

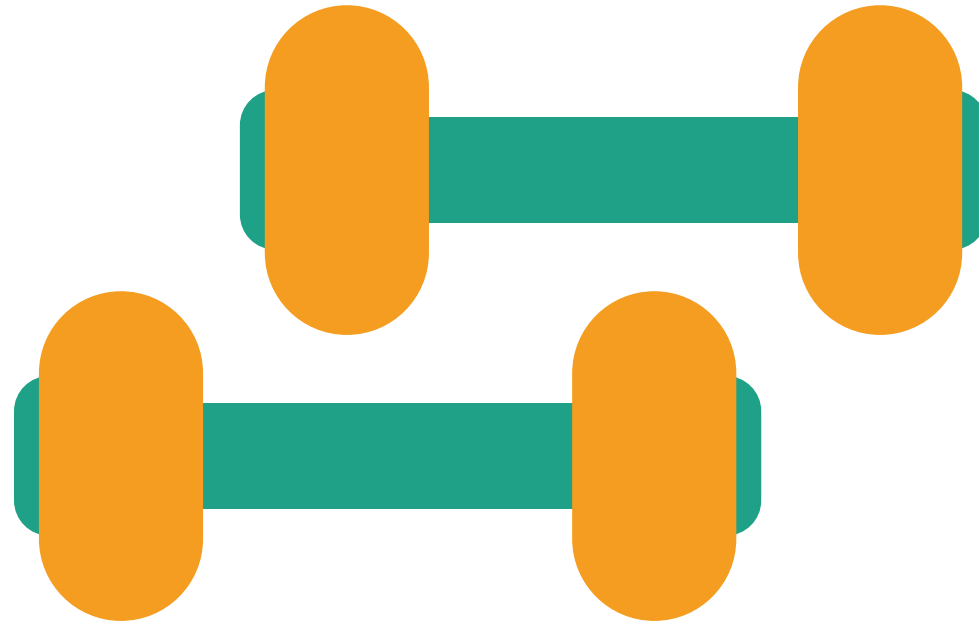


kotak
Mutual Fund

SIP
Systematic Investment Plan



**What is the rule for sound
physical health?**



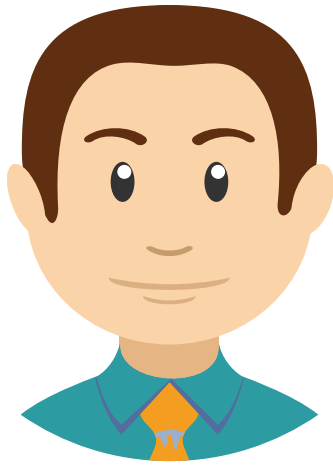
**Regular Exercise, with Discipline -
over a Long period of time**

Thats true for Financial Health as well

**Regular
Disciplined
Long Term**



**Here's a story....about 2 people....in their 30s
having decent income & 2 kids.**



Mr. Safe



Mr. Smart

They had the same goals



Kids Education



Kids Marriage

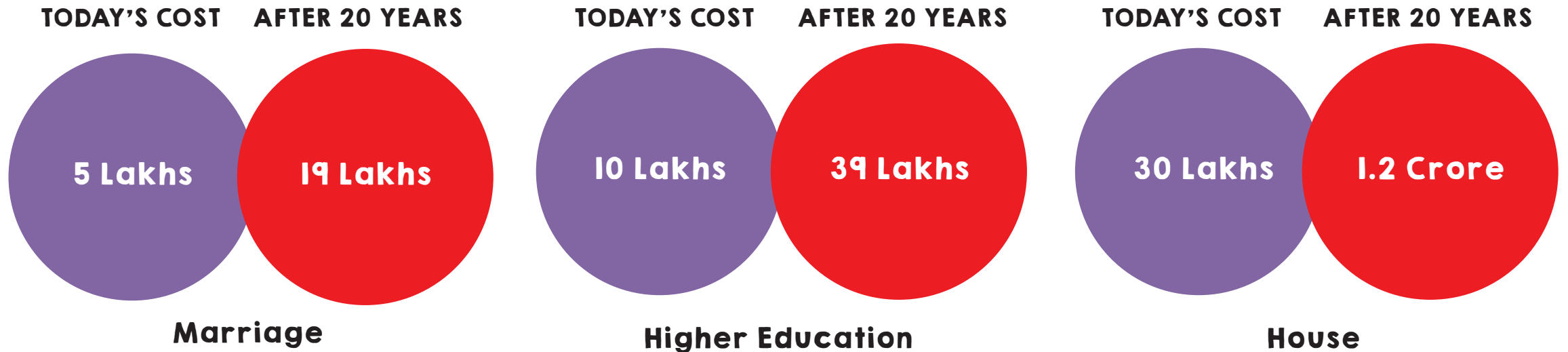


Big House



Retirement

Let's analyse the cost of their dreams after 20 years assuming inflation @7% p.a.

