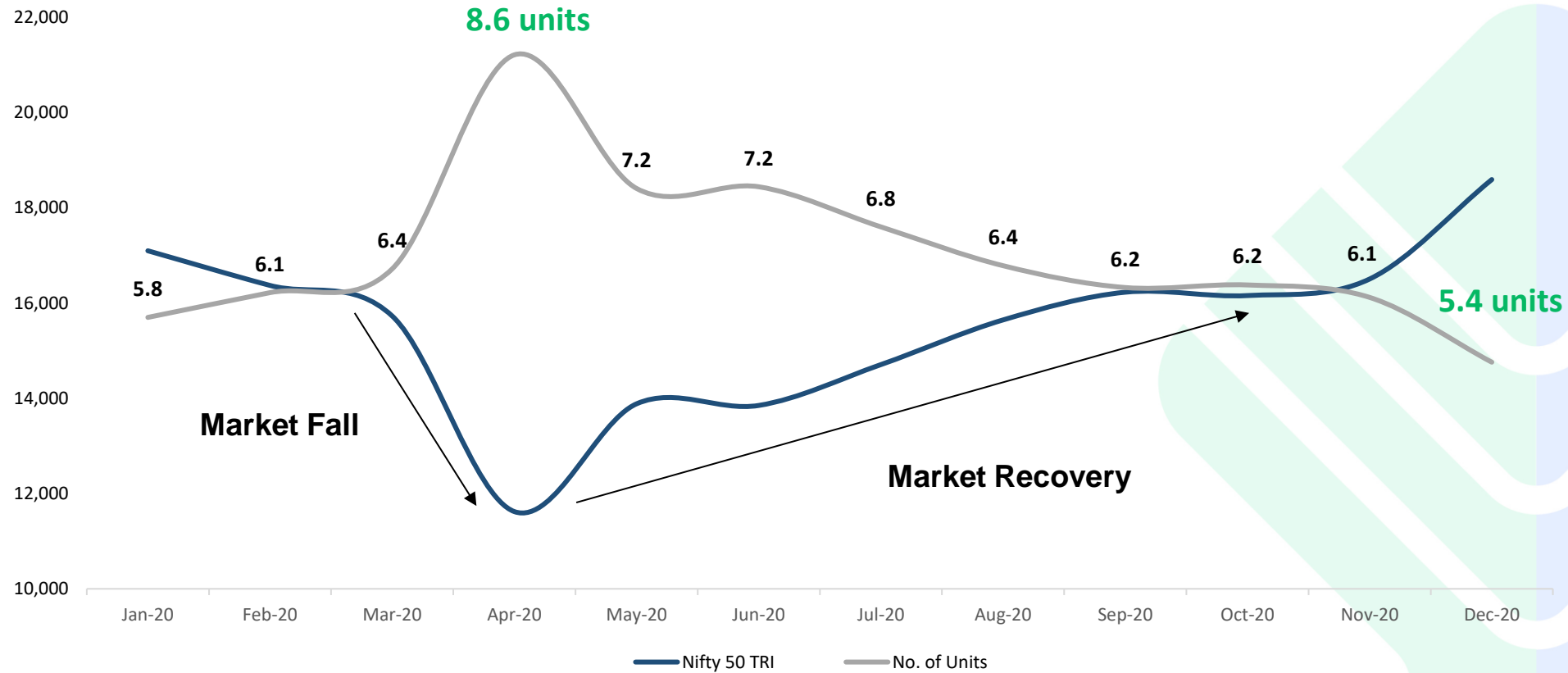
(Assuming SIP with 10% Annual Increase at 12% XIRR)



5 yr gains: **26%** of the portfolio
7 yr gains: **34%** of the portfolio
10 yr gains: **44%** of the portfolio
20 yr gains: **66%** of the portfolio
30 yr gains: **78%** of the portfolio

Advantage 2: Benefits from Volatility - Accumulates more units during a market fall which participates in the subsequent recovery

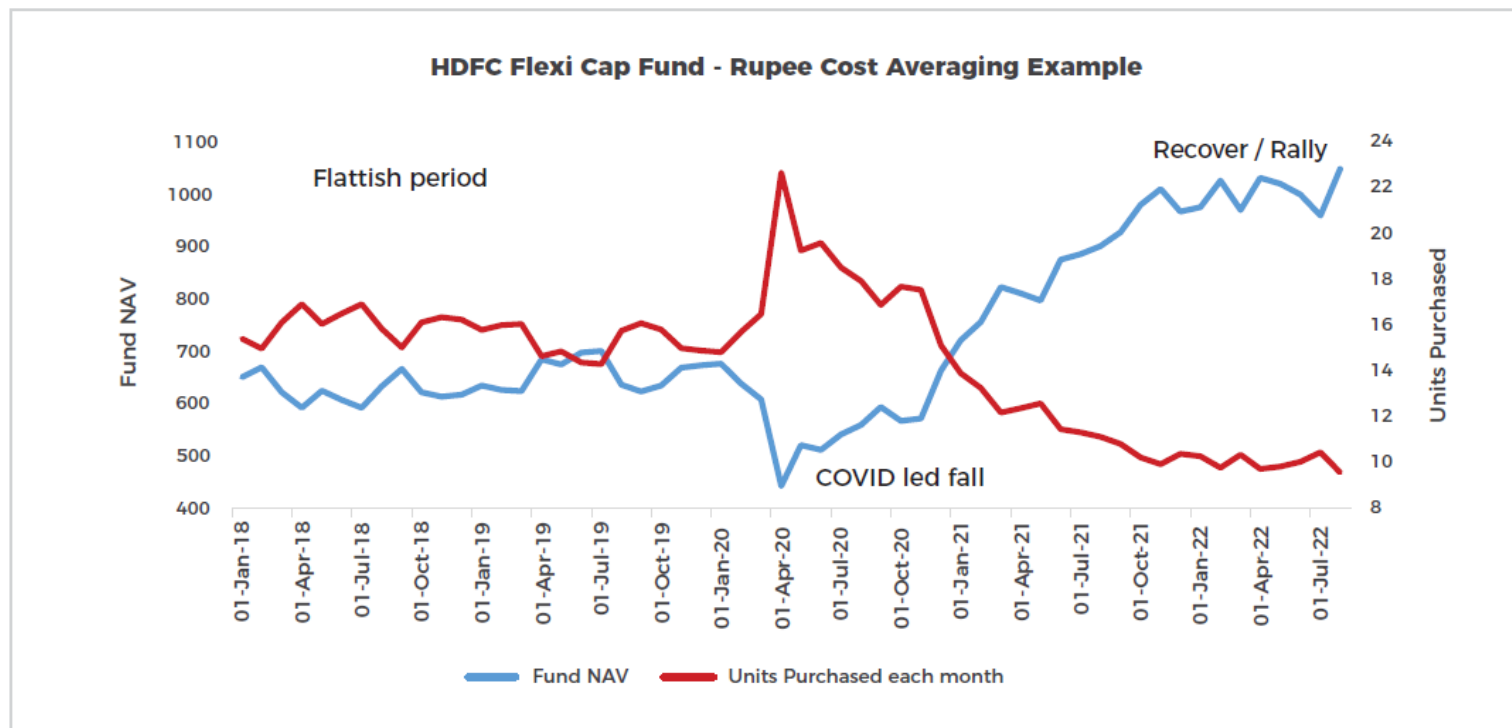
SIP helps you accumulate more units during a fall



The above chart shows number of Nifty 50 TRI units bought for a Rs 1 Lakh SIP

Here is a real life example of how this works...

An example of a 36 month* SIP done in HDFC Flexi Cap Fund through COVID crisis



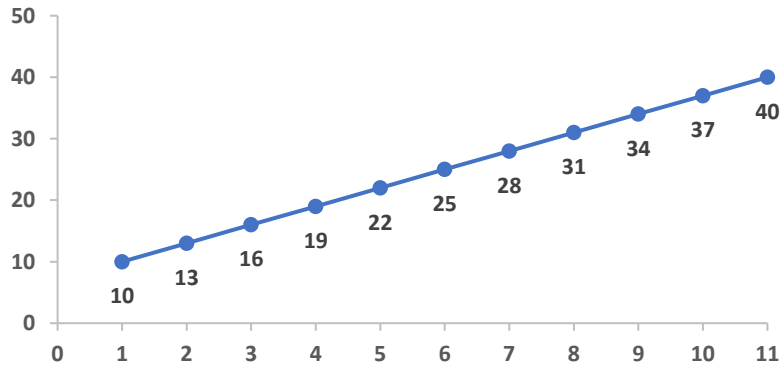
- ▶ Monthly* Installment of ₹ 10,000
(*SIP Date-1st business day of every month)
- ▶ No. of units bought in Apr 2020 - **23**

- ▶ No. of units bought in May 2021 - **12**
- ▶ Rupee Cost Averaging at its best

Higher the temporary declines better the long term returns!

1. Stable NAV growth

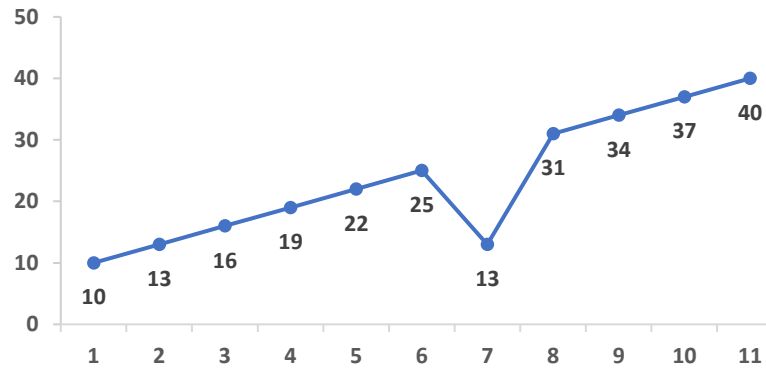
NAV Growth Scenario I



SIP Returns: 12% XIRR

2. Large Fall NAV Growth

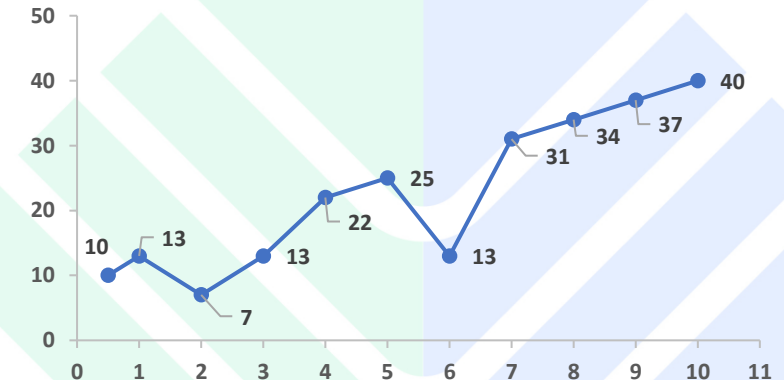
NAV Growth Scenario II



SIP Returns: 14% XIRR

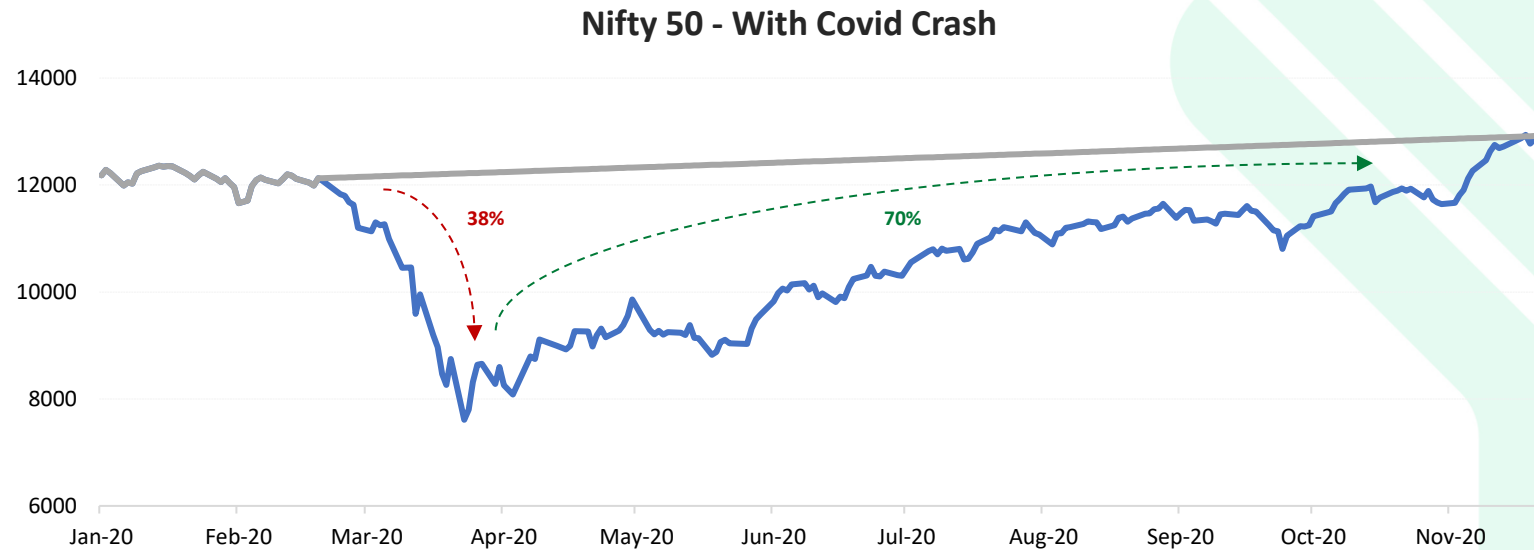
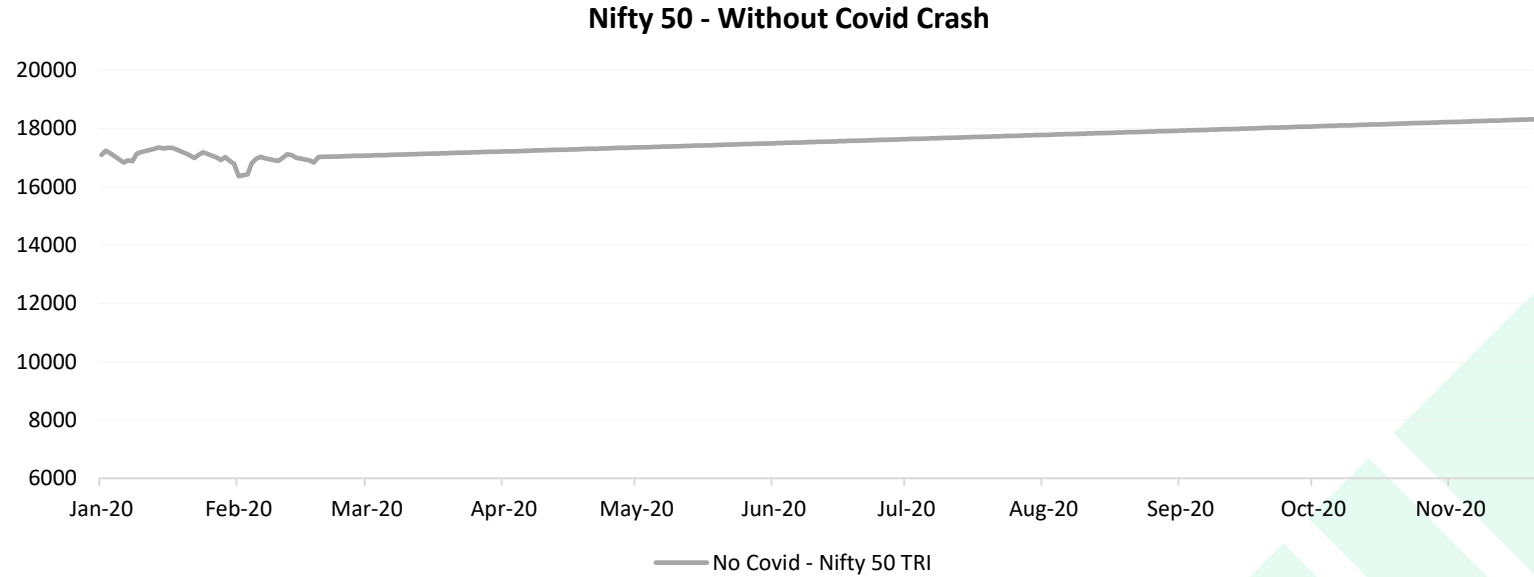
3. Volatile NAV growth

NAV Growth Scenario III



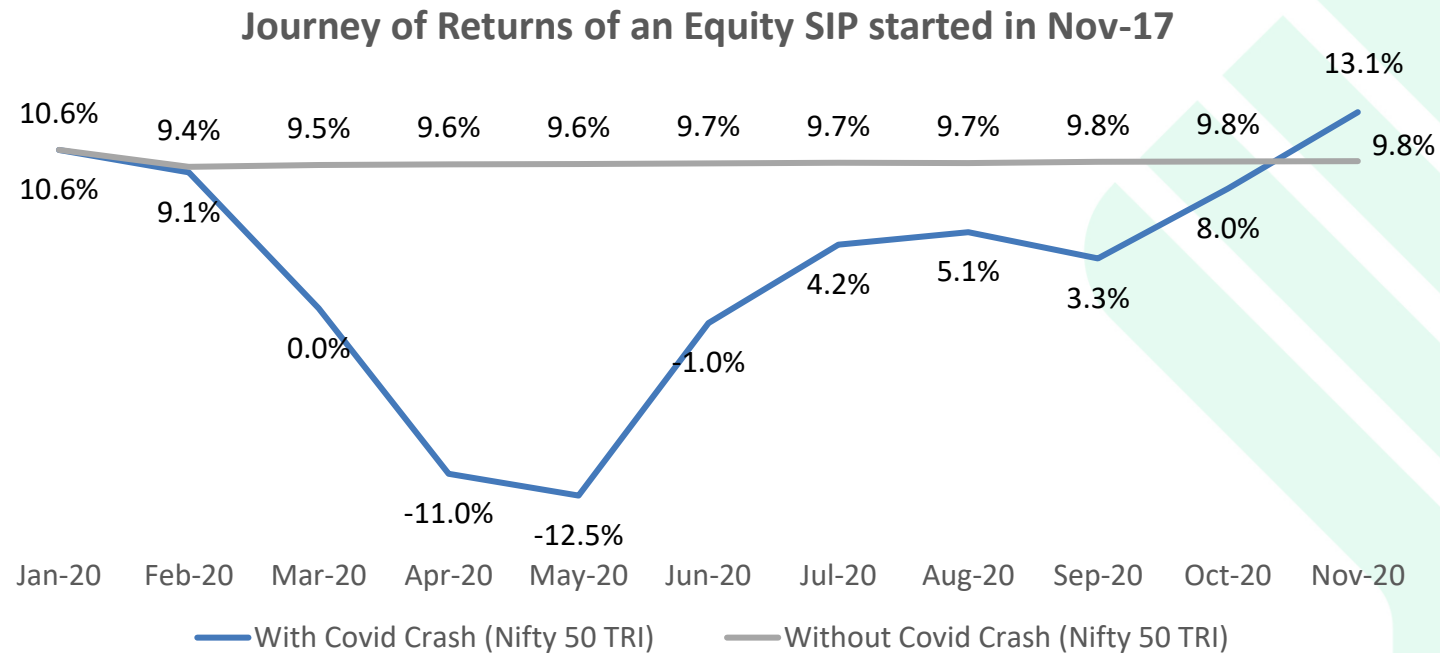
SIP Returns: 17% XIRR

A simple thought experiment

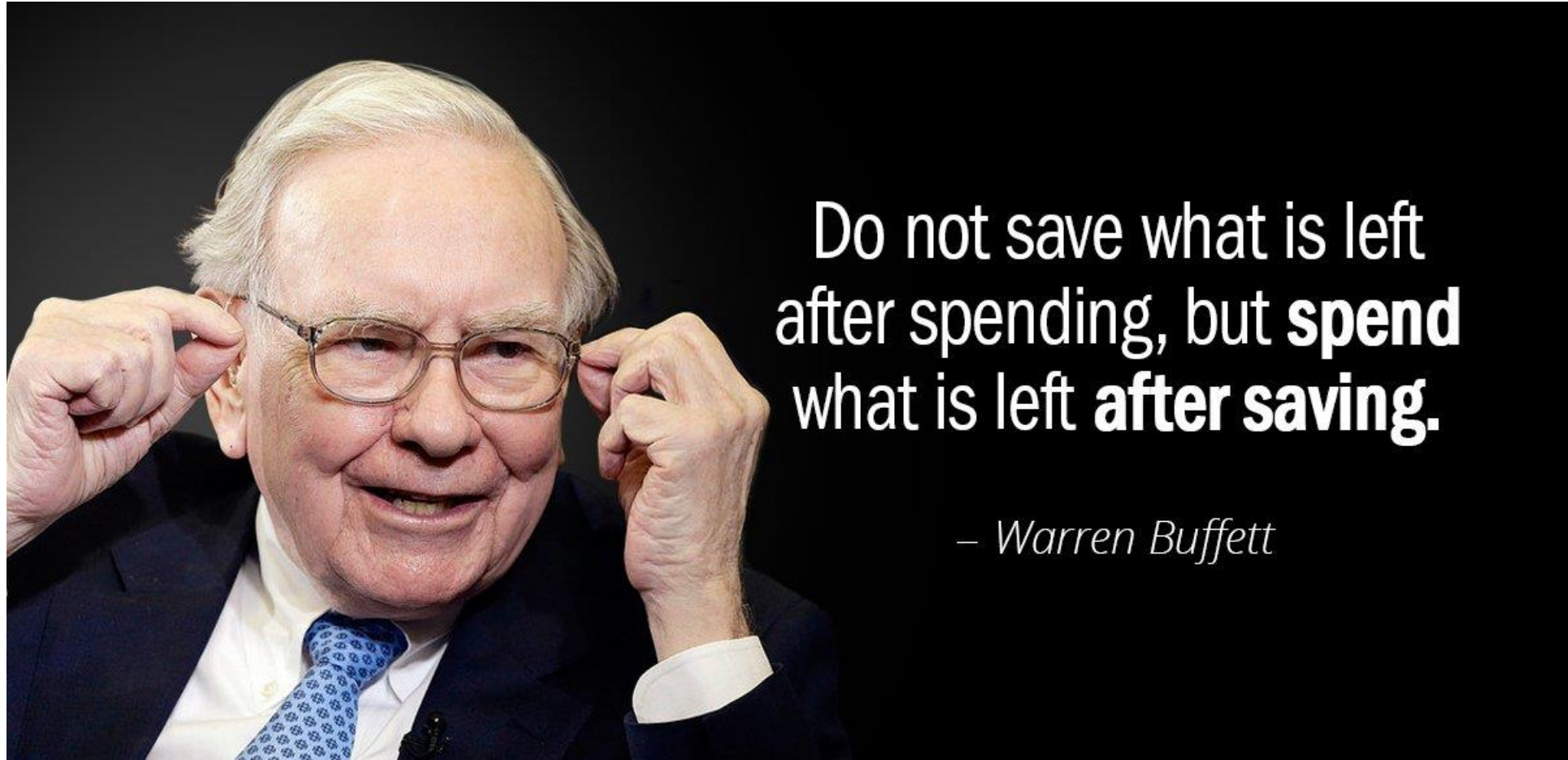


SIP investors better off WITH Covid Fall!

| Index | Annualized Returns (%) of 3-yr SIP as on 23-Nov-20 | | |
|--------------|--|---------------------|----------------|
| | With Covid Crash | Without Covid Crash | Outperformance |
| Nifty 50 TRI | 13.1% | 9.8% | 3.3% |



Advantage 3: Inculcates Savings Discipline



How has Equity SIP Performed in the past?

SIP Performance – Annualized Returns

| Period | 1 Y | 2 Y | 3 Y | 5 Y | 7 Y | 10 Y |
|--------------|-------|-------|-------|-------|-------|-------|
| Nifty 50 TRI | 10.0% | 17.6% | 16.5% | 17.9% | 16.3% | 15.0% |

Value of Rs 10,000 Monthly SIP (in Rs lakhs)

| Period | 1 Y | 2 Y | 3 Y | 5 Y | 7 Y | 10 Y |
|-----------------|------|------|------|------|-------|-------|
| Nifty 50 TRI | 1.26 | 2.86 | 4.60 | 9.39 | 15.05 | 26.35 |
| Invested Amount | 1.2 | 2.4 | 3.6 | 6.0 | 8.4 | 12.0 |

Year wise SIP Returns of Nifty 50 TRI

Year wise SIP Returns of Nifty 50 TRI (2000 to 2023)

| Average | 17% | 16% | 16% | 17% | 16% | 16% | 15% | 15% | 14% | 14% | 14% | 13% | 13% | 13% | 14% | 13% | 14% | 14% | 14% | 14% | 14% | 15% | 15% | 14% |
|---------|------|------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Max | 141% | 67% | 54% | 49% | 48% | 44% | 40% | 35% | 25% | 24% | 22% | 18% | 18% | 18% | 18% | 16% | 16% | 16% | 15% | 16% | 16% | 15% | 15% | 15% |
| Min | -65% | -40% | -22% | -8% | -4% | -2% | 0% | 2% | 3% | 4% | 5% | 6% | 6% | 6% | 7% | 8% | 9% | 10% | 11% | 11% | 13% | 14% | 14% | 14% |
| Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| Jan-00 | -18% | -14% | -2% | 28% | 23% | 27% | 30% | 35% | 14% | 22% | 21% | 15% | 16% | 15% | 17% | 15% | 14% | 15% | 14% | 14% | 14% | 15% | 15% | 15% |
| Jan-01 | -9% | 4% | 42% | 30% | 33% | 35% | 40% | 15% | 23% | 23% | 15% | 17% | 16% | 17% | 15% | 14% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% |
| Jan-02 | 13% | 67% | 39% | 39% | 40% | 44% | 15% | 24% | 23% | 15% | 17% | 16% | 17% | 15% | 14% | 15% | 14% | 14% | 14% | 15% | 15% | 15% | 15% | 15% |
| Jan-03 | 141% | 47% | 44% | 43% | 47% | 12% | 23% | 23% | 13% | 15% | 14% | 17% | 14% | 13% | 14% | 14% | 14% | 14% | 15% | 14% | 14% | 14% | 14% | 14% |
| Jan-04 | 41% | 43% | 42% | 48% | 5% | 21% | 20% | 10% | 13% | 12% | 15% | 13% | 11% | 13% | 13% | 13% | 13% | 14% | 13% | 14% | 13% | 14% | 13% | 14% |
| Jan-05 | 58% | 46% | 53% | -2% | 19% | 19% | 7% | 12% | 11% | 14% | 11% | 10% | 13% | 12% | 12% | 12% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% |
| Jan-06 | 42% | 57% | -15% | 16% | 17% | 4% | 10% | 9% | 13% | 10% | 9% | 12% | 11% | 11% | 12% | 13% | 12% | 13% | 12% | 13% | 12% | 13% | 12% | 13% |
| Jan-07 | 81% | -29% | 17% | 18% | 2% | 9% | 9% | 13% | 10% | 9% | 12% | 11% | 11% | 12% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% | 13% |
| Jan-08 | -47% | 28% | 24% | 1% | 10% | 10% | 15% | 11% | 10% | 13% | 12% | 12% | 12% | 14% | 13% | 14% | 14% | 14% | 14% | 14% | 14% | 14% | 14% | 14% |
| Jan-09 | 74% | 35% | -1% | 11% | 10% | 16% | 11% | 10% | 13% | 12% | 12% | 13% | 14% | 13% | 14% | 14% | 14% | 14% | 14% | 14% | 14% | 14% | 14% | 14% |
| Jan-10 | 28% | -13% | 8% | 8% | 16% | 10% | 9% | 13% | 12% | 12% | 13% | 15% | 13% | 14% | 14% | 14% | 14% | 14% | 14% | 14% | 14% | 14% | 14% | 14% |
| Jan-11 | -25% | 12% | 10% | 19% | 11% | 9% | 13% | 12% | 12% | 13% | 15% | 13% | 14% | 14% | 14% | 14% | 14% | 14% | 14% | 14% | 14% | 14% | 14% | 14% |
| Jan-12 | 26% | 14% | 23% | 12% | 9% | 14% | 12% | 12% | 13% | 15% | 14% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% |
| Jan-13 | 15% | 27% | 10% | 7% | 14% | 12% | 12% | 13% | 15% | 14% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% |
| Jan-14 | 31% | 4% | 4% | 13% | 11% | 11% | 13% | 15% | 14% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% |
| Jan-15 | -7% | 1% | 14% | 11% | 12% | 14% | 16% | 14% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% | 15% |
| Jan-16 | 3% | 20% | 12% | 13% | 15% | 18% | 15% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% | 16% |
| Jan-17 | 21% | 9% | 11% | 15% | 18% | 15% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% |
| Jan-18 | 4% | 11% | 18% | 20% | 16% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% |
| Jan-19 | 14% | 25% | 25% | 17% | 19% | 19% | 19% | 19% | 19% | 19% | 19% | 19% | 19% | 19% | 19% | 19% | 19% | 19% | 19% | 19% | 19% | 19% | 19% | 19% |
| Jan-20 | 59% | 33% | 19% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% |
| Jan-21 | 22% | 11% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% | 17% |
| Jan-22 | 10% | 21% | 21% | 21% | 21% | 21% | 21% | 21% | 21% | 21% | 21% | 21% | 21% | 21% | 21% | 21% | 21% | 21% | 21% | 21% | 21% | 21% | 21% | 21% |
| Jan-23 | 33% | 33% | 33% | 33% | 33% | 33% | 33% | 33% | 33% | 33% | 33% | 33% | 33% | 33% | 33% | 33% | 33% | 33% | 33% | 33% | 33% | 33% | 33% | 33% |

Returns >=10%
7 to <10%
0 to <7%
Less than 0%

How to read the table: Column 1 indicates the starting date of SIP. The Row named 'Year' indicates the time frame on investment – 1Y, 2Y, 3Y etc. For e.g. If you invested on Jan-13, then your 1 year annualized return in 15%, 5 Year annualized return is 14% etc.

