

An Investor Education Initiative

3 S of Financial Planning

Story of Atul



We, at Mirae Asset, believe in helping our Investors make an 'informed choice'. With the same thought we have started Mirae Asset Knowledge Academy (MAKA). Through MAKA we shall impart investment education to investors using innovative platforms, methods and processes.

The Story of Atul is a story about the goals and aspirations of a common man, just like all of us. In this story, Atul wants to plan for his future so he can achieve various goals during various stages of his life. The story also narrates how a financial advisor (Rakesh in this story) can help provide financial planning for investors (Atul in this story) so they can achieve their goals. This story shows how Mutual Funds and its facilities can play an integral part in helping investors achieve their goals. We are sure many of you have a similar story like Atul and would be able to relate to these examples used for explaining investment concepts.

This short story is our attempt to help you understand Mutual Funds and its various product facilities (SIP, STP and SWP) which will help investors reach their goals. Happy Reading!!!

Main Characters in the Story



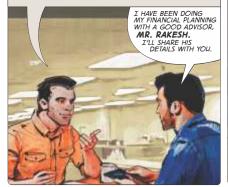
Mr. Atul (Investor)
Age: 27 years
Married with 1 Kid (Rahul)
Works in an MNC company



Mr. Rakesh (Financial Advisor)Age: 30 years
Is a Financial Advisor who provides financial planning across investment products.

HI VINEET.

TI VIVEE I. I'M LOOKING FOR AVENUES TO INVEST AND HENCE WANT ADVICE IN FINANCIAL PLANNING. CAN YOU PLEASE SUGGEST SOMEONE WHO CAN GUIDE ME?



AT RAKESH'S OFFICE

HELLO MR. ATUL PLEASED TO MEET YOU. I WANT TO KNOW MORE ABOUT YOUR

INVESTMENT GOALS. CAN YOU PLEASE ELABORATE

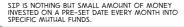
RAKESH,

I HAVE MULTIPLE GOALS WHICH I WANT TO FULFILL. AT CERTAIN STAGES OF MY LIFE. AI CERIAIN STAGES OF MIT LII SOME OF THEM ARE BUYING A HOUSE, A VEHICLE, HIGHER EDUCATION FOR



SEE ATUL, I'D SUGGEST YOU TO INVEST IN MUTUAL FUNDS THROUGH SYSTEMATIC INVESTMENT PLAN ALSO CALLED (SIP) THIS WILL PAYE WAYS FOR REGULAR INVESTMENT FOR THE GOALS YOU WANT TO ACHIEVE. SIP IS LIKE PUTTING IN REGULAR LITTLE DROPS OF WATER TO MAKE A MIGHTY OCEAN'.

THAT SOUNDS LIKE A GOOD PLAN. PLEASE ELABORATE ON IT



IT IS ONE OF THE BEST WAYS OF ENTERING EQUITY MARKET, AS IT HELPS THE INVESTOR STAY DISCIPLINED.

WHAT ARE THE OTHER ADVANTAGES OF SIP?





THE BIGGEST ADVANTAGE OF SIP IS RUPEE COST AN SIP INVESTOR,
WHILE INVESTING EVERY MONTH,
WOULD END UP BUYING MORE UNITS
WHEN MARKETS GO DOWN AND BUYING LESS UNITS WHEN MARKET GOES UP. THIS IS RUPEE COST AVERAGING

TO START WITH A RS. 2000 SIP FOR 10 YEARS FOR YOUR HOME AND RS. 5000 SIP FOR 5 YEARS FOR A NEW CAR. THIS WOULD BE A GOOD STARTING POINT AND WE WILL KEEP REVISITING YOUR PORTFOLIO AS AND WHEN THE TIME COMES.