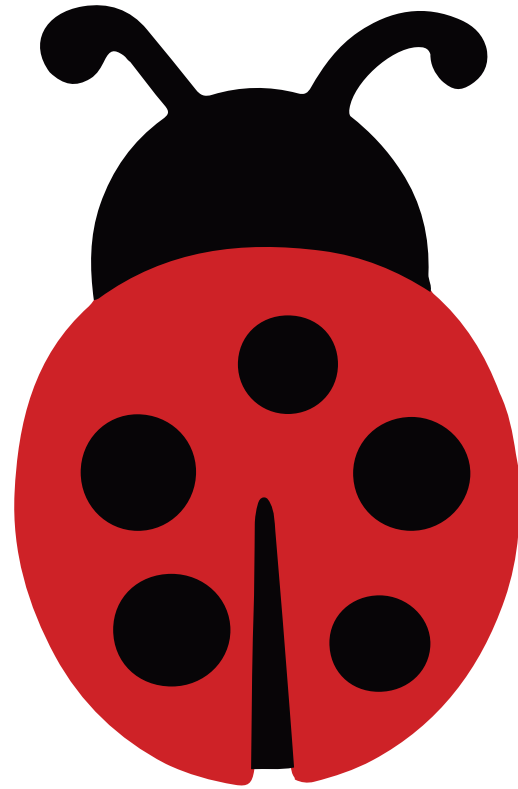


The Savings & Expense mismatch over time

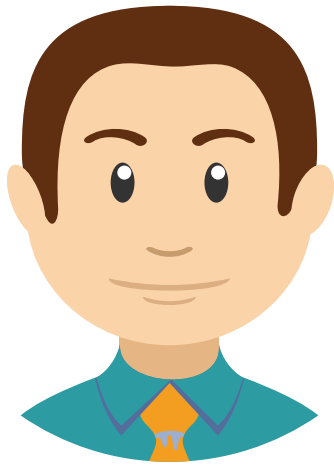


Inflation is assumed @7% p.a. in all the above calculations. The graph is only to illustrate the effect of inflation over time