Source: ACE MF, FundsIndia Research.

Year wise SIP Returns of Flexicap Fund - HDFC Flexicap Fund (1995 to 2023)

| Average | 27% | 25% | 24% | 24% | 23% | 22% | 22% | 22% | 22% | 22% | 21% | 21% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 20% | 21% | 21% | 21% | 21% | |
|---------|------|------|------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Max | 177% | 127% | 92% | 69% | 60% | 54% | 51% | 46% | 43% | 43% | 42% | 40% | 37% | 34% | 33% | 30% | 27% | 27% | 27% | 26% | 24% | 24% | 23% | 22% | 22% | 21% | 21% | 21% | 21% |
| Min | -63% | -40% | -23% | -13% | -8% | -5% | -1% | 1% | 2% | 3% | 4% | 6% | 6% | 7% | 8% | 10% | 11% | 13% | 15% | 15% | 16% | 17% | 18% | 18% | 18% | 20% | 20% | 20% | 21% |
| Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| Jan-95 | -27% | -24% | -2% | 13% | 46% | 25% | 18% | 20% | 33% | 32% | 36% | 36% | 37% | 25% | 31% | 30% | 25% | 26% | 24% | 26% | 24% | 23% | 23% | 22% | 21% | 20% | 21% | 21% | 21% |
| Jan-96 | -25% | 5% | 22% | 61% | 31% | 21% | 22% | 37% | 35% | 39% | 38% | 40% | 26% | 32% | 32% | 26% | 27% | 25% | 26% | 24% | 23% | 24% | 22% | 21% | 21% | 21% | 21% | 21% | |
| Jan-97 | 14% | 32% | 82% | 34% | 22% | 23% | 40% | 38% | 41% | 40% | 42% | 27% | 33% | 33% | 26% | 27% | 25% | 27% | 24% | 23% | 24% | 22% | 21% | 20% | 21% | 21% | 21% | | |
| Jan-98 | 46% | 115% | 33% | 18% | 20% | 42% | 38% | 42% | 41% | 43% | 26% | 33% | 33% | 25% | 26% | 24% | 26% | 24% | 22% | 23% | 22% | 21% | 20% | 21% | 20% | 21% | | | |
| Jan-99 | 163% | 13% | 6% | 13% | 42% | 38% | 43% | 41% | 43% | 24% | 32% | 32% | 24% | 25% | 23% | 25% | 23% | 21% | 22% | 21% | 20% | 19% | 20% | 20% | 20% | | | | |
| Jan-00 | -22% | -4% | 10% | 48% | 41% | 46% | 44% | 46% | 24% | 33% | 32% | 24% | 25% | 22% | 25% | 22% | 21% | 22% | 20% | 19% | 18% | 19% | 19% | 20% | | | | | |
| Jan-01 | 11% | 20% | 68% | 52% | 55% | 50% | 51% | 25% | 35% | 34% | 24% | 25% | 23% | 26% | 22% | 21% | 22% | 20% | 19% | 18% | 19% | 19% | 20% | | | | | | |
| Jan-02 | 18% | 95% | 59% | 61% | 53% | 54% | 22% | 34% | 33% | 22% | 24% | 21% | 25% | 21% | 20% | 21% | 19% | 18% | 17% | 18% | 18% | 19% | | | | | | | |
| Jan-03 | 177% | 66% | 66% | 54% | 54% | 17% | 32% | 32% | 19% | 22% | 19% | 23% | 19% | 18% | 20% | 18% | 17% | 16% | 17% | 17% | 18% | | | | | | | | |
| Jan-04 | 51% | 63% | 49% | 52% | 8% | 28% | 28% | 15% | 18% | 16% | 20% | 17% | 16% | 18% | 16% | 15% | 14% | 16% | 16% | 16% | 17% | | | | | | | | |
| Jan-05 | 84% | 49% | 53% | -1% | 26% | 27% | 12% | 16% | 14% | 19% | 16% | 14% | 17% | 15% | 14% | 13% | 15% | 15% | 15% | 16% | | | | | | | | | |
| Jan-06 | 35% | 52% | -14% | 24% | 26% | 8% | 14% | 12% | 18% | 14% | 13% | 16% | 14% | 13% | 12% | 14% | 15% | 16% | | | | | | | | | | | |
| Jan-07 | 75% | -28% | 28% | 29% | 7% | 14% | 12% | 19% | 14% | 13% | 16% | 14% | 13% | 12% | 14% | 15% | 16% | | | | | | | | | | | | |
| Jan-08 | -43% | 48% | 38% | 7% | 16% | 12% | 21% | 15% | 14% | 17% | 14% | 13% | 12% | 15% | 15% | 16% | | | | | | | | | | | | | |
| Jan-09 | 119% | 52% | 3% | 16% | 12% | 22% | 15% | 13% | 17% | 14% | 13% | 12% | 15% | 15% | 16% | | | | | | | | | | | | | | |
| Jan-10 | 33% | -16% | 9% | 7% | 21% | 13% | 12% | 16% | 13% | 12% | 11% | 14% | 14% | 16% | | | | | | | | | | | | | | | |
| Jan-11 | -32% | 12% | 9% | 25% | 15% | 12% | 17% | 13% | 12% | 11% | 14% | 15% | 17% | | | | | | | | | | | | | | | | |
| Jan-12 | 30% | 14% | 33% | 16% | 13% | 19% | 14% | 12% | 11% | 15% | 15% | 17% | | | | | | | | | | | | | | | | | |
| Jan-13 | 21% | 43% | 16% | 12% | 19% | 13% | 11% | 11% | 15% | 15% | 17% | | | | | | | | | | | | | | | | | | |
| Jan-14 | 50% | 8% | 7% | 18% | 11% | 10% | 10% | 14% | 15% | 17% | | | | | | | | | | | | | | | | | | | |
| Jan-15 | -6% | 4% | 19% | 10% | 9% | 9% | 15% | 16% | 18% | | | | | | | | | | | | | | | | | | | | |
| Jan-16 | 11% | 27% | 11% | 9% | 10% | 16% | 17% | 19% | | | | | | | | | | | | | | | | | | | | | |
| Jan-17 | 29% | 7% | 6% | 9% | 17% | 17% | 20% | | | | | | | | | | | | | | | | | | | | | | |
| Jan-18 | 3% | 5% | 11% | 20% | 19% | 22% | | | | | | | | | | | | | | | | | | | | | | | |
| Jan-19 | 6% | 17% | 25% | 23% | 25% | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan-20 | 53% | 38% | 28% | 29% | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan-21 | 25% | 21% | 27% | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan-22 | 21% | 31% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan-23 | 44% | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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Returns >=10%

7 to <10%

0 to <7%

Less than 0%

How to read the table: Column 1 indicates the starting date of SIP. The Row named 'Year' indicates the time frame on investment – 1Y, 2Y, 3Y etc. For e.g. If you invested on Jan-13, then your 1 year annualized return in 21%, 5 Year annualized return is 19% etc.

Source: ACE MF, FundsIndia Research.

Year wise SIP Returns of Flexicap Fund - Franklin India

Flexicap Fund (1995 to 2023)

| Average | 25% | 23% | 23% | 23% | 22% | 21% | 21% | 21% | 21% | 21% | 20% | 20% | 20% | 20% | 19% | 19% | 19% | 20% | 20% | 20% | 20% | 19% | 19% | 19% | 20% | 20% | 20% | 20% | |
|--|------|------|------|------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Max | 245% | 144% | 101% | 75% | 57% | 52% | 49% | 43% | 41% | 41% | 40% | 38% | 35% | 30% | 29% | 28% | 25% | 25% | 25% | 25% | 23% | 23% | 22% | 21% | 21% | 21% | 20% | 20% | |
| Min | -57% | -34% | -22% | -14% | -10% | -6% | -2% | 1% | 3% | 4% | 5% | 6% | 6% | 7% | 8% | 9% | 11% | 13% | 14% | 14% | 15% | 16% | 17% | 17% | 17% | 18% | 19% | 20% | |
| Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 |
| Jan-95 | -26% | -18% | -4% | 12% | 53% | 26% | 18% | 18% | 30% | 29% | 32% | 33% | 35% | 24% | 28% | 27% | 23% | 24% | 22% | 24% | 23% | 22% | 22% | 21% | 20% | 20% | 20% | 20% | 20% |
| Jan-96 | -19% | 0% | 19% | 70% | 30% | 20% | 20% | 33% | 32% | 34% | 36% | 38% | 25% | 29% | 28% | 24% | 24% | 23% | 25% | 23% | 22% | 23% | 21% | 20% | 20% | 21% | 20% | 20% | |
| Jan-97 | 1% | 26% | 97% | 34% | 20% | 20% | 36% | 34% | 36% | 38% | 40% | 25% | 29% | 28% | 24% | 24% | 23% | 25% | 23% | 22% | 23% | 21% | 20% | 20% | 21% | 20% | 20% | | |
| Jan-98 | 36% | 143% | 32% | 16% | 17% | 36% | 34% | 37% | 38% | 41% | 25% | 29% | 28% | 23% | 24% | 22% | 24% | 23% | 22% | 22% | 20% | 19% | 19% | 20% | 19% | 20% | | | |
| Jan-99 | 245% | 12% | 3% | 10% | 35% | 33% | 36% | 38% | 41% | 23% | 28% | 27% | 22% | 23% | 21% | 24% | 22% | 21% | 21% | 19% | 18% | 18% | 19% | 18% | 19% | | | | |
| Jan-00 | -27% | -9% | 5% | 40% | 36% | 39% | 41% | 43% | 23% | 28% | 27% | 21% | 22% | 20% | 23% | 22% | 20% | 21% | 19% | 18% | 18% | 19% | 18% | 19% | | | | | |
| Jan-01 | 3% | 14% | 58% | 45% | 46% | 47% | 49% | 24% | 30% | 29% | 22% | 23% | 21% | 24% | 22% | 20% | 21% | 19% | 18% | 18% | 19% | 18% | 19% | | | | | | |
| Jan-02 | 14% | 83% | 54% | 52% | 51% | 52% | 22% | 30% | 28% | 21% | 22% | 20% | 23% | 21% | 20% | 21% | 18% | 17% | 17% | 18% | 18% | 18% | | | | | | | |
| Jan-03 | 161% | 62% | 56% | 53% | 54% | 18% | 28% | 26% | 18% | 20% | 18% | 22% | 20% | 18% | 19% | 17% | 16% | 16% | 18% | 17% | 18% | | | | | | | | |
| Jan-04 | 46% | 50% | 50% | 52% | 10% | 24% | 23% | 14% | 17% | 15% | 20% | 18% | 16% | 18% | 15% | 14% | 14% | 16% | 15% | 16% | | | | | | | | | |
| Jan-05 | 63% | 54% | 55% | 2% | 21% | 21% | 11% | 15% | 13% | 19% | 17% | 15% | 17% | 14% | 13% | 14% | 16% | 15% | 16% | | | | | | | | | | |
| Jan-06 | 51% | 58% | -10% | 18% | 18% | 7% | 13% | 11% | 18% | 16% | 14% | 16% | 14% | 13% | 13% | 15% | 14% | 14% | 16% | | | | | | | | | | |
| Jan-07 | 76% | -25% | 18% | 19% | 6% | 12% | 11% | 19% | 16% | 14% | 16% | 14% | 12% | 13% | 15% | 14% | 16% | | | | | | | | | | | | |
| Jan-08 | -40% | 31% | 25% | 6% | 14% | 12% | 21% | 17% | 15% | 17% | 14% | 13% | 13% | 16% | 15% | 16% | | | | | | | | | | | | | |
| Jan-09 | 79% | 35% | 4% | 15% | 12% | 23% | 18% | 15% | 18% | 14% | 13% | 13% | 16% | 15% | 16% | | | | | | | | | | | | | | |
| Jan-10 | 22% | -9% | 11% | 9% | 23% | 18% | 15% | 17% | 13% | 12% | 13% | 16% | 14% | 16% | | | | | | | | | | | | | | | |
| Jan-11 | -20% | 15% | 11% | 28% | 20% | 15% | 18% | 14% | 12% | 13% | 16% | 15% | 17% | | | | | | | | | | | | | | | | |
| Jan-12 | 30% | 14% | 35% | 22% | 16% | 19% | 14% | 11% | 13% | 16% | 15% | 17% | | | | | | | | | | | | | | | | | |
| Jan-13 | 18% | 46% | 22% | 15% | 19% | 13% | 10% | 12% | 16% | 15% | 17% | | | | | | | | | | | | | | | | | | |
| Jan-14 | 62% | 17% | 10% | 17% | 10% | 8% | 11% | 16% | 14% | 17% | | | | | | | | | | | | | | | | | | | |
| Jan-15 | -1% | 2% | 16% | 7% | 6% | 10% | 16% | 14% | 17% | | | | | | | | | | | | | | | | | | | | |
| Jan-16 | 2% | 20% | 7% | 5% | 10% | 18% | 15% | 18% | | | | | | | | | | | | | | | | | | | | | |
| Jan-17 | 23% | 3% | 3% | 11% | 19% | 15% | 19% | | | | | | | | | | | | | | | | | | | | | | |
| Jan-18 | -3% | 2% | 14% | 23% | 17% | 21% | | | | | | | | | | | | | | | | | | | | | | | |
| Jan-19 | 5% | 23% | 30% | 20% | 24% | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan-20 | 59% | 43% | 23% | 27% | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan-21 | 31% | 13% | 23% | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan-22 | 11% | 29% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan-23 | 47% | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <div>Returns >=10%</div> <div>7 to <10%</div> <div>0 to <7%</div> <div>Less than 0%</div> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Returns >=10%
7 to <10%
0 to <7%
Less than 0%

How to read the table: Column 1 indicates the starting date of SIP. The Row named 'Year' indicates the time frame on investment – 1Y, 2Y, 3Y etc. For e.g. If you invested on Jan-13, then your 1 year annualized return is 18%, 5 Year annualized return is 19% etc.

Source: ACE MF, FundsIndia Research.

Year wise SIP Returns of Midcap Fund - Franklin India Prima Fund (1994 to 2022)

| Average | 27% | 23% | 22% | 23% | 23% | 23% | 23% | 23% | 23% | 23% | 23% | 22% | 22% | 21% | 21% | 21% | 21% | 21% | 21% | 22% | 22% | 22% | 21% | 21% | 21% | 21% | 21% | 20% | 20% | 20% |
|---------|------|------|------|------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Max | 258% | 138% | 94% | 78% | 70% | 61% | 55% | 50% | 47% | 45% | 43% | 40% | 37% | 34% | 29% | 27% | 27% | 27% | 26% | 25% | 25% | 25% | 24% | 23% | 22% | 22% | 22% | 21% | 21% | 21% |
| Min | -71% | -51% | -36% | -24% | -12% | -4% | 0% | 5% | 7% | 8% | 9% | 10% | 10% | 10% | 10% | 11% | 13% | 15% | 15% | 16% | 18% | 18% | 19% | 19% | 19% | 18% | 20% | 20% | 20% | 20% |
| Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| Jan-94 | 61% | -15% | -18% | -17% | -1% | 34% | 10% | 8% | 14% | 31% | 31% | 34% | 33% | 34% | 20% | 26% | 25% | 21% | 22% | 21% | 24% | 23% | 22% | 23% | 21% | 20% | 20% | 21% | 20% | 21% |
| Jan-95 | -33% | -23% | -19% | 1% | 43% | 12% | 10% | 16% | 34% | 35% | 37% | 36% | 37% | 21% | 27% | 26% | 22% | 23% | 22% | 25% | 24% | 23% | 24% | 22% | 21% | 21% | 21% | 20% | 21% | |
| Jan-96 | -18% | -17% | 8% | 60% | 16% | 12% | 19% | 40% | 39% | 41% | 39% | 40% | 23% | 29% | 28% | 23% | 24% | 23% | 26% | 25% | 24% | 25% | 22% | 21% | 21% | 22% | 21% | 21% | | |
| Jan-97 | -16% | 17% | 88% | 20% | 14% | 21% | 45% | 43% | 45% | 42% | 43% | 23% | 30% | 29% | 23% | 25% | 24% | 27% | 25% | 24% | 25% | 23% | 22% | 22% | 22% | 21% | 22% | | | |
| Jan-98 | 34% | 138% | 18% | 11% | 21% | 50% | 47% | 49% | 45% | 45% | 23% | 30% | 29% | 23% | 25% | 23% | 27% | 25% | 24% | 25% | 23% | 21% | 21% | 22% | 21% | 21% | | | | |
| Jan-99 | 247% | -2% | 2% | 17% | 53% | 49% | 51% | 46% | 46% | 21% | 30% | 29% | 22% | 24% | 22% | 26% | 25% | 23% | 24% | 22% | 21% | 21% | 21% | 20% | 21% | | | | | |
| Jan-00 | -34% | -5% | 18% | 65% | 56% | 57% | 50% | 50% | 21% | 30% | 29% | 21% | 24% | 22% | 26% | 25% | 23% | 24% | 22% | 20% | 20% | 21% | 20% | 21% | | | | | | |
| Jan-01 | 18% | 33% | 94% | 72% | 68% | 57% | 55% | 21% | 32% | 30% | 21% | 24% | 22% | 27% | 25% | 23% | 24% | 22% | 20% | 20% | 21% | 20% | 21% | | | | | | | |
| Jan-02 | 25% | 128% | 81% | 73% | 57% | 56% | 16% | 29% | 27% | 18% | 22% | 20% | 25% | 23% | 22% | 23% | 20% | 19% | 19% | 20% | 18% | 19% | | | | | | | | |
| Jan-03 | 258% | 94% | 77% | 55% | 54% | 8% | 25% | 24% | 14% | 19% | 17% | 23% | 21% | 20% | 21% | 19% | 17% | 17% | 18% | 17% | 18% | | | | | | | | | |
| Jan-04 | 81% | 67% | 44% | 47% | -5% | 18% | 19% | 9% | 15% | 14% | 21% | 19% | 18% | 20% | 17% | 15% | 16% | 17% | 16% | 17% | | | | | | | | | | |
| Jan-05 | 68% | 37% | 46% | -17% | 15% | 16% | 6% | 13% | 12% | 20% | 19% | 17% | 19% | 16% | 15% | 15% | 16% | 15% | 17% | | | | | | | | | | | |
| Jan-06 | 34% | 52% | -28% | 15% | 17% | 4% | 13% | 12% | 21% | 19% | 17% | 20% | 16% | 15% | 15% | 17% | 15% | 17% | | | | | | | | | | | | |
| Jan-07 | 89% | -40% | 21% | 20% | 4% | 14% | 13% | 23% | 21% | 19% | 21% | 17% | 15% | 16% | 17% | 16% | 17% | | | | | | | | | | | | | |
| Jan-08 | -54% | 44% | 31% | 6% | 18% | 15% | 27% | 23% | 20% | 23% | 18% | 16% | 16% | 18% | 16% | 18% | | | | | | | | | | | | | | |
| Jan-09 | 129% | 45% | 5% | 20% | 16% | 30% | 25% | 21% | 24% | 18% | 16% | 17% | 18% | 16% | 18% | | | | | | | | | | | | | | | |
| Jan-10 | 19% | -14% | 15% | 12% | 30% | 24% | 20% | 23% | 17% | 15% | 16% | 18% | 16% | 18% | | | | | | | | | | | | | | | | |
| Jan-11 | -23% | 23% | 16% | 37% | 27% | 22% | 25% | 18% | 15% | 16% | 18% | 16% | 18% | | | | | | | | | | | | | | | | | |
| Jan-12 | 46% | 21% | 48% | 31% | 23% | 27% | 18% | 15% | 16% | 18% | 16% | 18% | | | | | | | | | | | | | | | | | | |
| Jan-13 | 25% | 62% | 32% | 21% | 27% | 16% | 13% | 15% | 17% | 15% | 18% | | | | | | | | | | | | | | | | | | | |
| Jan-14 | 85% | 25% | 16% | 24% | 12% | 10% | 12% | 16% | 13% | 17% | | | | | | | | | | | | | | | | | | | | |
| Jan-15 | 5% | 7% | 22% | 8% | 7% | 11% | 15% | 13% | 17% | | | | | | | | | | | | | | | | | | | | | |
| Jan-16 | 6% | 27% | 7% | 6% | 11% | 16% | 13% | 17% | | | | | | | | | | | | | | | | | | | | | | |
| Jan-17 | 32% | 1% | 3% | 11% | 17% | 13% | 18% | | | | | | | | | | | | | | | | | | | | | | | |
| Jan-18 | -6% | 2% | 14% | 20% | 14% | 20% | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan-19 | 6% | 24% | 27% | 17% | 23% | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan-20 | 59% | 37% | 18% | 26% | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan-21 | 21% | 9% | 24% | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan-22 | 10% | 32% | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jan-23 | 52% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
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Returns >=10%

7 to <10%

0 to <7%

Less than 0%

How to read the table: Column 1 indicates the starting date of SIP. The Row named 'Year' indicates the time frame on investment – 1Y, 2Y, 3Y etc. For e.g. If you invested on Jan-13, then your 1 year annualized return is 25%, 5 Year annualized return is 27% etc.

Source: ACE MF, FundsIndia Research.

SIP in Equities has delivered good long term returns across Different Countries

| May 2024 | Lumpsum returns | Lumpsum Real Returns | SIP Returns | SIP Real Returns |
|-------------------|---|----------------------|-------------|------------------|
| Country | Last 30 Years (All Returns in local currency, real returns adjusted for inflation) | | | |
| China (HK Listed) | 0% | -3% | 2% | -1% |
| Brazil | 16% | 9% | 11% | 4% |
| Hong Kong | 2% | -1% | 1% | -2% |
| Philippines | 3% | -2% | 5% | 0% |
| China Mainland | 5% | 2% | 4% | 0% |
| UK | 3% | 1% | 3% | 0% |
| France | 5% | 3% | 4% | 3% |
| Malaysia | 2% | -1% | 2% | 0% |
| Mexico | 11% | 3% | 10% | 2% |
| Indonesia | 9% | 1% | 11% | 2% |
| Canada | 6% | 4% | 5% | 3% |
| Korea | 4% | 1% | 5% | 2% |
| Australia | 5% | 2% | 4% | 1% |
| India | 10% | 4% | 12% | 6% |
| Taiwan | 5% | 3% | 6% | 4% |
| USA | 8% | 6% | 8% | 5% |
| Japan | 2% | 2% | 6% | 5% |

**Have you ever wondered how an Equity SIP,
which simply buys equities every month,
ends up with decent returns in the long run?**

Buying at Bad, Good or Great Price?

Since equity markets fluctuate a lot, depending on when you buy, you may end up buying at a

1.Bad Price – meaning **low** long term returns

2.Good Price – meaning **reasonable** long term returns (in line with underlying earnings growth of companies)

3.Great Price – meaning **phenomenal** long term returns

The only catch here is that whether the buying prices are bad, good or great is only known in hindsight!

The Equity SIP starts with the humble confession:

'Hey, I am not intelligent enough to predict if the buying price is bad, good or great. But I have a smart workaround for this..'

Over long periods of time, the markets usually go through **three different pricing phases** – Bad, Good, Great prices.

But thankfully, **they are not equally distributed** (or otherwise Equity SIPs would have miserably failed)

1.Bad Price – happens a **small % of times** (~10-20% of the times*)

2.Good Price – happens the **majority of times** (~60-80% of the times*)

3.Great Price – happens a **small % of times** (~10-20% of the times*)

Please note that these are rough approximate nos based on using history as a rough guide

**But how does this actually help Equity SIP really deliver despite its simple premise –
'I will buy every month come what may!'**

Buying at Great Prices negates the impact of buying at BAD prices over long time frames – helping to average around GOOD prices

In a simple SIP, when you are buying equities each and every month for the same amount over a long period of time...

- It is inevitable that you will buy equities at **BAD prices** in some of the months during your SIP. This happens because you know what is a BAD price only in hindsight.
- It is also inevitable that you will buy equities at **GREAT prices** in some of the months during your SIP.

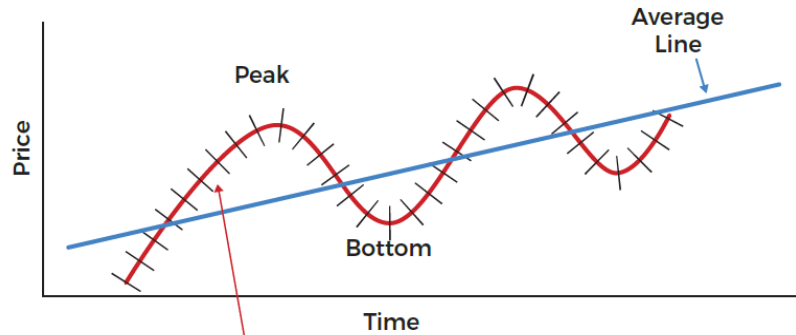
Overall,

Returns from buying equities at GREAT prices...

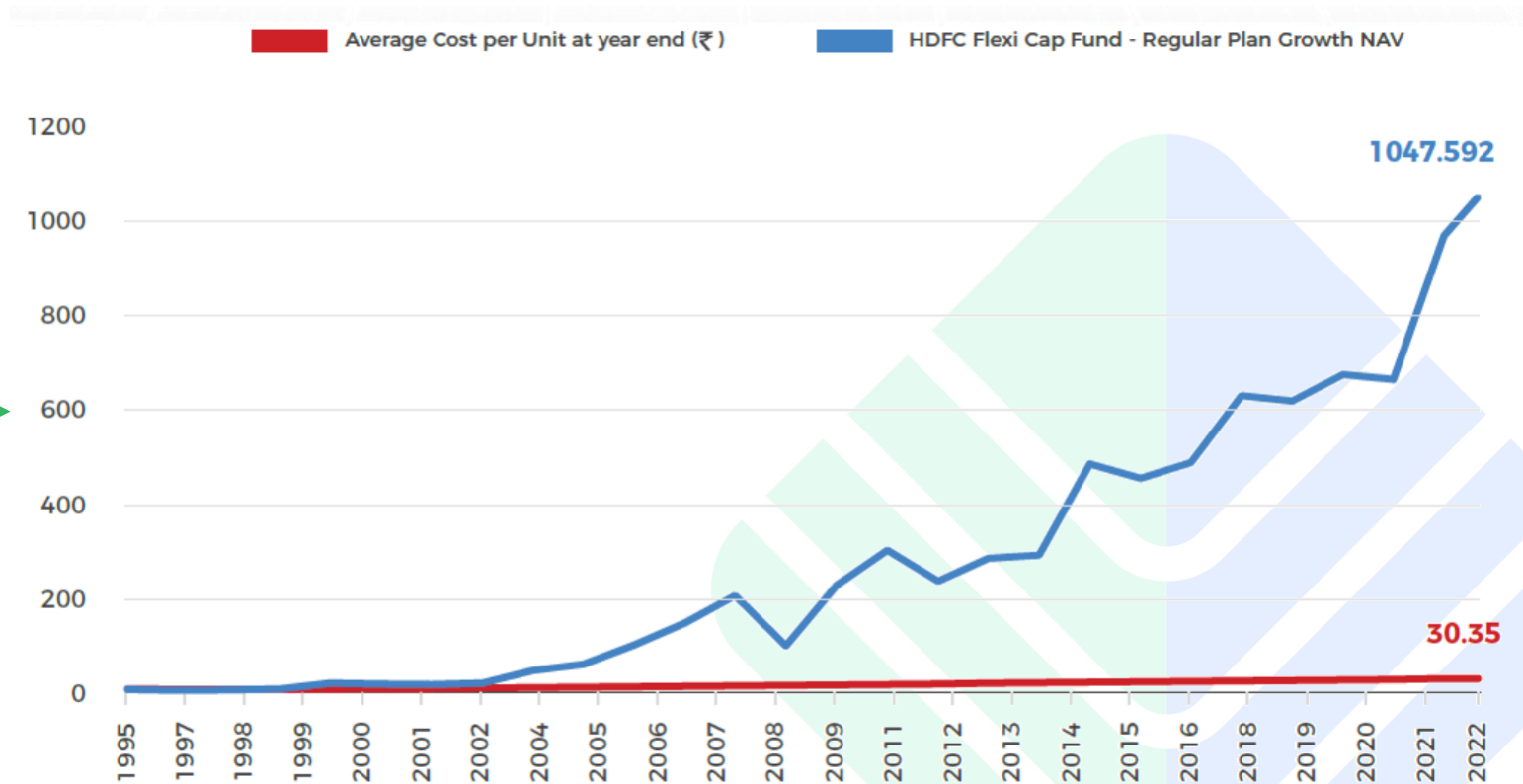
...**compensate (usually overcompensate)** for the lower returns obtained from phases where you bought at BAD prices!