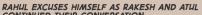






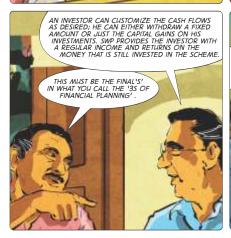
















SIP for Wealth Creation

Assumed Rate of Return 10%					
No. of Years	3 Years	5 Years	10 Years	15 Years	20 Years
Monthly SIP Amount	Total Investment Value (in ₹)				
1,000	42,130	78,082	2,06,552	4,17,924	7,65,697
2,500	1,05,325	1,95,206	5,16,380	10,44,811	19,14,242
5,000	2,10,650	3,90,412	10,32,760	20,89,621	38,28,485
10,000	4,21,300	7,80,824	20,65,520	41,79,243	76,56,969
20,000	8,42,600	15,61,648	4,131,040	83,58,485	1,53,13,938

Assumed Rate of Return 12%					
No. of Years	3 Years	5 Years	10 Years	15 Years	20 Years
Monthly SIP Amount	Total Investment Value (in ₹)				
1,000	43,508	82,486	2,32,339	5,04,576	9,99,148
2,500	1,08,769	2,06,216	5,80,848	12,61,440	24,97,870
5,000	2,17,538	4,12,432	11,61,695	25,22,880	49,95,740
10,000	4,35,076	8,24,864	23,23,391	50,45,760	99,91,479
20,000	8,70,153	16,49,727	46,46,782	1,00,91,520	1,99,82,958

Assumed Rate of Return 15%					
No. of Years	3 Years	5 Years	10 Years	15 Years	20 Years
Monthly SIP Amount	Total Investment Value (in ₹)				
1,000	45,679	89,682	2,78,657	6,76,863	15,15,955
2,500	1,14,199	2,24,204	6,96,643	16,92,158	37,89,887
5,000	2,28,397	4,48,408	13,93,286	33,84,315	75,79,775
10,000	4,56,794	8,96,817	27,86,573	67,68,631	1,51,59,550
20,000	9,13,589	17,93,634	55,73,145	1,35,37,262	3,03,19,099

The above said table are for illustration purpose only. The SIP investment is as the start of every month. The SIP returns are calculated by XIRR approach.



Mutual Fund Scheme Features

	Systematic Investment Plan (SIP)	Systematic Transfer Plan (STP)	Systematic Withdrawal Plan (SWP)
What is	It is a periodical investment of fixed amount in a particular MF Scheme	It is transfer of funds from one MF scheme to another on instructions of investor	It is a fixed periodical redemption of MF Scheme as per investors instruction
How	Money gets debited from bank account to buy MF units	Fund house sells MF units of one scheme and buy units of another scheme	Fund house sells MF units and credits the money back into bank account
When	SIP is ideal for investments across various market cycles & should be used to achieve certain goals	STP is ideal when you are few years away from your goal or during market volatility	SWP is ideal for retirement or while using the money to fund goals
Tax	Tax is not applicable on equity schemes, if it is redeemed after 1 year of every installment as per current tax laws	depending on the MF you sel	Long Term Capital Gains Tax l and investment time horizon ent tax laws

This story is powered by

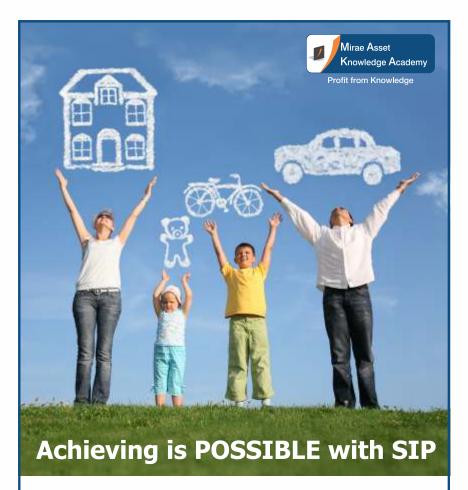


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Mirae Asset* was one of the pioneers of the concept of Regular Savings Plan (RSP) in Korea which is equivalent to Systematic Investment Plan (SIP) and has been the undisputed market leader in RSPs. *refers to Mirae Asset Global Investments Co Ltd., Korea.

SIP is a simple process of investing in mutual funds similar to a recurring deposit in a bank. It is designed to help investors save regularly and in small amounts and thus accumulate wealth in a disciplined manner over the long-term, thereby endeavoring to provide a better future for them and their family.

We are keen to help you potentially benefit from our expertise in Systematic Investment Plan investments so that you can achieve your financial goals.

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