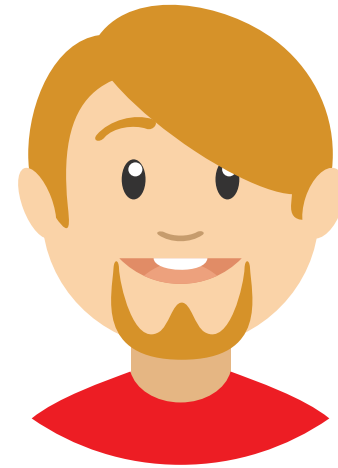
Thanks to the Inflation Bug



**Lets see how Mr. Safe & Mr. Smart plan
to realise their dreams.**



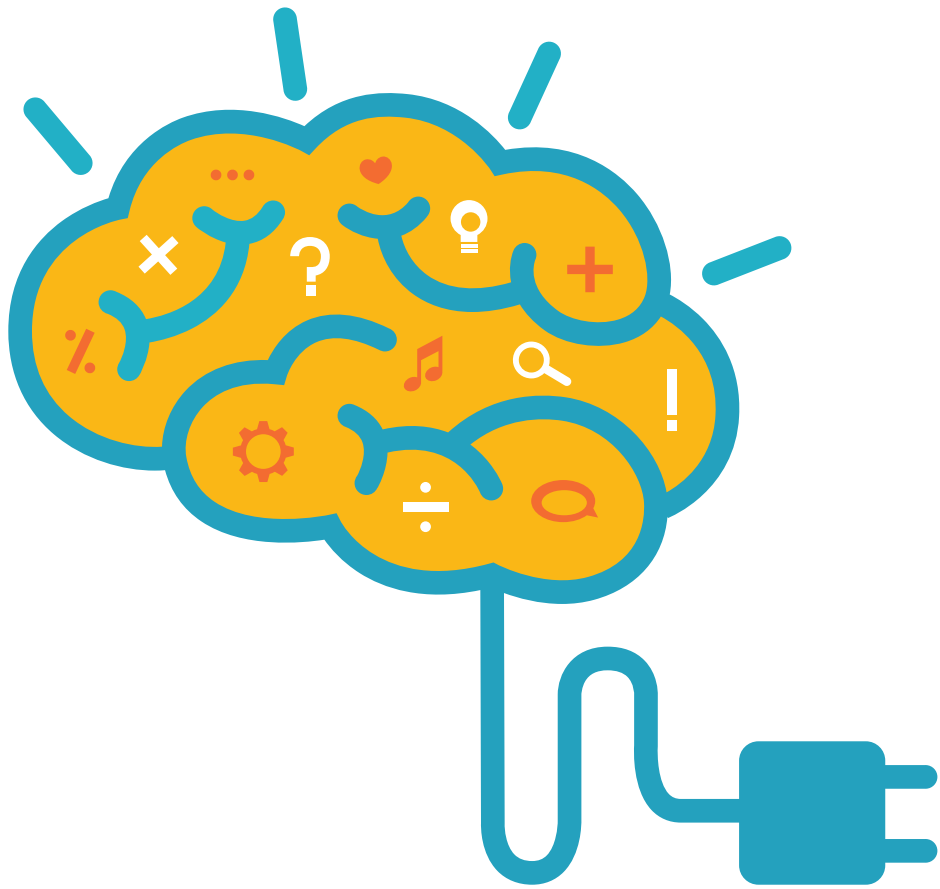
Mr. Safe



Mr. Smart

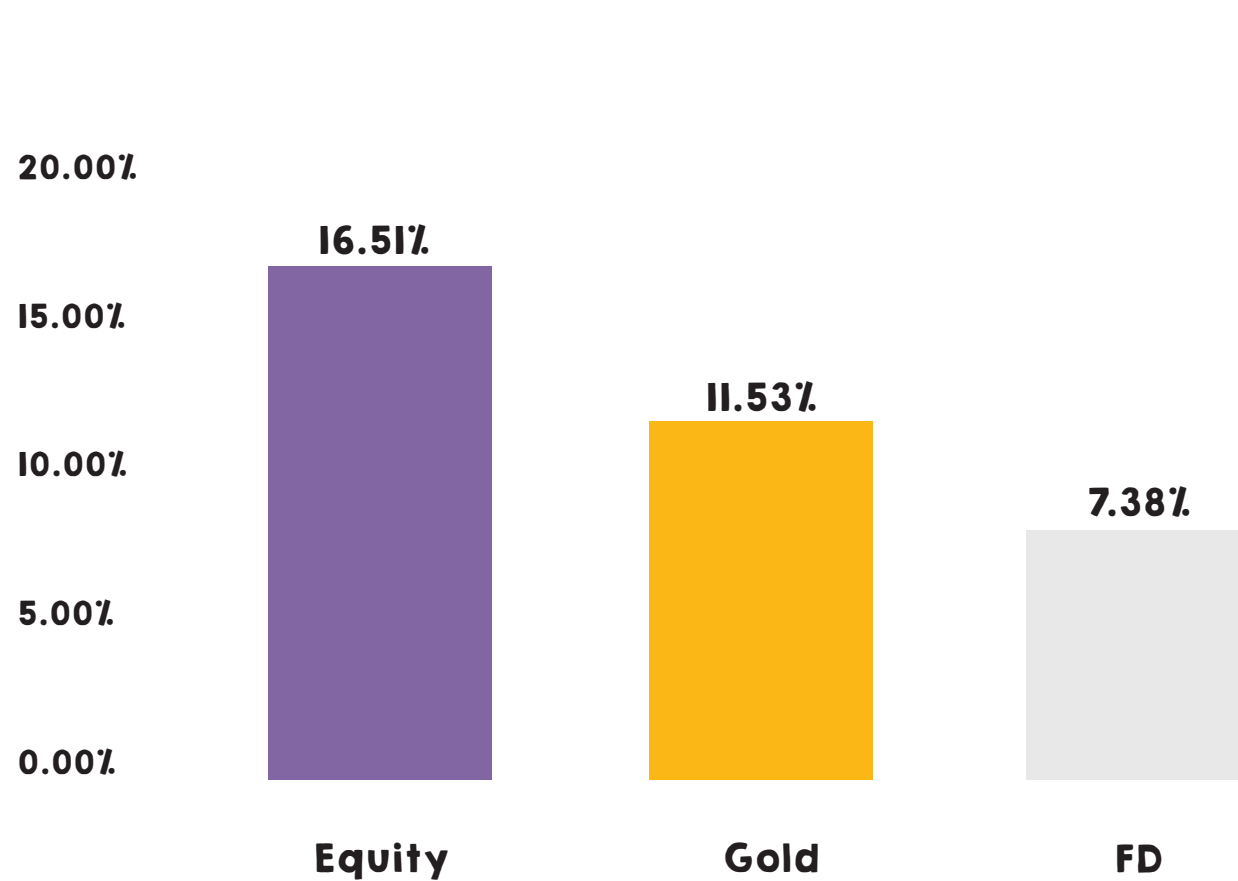
**Mr. Safe believes
only in FDs and other
traditional savings
instruments**





**But is it the
smartest way to
save for
the long term?**

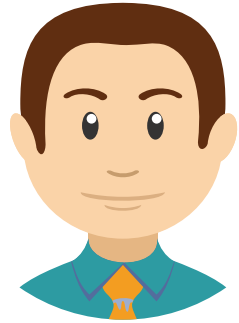
Return on Asset Classes (1st Feb 2003 to 31st Jan 2017)



Knows that Equity has better returns potential in the long run

Source: Bloomberg. Past Performance may or may not be sustained in future. There is no assured return or gurantee from anyone that the same trend will continue. The above example is only for illustrative purpose and equity mutual fund schemes may not mirror the returns of any of the classes mentioned here. Gold returns are in INR.FD rate taken as average of SBI 1 year TD for the given period.