Overall, if you haven't realized yet – that's exactly how you end up averaging your buying around the GOOD price and getting decent returns over the long run!

This helps you average out the entry price...



Monthly installments through market cycle

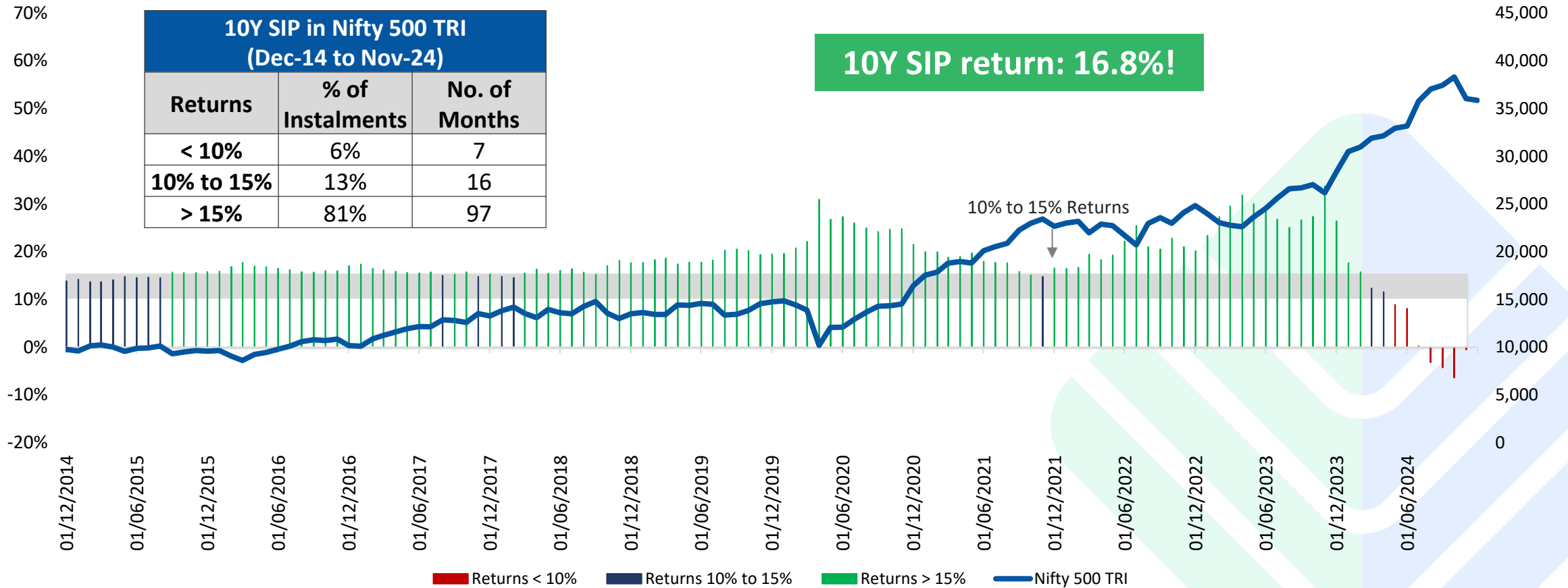


15Y SIP in Sensex = Buying at Sensex Levels of ~29,000!

| Period | Normal Average | SIP Average (Rupee Cost Average) | Difference between Normal Avg and SIP Avg |
|---------|----------------|----------------------------------|---|
| 1 Year | 77,339 | 77,110 | 0% |
| 3 Year | 66,115 | 65,011 | 2% |
| 5 Year | 57,776 | 54,273 | 6% |
| 7 Year | 51,811 | 47,780 | 8% |
| 10 Year | 44,732 | 39,441 | 12% |
| 12 Year | 40,944 | 34,674 | 15% |
| 15 Year | 36,336 | 29,157 | 20% |
| 20 Year | 30,364 | 20,844 | 31% |
| 25 Year | 25,119 | 11,199 | 55% |
| 30 Year | 21,528 | 8,212 | 62% |
| 40 Year | 16,513 | 2,477 | 85% |

How does this play out in real life? (Last 10Y)

Nifty 500 TRI Returns For Every SIP Installment In The Last 10 Years

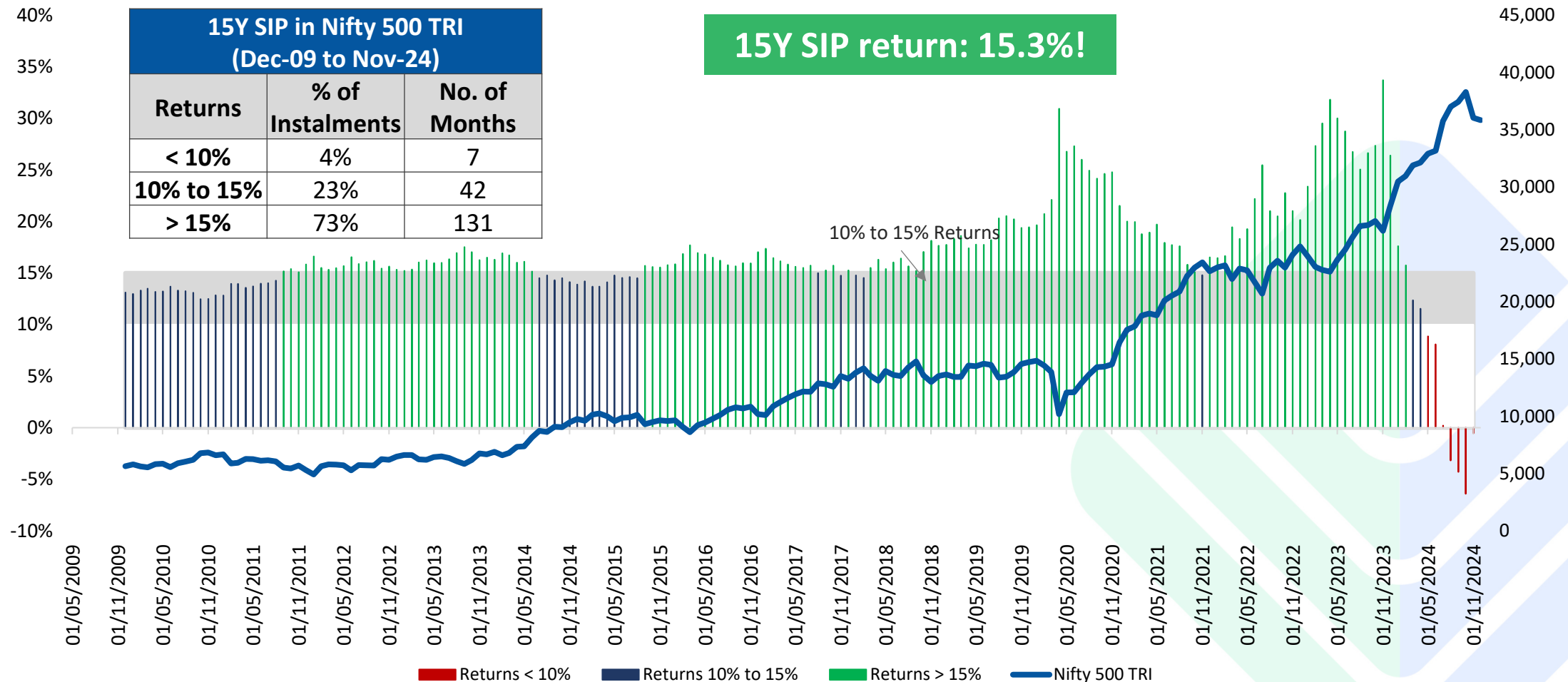


10-20% of the times (81% in this case) when you invested at GREAT prices you got 15%+ returns. This compensated for the 10-20% of the times (6% in this case) when you invested at BAD prices and made sub 10%+ returns.

Overall we ended up with returns close to what we would have expected had we bought at GOOD prices.

How does this play out in real life? (Last 15Y)

Nifty 500 TRI Returns For Every SIP Installment In The Last 15 Years



10-20% of the times (73% in this case) when you invested at GREAT prices you got 15%+ returns. This compensated for the 10-20% of the times (4% in this case) when you invested at BAD prices and made sub 10%+ returns.

Overall we ended up with returns close to what we would have expected had we bought at GOOD prices.

Stopping SIPs when markets decline, defeats the whole concept

Some of us tend to get upset during a market fall and stop our SIPs.

Now that you know how an SIP works, this becomes a double whammy. Your SIP would have certain periods where it bought equities at BAD prices (which you obviously didn't know at that point in time). So you will need some periods where you buy at GREAT prices to compensate for this.

Unfortunately, a market fall is usually when GREAT Prices happen.

If you stop your SIP during a market fall, you don't get to buy at GREAT prices. This means you don't get to compensate for the few periods where you bought at BAD prices.

Overall your SIP buying ends up looking like **60-80% good price + 10-20% bad price + 0% great price.**

As a result, you end up with a **lower return experience despite having a long time frame** – due to a seemingly **innocuous behavior lapse**.

So it is important to understand that continuing your SIP in a market fall while it may seem very counterintuitive and painfully boring advice – is essentially the key reason why an SIP works over the long run.

The idea of SIP is to provide a **good return experience over the long term** by **deliberately doing something slightly inferior** (read as buying at bad prices for a small % of the times) **to avoid the likelihood of doing something very inferior** (trying to manually time the entry 100% of the times).

This **small % of inferior buys** is **compensated over and above** by the **small % of great buys** a **SIP** carries out during market falls.

Thus the **whole success of SIP** depends on **whether you are able to continue your SIPs in a disciplined manner over the long term** without panicking and stopping them during a market fall.

How to become a successful Equity SIP Investor?

7-5-3-1 Rule

**HAVE A 7+ YEAR
INVESTMENT TIME FRAME**

1 Year is too short a time frame and definitely not suitable for Equity SIP investing...

| Nifty 50 TRI SIP Returns (from Jun-99 till Sep-24) | |
|---|-----|
| % No. of Times | 1Y |
| Returns < 0% | 23% |
| Returns >=0% but <7% | 15% |
| Returns >=7% but <10% | 3% |
| Returns >=10% | 59% |
| Returns >=12% | 55% |

Over a 1-year time frame,

23% of the times i.e 1 out of 4 times...

Equity SIP made negative returns

3 Year Time Frame is also not suitable for Equity SIP investing...

| Nifty 50 TRI SIP Returns (from Jun-99 till Sep-24) | | |
|---|-----|-----|
| % No. of Times | 1Y | 3Y |
| Returns < 0% | 23% | 9% |
| Returns >=0% but <7% | 15% | 12% |
| Returns >=7% but <10% | 3% | 9% |
| Returns >=10% | 59% | 70% |
| Returns >=12% | 55% | 60% |

Over a 3-year time frame,

9% of the times...

Equity SIP made **negative returns**

5Y time frame works reasonably well most of the time. BUT there is still a **10% chance of mediocre returns...**

| Nifty 50 TRI SIP Returns (from Jun-99 till Sep-24) | | | |
|---|-----|-----|------|
| % No. of Times | 1Y | 3Y | 5Y |
| Returns < 0% | 23% | 9% | 0.4% |
| Returns >=0% but <7% | 15% | 12% | 9% |
| Returns >=7% but <10% | 3% | 9% | 12% |
| Returns >=10% | 59% | 70% | 78% |
| Returns >=12% | 55% | 60% | 65% |

Over a 5-year time frame,

Unlike 1 and 3-year time frames, the number of **negative occurrences** has **drastically dropped**.

But, **9%** of the time the returns were mediocre i.e **less than 7%**

Choosing a time frame of at least **7 years...**

...helps to **increase the odds of reasonable returns** & **reduce the odds of negative returns!**

| Nifty 50 TRI SIP Returns (from Jun-99 till Sep-24) | | | | |
|---|-----|-----|------|-----|
| % No. of Times | 1Y | 3Y | 5Y | 7Y |
| Returns < 0% | 23% | 9% | 0.4% | 0% |
| Returns >=0% but <7% | 15% | 12% | 9% | 4% |
| Returns >=7% but <10% | 3% | 9% | 12% | 16% |
| Returns >=10% | 59% | 70% | 78% | 80% |
| Returns >=12% | 55% | 60% | 65% | 66% |

Over a 7-year time frame,

0% occurrence of **negative returns...**

Only **4%** of the times gave **mediocre <7% returns**

Equity SIPs delivers reasonable returns over 7Y+ periods

| Nifty 50 TRI SIP 5 to 10 Years Returns (When started at different periods since inception) | | | | | | |
|---|-----|-----|-----|-----|-----|-----|
| Period | 5Y | 6Y | 7Y | 8Y | 9Y | 10Y |
| Jan-00 | 23% | 27% | 30% | 35% | 14% | 22% |
| Jan-01 | 33% | 35% | 40% | 15% | 23% | 23% |
| Jan-02 | 40% | 44% | 15% | 24% | 23% | 15% |
| Jan-03 | 47% | 12% | 23% | 23% | 13% | 15% |
| Jan-04 | 5% | 21% | 20% | 10% | 13% | 12% |
| Jan-05 | 19% | 19% | 7% | 12% | 11% | 14% |
| Jan-06 | 17% | 4% | 10% | 9% | 13% | 10% |
| Jan-07 | 2% | 9% | 9% | 13% | 10% | 9% |
| Jan-08 | 10% | 10% | 15% | 11% | 10% | 13% |
| Jan-09 | 10% | 16% | 11% | 10% | 13% | 12% |
| Jan-10 | 16% | 10% | 9% | 13% | 11% | 12% |
| Jan-11 | 11% | 9% | 13% | 12% | 12% | 13% |
| Jan-12 | 9% | 14% | 12% | 12% | 13% | 15% |
| Jan-13 | 14% | 12% | 12% | 13% | 15% | 14% |
| Jan-14 | 11% | 11% | 13% | 15% | 14% | 15% |
| Jan-15 | 12% | 14% | 16% | 14% | 15% | |
| Jan-16 | 15% | 18% | 15% | 16% | | |
| Jan-17 | 18% | 15% | 17% | | | |
| Jan-18 | 16% | 17% | | | | |
| Jan-19 | 19% | | | | | |

Returns >=0% but <7%

Returns >=7% but <10%

Returns >=10%

For 7Y periods where returns were <10% due to market fall in the fag end, extending time frame by 1-2 years led to sharp recovery in returns

| Nifty 50 TRI SIP Returns (When started at different periods since inception) | | | | |
|---|-----|-----|-----|-----|
| Period | 7Y | 8Y | 9Y | 10Y |
| Dec-04 | 9% | 12% | 11% | 15% |
| Jan-05 | 7% | 12% | 11% | 14% |
| Apr-05 | 10% | 9% | 11% | 14% |
| May-05 | 9% | 10% | 11% | 13% |
| Jun-05 | 6% | 10% | 12% | 13% |
| Jul-05 | 8% | 9% | 13% | 13% |
| Aug-05 | 8% | 8% | 13% | 13% |
| Sep-05 | 8% | 7% | 14% | 11% |
| Oct-05 | 10% | 8% | 13% | 11% |
| Nov-05 | 9% | 10% | 14% | 11% |
| Dec-05 | 10% | 9% | 14% | 11% |
| Jan-06 | 10% | 9% | 13% | 10% |
| Feb-06 | 10% | 8% | 14% | 9% |
| Mar-06 | 8% | 9% | 14% | 8% |
| Apr-06 | 8% | 10% | 13% | 9% |
| May-06 | 9% | 10% | 12% | 10% |
| Jun-06 | 9% | 12% | 13% | 10% |
| Jul-06 | 8% | 13% | 13% | 10% |
| Aug-06 | 7% | 12% | 13% | 11% |
| Sep-06 | 6% | 13% | 10% | 11% |
| Oct-06 | 7% | 13% | 11% | 11% |

| Nifty 50 TRI SIP Returns (When started at different periods since inception) | | | | |
|---|-----|-----|-----|-----|
| Period | 7Y | 8Y | 9Y | 10Y |
| Nov-06 | 9% | 14% | 11% | 10% |
| Dec-06 | 8% | 14% | 10% | 9% |
| Jan-07 | 9% | 13% | 10% | 9% |
| Feb-07 | 8% | 15% | 9% | 10% |
| Mar-07 | 8% | 15% | 8% | 11% |
| May-07 | 10% | 12% | 9% | 11% |
| Feb-09 | 9% | 11% | 14% | 11% |
| Mar-09 | 8% | 11% | 12% | 11% |
| Apr-09 | 9% | 11% | 11% | 12% |
| May-09 | 9% | 11% | 12% | 12% |
| Jun-09 | 10% | 12% | 12% | 12% |
| Dec-09 | 9% | 12% | 11% | 12% |
| Jan-10 | 9% | 13% | 11% | 12% |
| Mar-13 | 9% | 14% | 14% | 13% |
| Apr-13 | 0% | 14% | 15% | 12% |
| May-13 | 5% | 13% | 14% | 13% |
| Jun-13 | 5% | 15% | 13% | 13% |
| Jul-13 | 6% | 15% | 12% | 14% |
| Aug-13 | 8% | 15% | 14% | 14% |
| Sep-13 | 9% | 16% | 14% | 14% |
| Oct-13 | 8% | 17% | 13% | 14% |
| Nov-13 | 8% | 17% | 14% | 13% |

There were **43** instances where an **Equity SIP (in Nifty 50 TRI)** had returned **less than 10% even over 7 years**.

But in **31** out of these 43 instances, the returns recovered to more than **10%** by the next year i.e **8th** year.

For the remaining **12** instances, the returns recovered to more than **10%** by the **9th** year.

| |
|-----------------------|
| Returns <0% |
| Returns >=0% but <7% |
| Returns >=7% but <10% |
| Returns >=10% |

DIVERSIFY YOUR EQUITY PORTFOLIO USING

5 FINGER STRATEGY

5 Finger Strategy - SIP Performance

SIP Performance - Annualized Returns

| Period (Jan-10 to Nov-24) | Last 1 Y | Last 2 Y | Last 3 Y | Last 5 Y | Last 7 Y | Last 10 Y | Since Jan-10 | Since Jan-20 |
|------------------------------|------------|------------|------------|------------|------------|------------|-----------------|-----------------|
| 5 Finger Strategy* | 24% | 30% | 25% | 23% | 21% | 19% | 19% | 23% |
| Nifty 50 TRI | 10% | 18% | 16% | 18% | 16% | 15% | 14% | 18% |
| Nifty 500 TRI | 14% | 24% | 21% | 22% | 19% | 17% | 15% | 22% |
| Outperformance | | | | | | | | |
| vs Nifty 50 TRI | 13% | 12% | 9% | 5% | 5% | 4% | 5% | 5% |
| vs Nifty 500 TRI | 10% | 6% | 4% | 1% | 2% | 2% | 3% | 1% |

Value of Rs 10,000 Monthly SIP (in Rs lakhs)

| Period (Jan-10 to Nov-24) | Last 1 Y | Last 2 Y | Last 3 Y | Last 5 Y | Last 7 Y | Last 10 Y | Since Jan-10 | Since Jan-20 |
|------------------------------|-------------|-------------|-------------|--------------|--------------|--------------|-----------------|-----------------|
| 5 Finger Strategy* | 1.35 | 3.20 | 5.19 | 10.64 | 17.85 | 32.60 | 84.05 | 10.36 |
| Nifty 50 TRI | 1.26 | 2.86 | 4.60 | 9.39 | 15.05 | 26.35 | 55.36 | 9.18 |
| Nifty 500 TRI | 1.29 | 3.03 | 4.92 | 10.33 | 16.57 | 29.01 | 62.69 | 10.09 |
| | | | | | | | | |
| Invested Amount | 1.2 | 2.4 | 3.6 | 6.0 | 8.4 | 12.0 | 17.8 | 5.8 |

PREPARE MENTALLY
for
3 COMMON PHASES
where
Most Equity SIP Investors Give Up

- **D**isappointment Phase (7-10% returns)

I expected 'far more'...

- **I**rritation Phase (0-7% returns)

My FD would have done better...

- **P**anic Phase (negative returns)

My Portfolio value is even lower than what I invested...

....happens almost in every SIP investor's journey – more frequently during the initial 7 years

Interim weak return phases in the first few years may test your patience

| Nifty 50 TRI SIP Returns (When started at different periods since inception) | | | | | | | | | | | | | | | | | | | |
|---|------|-------|------|-------|------|-------|-----|-------|-----|-------|-----|-------|-----|-------|-----|-------|-----|-------|-----|
| Period | 1Y | 1Y 6M | 2Y | 2Y 6M | 3Y | 3Y 6M | 4Y | 4Y 6M | 5Y | 5Y 6M | 6Y | 6Y 6M | 7Y | 7Y 6M | 8Y | 8Y 6M | 9Y | 9Y 6M | 10Y |
| Jul-99 | 11% | -10% | -16% | -12% | -8% | -3% | 0% | 24% | 11% | 20% | 20% | 25% | 25% | 28% | 27% | 33% | 20% | 14% | 19% |
| Jan-00 | -18% | -21% | -14% | -8% | -2% | 1% | 28% | 13% | 23% | 22% | 27% | 26% | 30% | 29% | 35% | 21% | 14% | 20% | 22% |
| Jul-00 | -22% | -12% | -6% | 0% | 4% | 34% | 15% | 26% | 24% | 30% | 29% | 33% | 31% | 37% | 22% | 15% | 21% | 23% | 21% |
| Jan-01 | -9% | -3% | 4% | 7% | 42% | 18% | 30% | 27% | 33% | 32% | 35% | 34% | 40% | 23% | 15% | 22% | 23% | 22% | 23% |
| Jul-01 | 3% | 10% | 11% | 53% | 22% | 35% | 31% | 37% | 34% | 38% | 36% | 42% | 24% | 15% | 22% | 24% | 22% | 23% | 20% |
| Jan-02 | 13% | 15% | 67% | 24% | 39% | 33% | 39% | 36% | 40% | 37% | 44% | 24% | 15% | 22% | 24% | 22% | 23% | 20% | 15% |
| Jul-02 | 27% | 95% | 27% | 44% | 36% | 43% | 39% | 42% | 39% | 46% | 24% | 14% | 22% | 24% | 22% | 23% | 20% | 14% | 15% |
| Jan-03 | 141% | 24% | 47% | 36% | 44% | 39% | 43% | 39% | 47% | 23% | 12% | 21% | 23% | 21% | 23% | 19% | 13% | 14% | 15% |
| Jul-03 | 1% | 41% | 31% | 42% | 36% | 42% | 38% | 47% | 20% | 8% | 19% | 22% | 19% | 21% | 17% | 11% | 13% | 14% | 13% |
| Jan-04 | 41% | 29% | 43% | 36% | 42% | 37% | 48% | 18% | 5% | 17% | 21% | 18% | 20% | 16% | 10% | 12% | 13% | 12% | 12% |
| Jul-04 | 39% | 53% | 39% | 46% | 39% | 52% | 16% | 2% | 16% | 20% | 18% | 20% | 15% | 9% | 11% | 13% | 11% | 12% | 14% |
| Jan-05 | 58% | 37% | 46% | 38% | 53% | 12% | -2% | 14% | 19% | 16% | 19% | 14% | 7% | 10% | 12% | 10% | 11% | 14% | 14% |
| Jul-05 | 30% | 46% | 36% | 55% | 7% | -8% | 11% | 17% | 15% | 18% | 13% | 5% | 8% | 11% | 9% | 10% | 13% | 14% | 13% |
| Jan-06 | 42% | 32% | 57% | -1% | -15% | 9% | 16% | 13% | 17% | 12% | 4% | 7% | 10% | 8% | 9% | 13% | 13% | 13% | 10% |
| Jul-06 | 33% | 66% | -8% | -21% | 8% | 16% | 13% | 17% | 11% | 3% | 7% | 9% | 8% | 9% | 13% | 13% | 13% | 10% | 10% |
| Jan-07 | 81% | -20% | -29% | 7% | 17% | 13% | 18% | 11% | 2% | 6% | 9% | 8% | 9% | 13% | 13% | 13% | 10% | 10% | 9% |
| Jul-07 | -39% | -39% | 8% | 19% | 15% | 20% | 12% | 1% | 6% | 9% | 8% | 9% | 13% | 14% | 13% | 10% | 10% | 9% | 11% |
| Jan-08 | -47% | 18% | 28% | 20% | 24% | 14% | 1% | 7% | 10% | 9% | 10% | 14% | 15% | 14% | 11% | 11% | 10% | 12% | 13% |
| Jul-08 | 59% | 51% | 30% | 32% | 17% | 2% | 8% | 12% | 10% | 11% | 16% | 16% | 15% | 11% | 12% | 10% | 12% | 13% | 13% |
| Jan-09 | 74% | 34% | 35% | 17% | -1% | 7% | 11% | 9% | 10% | 16% | 16% | 15% | 11% | 11% | 10% | 12% | 13% | 12% | 12% |
| Jul-09 | 15% | 25% | 8% | -9% | 2% | 8% | 6% | 8% | 14% | 15% | 14% | 10% | 10% | 9% | 11% | 12% | 12% | 11% | 12% |
| Jan-10 | 28% | 5% | -13% | 0% | 8% | 6% | 8% | 15% | 16% | 14% | 10% | 10% | 9% | 12% | 13% | 12% | 11% | 12% | 12% |
| Jul-10 | -1% | -20% | -1% | 9% | 6% | 9% | 16% | 17% | 15% | 10% | 11% | 9% | 12% | 13% | 12% | 12% | 12% | 12% | 8% |
| Jan-11 | -25% | 1% | 12% | 8% | 10% | 19% | 19% | 16% | 11% | 11% | 9% | 12% | 13% | 13% | 12% | 13% | 12% | 8% | 13% |
| Jul-11 | 7% | 18% | 10% | 12% | 22% | 21% | 18% | 12% | 12% | 9% | 13% | 14% | 13% | 12% | 13% | 12% | 8% | 13% | 14% |
| Jan-12 | 26% | 12% | 14% | 25% | 23% | 19% | 12% | 12% | 9% | 13% | 14% | 13% | 12% | 13% | 12% | 8% | 13% | 14% | 15% |
| Jul-12 | 9% | 13% | 28% | 25% | 19% | 11% | 11% | 8% | 13% | 14% | 13% | 12% | 13% | 12% | 7% | 13% | 14% | 15% | 12% |
| Jan-13 | 15% | 34% | 27% | 19% | 10% | 11% | 7% | 13% | 14% | 13% | 12% | 13% | 12% | 7% | 13% | 15% | 15% | 12% | 14% |
| Jul-13 | 48% | 31% | 20% | 9% | 10% | 6% | 12% | 14% | 13% | 11% | 13% | 12% | 6% | 13% | 15% | 15% | 12% | 14% | 14% |
| Jan-14 | 31% | 16% | 4% | 7% | 4% | 11% | 13% | 12% | 11% | 12% | 11% | 6% | 13% | 15% | 15% | 12% | 14% | 14% | 15% |
| Jul-14 | 6% | -3% | 4% | 1% | 11% | 13% | 12% | 10% | 12% | 11% | 5% | 13% | 15% | 16% | 12% | 14% | 14% | 15% | |
| Jan-15 | -7% | 5% | 1% | 12% | 14% | 13% | 11% | 12% | 12% | 5% | 14% | 15% | 16% | 12% | 14% | 14% | 15% | | |
| Jul-15 | 11% | 2% | 15% | 17% | 14% | 12% | 13% | 12% | 5% | 14% | 16% | 17% | 12% | 14% | 14% | 16% | | | |
| Jan-16 | 3% | 19% | 20% | 15% | 12% | 14% | 13% | 4% | 15% | 17% | 18% | 13% | 15% | 15% | 16% | | | | |
| Jul-16 | 19% | 19% | 14% | 11% | 13% | 12% | 3% | 15% | 17% | 18% | 12% | 15% | 15% | 16% | | | | | |
| Jan-17 | 21% | 14% | 9% | 13% | 11% | 1% | 15% | 18% | 18% | 12% | 15% | 15% | 17% | | | | | | |
| Jul-17 | 10% | 6% | 12% | 11% | -1% | 16% | 18% | 19% | 12% | 15% | 15% | 17% | | | | | | | |
| Jan-18 | 4% | 12% | 11% | -2% | 18% | 20% | 20% | 12% | 16% | 15% | 17% | | | | | | | | |
| Jul-18 | 13% | 12% | -4% | 20% | 22% | 22% | 13% | 16% | 16% | 18% | | | | | | | | | |
| Jan-19 | 14% | -6% | 25% | 26% | 25% | 13% | 17% | 17% | 19% | | | | | | | | | | |
| Jul-19 | -7% | 35% | 32% | 28% | 14% | 18% | 17% | 20% | | | | | | | | | | | |
| Jan-20 | 59% | 42% | 33% | 14% | 19% | 18% | 20% | | | | | | | | | | | | |
| Jul-20 | 45% | 32% | 9% | 16% | 16% | 19% | | | | | | | | | | | | | |
| Jan-21 | 22% | -2% | 11% | 12% | 17% | | | | | | | | | | | | | | |
| Jul-21 | -12% | 9% | 12% | 18% | | | | | | | | | | | | | | | |
| Jan-22 | 10% | 14% | 21% | | | | | | | | | | | | | | | | |
| Jul-22 | 18% | 25% | | | | | | | | | | | | | | | | | |
| Jan-23 | 33% | | | | | | | | | | | | | | | | | | |

