

RETIREMENT PLANNING

With SIP



We all have multiple financial goals in our life



CAR



HOME



MARRIAGE



**CHILD'S
EDUCATION**



RETIREMENT

And each financial goal comes with a tentative **timeline**



CAR

5 Years



HOME

7 Years



MARRIAGE

10 Years



**CHILD'S
EDUCATION**

18 Years



RETIREMENT

20 Years

Timeline

And each financial goal comes with an approx. **price tag**



Rs 15 Lakhs

CAR

5 Years



Rs 25 Lakhs

HOME

7 Years



Rs 70 Lakhs

MARRIAGE

10 Years



Rs 70 Lakhs

**CHILD'S
EDUCATION**

18 Years



Rs 3 Crore

RETIREMENT

20 Years

Timeline

And each financial goal comes with a **Plan**



Rs 15 Lakhs

CAR



Rs 25 Lakhs

HOME



Rs 70 Lakhs

MARRIAGE



Rs 70 Lakhs

**CHILD'S
EDUCATION**



Rs 3 Crore

RETIREMENT

Timeline

5 Years

7 Years

10 Years

18 Years

20 Years

Monthly
SIP

Rs. 19,370

Rs. 20,700

Rs. 34,170

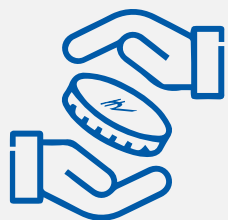
Rs. 11,655

Rs. 39,500

Plan SIP for Stress-Free Retirement



What does retirement mean?



Traditional Definition

“Retirement is the stage when individuals cease working, often around age 60 to 65, and depend on pensions, savings, and investments for income.”