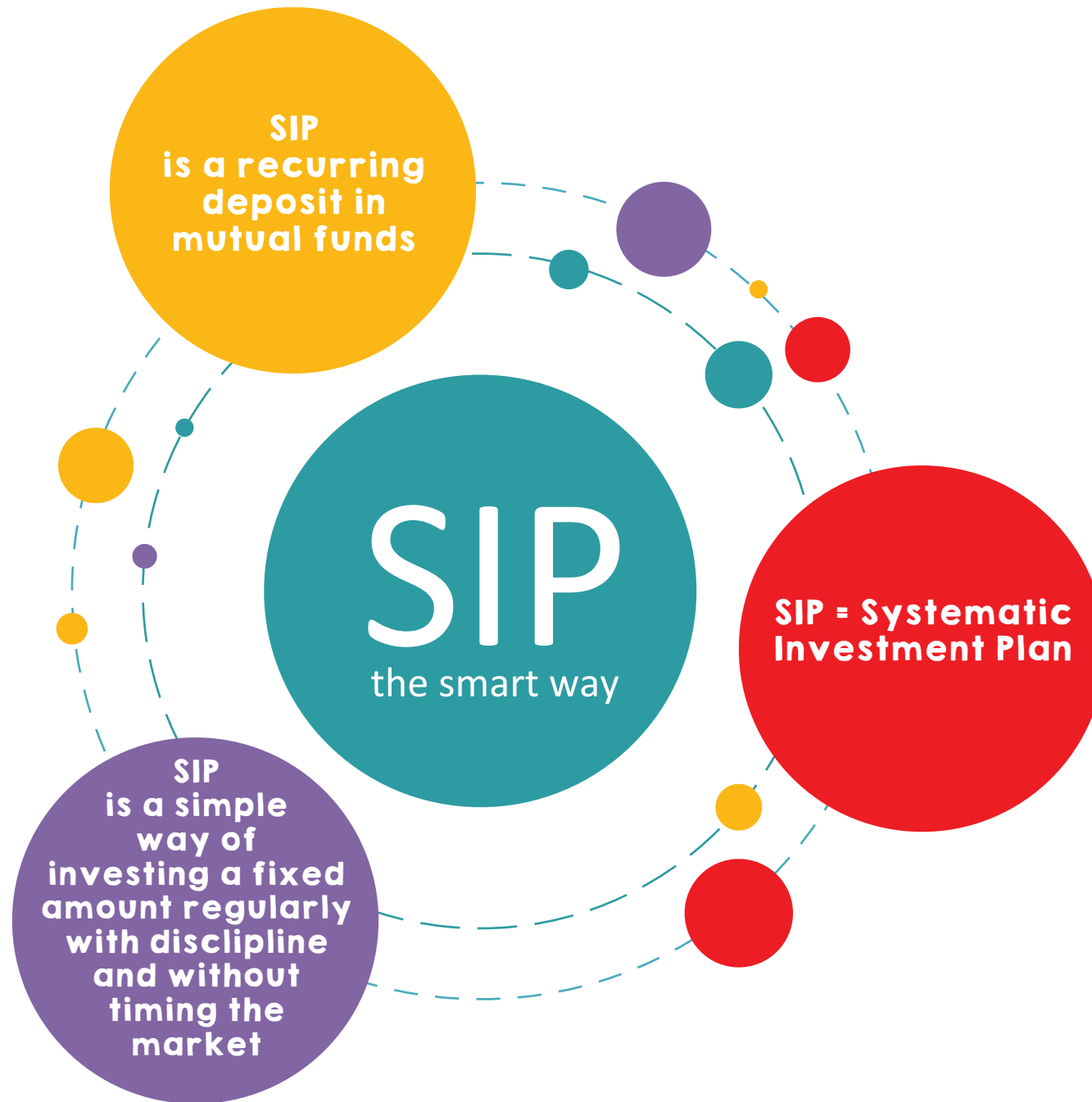
Mr. Safe is scared of



Risk of Market Volatility

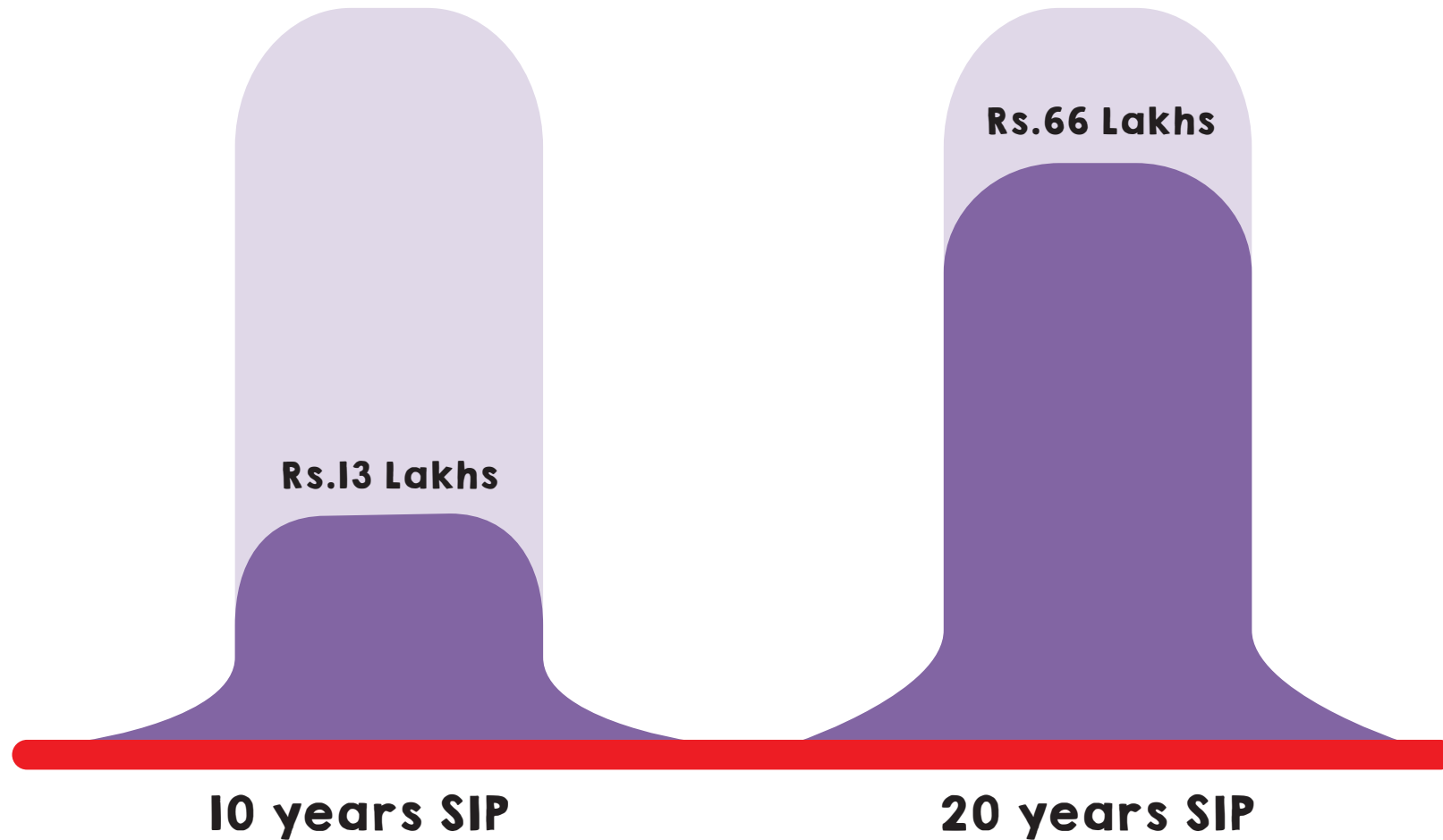
Risk of loss

**Risk of Timing
the Market correctly**



Mr. Smart believes in Power of Compounding

Rs. 5000 monthly SIP @15% assumed growth



Mr. Smart

The above illustration is only to explain the concept of compounding & should not be construed as expected return or an investment advice