Panic Zone:

Returns < 0%

Irritation Zone:

Returns >=0% but <7%

Disappointment Zone:

Returns >=7% but <10%

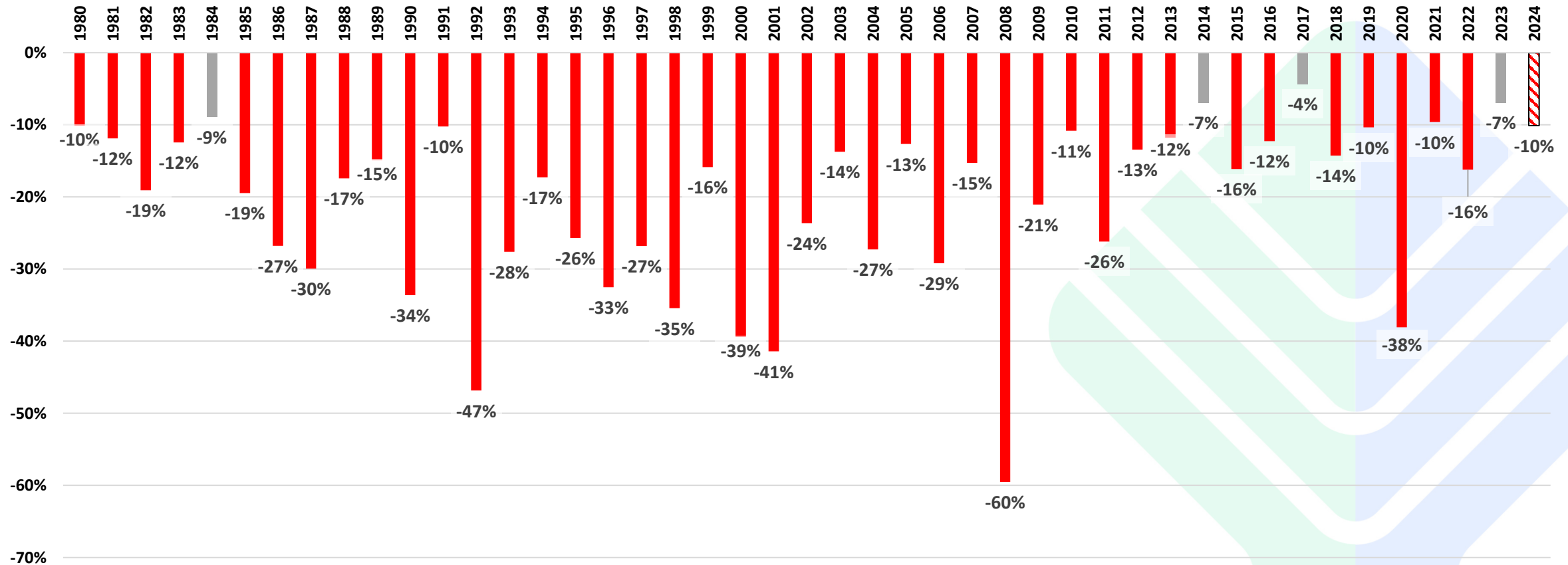
Positive Zone:

Returns >=10%

Why does this happen?

Equity Markets witness 10-20% temporary declines almost every year

Sensex : Year-wise Drawdown (1980 to 2024 YTD)



Only 4 out of the last 44 calendar years, had intra-year declines less than 10%

Temporary market declines of 30-60%, historically has occurred once every 7-10 years

Historically, large market falls (of more than 30%) and subsequent recoveries have taken around 1-3 years

| S.No | Peak Date | Peak Value | Trough Date | Trough Value | Fall from Peak | Recovery Date | Sensex Value | Time Taken for Fall (in yrs) | Time Taken to Recover (in yrs) | Fall & Recovery (in yrs) |
|---------|-----------|------------|-------------|--------------|----------------|---------------|--------------|------------------------------|--------------------------------|--------------------------|
| 1 | 04-Jun-86 | 659 | 28-Mar-88 | 390 | -41% | 30-Sep-88 | 663 | 1Y 10M | 6M | 2Y 4M |
| 2 | 09-Oct-90 | 1,559 | 25-Jan-91 | 956 | -39% | 26-Jul-91 | 1,600 | 4M | 6M | 10M |
| 3 | 22-Apr-92 | 4,467 | 26-Apr-93 | 2,037 | -54% | 12-Aug-94 | 4,508 | 12M | 1Y 4M | 2Y 4M |
| 4 | 12-Sep-94 | 4,631 | 04-Dec-96 | 2,745 | -41% | 14-Jul-99 | 4,710 | 2Y 3M | 2Y 7M | 4Y 10M |
| 5 | 21-Apr-98 | 4,281 | 20-Oct-98 | 2,764 | -35% | 05-Jul-99 | 4,306 | 6M | 8M | 1Y 2M |
| 6 | 11-Feb-00 | 5,934 | 21-Sep-01 | 2,600 | -56% | 02-Jan-04 | 6,027 | 1Y 7M | 2Y 3M | 3Y 10M |
| 7 | 08-Jan-08 | 20,873 | 09-Mar-09 | 8,160 | -61% | 04-Nov-10 | 20,894 | 1Y 2M | 1Y 8M | 2Y 10M |
| 8 | 14-Jan-20 | 41,952 | 23-Mar-20 | 25,981 | -38% | 09-Nov-20 | 42,597 | 2M | 8M | 10M |
| Average | | | | | | | | 1Y 1M | 1Y 3M | 2Y 4M |
| Max | | | | | | | | 2Y 3M | 2Y 7M | 4Y 10M |
| Min | | | | | | | | 2M | 6M | 8M |

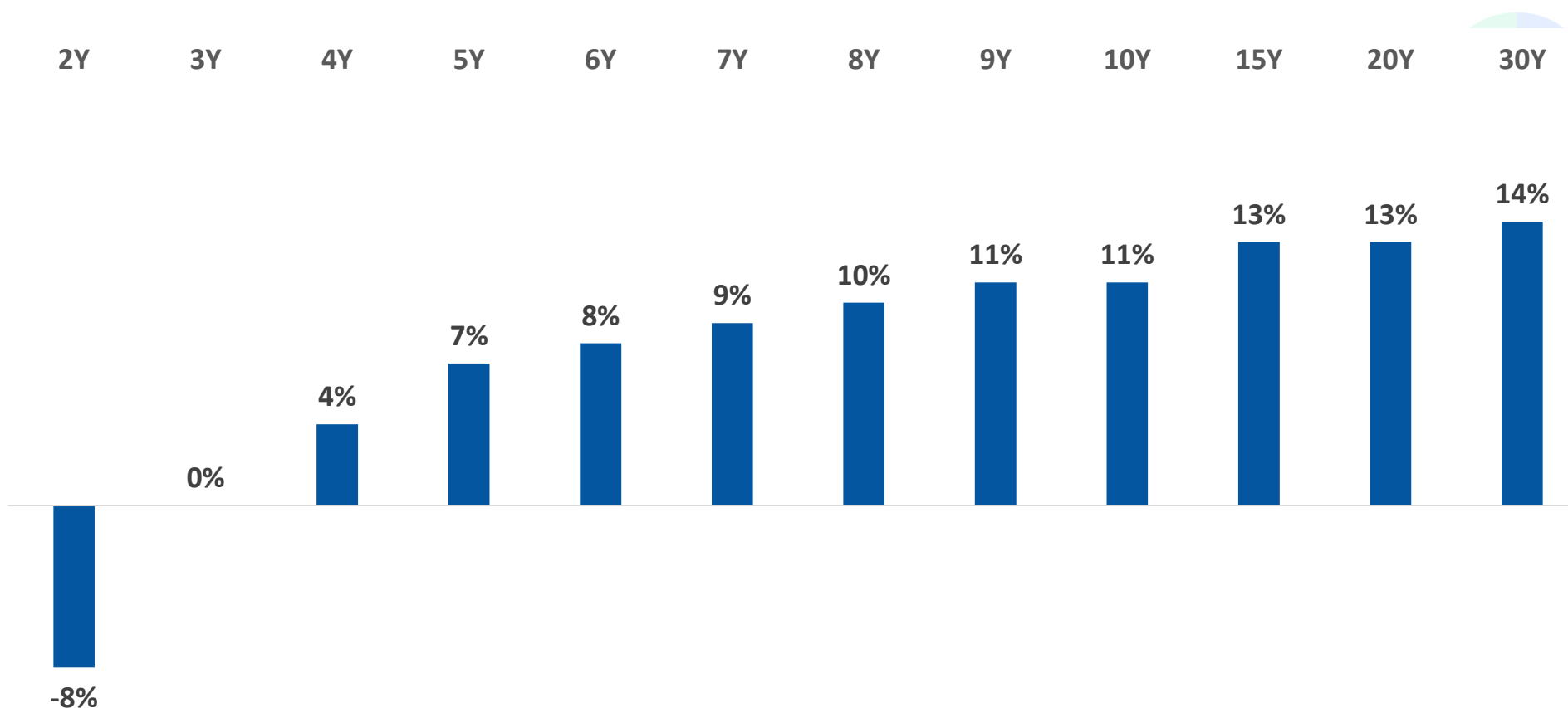
When such falls happen your existing SIP returns temporarily decline sharply especially for short term SIPs...

Impact of market correction on SIP Returns

| Corrections: | 12% SIP Returns | | | | | 15% SIP Returns | | | | |
|--------------|-----------------|------|------|------|------|-----------------|------|------|------|------|
| | -10% | -20% | -30% | -40% | -50% | -10% | -20% | -30% | -40% | -50% |
| 2Y | 1% | -11% | -26% | -44% | -66% | 4% | -8% | -23% | -40% | -62% |
| 3Y | 5% | -3% | -12% | -24% | -38% | 8% | 0% | -9% | -20% | -35% |
| 4Y | 7% | 1% | -6% | -14% | -25% | 10% | 4% | -3% | -11% | -21% |
| 5Y | 8% | 3% | -2% | -9% | -17% | 11% | 7% | 1% | -5% | -13% |
| 6Y | 9% | 5% | 1% | -5% | -11% | 12% | 8% | 4% | -1% | -8% |
| 7Y | 9% | 6% | 2% | -2% | -8% | 12% | 9% | 6% | 1% | -4% |
| 8Y | 10% | 7% | 4% | 0% | -5% | 13% | 10% | 7% | 3% | -1% |
| 9Y | 10% | 8% | 5% | 2% | -3% | 13% | 11% | 8% | 5% | 1% |
| 10Y | 10% | 8% | 6% | 3% | -1% | 13% | 11% | 9% | 6% | 3% |
| 20Y | 11% | 10% | 9% | 8% | 7% | 14% | 13% | 12% | 11% | 10% |
| 30Y | 12% | 11% | 10% | 10% | 9% | 15% | 14% | 13% | 13% | 12% |

Longer the SIP time frame, lower the impact of market falls and vice versa

Impact of 20% fall on a 15% SIP returns at different time periods:
Longer the time frame, lower the impact!



What happens post this?

Whenever equity returns were low i.e when it hits one of the three failure points in the initial years...

As blasphemous and counterintuitive as it sounds...

Patiently continuing your SIP for another 1-3 years led to a dramatic recovery in performance!

2 Years SIP Returns Below 10% - Recovers over the next 1-3 years – Long term

7Y Returns are robust

| Nifty 50 TRI SIP Returns (When started at different periods since inception) | | | | | | | |
|---|------|------|-----|-----|-----|-----|-----|
| Period | 2Y | 3Y | 4Y | 5Y | 6Y | 7Y | 8Y |
| Jul-99 | -16% | -8% | 0% | 11% | 20% | 25% | 27% |
| Aug-99 | -19% | -14% | 3% | 13% | 21% | 25% | 27% |
| Sep-99 | -19% | -10% | 11% | 13% | 22% | 27% | 28% |
| Oct-99 | -29% | -13% | 12% | 17% | 25% | 28% | 31% |
| Nov-99 | -21% | -12% | 17% | 17% | 22% | 29% | 34% |
| Dec-99 | -14% | -6% | 20% | 20% | 25% | 30% | 33% |
| Jan-00 | -14% | -2% | 28% | 23% | 27% | 30% | 35% |
| Feb-00 | -11% | -5% | 24% | 22% | 28% | 31% | 31% |
| Mar-00 | -1% | -4% | 25% | 23% | 30% | 29% | 30% |
| Apr-00 | -3% | -8% | 24% | 22% | 33% | 28% | 28% |
| May-00 | -7% | -10% | 24% | 18% | 34% | 30% | 30% |
| Jun-00 | -11% | -5% | 14% | 22% | 27% | 31% | 28% |
| Jul-00 | -6% | 4% | 15% | 24% | 29% | 31% | 22% |
| Aug-00 | -14% | 8% | 18% | 26% | 29% | 31% | 25% |
| Sep-00 | -8% | 18% | 18% | 28% | 32% | 32% | 25% |
| Oct-00 | -12% | 21% | 23% | 31% | 33% | 35% | 22% |
| Nov-00 | -11% | 27% | 23% | 27% | 34% | 39% | 14% |
| Dec-00 | -1% | 31% | 27% | 31% | 36% | 38% | 12% |
| Jan-01 | 4% | 42% | 30% | 33% | 35% | 40% | 15% |
| Feb-01 | -1% | 37% | 29% | 35% | 36% | 35% | 14% |
| Mar-01 | 2% | 38% | 30% | 36% | 33% | 34% | 12% |
| Apr-01 | -5% | 36% | 29% | 40% | 33% | 31% | 15% |
| May-01 | -9% | 34% | 24% | 41% | 35% | 33% | 17% |
| Jun-01 | -1% | 21% | 28% | 33% | 36% | 31% | 24% |
| Jul-06 | -8% | 8% | 13% | 11% | 7% | 8% | 13% |
| Aug-06 | 3% | 12% | 14% | 10% | 6% | 7% | 12% |
| Sep-06 | 0% | 11% | 14% | 6% | 6% | 6% | 13% |
| Oct-06 | -10% | 17% | 20% | 5% | 9% | 7% | 13% |
| Nov-06 | -36% | 11% | 19% | 7% | 8% | 9% | 14% |
| Dec-06 | -40% | 16% | 17% | 4% | 9% | 8% | 14% |
| Jan-07 | -29% | 17% | 18% | 2% | 9% | 9% | 13% |
| Feb-07 | -32% | 12% | 11% | 6% | 9% | 8% | 15% |
| Mar-07 | -34% | 12% | 12% | 7% | 8% | 8% | 15% |
| Apr-07 | -25% | 16% | 14% | 6% | 7% | 10% | 14% |
| May-07 | -14% | 16% | 13% | 6% | 8% | 10% | 12% |

| Nifty 50 TRI SIP Returns (When started at different periods since inception) | | | | | | | |
|---|------|-----|-----|-----|-----|-----|-----|
| Period | 2Y | 3Y | 4Y | 5Y | 6Y | 7Y | 8Y |
| Jul-07 | 8% | 15% | 12% | 6% | 8% | 13% | 13% |
| Jun-09 | 8% | -4% | 7% | 12% | 14% | 10% | 12% |
| Jul-09 | 8% | 2% | 6% | 14% | 14% | 10% | 11% |
| Aug-09 | 5% | 1% | 5% | 14% | 14% | 11% | 13% |
| Sep-09 | -5% | 1% | 2% | 16% | 10% | 11% | 12% |
| Oct-09 | -7% | 6% | 5% | 15% | 11% | 11% | 12% |
| Nov-09 | -1% | 5% | 9% | 17% | 11% | 11% | 13% |
| Dec-09 | -7% | 8% | 7% | 17% | 10% | 9% | 12% |
| Jan-10 | -13% | 8% | 8% | 16% | 10% | 9% | 13% |
| Feb-10 | -1% | 8% | 6% | 18% | 8% | 10% | 14% |
| Mar-10 | 0% | 5% | 8% | 18% | 7% | 11% | 12% |
| Apr-10 | -1% | 4% | 11% | 16% | 9% | 11% | 11% |
| May-10 | -2% | 7% | 10% | 14% | 9% | 12% | 13% |
| Jun-10 | -9% | 7% | 14% | 15% | 10% | 12% | 12% |
| Jul-10 | -1% | 6% | 16% | 15% | 11% | 12% | 12% |
| Aug-10 | -2% | 4% | 16% | 15% | 12% | 13% | 14% |
| Sep-10 | -1% | 1% | 18% | 11% | 12% | 13% | 14% |
| Oct-10 | 7% | 4% | 18% | 12% | 11% | 12% | 12% |
| Nov-10 | 6% | 10% | 20% | 12% | 11% | 14% | 11% |
| Mar-11 | 7% | 10% | 22% | 7% | 12% | 13% | 11% |
| Apr-11 | 7% | 14% | 20% | 9% | 12% | 12% | 13% |
| Aug-11 | 7% | 21% | 18% | 13% | 15% | 15% | 11% |
| Sep-11 | 2% | 25% | 13% | 13% | 14% | 15% | 11% |
| Oct-11 | 8% | 23% | 13% | 12% | 13% | 13% | 11% |
| Feb-12 | 9% | 26% | 8% | 11% | 16% | 12% | 11% |
| Sep-13 | 8% | 12% | 14% | 15% | 10% | 9% | 16% |
| Oct-13 | 8% | 10% | 12% | 12% | 10% | 8% | 17% |
| Nov-13 | 8% | 9% | 15% | 10% | 11% | 8% | 17% |
| Dec-13 | 5% | 5% | 13% | 11% | 12% | 12% | 16% |
| Jan-14 | 4% | 4% | 13% | 11% | 11% | 13% | 15% |
| Feb-14 | -2% | 8% | 16% | 10% | 10% | 13% | 16% |
| Mar-14 | -7% | 9% | 12% | 10% | 8% | 14% | 14% |
| Apr-14 | -2% | 10% | 10% | 12% | -2% | 14% | 15% |
| May-14 | -1% | 10% | 13% | 12% | 3% | 13% | 14% |
| Jun-14 | 3% | 12% | 12% | 12% | 3% | 15% | 13% |

| Nifty 50 TRI SIP Returns (When started at different periods since inception) | | | | | | | |
|---|------|-----|-----|-----|-----|-----|-----|
| Period | 2Y | 3Y | 4Y | 5Y | 6Y | 7Y | 8Y |
| Jul-14 | 4% | 11% | 12% | 12% | 5% | 15% | 12% |
| Aug-14 | 8% | 14% | 14% | 9% | 7% | 15% | 14% |
| Sep-14 | 9% | 13% | 16% | 9% | 8% | 17% | 14% |
| Oct-14 | 6% | 11% | 12% | 9% | 7% | 17% | 13% |
| Nov-14 | 6% | 15% | 9% | 11% | 8% | 18% | 14% |
| Dec-14 | 1% | 13% | 11% | 11% | 12% | 16% | 15% |
| Jan-15 | 1% | 14% | 11% | 12% | 14% | 16% | 14% |
| Feb-15 | 7% | 18% | 10% | 10% | 14% | 16% | 13% |
| Mar-15 | 10% | 14% | 10% | 8% | 15% | 15% | 13% |
| Nov-16 | 7% | 11% | 7% | 21% | 16% | 13% | |
| Jan-17 | 9% | 11% | 15% | 18% | 15% | 17% | |
| Feb-17 | 8% | 8% | 16% | 18% | 14% | | |
| Mar-17 | 7% | 4% | 17% | 16% | 13% | | |
| Aug-17 | 3% | 3% | 18% | 16% | 16% | | |
| Sep-17 | 3% | 5% | 22% | 16% | 15% | | |
| Oct-17 | 6% | 5% | 23% | 14% | 15% | | |
| Nov-17 | 10% | 6% | 23% | 16% | 13% | | |
| Feb-18 | 6% | 18% | 21% | 14% | | | |
| Mar-18 | 1% | 20% | 18% | 13% | | | |
| Apr-18 | -26% | 20% | 20% | 13% | | | |
| May-18 | -10% | 18% | 18% | 14% | | | |
| Jun-18 | -10% | 22% | 16% | 15% | | | |
| Jul-18 | -4% | 22% | 13% | 16% | | | |
| Aug-18 | 2% | 22% | 17% | 17% | | | |
| Sep-18 | 5% | 27% | 17% | 16% | | | |
| Oct-18 | 5% | 28% | 16% | 16% | | | |
| Nov-18 | 7% | 29% | 18% | 14% | | | |
| Jul-20 | 9% | 16% | | | | | |
| Feb-21 | 7% | | | | | | |
| Mar-21 | 5% | | | | | | |
| Apr-21 | 4% | | | | | | |
| May-21 | 7% | | | | | | |
| Jun-21 | 8% | | | | | | |
| Nov-21 | 8% | | | | | | |

| |
|-----------------------|
| Returns <0% |
| Returns >=0% but <7% |
| Returns >=7% but <10% |
| Returns >=10% |

| | |
|---------------------|------|
| Total Occurrences | 104 |
| Recovered to 10% in | >10% |
| Next 1 Year | 52 |
| Next 2 Year | 34 |
| Next 3 Year | 12 |

3 Years SIP Returns Below 10% - Recovers over the next 1-3 years – Long term

7Y Returns are robust

| Nifty 50 TRI SIP Returns (When started at different periods since inception) | | | | | | | |
|---|------|-----|-----|-----|-----|-----|-----|
| Period | 3Y | 4Y | 5Y | 6Y | 7Y | 8Y | 9Y |
| Jul-99 | -8% | 0% | 11% | 20% | 25% | 27% | 20% |
| Aug-99 | -14% | 3% | 13% | 21% | 25% | 27% | 23% |
| Sep-99 | -10% | 11% | 13% | 22% | 27% | 28% | 22% |
| Oct-99 | -13% | 12% | 17% | 25% | 28% | 31% | 20% |
| Nov-99 | -12% | 17% | 17% | 22% | 29% | 34% | 13% |
| Dec-99 | -6% | 20% | 20% | 25% | 30% | 33% | 12% |
| Jan-00 | -2% | 28% | 23% | 27% | 30% | 35% | 14% |
| Feb-00 | -5% | 24% | 22% | 28% | 31% | 31% | 13% |
| Mar-00 | -4% | 25% | 23% | 30% | 29% | 30% | 12% |
| Apr-00 | -8% | 24% | 22% | 33% | 28% | 28% | 14% |
| May-00 | -10% | 24% | 18% | 34% | 30% | 30% | 17% |
| Jun-00 | -5% | 14% | 22% | 27% | 31% | 28% | 22% |
| Jul-00 | 4% | 15% | 24% | 29% | 31% | 22% | 21% |
| Aug-00 | 8% | 18% | 26% | 29% | 31% | 25% | 22% |
| Jul-05 | 7% | 11% | 15% | 13% | 8% | 9% | 13% |
| Oct-05 | 4% | 17% | 19% | 7% | 10% | 8% | 13% |
| Nov-05 | -17% | 12% | 18% | 9% | 9% | 10% | 14% |
| Dec-05 | -22% | 16% | 17% | 6% | 10% | 9% | 14% |
| Jan-06 | -15% | 16% | 17% | 4% | 10% | 9% | 13% |
| Feb-06 | -18% | 12% | 12% | 7% | 10% | 8% | 14% |
| Mar-06 | -20% | 12% | 12% | 8% | 8% | 9% | 14% |
| Apr-06 | -14% | 15% | 14% | 7% | 8% | 10% | 13% |
| May-06 | -6% | 14% | 13% | 7% | 9% | 10% | 12% |
| Jul-06 | 8% | 13% | 11% | 7% | 8% | 13% | 13% |
| Sep-08 | 8% | 8% | 6% | 17% | 12% | 12% | 13% |
| Oct-08 | 7% | 12% | 8% | 16% | 12% | 12% | 12% |

| Nifty 50 TRI SIP Returns (When started at different periods since inception) | | | | | | | |
|---|-----|-----|-----|-----|-----|-----|-----|
| Period | 3Y | 4Y | 5Y | 6Y | 7Y | 8Y | 9Y |
| Dec-08 | 5% | 12% | 10% | 18% | 12% | 10% | 13% |
| Jan-09 | -1% | 11% | 10% | 16% | 11% | 10% | 13% |
| Feb-09 | 7% | 11% | 8% | 17% | 9% | 11% | 14% |
| Mar-09 | 6% | 7% | 9% | 17% | 8% | 11% | 12% |
| Apr-09 | 4% | 6% | 11% | 15% | 9% | 11% | 11% |
| May-09 | 2% | 7% | 10% | 13% | 9% | 11% | 12% |
| Jun-09 | -4% | 7% | 12% | 14% | 10% | 12% | 12% |
| Jul-09 | 2% | 6% | 14% | 14% | 10% | 11% | 12% |
| Aug-09 | 1% | 5% | 14% | 14% | 11% | 13% | 13% |
| Sep-09 | 1% | 2% | 16% | 10% | 11% | 12% | 13% |
| Oct-09 | 6% | 5% | 15% | 11% | 11% | 12% | 12% |
| Nov-09 | 5% | 9% | 17% | 11% | 11% | 13% | 11% |
| Dec-09 | 8% | 7% | 17% | 10% | 9% | 12% | 11% |
| Jan-10 | 8% | 8% | 16% | 10% | 9% | 13% | 11% |
| Feb-10 | 8% | 6% | 18% | 8% | 10% | 14% | 11% |
| Mar-10 | 5% | 8% | 18% | 7% | 11% | 12% | 11% |
| Apr-10 | 4% | 11% | 16% | 9% | 11% | 11% | 12% |
| May-10 | 7% | 10% | 14% | 9% | 12% | 13% | 12% |
| Jun-10 | 7% | 14% | 15% | 10% | 12% | 12% | 13% |
| Jul-10 | 6% | 16% | 15% | 11% | 12% | 12% | 12% |
| Aug-10 | 4% | 16% | 15% | 12% | 13% | 14% | 11% |
| Sep-10 | 1% | 18% | 11% | 12% | 13% | 14% | 10% |
| Oct-10 | 4% | 18% | 12% | 11% | 12% | 12% | 11% |
| Dec-10 | 9% | 21% | 11% | 9% | 13% | 12% | 12% |
| Feb-11 | 8% | 22% | 9% | 11% | 15% | 12% | 11% |
| Mar-11 | 10% | 22% | 7% | 12% | 13% | 11% | 10% |
| Jan-13 | 10% | 7% | 14% | 12% | 12% | 13% | 15% |

| Nifty 50 TRI SIP Returns (When started at different periods since inception) | | | | | | | |
|---|------|-----|-----|-----|-----|-----|-----|
| Period | 3Y | 4Y | 5Y | 6Y | 7Y | 8Y | 9Y |
| Feb-13 | 6% | 10% | 16% | 11% | 11% | 13% | 15% |
| Mar-13 | 2% | 11% | 13% | 11% | 9% | 14% | 14% |
| Apr-13 | 6% | 12% | 12% | 13% | 0% | 14% | 15% |
| May-13 | 7% | 12% | 14% | 13% | 5% | 13% | 14% |
| Jun-13 | 9% | 13% | 13% | 13% | 5% | 15% | 13% |
| Jul-13 | 10% | 12% | 13% | 13% | 6% | 15% | 12% |
| Oct-13 | 10% | 12% | 12% | 10% | 8% | 17% | 13% |
| Nov-13 | 9% | 15% | 10% | 11% | 8% | 17% | 14% |
| Dec-13 | 5% | 13% | 11% | 12% | 12% | 16% | 15% |
| Jan-14 | 4% | 13% | 11% | 11% | 13% | 15% | 14% |
| Feb-14 | 8% | 16% | 10% | 10% | 13% | 16% | 13% |
| Mar-14 | 9% | 12% | 10% | 8% | 14% | 14% | 12% |
| Apr-14 | 10% | 10% | 12% | -2% | 14% | 15% | 12% |
| Nov-15 | 10% | 12% | 8% | 19% | 15% | 13% | |
| Aug-16 | 7% | 5% | 17% | 15% | 15% | | |
| Sep-16 | 7% | 7% | 20% | 15% | 15% | | |
| Oct-16 | 9% | 6% | 20% | 14% | 15% | | |
| Feb-17 | 8% | 16% | 18% | 14% | | | |
| Mar-17 | 4% | 17% | 16% | 13% | | | |
| Apr-17 | -15% | 17% | 18% | 12% | | | |
| May-17 | -4% | 16% | 16% | 13% | | | |
| Jun-17 | -4% | 18% | 14% | 14% | | | |
| Jul-17 | -1% | 18% | 12% | 15% | | | |
| Aug-17 | 3% | 18% | 16% | 16% | | | |
| Sep-17 | 5% | 22% | 16% | 15% | | | |
| Oct-17 | 5% | 23% | 14% | 15% | | | |
| Nov-17 | 6% | 23% | 16% | 13% | | | |

| |
|-----------------------|
| Returns <0% |
| Returns >=0% but <7% |
| Returns >=7% but <10% |
| Returns >=10% |

| | |
|---------------------|------|
| Total Occurrences | 80 |
| Recovered to 10% in | >10% |
| Next 1 Year | 60 |
| Next 2 Year | 17 |
| Next 3 Year | 3 |

