



Wealth Creation through SIP



What is SIP?

Systematic Investment Plan (SIP) is a simple process of investing in mutual funds similar to a recurring bank deposit. It is designed to help investors save regularly and thus accumulate wealth in a disciplined manner over the long-term, thereby ensuring a better future for you and your family.

Benefits of SIP

1. Rupee cost averaging

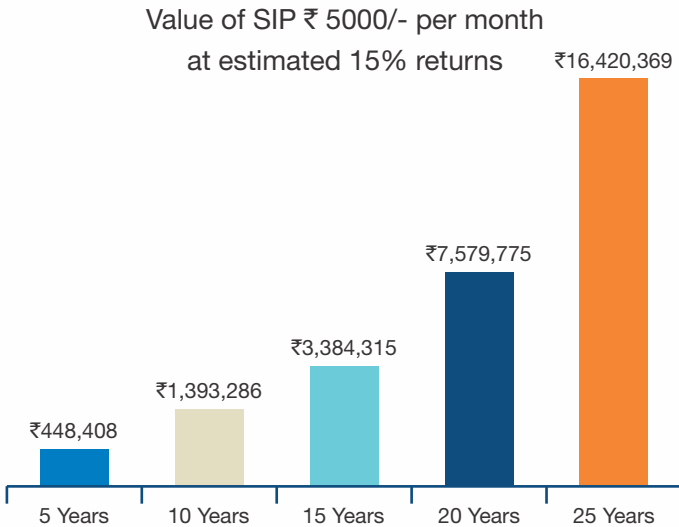
By investing fixed sums at regular intervals, you pick up more units when the prices are low and less units when the prices are high. This brings down the average cost of your units. Therefore there is no need to 'Time the Market'. Refer the table below to understand how Rupee cost averaging works.

Months	1	2	3	4	5	6	7	8	9	10	11	12	Total Amount Invested	Market Value	Average Cost per unit
NAV of the Scheme (₹)	10	8	6	8	9	9.5	11	8	10	11	12	13			
SIP Investing															
Amounts Invested (₹)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000		
Units Allocated*	100	125	167	125	111	105	91	125	100	91	83	77	1300	16,902	9.2
Lumpsum Investing															
Amounts Invested (₹)	12,000	0	0	0	0	0	0	0	0	0	0	0	12,000		
Units Allocated	1,200	0	0	0	0	0	0	0	0	0	0	0	1200	15,600	10.0

*values are rounded off to nearest unit.

2. Generate wealth through the compounding effect

Investing regularly for a long period of time could help you accumulate a sizeable corpus through compounding effect.



Above graph is only for illustration purpose only.

3. Helps in meeting financial goals

SIP is a perfect tool for people who have a specific, future financial requirement. By investing a specific amount every month; you can plan for and may meet your financial goals, be it your child's education, marriage or for a comfortable post retirement life.

For example: Mr. A aspires to buy a car worth 5 lacs after 5 years. He will need to invest ₹ 5,645/- per month, to achieve his goal (assuming 15% returns p.a.)

4. Convenience

A single ECS instruction is all that you need to start an SIP.

The Right Way to generate Long Term Wealth through SIP

1. Choose Growth Option



“Compound interest is the eighth wonder of the world. He, who understands it, earns it... he who doesn't, pays it.” Albert Einstein had

rightly said. This stands true even in investing, hence, power of compounding works best when one invests for long term and allow gains to remain invested.

2. Choose Right Tenure & SIP Amount



One should choose the tenure and SIP amount according to their financial goal and stick to it. The objective of investing

through SIPs is to turn market volatility to one's advantages, hence continue with your SIP inspite of market volatilities.

Mirae Asset SIP Widget



Mirae Asset* is 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 in that market for the last decade.

To further understand how actually a SIP investment work to achieve your goals and what a Delay in SIP will cost you, visit the link mentioned below and get access to our **innovative SIP widget**.

*Refers to Mirae Asset Global Investment, Korea.

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

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