**But what about
risk of market volatility?**



Rupee Cost Averaging - Take the guesswork out of timing the market

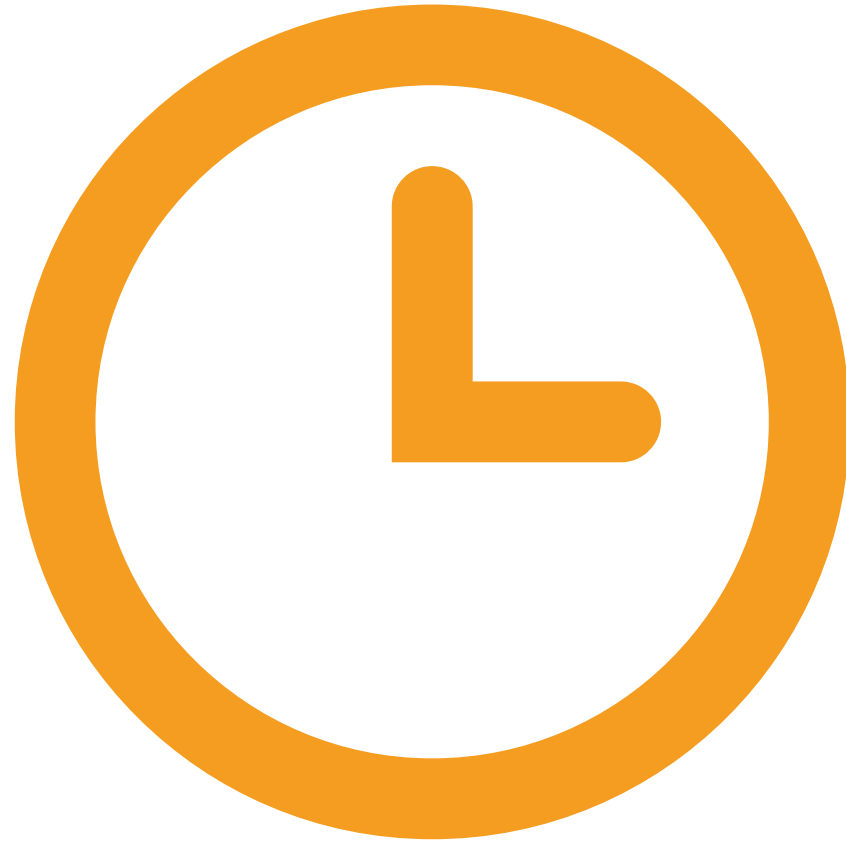
Month	Monthly investment in Rs.	Cost per unit Rs.	No. of units bought	Lump sum investment in Rs.	No. of units bought
1	5,000	12	417	20,000	1,667
2	5,000	10	500		
3	5,000	11	455		
4	5,000	13	385		
Total Units	20,000		1,757	Average Cost per unit - Rs. 11.4	

Average Cost per unit - Rs. 12

Just by investing a little every month, you average out the market highs & lows

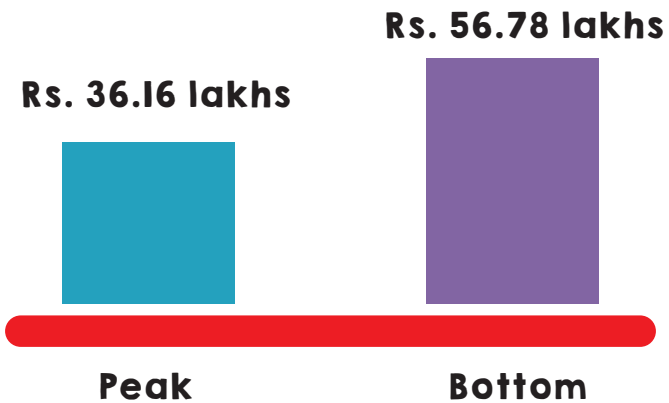
The above illustration is hypothetical & only to explain the concept of Rupee Cost Averaging & should not be constructed as expected return or an investment advice

What about risk of market timing?

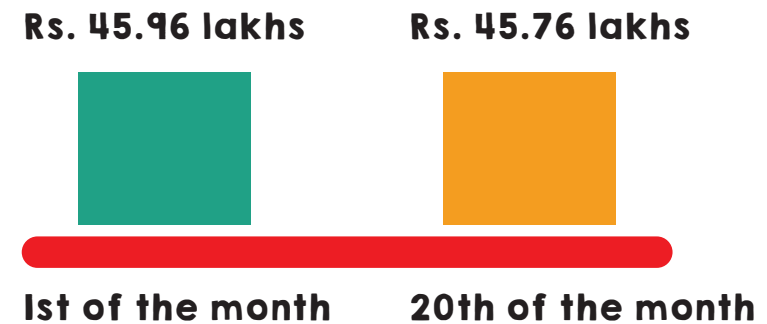


Timing your SIP vs Regular SIP

Timing Rs. 60,000 once every year for 20 years in SENSEX (Total of Rs. 12 lakhs)



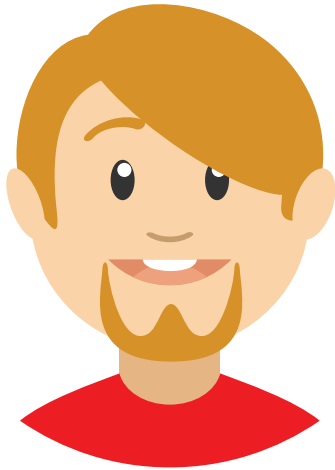
Monthly SIP of Rs. 5,000 for 20 years (Total of Rs. 12 lakhs)