4 Years SIP Returns Below 10% - Recovers over the next 1-3 years – Long term 7Y Returns are robust

| Nifty 50 TRI SIP Returns (When started at different periods since inception) | | | | | | | |
|---|-----|-----|-----|-----|-----|-----|-----|
| Period | 4Y | 5Y | 6Y | 7Y | 8Y | 9Y | 10Y |
| Jul-99 | 0% | 11% | 20% | 25% | 27% | 20% | 19% |
| Aug-99 | 3% | 13% | 21% | 25% | 27% | 23% | 20% |
| Nov-04 | -4% | 16% | 20% | 11% | 11% | 11% | 15% |
| Dec-04 | -8% | 19% | 19% | 9% | 12% | 11% | 15% |
| Jan-05 | -2% | 19% | 19% | 7% | 12% | 11% | 14% |
| Feb-05 | -5% | 16% | 14% | 10% | 11% | 10% | 15% |
| Mar-05 | -8% | 15% | 14% | 10% | 10% | 10% | 15% |
| Apr-05 | -3% | 17% | 16% | 10% | 9% | 11% | 14% |
| May-05 | 2% | 16% | 15% | 9% | 10% | 11% | 13% |
| Sep-07 | 5% | 6% | 5% | 14% | 11% | 11% | 12% |
| Oct-07 | 4% | 9% | 7% | 14% | 11% | 11% | 12% |
| Nov-07 | 8% | 8% | 10% | 15% | 11% | 11% | 13% |
| Dec-07 | 4% | 10% | 9% | 16% | 11% | 10% | 12% |
| Jan-08 | 1% | 10% | 10% | 15% | 11% | 10% | 13% |
| Feb-08 | 8% | 11% | 8% | 16% | 10% | 11% | 13% |
| Mar-08 | 9% | 9% | 9% | 17% | 8% | 11% | 12% |
| Apr-08 | 8% | 9% | 12% | 15% | 10% | 12% | 12% |
| May-08 | 8% | 10% | 11% | 14% | 10% | 12% | 13% |
| Jun-08 | 4% | 10% | 14% | 15% | 11% | 13% | 13% |
| Jul-08 | 8% | 10% | 16% | 15% | 12% | 12% | 13% |
| Aug-08 | 8% | 8% | 15% | 15% | 12% | 13% | 13% |
| Sep-08 | 8% | 6% | 17% | 12% | 12% | 13% | 14% |
| Mar-09 | 7% | 9% | 17% | 8% | 11% | 12% | 11% |
| Apr-09 | 6% | 11% | 15% | 9% | 11% | 11% | 12% |
| May-09 | 7% | 10% | 13% | 9% | 11% | 12% | 12% |
| Jun-09 | 7% | 12% | 14% | 10% | 12% | 12% | 12% |
| Jul-09 | 6% | 14% | 14% | 10% | 11% | 12% | 12% |

| Nifty 50 TRI SIP Returns (When started at different periods since inception) | | | | | | | |
|---|-----|-----|-----|-----|-----|-----|-----|
| Period | 4Y | 5Y | 6Y | 7Y | 8Y | 9Y | 10Y |
| Aug-09 | 5% | 14% | 14% | 11% | 13% | 13% | 10% |
| Sep-09 | 2% | 16% | 10% | 11% | 12% | 13% | 10% |
| Oct-09 | 5% | 15% | 11% | 11% | 12% | 12% | 11% |
| Nov-09 | 9% | 17% | 11% | 11% | 13% | 11% | 11% |
| Dec-09 | 7% | 17% | 10% | 9% | 12% | 11% | 12% |
| Jan-10 | 8% | 16% | 10% | 9% | 13% | 11% | 12% |
| Feb-10 | 6% | 18% | 8% | 10% | 14% | 11% | 11% |
| Mar-10 | 8% | 18% | 7% | 11% | 12% | 11% | 10% |
| Feb-12 | 8% | 11% | 16% | 12% | 11% | 13% | 15% |
| Mar-12 | 6% | 12% | 14% | 11% | 10% | 14% | 14% |
| Apr-12 | 9% | 13% | 12% | 13% | 2% | 14% | 15% |
| May-12 | 9% | 13% | 14% | 13% | 6% | 13% | 14% |
| Dec-12 | 8% | 13% | 12% | 12% | 12% | 15% | 15% |
| Jan-13 | 7% | 14% | 12% | 12% | 13% | 15% | 14% |
| Nov-14 | 9% | 11% | 8% | 18% | 14% | 13% | |
| Aug-15 | 9% | 7% | 16% | 15% | 15% | | |
| Sep-15 | 9% | 8% | 18% | 15% | 14% | | |
| Feb-16 | 10% | 15% | 18% | 14% | | | |
| Mar-16 | 7% | 16% | 16% | 13% | | | |
| Apr-16 | -8% | 16% | 17% | 13% | | | |
| May-16 | 0% | 15% | 16% | 14% | | | |
| Jun-16 | 0% | 17% | 14% | 14% | | | |
| Jul-16 | 3% | 17% | 12% | 15% | | | |
| Aug-16 | 5% | 17% | 15% | 15% | | | |
| Sep-16 | 7% | 20% | 15% | 15% | | | |
| Oct-16 | 6% | 20% | 14% | 15% | | | |
| Nov-16 | 7% | 21% | 16% | 13% | | | |

| |
|-----------------------|
| Returns <0% |
| Returns >=0% but <7% |
| Returns >=7% but <10% |
| Returns >=10% |

| Total Occurrences | 54 |
|---------------------|------|
| Recovered to 10% in | >10% |
| Next 1 Year | 40 |
| Next 2 Year | 9 |
| Next 3 Year | 5 |

5 Years SIP Returns Below 10% - Recovers over the next 1-3 years – Long term 7-10Y Returns are robust

| Nifty 50 TRI SIP Returns (When started at different periods since inception) | | | | | | |
|---|-----|-----|-----|-----|-----|-----|
| Period | 5Y | 6Y | 7Y | 8Y | 9Y | 10Y |
| Nov-03 | 4% | 19% | 21% | 14% | 13% | 13% |
| Dec-03 | 1% | 21% | 20% | 12% | 13% | 12% |
| Jan-04 | 5% | 21% | 20% | 10% | 13% | 12% |
| Feb-04 | 3% | 18% | 17% | 12% | 13% | 11% |
| Mar-04 | 1% | 18% | 17% | 13% | 12% | 12% |
| Apr-04 | 4% | 20% | 18% | 12% | 12% | 13% |
| May-04 | 9% | 19% | 17% | 12% | 12% | 12% |
| Sep-06 | 6% | 6% | 6% | 13% | 10% | 11% |
| Oct-06 | 5% | 9% | 7% | 13% | 11% | 11% |
| Nov-06 | 7% | 8% | 9% | 14% | 11% | 10% |
| Dec-06 | 4% | 9% | 8% | 14% | 10% | 9% |
| Jan-07 | 2% | 9% | 9% | 13% | 10% | 9% |
| Feb-07 | 6% | 9% | 8% | 15% | 9% | 10% |
| Mar-07 | 7% | 8% | 8% | 15% | 8% | 11% |
| Apr-07 | 6% | 7% | 10% | 14% | 9% | 11% |
| May-07 | 6% | 8% | 10% | 12% | 9% | 11% |
| Jun-07 | 3% | 9% | 12% | 13% | 10% | 12% |
| Jul-07 | 6% | 8% | 13% | 13% | 10% | 11% |
| Aug-07 | 6% | 7% | 13% | 13% | 11% | 12% |
| Sep-07 | 6% | 5% | 14% | 11% | 11% | 12% |
| Oct-07 | 9% | 7% | 14% | 11% | 11% | 12% |
| Nov-07 | 8% | 10% | 15% | 11% | 11% | 13% |
| Dec-07 | 10% | 9% | 16% | 11% | 10% | 12% |
| Mar-08 | 9% | 9% | 17% | 8% | 11% | 12% |
| Apr-08 | 9% | 12% | 15% | 10% | 12% | 12% |
| May-08 | 10% | 11% | 14% | 10% | 12% | 13% |
| Jul-08 | 10% | 16% | 15% | 12% | 12% | 13% |

| Nifty 50 TRI SIP Returns (When started at different periods since inception) | | | | | | |
|---|-----|-----|-----|-----|-----|-----|
| Period | 5Y | 6Y | 7Y | 8Y | 9Y | 10Y |
| Aug-08 | 8% | 15% | 15% | 12% | 13% | 13% |
| Sep-08 | 6% | 17% | 12% | 12% | 13% | 14% |
| Oct-08 | 8% | 16% | 12% | 12% | 12% | 13% |
| Feb-09 | 8% | 17% | 9% | 11% | 14% | 11% |
| Mar-09 | 9% | 17% | 8% | 11% | 12% | 11% |
| May-09 | 10% | 13% | 9% | 11% | 12% | 12% |
| Feb-11 | 9% | 11% | 15% | 12% | 11% | 13% |
| Mar-11 | 7% | 12% | 13% | 11% | 10% | 14% |
| Apr-11 | 9% | 12% | 12% | 13% | 3% | 14% |
| May-11 | 10% | 13% | 14% | 13% | 7% | 13% |
| Dec-11 | 9% | 14% | 12% | 12% | 12% | 15% |
| Jan-12 | 9% | 14% | 12% | 12% | 13% | 15% |
| Nov-13 | 10% | 11% | 8% | 17% | 14% | 13% |
| Mar-14 | 10% | 8% | 14% | 14% | 12% | |
| Aug-14 | 9% | 7% | 15% | 14% | 14% | |
| Sep-14 | 9% | 8% | 17% | 14% | 14% | |
| Oct-14 | 9% | 7% | 17% | 13% | 14% | |
| Feb-15 | 10% | 14% | 16% | 13% | | |
| Mar-15 | 8% | 15% | 15% | 13% | | |
| Apr-15 | -4% | 15% | 16% | 13% | | |
| May-15 | 3% | 14% | 15% | 13% | | |
| Jun-15 | 2% | 16% | 14% | 14% | | |
| Jul-15 | 5% | 16% | 12% | 14% | | |
| Aug-15 | 7% | 16% | 15% | 15% | | |
| Sep-15 | 8% | 18% | 15% | 14% | | |
| Oct-15 | 8% | 19% | 14% | 14% | | |
| Nov-15 | 8% | 19% | 15% | 13% | | |

| |
|-----------------------|
| Returns <0% |
| Returns >=0% but <7% |
| Returns >=7% but <10% |
| Returns >=10% |

| Total Occurrences | 54 |
|---------------------|------|
| Recovered to 10% in | >10% |
| Next 1 Year | 33 |
| Next 2 Year | 13 |
| Next 3 Year | 8 |

6 Years SIP Returns Below 10% - Recovers over the next 1-3 years – Long term 7-10Y Returns are robust

| Nifty 50 TRI SIP Returns (When started at different periods since inception) | | | | | |
|---|-----|-----|-----|-----|-----|
| Period | 6Y | 7Y | 8Y | 9Y | 10Y |
| Dec-02 | 8% | 24% | 23% | 15% | 16% |
| Feb-03 | 9% | 21% | 19% | 15% | 15% |
| Mar-03 | 7% | 21% | 19% | 15% | 14% |
| Apr-03 | 10% | 22% | 20% | 14% | 14% |
| Sep-05 | 8% | 8% | 7% | 14% | 11% |
| Oct-05 | 7% | 10% | 8% | 13% | 11% |
| Nov-05 | 9% | 9% | 10% | 14% | 11% |
| Dec-05 | 6% | 10% | 9% | 14% | 11% |
| Jan-06 | 4% | 10% | 9% | 13% | 10% |
| Feb-06 | 7% | 10% | 8% | 14% | 9% |
| Mar-06 | 8% | 8% | 9% | 14% | 8% |
| Apr-06 | 7% | 8% | 10% | 13% | 9% |
| May-06 | 7% | 9% | 10% | 12% | 10% |
| Jun-06 | 4% | 9% | 12% | 13% | 10% |
| Jul-06 | 7% | 8% | 13% | 13% | 10% |
| Aug-06 | 6% | 7% | 12% | 13% | 11% |
| Sep-06 | 6% | 6% | 13% | 10% | 11% |
| Oct-06 | 9% | 7% | 13% | 11% | 11% |
| Nov-06 | 8% | 9% | 14% | 11% | 10% |
| Dec-06 | 9% | 8% | 14% | 10% | 9% |
| Jan-07 | 9% | 9% | 13% | 10% | 9% |
| Feb-07 | 9% | 8% | 15% | 9% | 10% |
| Mar-07 | 8% | 8% | 15% | 8% | 11% |
| Apr-07 | 7% | 10% | 14% | 9% | 11% |
| May-07 | 8% | 10% | 12% | 9% | 11% |
| Jun-07 | 9% | 12% | 13% | 10% | 12% |

| Nifty 50 TRI SIP Returns (When started at different periods since inception) | | | | | |
|---|-----|-----|-----|-----|-----|
| Period | 6Y | 7Y | 8Y | 9Y | 10Y |
| Jul-07 | 8% | 13% | 13% | 10% | 11% |
| Aug-07 | 7% | 13% | 13% | 11% | 12% |
| Sep-07 | 5% | 14% | 11% | 11% | 12% |
| Oct-07 | 7% | 14% | 11% | 11% | 12% |
| Nov-07 | 10% | 15% | 11% | 11% | 13% |
| Dec-07 | 9% | 16% | 11% | 10% | 12% |
| Jan-08 | 10% | 15% | 11% | 10% | 13% |
| Feb-08 | 8% | 16% | 10% | 11% | 13% |
| Mar-08 | 9% | 17% | 8% | 11% | 12% |
| Feb-10 | 8% | 10% | 14% | 11% | 11% |
| Mar-10 | 7% | 11% | 12% | 11% | 10% |
| Apr-10 | 9% | 11% | 11% | 12% | 4% |
| May-10 | 9% | 12% | 13% | 12% | 7% |
| Dec-10 | 9% | 13% | 12% | 12% | 12% |
| Jan-11 | 9% | 13% | 12% | 12% | 13% |
| Aug-13 | 10% | 8% | 15% | 14% | 14% |
| Sep-13 | 10% | 9% | 16% | 14% | 14% |
| Feb-14 | 10% | 13% | 16% | 13% | |
| Mar-14 | 8% | 14% | 14% | 12% | |
| Apr-14 | -2% | 14% | 15% | 12% | |
| May-14 | 3% | 13% | 14% | 13% | |
| Jun-14 | 3% | 15% | 13% | 13% | |
| Jul-14 | 5% | 15% | 12% | 14% | |
| Aug-14 | 7% | 15% | 14% | 14% | |
| Sep-14 | 8% | 17% | 14% | 14% | |
| Oct-14 | 7% | 17% | 13% | 14% | |
| Nov-14 | 8% | 18% | 14% | 13% | |

| |
|-----------------------|
| Returns <0% |
| Returns >=0% but <7% |
| Returns >=7% but <10% |
| Returns >=10% |

| Total Occurrences | 53 |
|---------------------|------|
| Recovered to 10% in | >10% |
| Next 1 Year | 31 |
| Next 2 Year | 14 |
| Next 3 Year | 8 |

7 Years SIP Returns Below 10% - Recovers over the next 1-3 years – Long term 9-10Y Returns are robust

| Nifty 50 TRI SIP Returns (When started at different periods since inception) | | | | |
|---|-----|-----|-----|-----|
| Period | 7Y | 8Y | 9Y | 10Y |
| Dec-04 | 9% | 12% | 11% | 15% |
| Jan-05 | 7% | 12% | 11% | 14% |
| Apr-05 | 10% | 9% | 11% | 14% |
| May-05 | 9% | 10% | 11% | 13% |
| Jun-05 | 6% | 10% | 12% | 13% |
| Jul-05 | 8% | 9% | 13% | 13% |
| Aug-05 | 8% | 8% | 13% | 13% |
| Sep-05 | 8% | 7% | 14% | 11% |
| Oct-05 | 10% | 8% | 13% | 11% |
| Nov-05 | 9% | 10% | 14% | 11% |
| Dec-05 | 10% | 9% | 14% | 11% |
| Jan-06 | 10% | 9% | 13% | 10% |
| Feb-06 | 10% | 8% | 14% | 9% |
| Mar-06 | 8% | 9% | 14% | 8% |
| Apr-06 | 8% | 10% | 13% | 9% |
| May-06 | 9% | 10% | 12% | 10% |
| Jun-06 | 9% | 12% | 13% | 10% |
| Jul-06 | 8% | 13% | 13% | 10% |
| Aug-06 | 7% | 12% | 13% | 11% |
| Sep-06 | 6% | 13% | 10% | 11% |
| Oct-06 | 7% | 13% | 11% | 11% |

| Nifty 50 TRI SIP Returns (When started at different periods since inception) | | | | |
|---|-----|-----|-----|-----|
| Period | 7Y | 8Y | 9Y | 10Y |
| Nov-06 | 9% | 14% | 11% | 10% |
| Dec-06 | 8% | 14% | 10% | 9% |
| Jan-07 | 9% | 13% | 10% | 9% |
| Feb-07 | 8% | 15% | 9% | 10% |
| Mar-07 | 8% | 15% | 8% | 11% |
| May-07 | 10% | 12% | 9% | 11% |
| Feb-09 | 9% | 11% | 14% | 11% |
| Mar-09 | 8% | 11% | 12% | 11% |
| Apr-09 | 9% | 11% | 11% | 12% |
| May-09 | 9% | 11% | 12% | 12% |
| Jun-09 | 10% | 12% | 12% | 12% |
| Dec-09 | 9% | 12% | 11% | 12% |
| Jan-10 | 9% | 13% | 11% | 12% |
| Mar-13 | 9% | 14% | 14% | 13% |
| Apr-13 | 0% | 14% | 15% | 12% |
| May-13 | 5% | 13% | 14% | 13% |
| Jun-13 | 5% | 15% | 13% | 13% |
| Jul-13 | 6% | 15% | 12% | 14% |
| Aug-13 | 8% | 15% | 14% | 14% |
| Sep-13 | 9% | 16% | 14% | 14% |
| Oct-13 | 8% | 17% | 13% | 14% |
| Nov-13 | 8% | 17% | 14% | 13% |

| |
|-----------------------|
| Returns <0% |
| Returns >=0% but <7% |
| Returns >=7% but <10% |
| Returns >=10% |

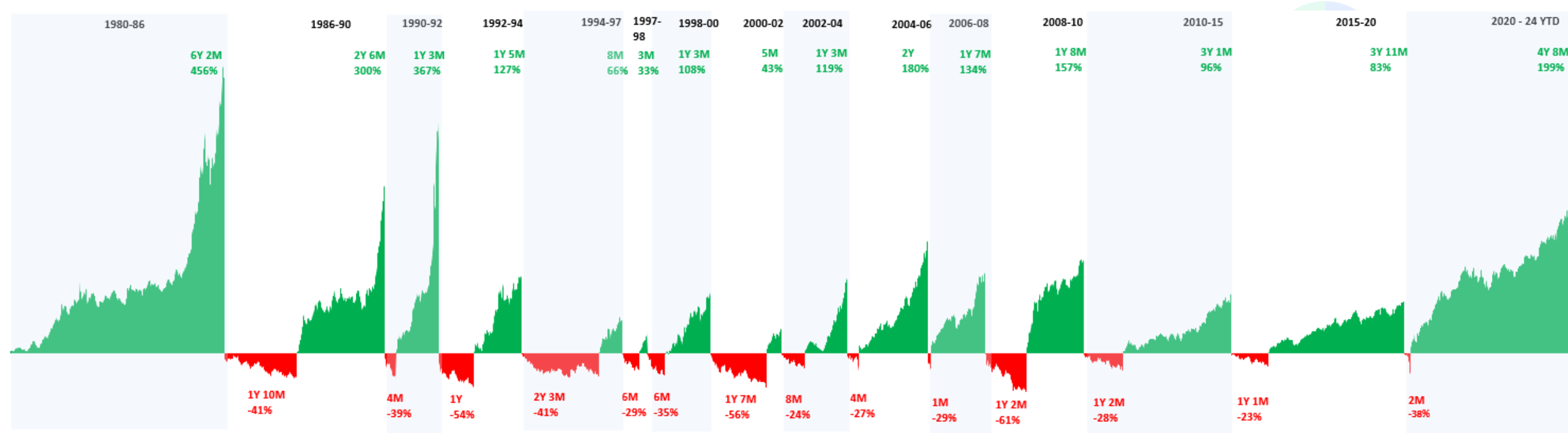
| Total Occurrences | 43 |
|---------------------|------|
| Recovered to 10% in | >10% |
| Next 1 Year | 31 |
| Next 2 Year | 12 |

Why does the sudden jump in return happen?

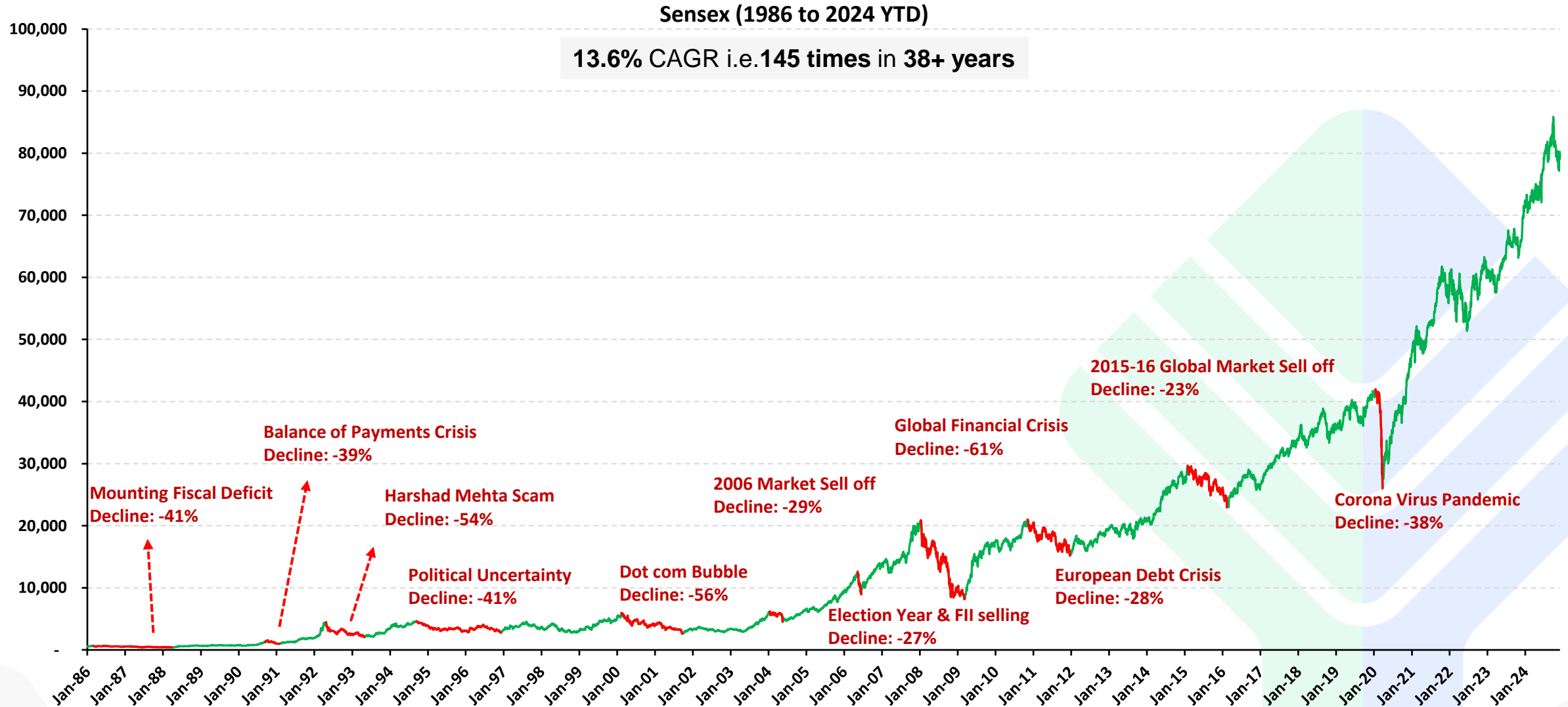
1. Markets have always recovered

Sensex - Market Decline and Recovery (1980 to 2024 YTD)

Upsides are much higher than the Declines!