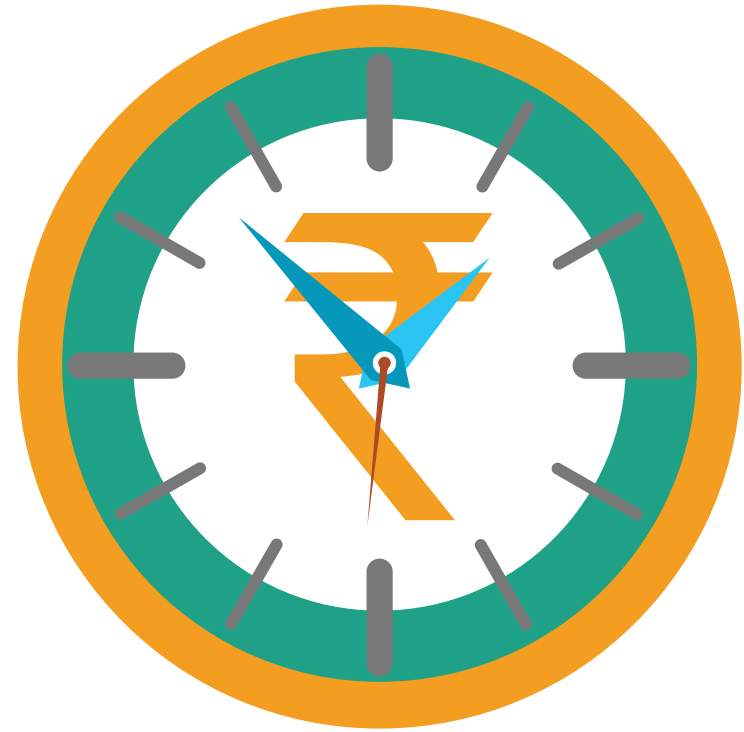
Timing the market = very low probability but high efforts
Monthly SIP = Practical approach & aligned with your financial plan

Figures as of 31 - Dec - 2016: Source MFI Explorer ICRA

When they say time is money...it must be SIP



Mr. Smart





Smart SIP

Simple SIP



Growing SIP

Target SIP

SIP Strategies



Simple SIP

Simple SIP

Fixed amount every month for the entire tenure.

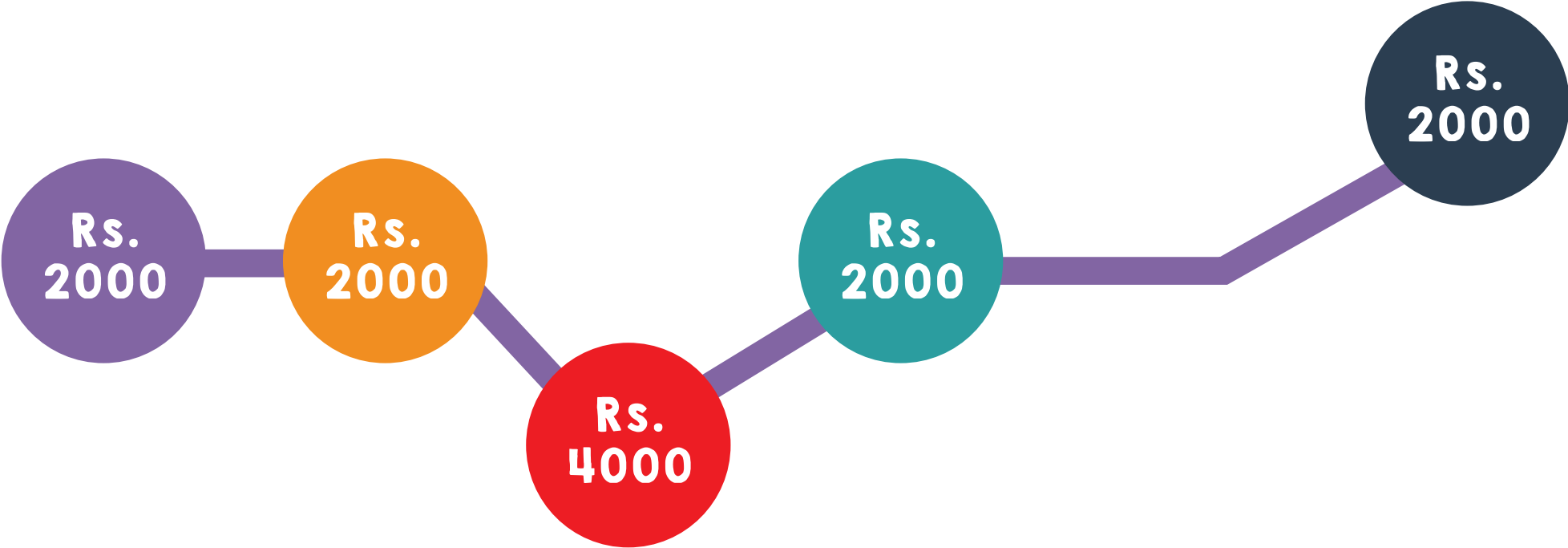
Example - Rs. 20,000 p.m. SIP for 20 years