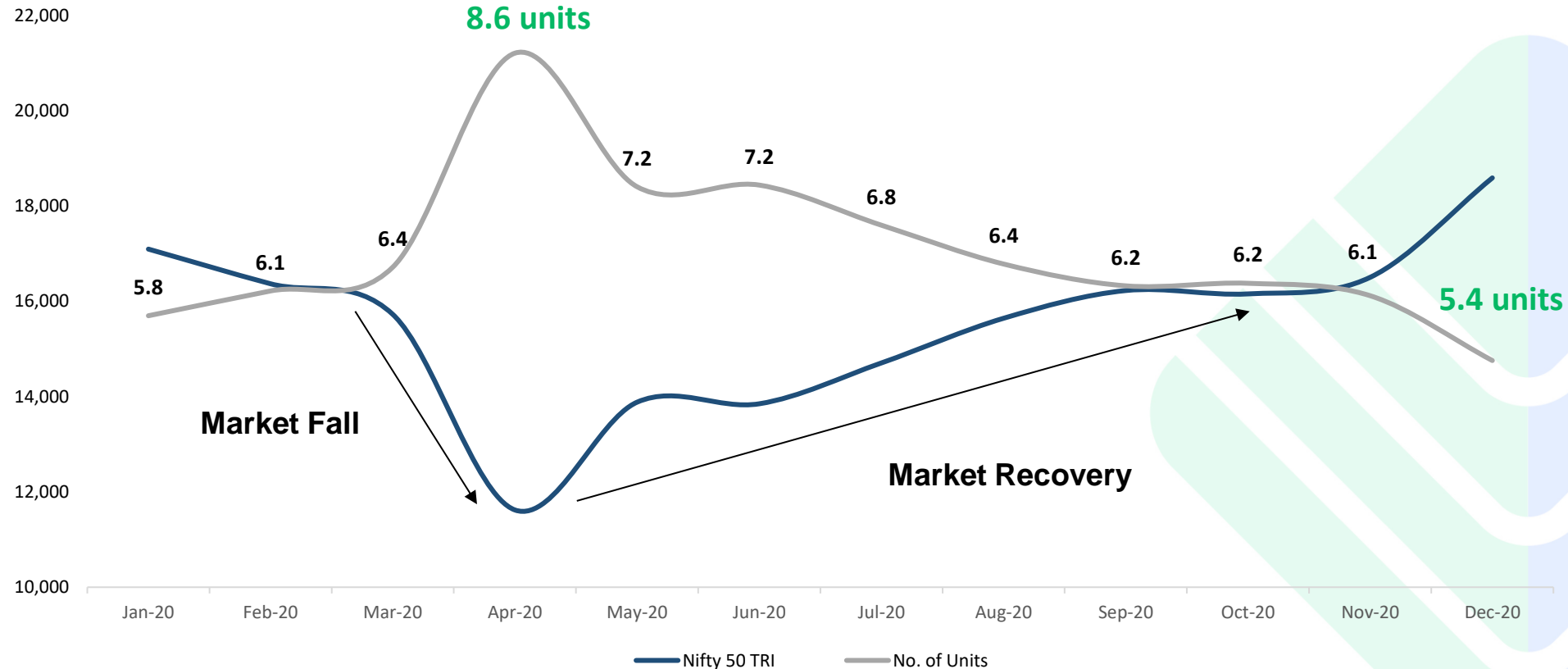


And moved up over the long run (mirroring earnings growth)



2. You accumulate more mutual fund units in a fall which participate in the recovery and give the extra kicker in returns

SIP helps you accumulate more units during a fall



Successful SIP experience depends on how we handle DIP!

- Long term returns from Equity SIPs are promising but there is a cost...

If we want the benefits of something in life, we also have to want the costs. Equity SIP investing is no exception.

- The cost comes in the form of DIP – 3 invisible enemies

- Disappointment Phase (7-10% returns)
- Irritation Phase (0-7% returns)
- Panic Phase (Negative returns)

- Patience - The trick is not minding that it hurts!

During such phases, continuing SIPs without stopping and patiently waiting it out for 1-3 years has historically led to a significant recovery in returns



**INCREASE YOUR SIP
AMOUNT EVERY **1** YEAR!**

Even a small increase in your Equity SIP amount every year can make a huge difference to your final portfolio value over the long run.

| Portfolio value with increase in SIP every year @12% CAGR - Return Expectation | | | | | | |
|--|-------------|-------------|-------------|---------------|---------------|---------------|
| Increase in SIP | No of Years | | | | | |
| | 5 | 10 | 15 | 20 | 25 | 30 |
| Monthly SIP of Rs 5,000 (no annual increase) | Rs 4 Lakhs | Rs 12 Lakhs | Rs 25 Lakhs | Rs 49 Lakhs | Rs 94 Lakhs | Rs 1.8 Crores |
| Monthly SIP of Rs 5,000 (increased 5% annually) | Rs 4 Lakhs | Rs 14 Lakhs | Rs 32 Lakhs | Rs 68 Lakhs | Rs 1.4 Crores | Rs 2.6 Crores |
| Monthly SIP of Rs 5,000 (increased 10% annually) | Rs 5 Lakhs | Rs 17 Lakhs | Rs 43 Lakhs | Rs 98 Lakhs | Rs 2.1 Crores | Rs 4.4 Crores |
| Monthly SIP of Rs 5,000 (increased 15% annually) | Rs 5 Lakhs | Rs 20 Lakhs | Rs 59 Lakhs | Rs 1.5 Crores | Rs 3.6 Crores | Rs 8.3 Crores |

Over a **20 year period**, your **portfolio value...**

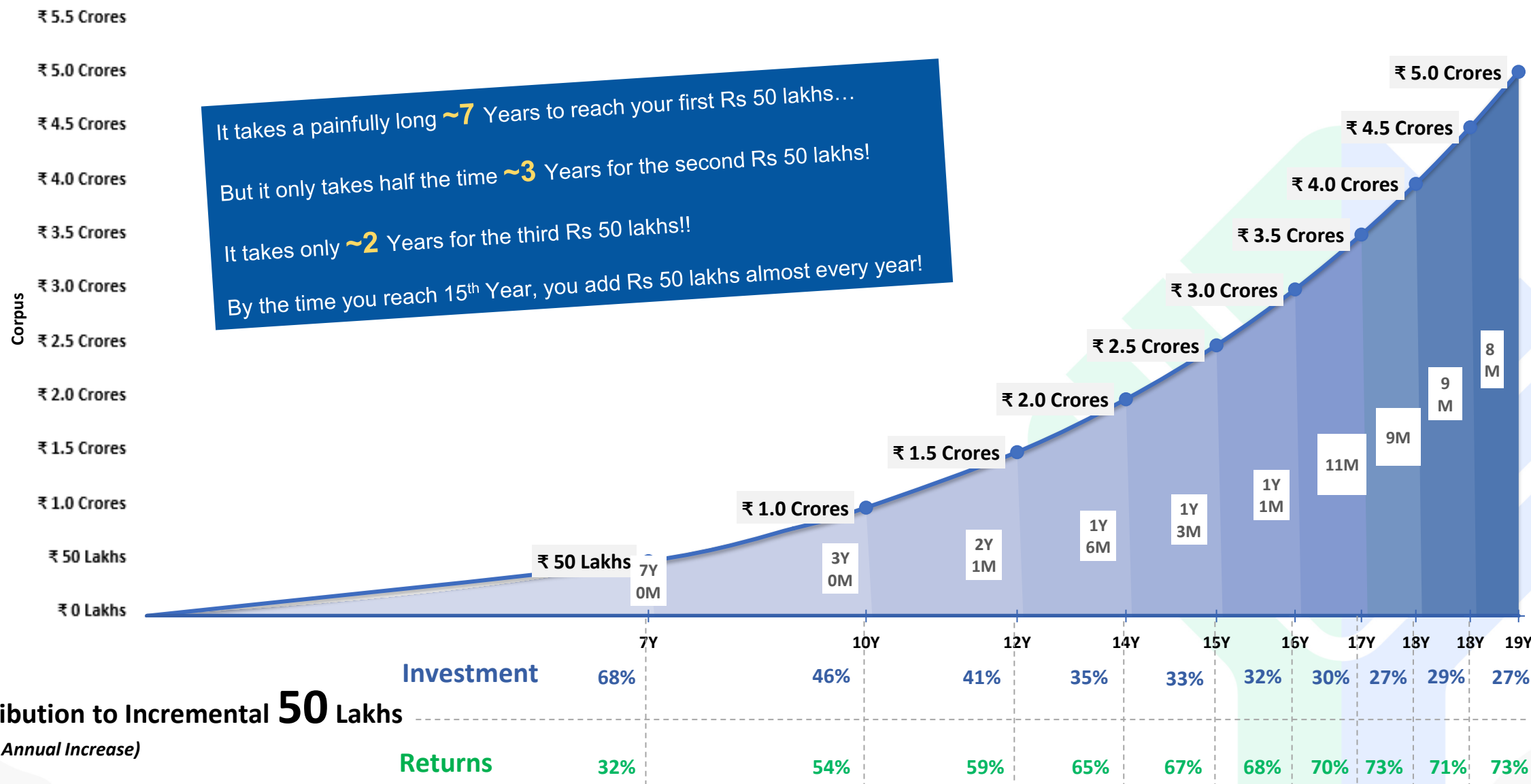
DOUBLES when you **increase your SIP every year by 10%!**

Note: The percentage increase is on the previous year's SIP amount i.e. Rs. 5,000 SIP increased 10% annually will invest Rs 5,000 every month in the first year, Rs. 5,500 every month in the second year, Rs. 6,050 every month in the third year and so on.

Source: ACE MF, FundsIndia Research; Table which shows the difference in final portfolio values across different time frames for different % of annual increase in SIP amount.

The Power of Compounding - Remember the 7-3-2 Rule

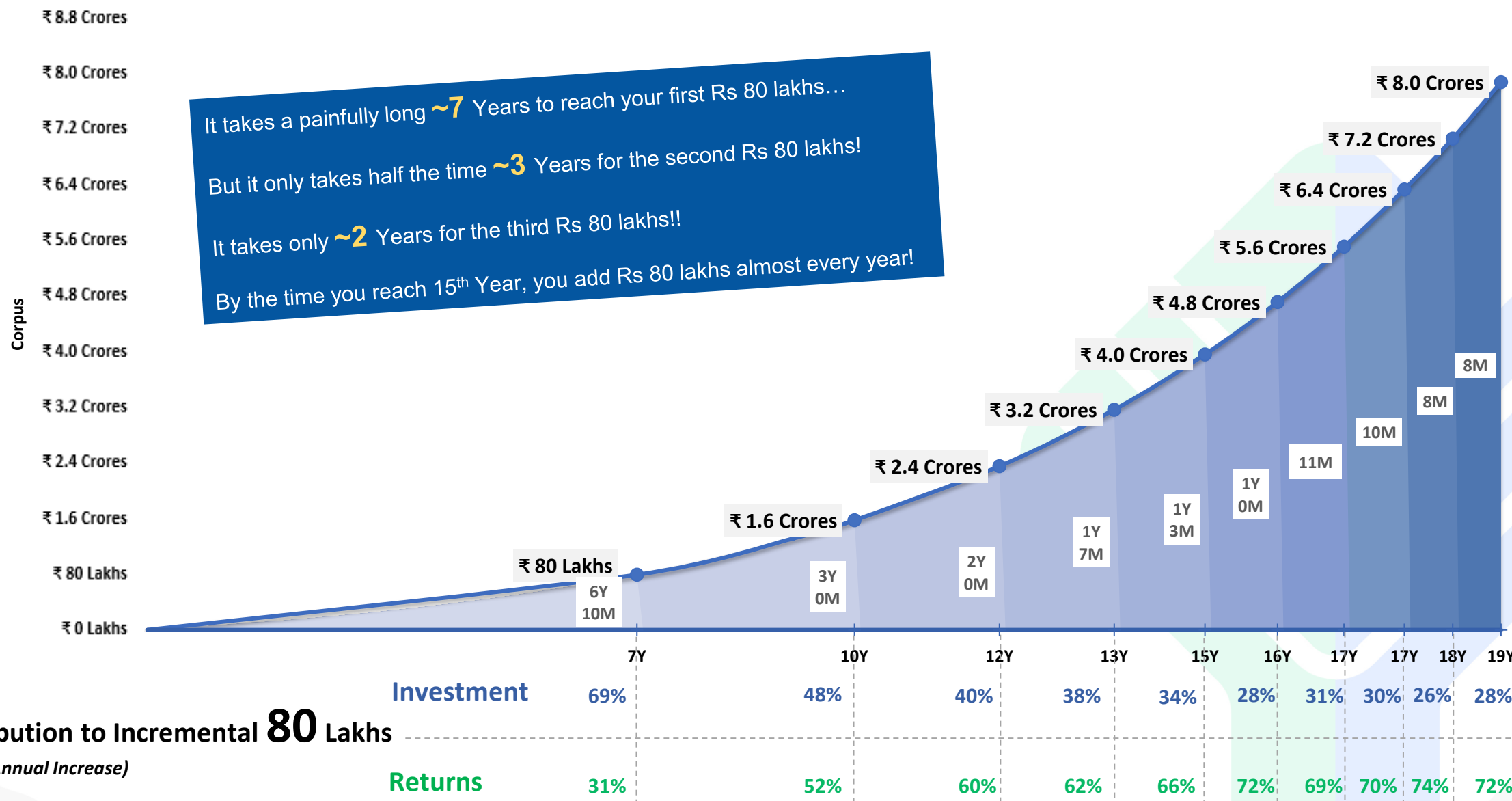
Portfolio Value when investing Rs. 30,000 every month @10% annual Increase



Contribution to Incremental **50** Lakhs
(At 10% Annual Increase)

The Power of Compounding - Remember the 7-3-2 Rule

Portfolio Value when investing Rs. 50,000 every month @10% annual Increase



The Power of Compounding - Remember the 7-3-2 Rule

Portfolio Value when investing Rs. 70,000 every month @10% annual increase



7-5-3-1 Strategy

- **7** + year time frame...
- **5** Finger Strategy for building Equity SIP Portfolio...
- Don't stop your Equity SIP in the **3** Tough Phases (Disappointment, Irritation and Panic Phase) where most SIP Investors give up...
- Increase SIP amount every **1** year...

...and you're all set for your SIP wealth creation journey :)

FAQ



Q1: How to Decide your Equity SIP amount?



SIP Amount Required To Build Your Target Corpus with No Annual Increase

| SIP Amount (0% Annual Increase) | Target Corpus @ 12% CAGR | | | | | | | | | | | |
|------------------------------------|--------------------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|---------------|--------------|---------------|
| | Rs. 10 Lakhs | Rs. 20 Lakhs | Rs. 30 Lakhs | Rs. 50 Lakhs | Rs. 75 Lakhs | Rs. 1 Crore | Rs. 2 Crores | Rs. 3 Crores | Rs. 4 Crores | Rs. 5 Crores | Rs. 7 Crores | Rs. 10 Crores |
| Rs. 10,000 | 5Y 10M | 9Y 2M | 11Y 7M | 15Y 0M | 17Y 11M | 20Y 1M | 25Y 6M | 28Y 9M | 31Y 1M | 32Y 11M | 35Y 8M | 38Y 7M |
| Rs. 20,000 | 3Y 5M | 5Y 10M | 7Y 8M | 10Y 6M | 13Y 0M | 15Y 0M | 20Y 1M | 23Y 2M | 25Y 6M | 27Y 3M | 30Y 0M | 32Y 11M |
| Rs. 25,000 | 2Y 10M | 4Y 11M | 6Y 7M | 9Y 2M | 11Y 7M | 13Y 5M | 18Y 4M | 21Y 5M | 23Y 8M | 25Y 6M | 28Y 2M | 31Y 1M |
| Rs. 30,000 | 2Y 5M | 4Y 3M | 5Y 10M | 8Y 2M | 10Y 6M | 12Y 4M | 17Y 0M | 20Y 1M | 22Y 3M | 24Y 0M | 26Y 8M | 29Y 7M |
| Rs. 40,000 | 1Y 11M | 3Y 5M | 4Y 8M | 6Y 9M | 8Y 10M | 10Y 6M | 15Y 0M | 17Y 11M | 20Y 1M | 21Y 9M | 24Y 5M | 27Y 3M |
| Rs. 50,000 | 1Y 7M | 2Y 10M | 3Y 11M | 5Y 10M | 7Y 8M | 9Y 2M | 13Y 5M | 16Y 3M | 18Y 4M | 20Y 1M | 22Y 8M | 25Y 6M |
| Rs. 75,000 | 1Y 1M | 2Y 0M | 2Y 10M | 4Y 3M | 5Y 10M | 7Y 1M | 10Y 10M | 13Y 5M | 15Y 5M | 17Y 0M | 19Y 6M | 22Y 3M |
| Rs. 100,000 | 0Y 10M | 1Y 7M | 2Y 3M | 3Y 5M | 4Y 8M | 5Y 10M | 9Y 2M | 11Y 7M | 13Y 5M | 15Y 0M | 17Y 5M | 20Y 1M |

SIP Amount Required To Build Your Target Corpus with 5% Annual Increase

| SIP Amount (5% Annual Increase) | Target Corpus @ 12% CAGR | | | | | | | | | | | |
|------------------------------------|--------------------------|--------------|--------------|--------------|--------------|---------------|--------------|--------------|--------------|---------------|--------------|---------------|
| | Rs. 10 Lakhs | Rs. 20 Lakhs | Rs. 30 Lakhs | Rs. 50 Lakhs | Rs. 75 Lakhs | Rs. 1 Crore | Rs. 2 Crores | Rs. 3 Crores | Rs. 4 Crores | Rs. 5 Crores | Rs. 7 Crores | Rs. 10 Crores |
| Rs. 10,000 | 5Y 5M | 8Y 4M | 10Y 5M | 13Y 5M | 15Y 11M | 17Y 10M | 22Y 9M | 25Y 9M | 27Y 11M | 29Y 8M | 32Y 3M | 35Y 1M |
| Rs. 20,000 | 3Y 3M | 5Y 5M | 7Y 1M | 9Y 6M | 11Y 8M | 13Y 5M | 17Y 10M | 20Y 8M | 22Y 9M | 24Y 4M | 26Y 11M | 29Y 8M |
| Rs. 25,000 | 2Y 9M | 4Y 8M | 6Y 1M | 8Y 4M | 10Y 5M | 12Y 1M | 16Y 4M | 19Y 1M | 21Y 1M | 22Y 9M | 25Y 3M | 27Y 11M |
| Rs. 30,000 | 2Y 4M | 4Y 1M | 5Y 5M | 7Y 6M | 9Y 6M | 11Y 0M | 15Y 2M | 17Y 10M | 19Y 10M | 21Y 5M | 23Y 10M | 26Y 6M |
| Rs. 40,000 | 1Y 10M | 3Y 3M | 4Y 5M | 6Y 3M | 8Y 1M | 9Y 6M | 13Y 5M | 15Y 11M | 17Y 10M | 19Y 5M | 21Y 9M | 24Y 4M |
| Rs. 50,000 | 1Y 6M | 2Y 9M | 3Y 9M | 5Y 5M | 7Y 1M | 8Y 4M | 12Y 1M | 14Y 6M | 16Y 4M | 17Y 10M | 20Y 2M | 22Y 9M |
| Rs. 75,000 | 1Y 1M | 2Y 0M | 2Y 9M | 4Y 1M | 5Y 5M | 6Y 6M | 9Y 10M | 12Y 1M | 13Y 9M | 15Y 2M | 17Y 5M | 19Y 10M |
| Rs. 100,000 | 0Y 10M | 1Y 6M | 2Y 2M | 3Y 3M | 4Y 5M | 5Y 5M | 8Y 4M | 10Y 5M | 12Y 1M | 13Y 5M | 15Y 6M | 17Y 10M |

SIP Amount Required To Build Your Target Corpus with 10% Annual Increase

| SIP Amount <i>(10% Annual Increase)</i> | Target Corpus @ 12% CAGR | | | | | | | | | | | |
|--|--------------------------|--------------|--------------|--------------|--------------|-------------|--------------|--------------|--------------|--------------|--------------|---------------|
| | Rs. 10 Lakhs | Rs. 20 Lakhs | Rs. 30 Lakhs | Rs. 50 Lakhs | Rs. 75 Lakhs | Rs. 1 Crore | Rs. 2 Crores | Rs. 3 Crores | Rs. 4 Crores | Rs. 5 Crores | Rs. 7 Crores | Rs. 10 Crores |
| Rs. 10,000 | 5Y 1M | 7Y 8M | 9Y 6M | 12Y 0M | 14Y 3M | 15Y 10M | 20Y 1M | 22Y 8M | 24Y 7M | 26Y 1M | 28Y 5M | 30Y 11M |
| Rs. 20,000 | 3Y 2M | 5Y 1M | 6Y 6M | 8Y 8M | 10Y 7M | 12Y 0M | 15Y 10M | 18Y 3M | 20Y 1M | 21Y 6M | 23Y 8M | 26Y 1M |
| Rs. 25,000 | 2Y 8M | 4Y 5M | 5Y 8M | 7Y 8M | 9Y 6M | 10Y 10M | 14Y 7M | 16Y 11M | 18Y 8M | 20Y 1M | 22Y 3M | 24Y 7M |
| Rs. 30,000 | 2Y 4M | 3Y 10M | 5Y 1M | 6Y 11M | 8Y 8M | 10Y 0M | 13Y 7M | 15Y 10M | 17Y 7M | 18Y 11M | 21Y 1M | 23Y 5M |
| Rs. 40,000 | 1Y 10M | 3Y 2M | 4Y 2M | 5Y 10M | 7Y 5M | 8Y 8M | 12Y 0M | 14Y 3M | 15Y 10M | 17Y 2M | 19Y 3M | 21Y 6M |
| Rs. 50,000 | 1Y 6M | 2Y 8M | 3Y 7M | 5Y 1M | 6Y 6M | 7Y 8M | 10Y 10M | 13Y 0M | 14Y 7M | 15Y 10M | 17Y 10M | 20Y 1M |
| Rs. 75,000 | 1Y 1M | 1Y 11M | 2Y 8M | 3Y 10M | 5Y 1M | 6Y 1M | 8Y 11M | 10Y 10M | 12Y 4M | 13Y 7M | 15Y 5M | 17Y 7M |
| Rs. 100,000 | 0Y 10M | 1Y 6M | 2Y 1M | 3Y 2M | 4Y 2M | 5Y 1M | 7Y 8M | 9Y 6M | 10Y 10M | 12Y 0M | 13Y 10M | 15Y 10M |

Q2: What is the big deal about starting to invest via SIPs early?

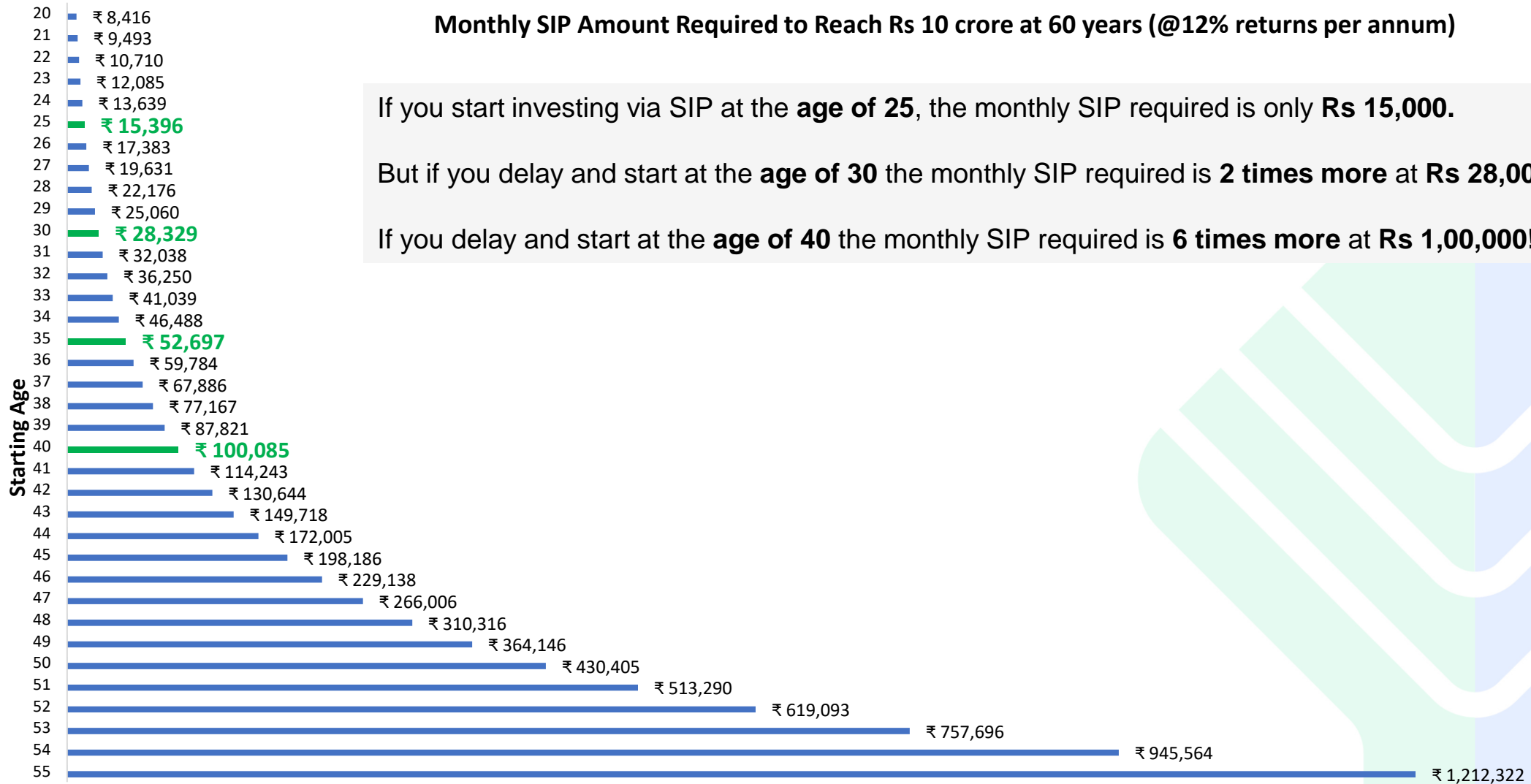
Start Investing Early

Monthly SIP Amount Required to Reach Rs 10 crore at 60 years (@12% returns per annum)

If you start investing via SIP at the **age of 25**, the monthly SIP required is only **Rs 15,000**.

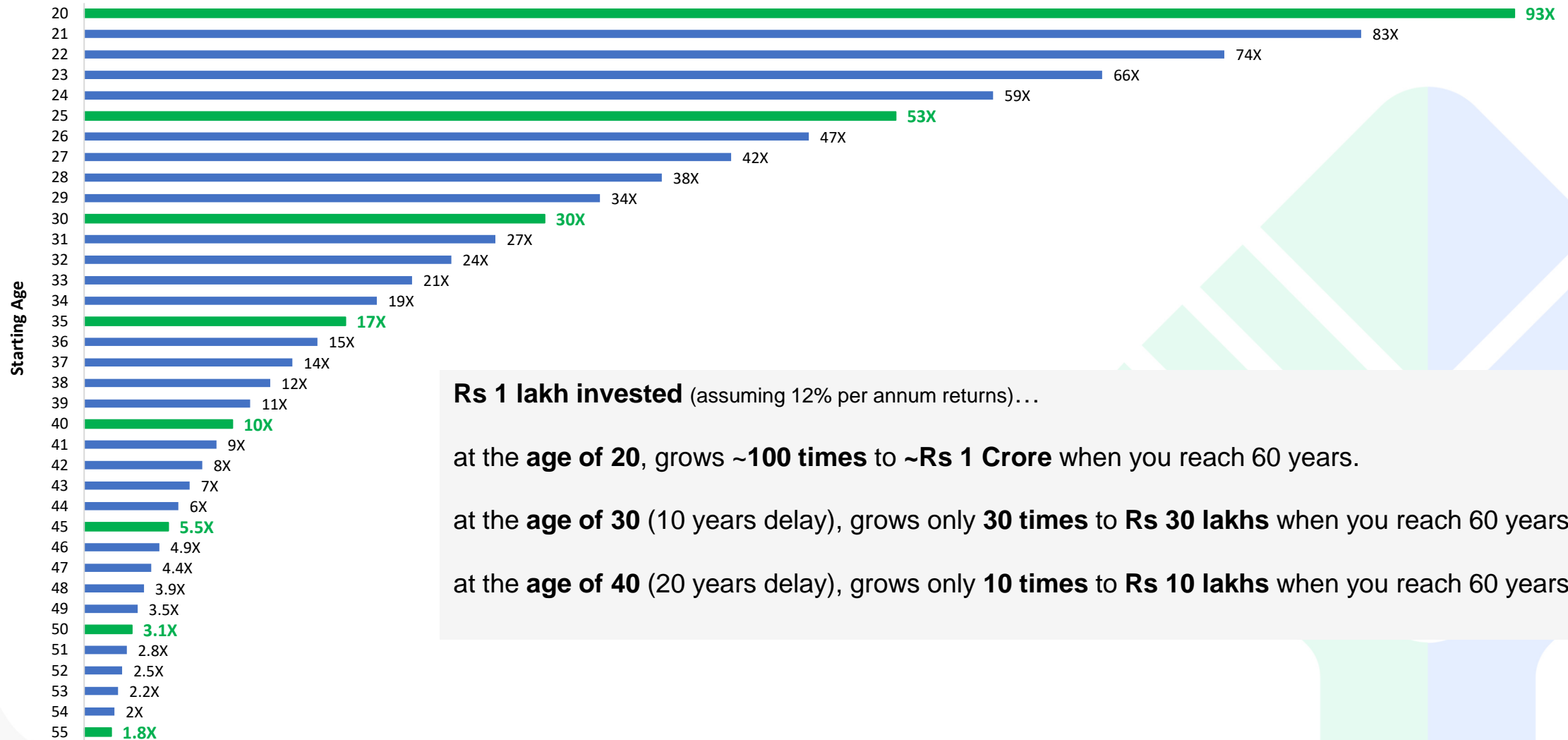
But if you delay and start at the **age of 30** the monthly SIP required is **2 times more** at **Rs 28,000!**

If you delay and start at the **age of 40** the monthly SIP required is **6 times more** at **Rs 1,00,000!**



Even a small amount invested early, makes a huge difference over a long time frame

Number of Times your Original Investment Multiplies when you reach 60 years (@12% annual returns)



Rs 1 lakh invested (assuming 12% per annum returns)...

at the **age of 20**, grows ~**100 times** to ~**Rs 1 Crore** when you reach 60 years.

at the **age of 30** (10 years delay), grows only **30 times** to **Rs 30 lakhs** when you reach 60 years.

at the **age of 40** (20 years delay), grows only **10 times** to **Rs 10 lakhs** when you reach 60 years.

Q3: Market looks like it's at the top. Should you wait till the next bottom to start your SIP?

Long term SIP returns almost similar irrespective of whether you start from market top or bottom

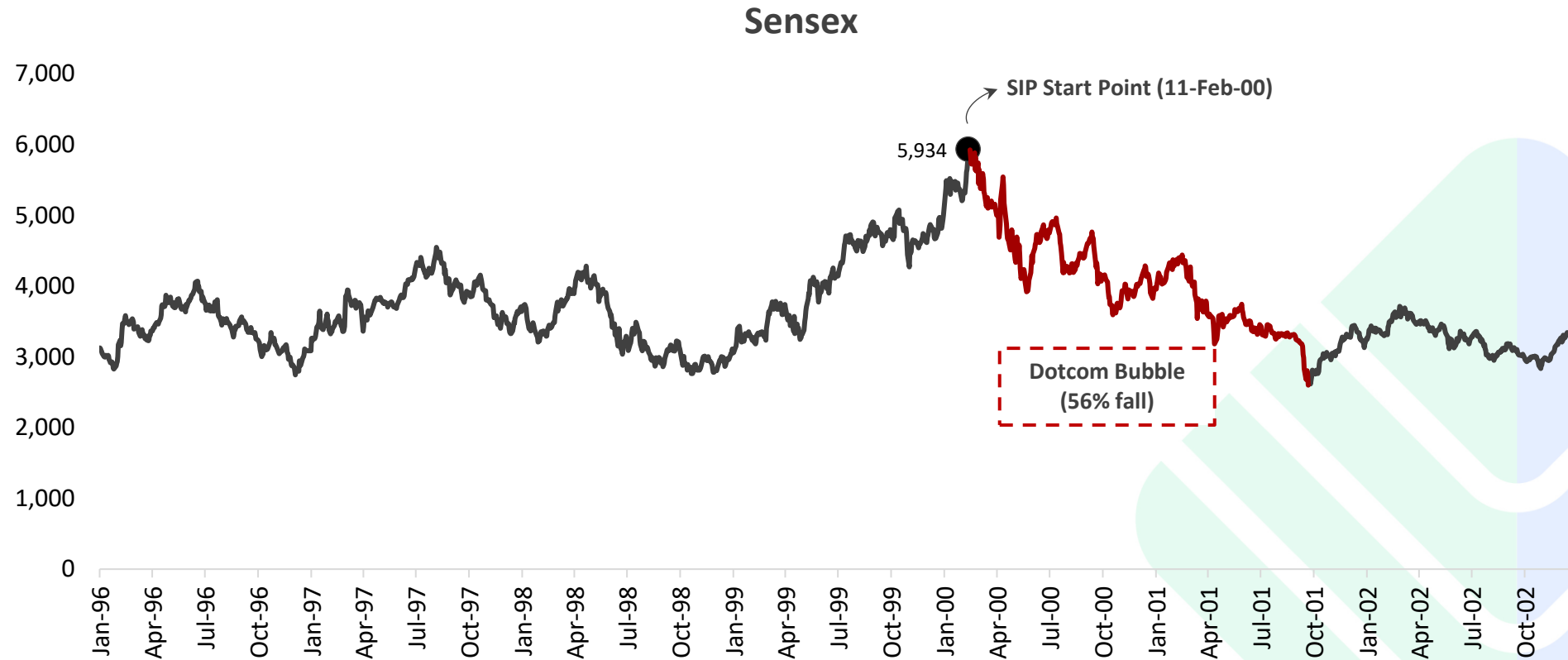
| S&P BSE Sensex TRI | | | | | | | | | | | |
|--------------------|------------------------|----------------|------------------|-----------------------|----------------------------|--------------------|----------------------------|--------------------------------------|--|--------------------------------------|----------------|
| Market Cycle | SIP Start Month | Peak NAV Value | Trough NAV Value | Market correction (%) | Correction Tenure (Months) | SIP Period (Years) | Amount Invested (in Lakhs) | Valuation as on 31-Dec-23 (in Lakhs) | Difference in Investment Amount (in Lakhs) | Difference in Final Value (in Lakhs) | SIP XIRR (%) |
| 1 | 02-Sep-96 04-Dec-96 | 3,563 | 2,750 | -23% | 3.1 | 27.3 27.1 | ₹ 32.8 ₹ 32.5 | ₹ 366.9 ₹ 357.0 | ₹ 0.3 | ₹ 10.0 | 14.8% 14.8% |
| 2 | 05-Aug-97 27-Nov-98 | 4,617 | 2,888 | -37% | 16.0 | 26.4 25.1 | ₹ 31.7 ₹ 30.2 | ₹ 332.0 ₹ 285.7 | ₹ 1.5 | ₹ 46.3 | 15.0% 15.1% |
| 3 | 11-Feb-00 21-Sep-01 | 6,313 | 2,874 | -54% | 19.6 | 23.9 22.3 | ₹ 28.7 ₹ 26.8 | ₹ 245.3 ₹ 197.6 | ₹ 1.9 | ₹ 47.7 | 15.3% 15.5% |
| 4 | 14-Jan-04 17-May-04 | 7,168 | 5,229 | -27% | 4.1 | 20.0 19.6 | ₹ 24.0 ₹ 23.6 | ₹ 116.5 ₹ 110.0 | ₹ 0.4 | ₹ 6.5 | 14.0% 13.9% |
| 5 | 10-May-06 14-Jun-06 | 15,186 | 10,790 | -29% | 1.2 | 17.7 17.6 | ₹ 21.2 ₹ 21.1 | ₹ 77.4 ₹ 76.8 | ₹ 0.1 | ₹ 0.6 | 13.3% 13.3% |
| 6 | 08-Jan-08 09-Mar-09 | 25,756 | 10,216 | -60% | 14.2 | 16.0 14.8 | ₹ 19.2 ₹ 17.8 | ₹ 64.4 ₹ 54.6 | ₹ 1.4 | ₹ 9.7 | 13.9% 14.0% |
| 7 | 05-Nov-10 20-Dec-11 | 26,968 | 19,759 | -27% | 13.7 | 13.2 12.0 | ₹ 15.8 ₹ 14.5 | ₹ 43.5 ₹ 37.4 | ₹ 1.3 | ₹ 6.1 | 14.4% 14.9% |
| 8 | 29-Jan-15 11-Feb-16 | 40,594 | 31,840 | -22% | 12.6 | 8.9 7.9 | ₹ 10.8 ₹ 9.5 | ₹ 22.1 ₹ 18.3 | ₹ 1.3 | ₹ 3.8 | 15.6% 16.4% |
| 9 | 14-Jan-20 23-Mar-20 | 61,231 | 38,017 | -38% | 2.3 | 4.0 3.8 | ₹ 4.8 ₹ 4.6 | ₹ 7.0 ₹ 6.6 | ₹ 0.2 | ₹ 0.3 | 19.8% 20.3% |

Long term SIP returns almost similar irrespective of whether you start from market top or bottom

| Nifty 50 TRI | | | | | | | | | | | |
|--------------|-----------------|----------------|------------------|-----------------------|----------------------------|--------------------|----------------------------|--------------------------------------|--|--------------------------------------|--------------|
| Market Cycle | SIP Start Month | Peak NAV Value | Trough NAV Value | Market correction (%) | Correction Tenure (Months) | SIP Period (Years) | Amount Invested (in Lakhs) | Valuation as on 30-Sep-23 (in Lakhs) | Difference in Investment Amount (in Lakhs) | Difference in Final Value (in Lakhs) | SIP XIRR (%) |
| 1 | 11-Feb-00 | 1,863 | 927 | -50% | 19.6 | 23.9 | ₹ 28.7 | ₹ 231.8 | ₹ 1.9 | ₹ 44.2 | 15.0% |
| | 21-Sep-01 | | | | | 22.3 | ₹ 26.8 | ₹ 187.7 | | | 15.1% |
| 2 | 14-Jan-04 | 2,258 | 1,586 | -30% | 4.1 | 20.0 | ₹ 24.0 | ₹ 113.6 | ₹ 0.4 | ₹ 6.0 | 13.8% |
| | 17-May-04 | | | | | 19.6 | ₹ 23.6 | ₹ 107.7 | | | 13.7% |
| 3 | 10-May-06 | 4,447 | 3,125 | -30% | 1.2 | 17.7 | ₹ 21.2 | ₹ 76.6 | ₹ 0.1 | ₹ 0.6 | 13.2% |
| | 14-Jun-06 | | | | | 17.6 | ₹ 21.1 | ₹ 76.0 | | | 13.2% |
| 4 | 08-Jan-08 | 7,643 | 3,096 | -59% | 9.8 | 16.0 | ₹ 19.2 | ₹ 63.5 | ₹ 0.9 | ₹ 4.9 | 13.7% |
| | 27-Oct-08 | | | | | 15.2 | ₹ 18.3 | ₹ 58.6 | | | 14.1% |
| 5 | 05-Nov-10 | 7,917 | 5,764 | -27% | 13.7 | 13.2 | ₹ 15.8 | ₹ 43.1 | ₹ 1.3 | ₹ 6.0 | 14.3% |
| | 20-Dec-11 | | | | | 12.0 | ₹ 14.5 | ₹ 37.1 | | | 14.8% |
| 6 | 03-Mar-15 | 11,857 | 9,282 | -22% | 12.0 | 8.8 | ₹ 10.6 | ₹ 21.4 | ₹ 1.1 | ₹ 3.2 | 15.6% |
| | 25-Feb-16 | | | | | 7.9 | ₹ 9.5 | ₹ 18.2 | | | 16.3% |
| 7 | 14-Jan-20 | 17,349 | 10,710 | -38% | 2.3 | 4.0 | ₹ 4.8 | ₹ 7.1 | ₹ 0.2 | ₹ 0.4 | 20.5% |
| | 23-Mar-20 | | | | | 3.8 | ₹ 4.6 | ₹ 6.7 | | | 21.0% |

Q4: What if you start your Equity SIP and the market crashes?

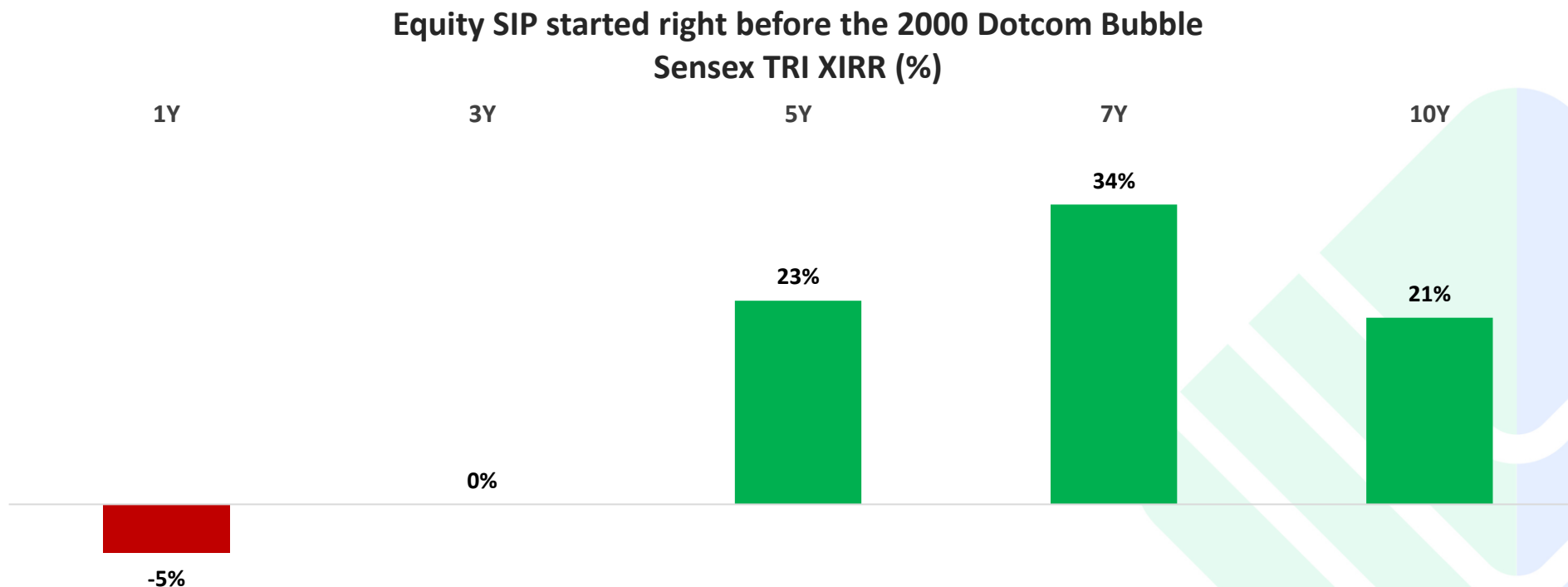
What if you had started your Equity SIP just before the Dot Com Bubble in 2000?



An SIP started on 11-Feb-00 just before the Dotcom bubble burst did not fare well in the short term (0 to 3 years). Of course, nothing to be surprised.

But here comes the surprise – **the 5Y SIP returns were a whopping 23% (compounded annualized returns)!**

Delivered a whopping 34% per annum over the next 7 Years!



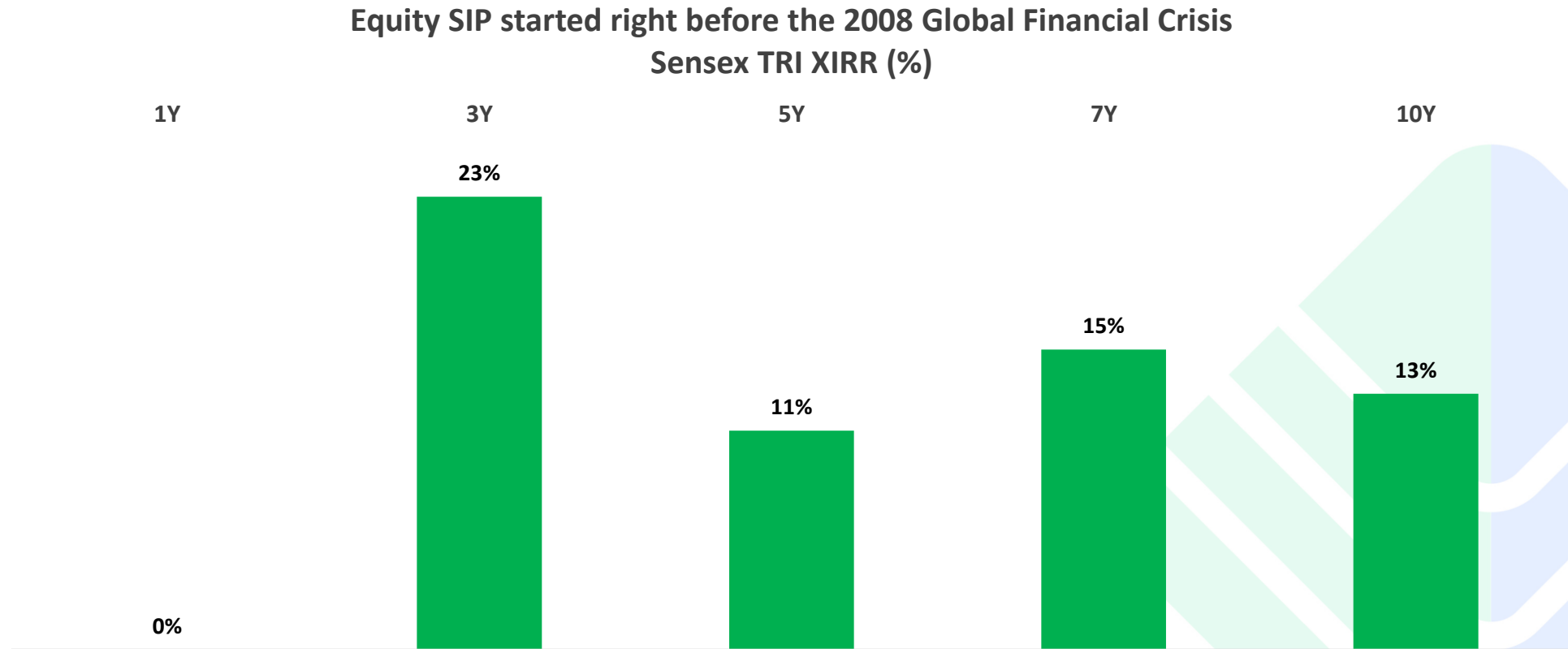
The Equity SIP performance eventually improved when markets recovered and the investment went on to deliver phenomenal returns – **34% CAGR over 7 years and 21% CAGR over 10 years.**

What if you had started your Equity SIP just before the Global Financial Crisis in 2008?



An SIP started just before the Global Financial Crisis. While the near term performance was impacted, **the 3Y SIP returns were a whopping 23% (compounded annualized returns)!**

Delivered 23% per annum over the next 3 Years!



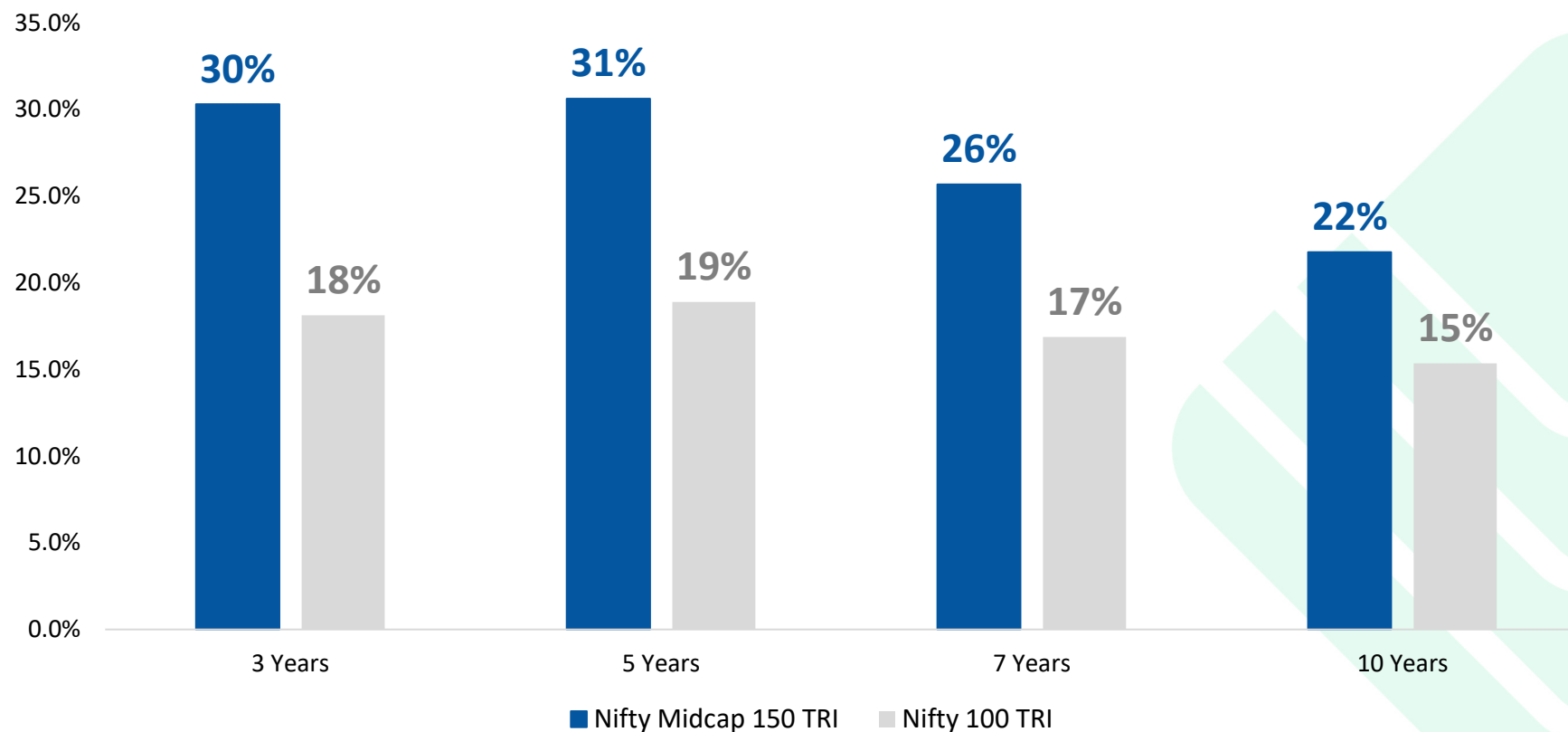
The same SIP went on to deliver **15% in the 7 years** and **13% in the next 10 years.**

Equity SIPs started before other major declines also did well over 5-7 year time frame

| Equity SIP started right before | Start Date (Market Peak) | Fall from Peak | Nifty 50 TRI SIP XIRR Returns | | | | | | | |
|--|-----------------------------|-------------------|-------------------------------|-----|-----|-----|-----|-----|-----|-----|
| | | | 5Y | 6Y | 7Y | 8Y | 9Y | 10Y | 11Y | 12Y |
| 2000 Dot Com Bubble | 11-Feb-00 | -50% | 22% | 29% | 31% | 28% | 13% | 20% | 19% | 17% |
| 2004 Indian Election Uncertainty | 14-Jan-04 | -30% | 2% | 21% | 18% | 11% | 13% | 12% | 15% | 12% |
| 2006 Global Rate Hike Sell-off | 10-May-06 | -30% | 11% | 5% | 9% | 10% | 12% | 10% | 11% | 12% |
| 2008 Global Financial Crisis | 08-Jan-08 | -59% | 11% | 9% | 15% | 10% | 10% | 13% | 11% | 12% |
| 2010-11 European Debt Crisis | 05-Nov-10 | -27% | 11% | 10% | 14% | 11% | 12% | 10% | | |
| 2015-16 Global Market Sell-off (Yuan Devaluation) | 03-Mar-15 | -22% | 8% | 15% | | | | | | |

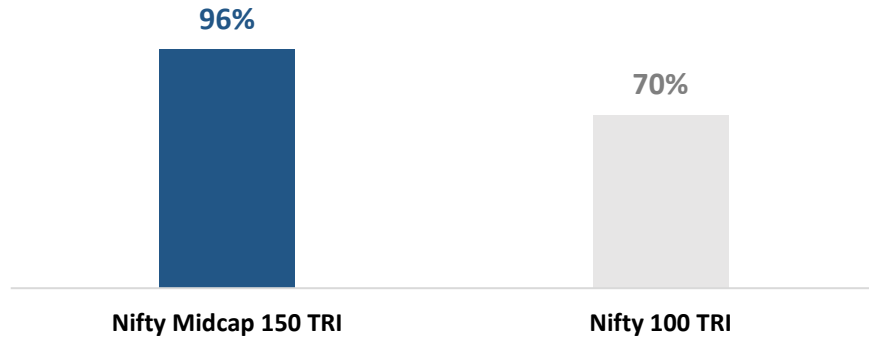
Q5: Should you add Mid cap exposure in long term Equity SIPs?