SIP Strategies



Fixed amount every month + higher amount when markets are cheap



SIP Strategies



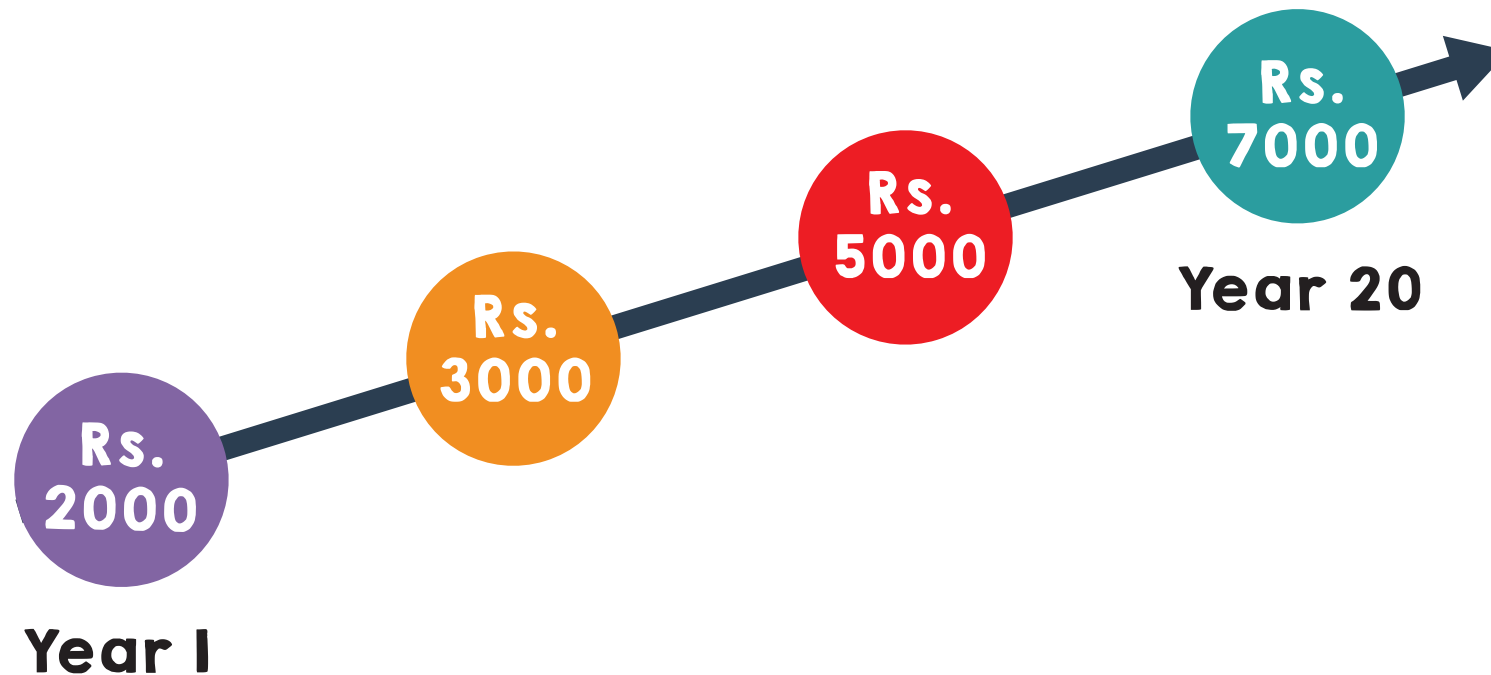
Growing SIP

Age - Grows

Income Grows



So Should your SIP Amount



SIP Strategies



Target SIP

Lets Assume you want to invest Rs. 7,700 @12% p.a. for 7 years i.e. you have a target of Rs. 10 lakhs at the end of the period



Date	Opening Fund Value	Monthly installment	Closing Fund Value
01-Jan-15	Rs. 0	Rs. 7,700	Rs. 7,700
01-Feb-15	Rs. 7,000	Rs. 8,400	Rs. 15,400
01-Mar-15	Rs. 17,000	Rs. 6,100	Rs. 23,100
01-Apr-15	Rs. 22,000	Rs. 8,800	Rs. 30,800
01-May-15	Rs. 32,000	Rs. 6,500	Rs. 38,500

You basically bridge the gap between your target value and the actual value

**But how can one plan & execute such SIP strategies?
That's where your Financial Advisor comes into the picture**





**Identify your
goals**



**Ask your
financial advisor
for the right
amount of SIP for
your goals**



**Start early &
stay longer to
enjoy the power
of compounding**



**Start an SIP
today and give
your story a
happy ending!**

**So, what's stopping
you from being smart?**

SIP

Systematic Investment Plan



Connect with us on



Mutual Fund investments are subject to market risks, read all scheme related documents carefully.

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