SIP Returns of Nifty Midcap 150 TRI vs Nifty 100 TRI

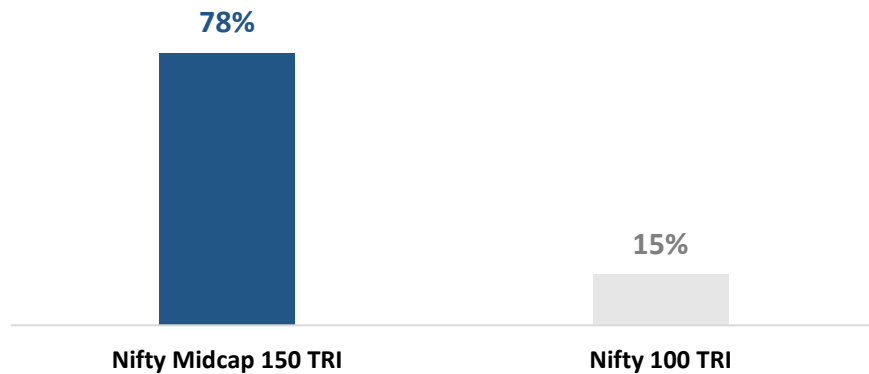


Midcap SIP does well over long term

% of times index delivered >12% returns



% of times index delivered >15% returns

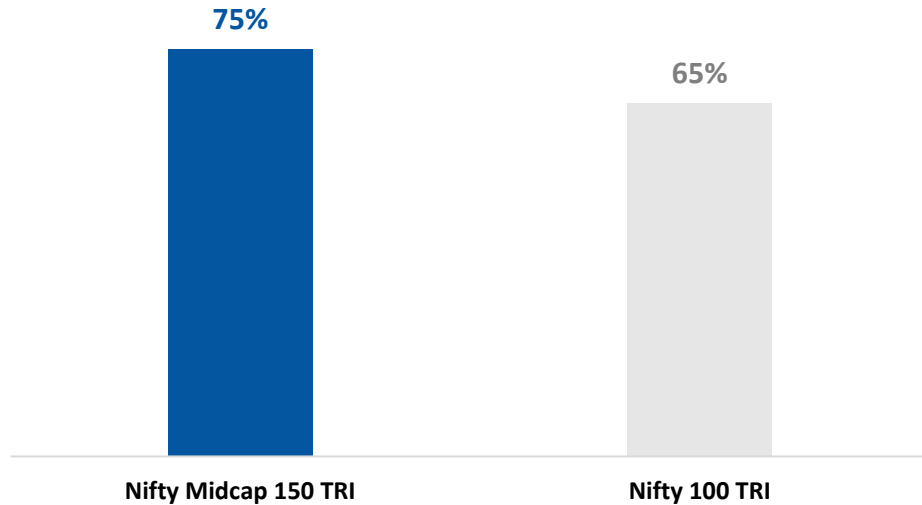


| 10Y Monthly SIP Rolling Returns (Apr 05 to Nov 24) | Nifty 100 TRI | Nifty Midcap 150 TRI | Nifty Smallcap 250 TRI |
|--|---------------|----------------------|------------------------|
| Minimum Return | 4% | 6% | 0% |
| Maximum Return | 17% | 24% | 22% |
| Average Return | 13% | 17% | 14% |
| Median Return | 13% | 18% | 15% |
| % Times Positive Return | 100% | 100% | 99% |
| % Times more than 10% Return | 92% | 97% | 86% |
| % Times more than 12% Return | 70% | 96% | 78% |
| % Times more than 15% Return | 15% | 78% | 51% |

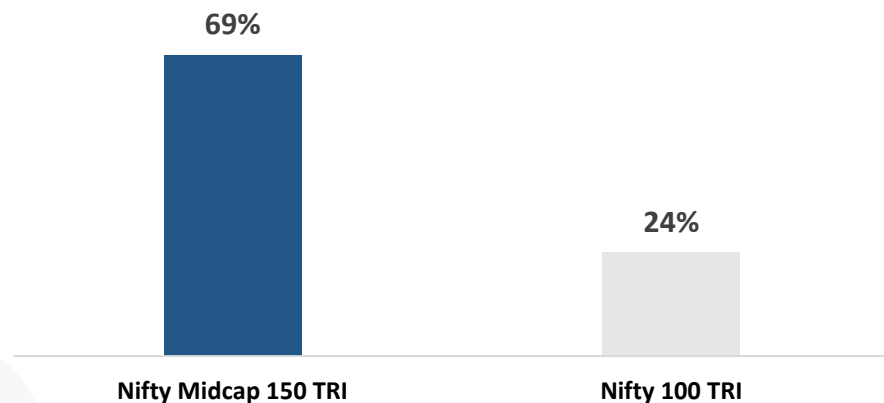
Midcaps score over large caps as seen from 10Y monthly SIP rolling returns

Midcap SIP does well over long term

% of times index delivered >12% returns



% of times index delivered >15% returns



| 7Y Monthly SIP Rolling Returns (Apr 05 to Nov 24) | Nifty 100 TRI | Nifty Midcap 150 TRI | Nifty Smallcap 250 TRI |
|---|---------------|----------------------|------------------------|
| Minimum Return | 1% | 2% | -6% |
| Maximum Return | 19% | 28% | 29% |
| Average Return | 13% | 17% | 14% |
| Median Return | 13% | 18% | 15% |
| % Times Positive Return | 100% | 100% | 96% |
| % Times more than 10% Return | 78% | 82% | 71% |
| % Times more than 12% Return | 65% | 75% | 67% |
| % Times more than 15% Return | 24% | 69% | 52% |

Midcaps score over large caps as seen from 7Y monthly SIP rolling returns

Year wise SIP Returns of Nifty Midcap 150 TRI (2006 to 2022)

| Average | 23% | 18% | 16% | 17% | 16% | 16% | 16% | 16% | 17% | 17% | 17% | 16% | 16% | 16% | 16% | 17% | 16% | 17% |
|---------|------|------|------|------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| Max | 161% | 73% | 40% | 33% | 30% | 28% | 25% | 23% | 23% | 21% | 21% | 21% | 20% | 20% | 20% | 19% | 18% | 18% |
| Min | -77% | -53% | -36% | -17% | -7% | -3% | 2% | 4% | 6% | 6% | 7% | 8% | 8% | 8% | 9% | 15% | 15% | 15% |
| Years | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| Jan-06 | 30% | 73% | -25% | 18% | 19% | 1% | 11% | 9% | 17% | 16% | 14% | 19% | 15% | 13% | 15% | 17% | 16% | 18% |
| Jan-07 | 132% | -40% | 23% | 21% | 0% | 12% | 9% | 18% | 17% | 15% | 20% | 15% | 13% | 15% | 18% | 16% | 18% | |
| Jan-08 | -56% | 43% | 31% | 0% | 14% | 10% | 20% | 18% | 16% | 21% | 16% | 14% | 15% | 18% | 17% | 19% | | |
| Jan-09 | 127% | 45% | -3% | 16% | 10% | 23% | 20% | 17% | 23% | 16% | 14% | 16% | 19% | 17% | 20% | | | |
| Jan-10 | 16% | -23% | 10% | 6% | 22% | 19% | 16% | 23% | 16% | 13% | 15% | 19% | 17% | 20% | | | | |
| Jan-11 | -36% | 18% | 9% | 28% | 22% | 18% | 25% | 17% | 14% | 16% | 20% | 18% | 20% | | | | | |
| Jan-12 | 42% | 14% | 37% | 26% | 19% | 28% | 17% | 14% | 16% | 20% | 18% | 21% | | | | | | |
| Jan-13 | 19% | 49% | 28% | 19% | 29% | 17% | 13% | 16% | 21% | 18% | 21% | | | | | | | |
| Jan-14 | 66% | 24% | 14% | 29% | 14% | 10% | 14% | 20% | 17% | 21% | | | | | | | | |
| Jan-15 | 10% | 7% | 30% | 11% | 8% | 13% | 20% | 17% | 21% | | | | | | | | | |
| Jan-16 | 8% | 39% | 10% | 6% | 14% | 22% | 18% | 22% | | | | | | | | | | |
| Jan-17 | 49% | 3% | 2% | 14% | 23% | 18% | 24% | | | | | | | | | | | |
| Jan-18 | -8% | 0% | 18% | 28% | 20% | 26% | | | | | | | | | | | | |
| Jan-19 | 7% | 30% | 37% | 24% | 30% | | | | | | | | | | | | | |
| Jan-20 | 70% | 51% | 26% | 33% | | | | | | | | | | | | | | |
| Jan-21 | 37% | 14% | 30% | | | | | | | | | | | | | | | |
| Jan-22 | 11% | 38% | | | | | | | | | | | | | | | | |
| Jan-23 | 62% | | | | | | | | | | | | | | | | | |

How to read the table: Column 1 indicates the starting date of SIP. The Row named 'Year' indicates the time frame on investment – 1Y, 2Y, 3Y etc. For e.g. If you invested on Jan-15, then your 1 year annualized return is 10%, 5 Year annualized return is 8% etc.

Source: ACE MF, FundsIndia Research.

Historically, Midcap SIP has on average outperformed Largecap SIP by 4% per annum over 7 year time frames

| Average | 6% | 4% | 4% | 4% | 4% | 4% | 4% | 4% | 5% | 5% | 4% | 4% | 4% | 4% | 4% | 4% | 4% | 6% |
|---------|------|------|------|------|-----|-----|-----|-----|-----|----|----|----|----|----|----|----|----|------|
| Max | 63% | 29% | 18% | 16% | 15% | 13% | 12% | 10% | 10% | 9% | 8% | 7% | 6% | 6% | 6% | 6% | 5% | 63% |
| Min | -34% | -14% | -14% | -14% | -4% | -3% | -3% | -3% | -1% | 1% | 2% | 2% | 2% | 2% | 2% | 3% | 3% | -34% |
| Years | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 |
| Jan-06 | -12% | 16% | -11% | 2% | 1% | -2% | 2% | -1% | 4% | 5% | 5% | 7% | 4% | 2% | 3% | 4% | 3% | 5% |
| Jan-07 | 50% | -10% | 6% | 3% | -2% | 3% | 0% | 5% | 6% | 6% | 8% | 4% | 2% | 3% | 4% | 4% | 5% | |
| Jan-08 | -9% | 15% | 6% | -1% | 4% | 0% | 6% | 8% | 6% | 9% | 5% | 2% | 3% | 5% | 4% | 5% | | |
| Jan-09 | 52% | 10% | -2% | 4% | 0% | 7% | 9% | 7% | 10% | 5% | 2% | 3% | 5% | 4% | 6% | | | |
| Jan-10 | -12% | -10% | 2% | -2% | 6% | 9% | 7% | 10% | 4% | 2% | 3% | 5% | 4% | 6% | | | | |
| Jan-11 | -10% | 6% | -1% | 9% | 11% | 9% | 12% | 5% | 2% | 3% | 5% | 4% | 6% | | | | | |
| Jan-12 | 16% | 0% | 14% | 14% | 10% | 13% | 5% | 2% | 3% | 5% | 4% | 6% | | | | | | |
| Jan-13 | 5% | 22% | 18% | 11% | 15% | 5% | 1% | 3% | 5% | 4% | 6% | | | | | | | |
| Jan-14 | 36% | 20% | 10% | 15% | 3% | -1% | 1% | 5% | 4% | 6% | | | | | | | | |
| Jan-15 | 17% | 6% | 15% | 0% | -4% | 0% | 4% | 3% | 6% | | | | | | | | | |
| Jan-16 | 4% | 19% | -2% | -6% | -1% | 4% | 3% | 6% | | | | | | | | | | |
| Jan-17 | 28% | -7% | -9% | -1% | 5% | 3% | 7% | | | | | | | | | | | |
| Jan-18 | -11% | -10% | 0% | 7% | 4% | 9% | | | | | | | | | | | | |
| Jan-19 | -7% | 5% | 13% | 7% | 11% | | | | | | | | | | | | | |
| Jan-20 | 11% | 18% | 7% | 13% | | | | | | | | | | | | | | |
| Jan-21 | 15% | 3% | 13% | | | | | | | | | | | | | | | |
| Jan-22 | 0% | 17% | | | | | | | | | | | | | | | | |
| Jan-23 | 29% | | | | | | | | | | | | | | | | | |

Historically, Midcap SIP has on average outperformed Largecap SIP by 4% per annum over 7 year time frames

| Nifty Midcap 150 TRI vs Nifty 50 TRI Returns | | | | Nifty Midcap 150 TRI vs Nifty 50 TRI Returns | | | | Nifty Midcap 150 TRI vs Nifty 50 TRI Returns | | | | Nifty Midcap 150 TRI vs Nifty 50 TRI Returns | | | |
|--|-----|-----|-----|--|-----|-----|-----|--|-----|----|----|--|----|----|----|
| Start Period | 7Y | 8Y | 9Y | Start Period | 7Y | 8Y | 9Y | Start Period | 7Y | 8Y | 9Y | Start Period | 7Y | 8Y | 9Y |
| Apr-05 | 0% | -1% | -1% | Jan-08 | 6% | 8% | 6% | Aug-10 | 8% | 5% | 2% | Apr-14 | 3% | 3% | 3% |
| May-05 | 0% | -1% | 0% | Feb-08 | 5% | 7% | 7% | Sep-10 | 9% | 6% | 2% | May-14 | 3% | 4% | 3% |
| Jun-05 | 0% | -1% | 1% | Mar-08 | 5% | 6% | 7% | Oct-10 | 9% | 4% | 1% | Jun-14 | 3% | 3% | 4% |
| Jul-05 | -1% | -2% | 2% | Feb-08 | 5% | 7% | 7% | Nov-10 | 10% | 5% | 2% | Jul-14 | 4% | 3% | 4% |
| Aug-05 | -1% | -3% | 2% | Mar-08 | 5% | 6% | 7% | Dec-10 | 11% | 5% | 2% | Aug-14 | 5% | 3% | 4% |
| Sep-05 | -1% | -3% | 2% | Apr-08 | 6% | 7% | 8% | Jan-11 | 12% | 5% | 2% | Sep-14 | 3% | 4% | 6% |
| Oct-05 | 0% | -2% | 2% | May-08 | 6% | 7% | 9% | Feb-11 | 9% | 4% | 3% | Oct-14 | 4% | 4% | 6% |
| Nov-05 | 0% | -2% | 2% | Jun-08 | 6% | 6% | 8% | Mar-11 | 9% | 4% | 3% | Nov-14 | 3% | 3% | 6% |
| Dec-05 | 1% | -1% | 3% | Jul-08 | 6% | 7% | 8% | Mar-12 | 4% | 3% | 4% | Dec-14 | 4% | 3% | 6% |
| Jan-06 | 2% | -1% | 4% | Aug-08 | 7% | 7% | 7% | Apr-12 | 4% | 2% | 4% | Jan-15 | 4% | 3% | 6% |
| Feb-06 | 1% | -1% | 3% | Sep-08 | 7% | 7% | 8% | May-12 | 2% | 1% | 5% | Feb-15 | 4% | 3% | |
| Mar-06 | 0% | -1% | 3% | Oct-08 | 7% | 8% | 8% | Jun-12 | 3% | 2% | 4% | Mar-15 | 2% | 3% | |
| Apr-06 | 0% | -1% | 4% | Nov-08 | 8% | 9% | 8% | Jul-12 | 2% | 2% | 5% | Apr-15 | 3% | 3% | |
| May-06 | -1% | 0% | 4% | Dec-08 | 8% | 8% | 9% | Aug-12 | 1% | 1% | 6% | May-15 | 3% | 3% | |
| Jun-06 | -1% | 2% | 4% | Jan-09 | 9% | 7% | 10% | Sep-12 | 1% | 3% | 5% | Jun-15 | 3% | 3% | |
| Jul-06 | -1% | 4% | 4% | Feb-09 | 7% | 7% | 8% | Oct-12 | 1% | 3% | 5% | Jul-15 | 2% | 4% | |
| Aug-06 | -3% | 3% | 5% | Mar-09 | 6% | 8% | 8% | Nov-12 | 1% | 2% | 5% | Aug-15 | 3% | 4% | |
| Sep-06 | -2% | 3% | 5% | Apr-09 | 7% | 8% | 8% | Dec-12 | 1% | 3% | 5% | Sep-15 | 4% | 6% | |
| Oct-06 | -2% | 3% | 5% | May-09 | 7% | 9% | 8% | Jan-13 | 1% | 3% | 5% | Oct-15 | 4% | 6% | |
| Nov-06 | -2% | 3% | 6% | Jun-09 | 6% | 8% | 6% | Feb-13 | 3% | 3% | 5% | Nov-15 | 3% | 6% | |
| Dec-06 | -1% | 3% | 6% | Jul-09 | 7% | 8% | 5% | Mar-13 | 3% | 4% | 4% | Dec-15 | 2% | 7% | |
| Jan-07 | 0% | 5% | 6% | Aug-09 | 7% | 7% | 5% | Apr-13 | 1% | 4% | 4% | Jan-16 | 3% | 6% | |
| Feb-07 | -1% | 4% | 6% | Sep-09 | 7% | 8% | 5% | May-13 | 1% | 4% | 5% | Feb-16 | 3% | | |
| Mar-07 | -1% | 4% | 5% | Oct-09 | 8% | 8% | 4% | Jun-13 | 1% | 4% | 4% | Mar-16 | 3% | | |
| Apr-07 | 0% | 5% | 6% | Nov-09 | 9% | 8% | 5% | Jul-13 | 1% | 5% | 4% | Apr-16 | 3% | | |
| May-07 | 1% | 5% | 6% | Dec-09 | 8% | 9% | 4% | Aug-13 | 0% | 6% | 4% | May-16 | 3% | | |
| Jun-07 | 3% | 5% | 5% | Jan-10 | 7% | 10% | 4% | Sep-13 | 2% | 4% | 5% | Jun-16 | 4% | | |
| Jul-07 | 4% | 5% | 6% | Feb-10 | 8% | 8% | 3% | Oct-13 | 2% | 5% | 5% | Jul-16 | 4% | | |
| Aug-07 | 3% | 6% | 6% | Mar-10 | 8% | 8% | 3% | Nov-13 | 1% | 4% | 4% | Aug-16 | 5% | | |
| Sep-07 | 3% | 6% | 6% | Apr-10 | 9% | 8% | 3% | Dec-13 | 2% | 5% | 3% | Sep-16 | 6% | | |
| Oct-07 | 4% | 6% | 7% | May-10 | 10% | 8% | 2% | Jan-14 | 1% | 5% | 4% | Oct-16 | 7% | | |
| Nov-07 | 4% | 7% | 8% | Jun-10 | 8% | 7% | 3% | Feb-14 | 1% | 4% | 3% | Nov-16 | 6% | | |
| Dec-07 | 4% | 7% | 7% | Jul-10 | 9% | 6% | 2% | Mar-14 | 3% | 3% | 3% | Dec-16 | 7% | | |
| | | | | | | | | | | | | Jan-17 | 7% | | |

| | 7 | 8 | 9 |
|---------|-----|-----|-----|
| Average | 4% | 4% | 5% |
| Max | 12% | 10% | 10% |
| Min | -3% | -3% | -1% |

Outperformance

Underperformance

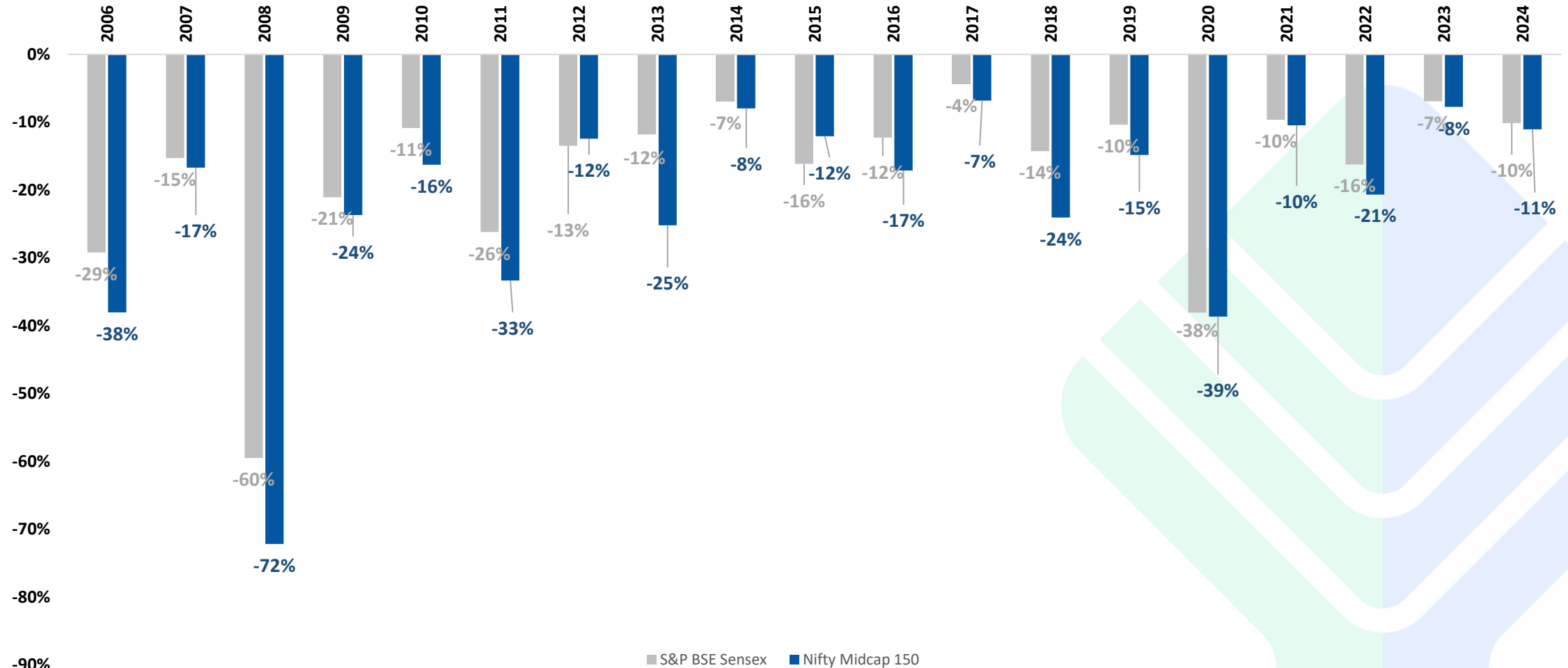
NA

NA

Over a 10 year time frame, 100% of the time Midcaps have outperformed Largecaps

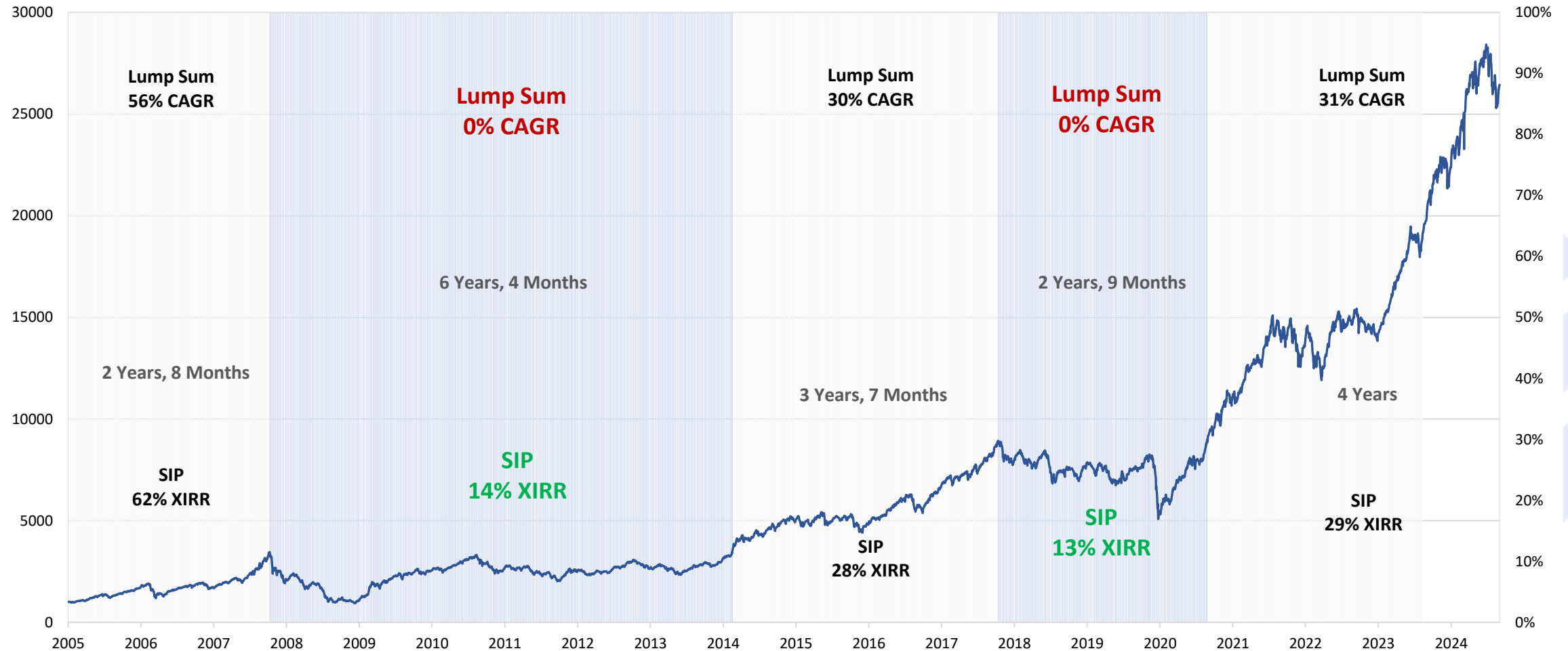
| Nifty Midcap 150 TRI Vs Nifty 50 TRI – Lumpsum Outperformance | | | | |
|---|-----|-----|-----|------|
| Period | 7Y | 8Y | 9Y | 10Y |
| Average Midcap Outperformance | 4% | 4% | 5% | 5% |
| % times Midcap outperformed largecap | 85% | 90% | 98% | 100% |

Midcap SIP historically outperformed Large cap SIP by taking advantage of the higher volatility in the short term



Midcap SIP does well even during long and flat (0% return) market phases

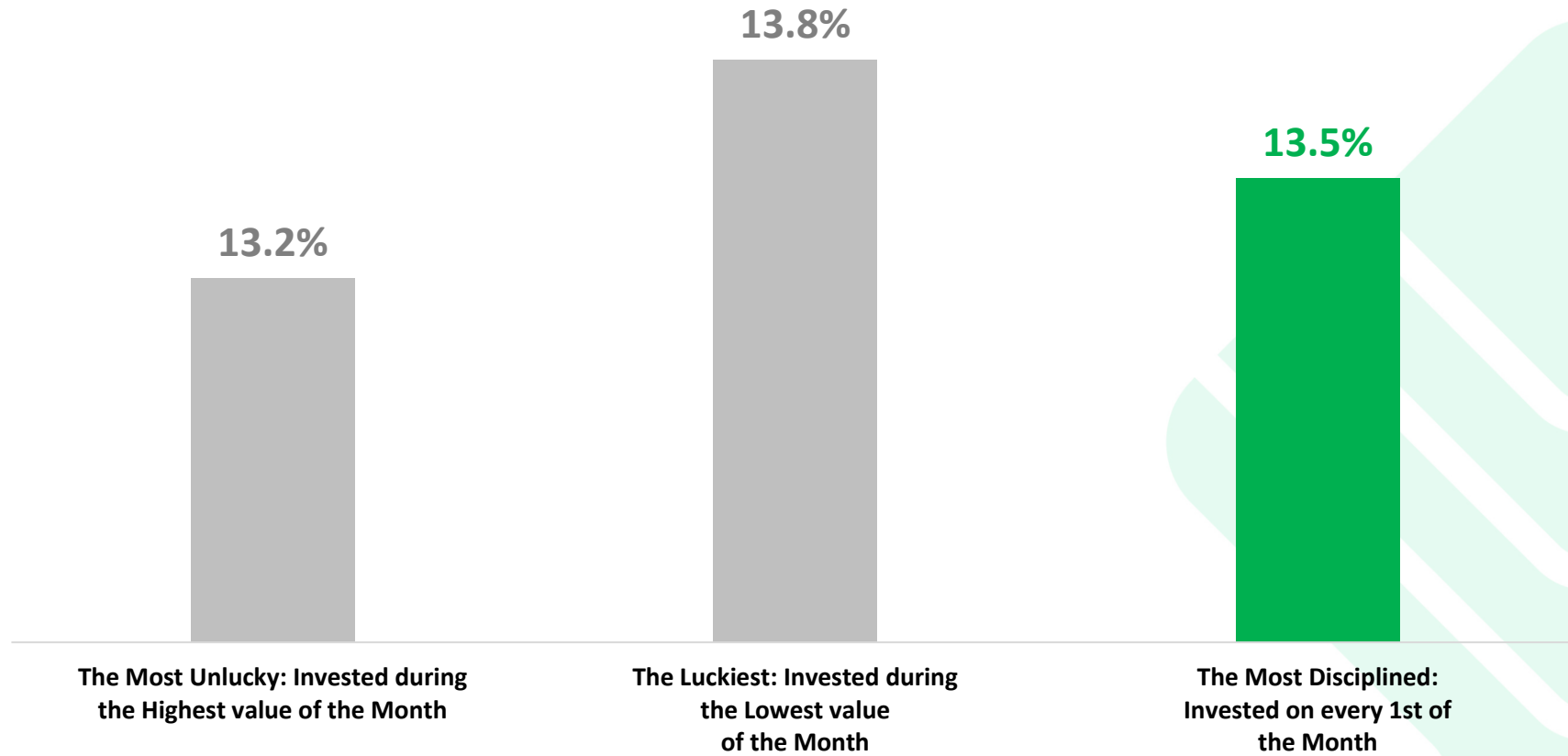
Nifty Midcap 150 TRI - All Time Highs Since 2005



Q6: Should you manually time the date of your SIP every month?

Equity SIP removes the need to time markets...

Nifty 50 TRI SIP Returns (Last 20 Years)



Q7: Which SIP frequency to select?

There is no major difference in returns across daily, weekly or monthly SIP over the long run.

| Nifty 50 TRI SIP Returns for various frequencies – Daily, Weekly, Monthly (Last 20 Years) | | | |
|--|--------------|--------------|--------------|
| SIP Frequency | Daily | Weekly | Monthly |
| SIP Instalment Amount | ₹ 1,000 | ₹4,999 | ₹ 21,746 |
| Total Amount Invested | ₹ 52.18 Lakh | ₹ 52.18 Lakh | ₹ 52.18 Lakh |
| Current Value | ₹ 2.38 Crore | ₹ 2.38 Crore | ₹ 2.39 Crore |
| % XIRR | 13.48% | 13.48% | 13.47% |

Keep it simple with Monthly SIP Frequency

Q8: Which date to select for monthly SIP?

Date of SIP doesn't matter in the long term

| Nifty 50 TRI SIP Returns for various SIP dates in a month – 20 Years | | | | | | | |
|--|--------|--------|--------|--------|--------|--------|--------|
| Monthly SIP Date | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| SIP Return | 13.50% | 13.49% | 13.48% | 13.47% | 13.49% | 13.49% | 13.51% |
| Monthly SIP Date | 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| SIP Return | 13.51% | 13.51% | 13.50% | 13.51% | 13.53% | 13.52% | 13.51% |
| Monthly SIP Date | 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| SIP Return | 13.51% | 13.51% | 13.52% | 13.52% | 13.53% | 13.53% | 13.53% |
| Monthly SIP Date | 22 | 23 | 24 | 25 | 26 | 27 | 28 |
| SIP Return | 13.54% | 13.54% | 13.55% | 13.54% | 13.53% | 13.53% | 13.52% |

Align your monthly SIP date close to your Salary date

Q9: How do you plan your EXIT from an Equity SIP?

| For Non-Flexible Goals where Timelines are Rigid | |
|--|-------------------------|
| | 2 Years Left |
| Current SIP Accumulated Portfolio | 2Y STP into Debt Funds* |
| Incremental SIP | Into Debt Funds |
| For Flexible Goals with Timelines that can be Extended | |
| | 2 Years Left |
| Current SIP Portfolio | Pause and Hold |
| Incremental SIP | Into BAF |

Quick Tip: When calculating your required SIP amount to reach your target amount, reduce your actual time frame by two years – this will give you a buffer of two years for recovery in case the markets fall sharply in the fag end

*Pause the STP when markets fall below 20% and restart with new adjusted amount once markets recover back

THANK YOU



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