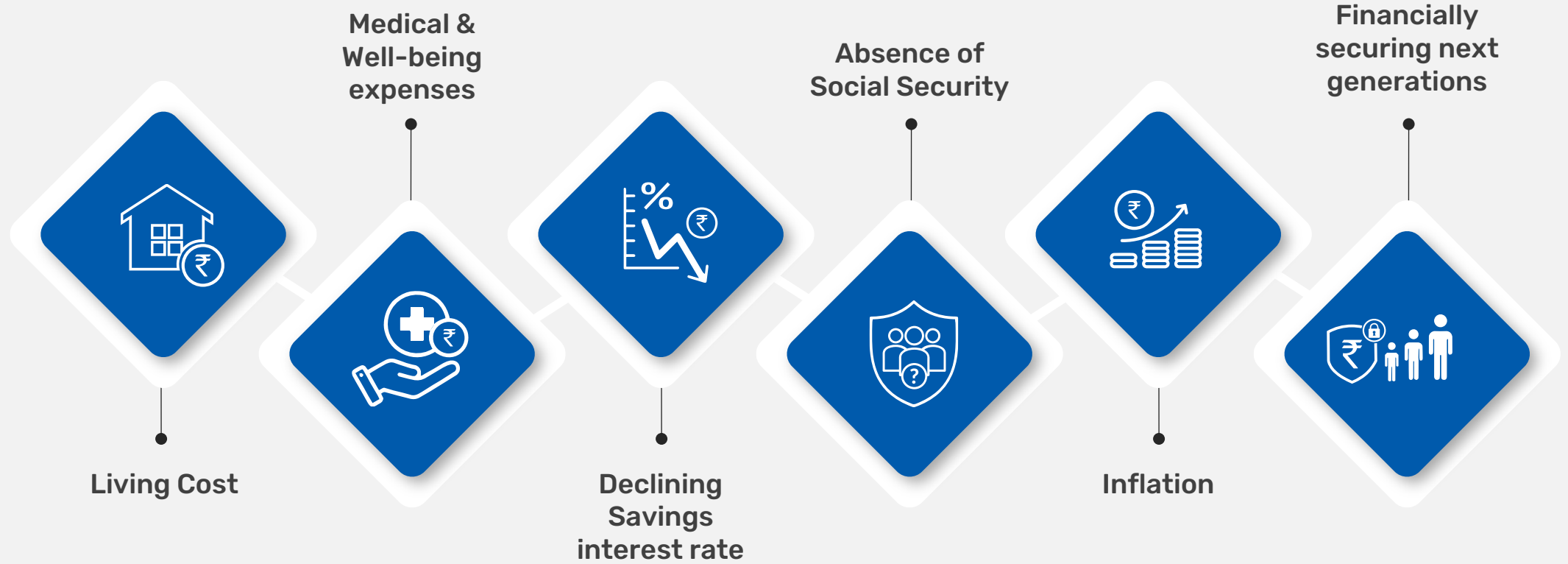


Modern Definition

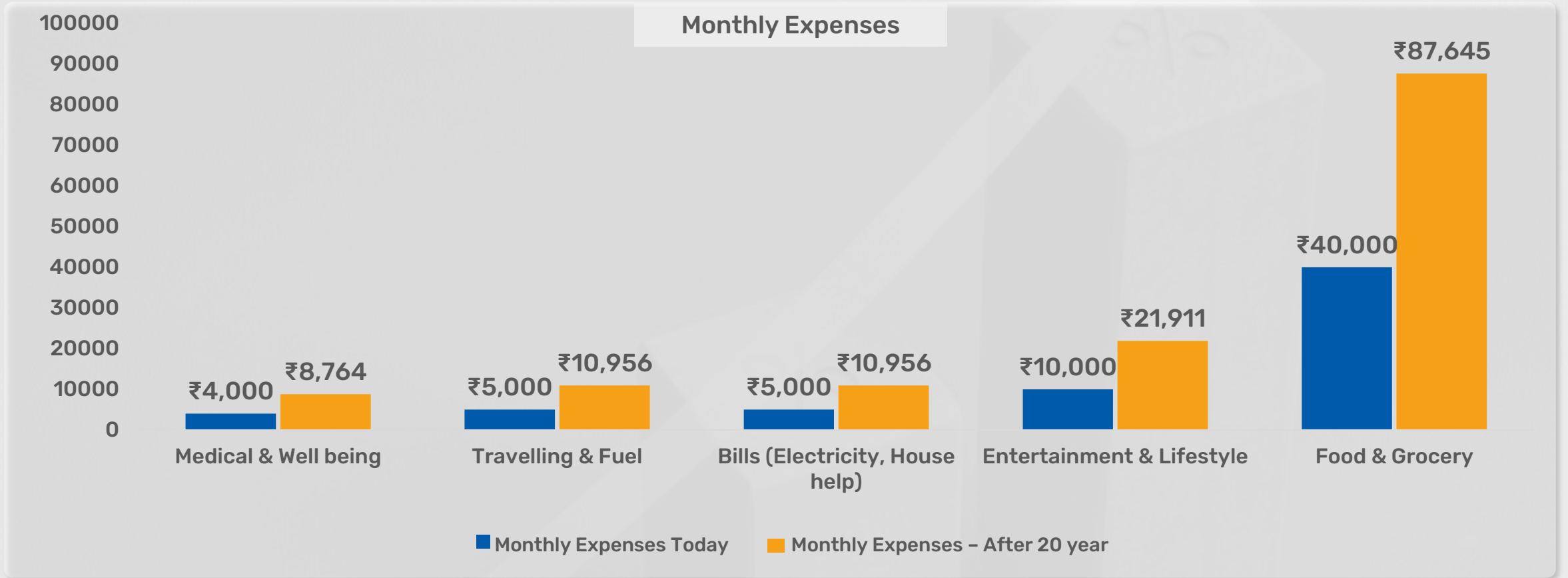
“No longer work for money.”

It's about obtaining freedom and having a choice of occupation

Why Retirement Planning in India?



Inflation and Monthly Expenses



You have to spend 120% more money after 20 years to maintain same lifestyle.

Best time to plan retirement?

Was 10-15 Years ago!



The next best time is now





Mistakes people make while planning for retirement



Lack of
Budgeting



Impulsive
Spending



Not prioritizing
Investments



Low
Emergency/
Contingency
Fund



Ignoring
Financial
Education



Not creating
dedicated
investment
pools based on
financial
objectives

It's not somebody else's responsibility
to take care of your retirement, it's yours.

PLAN IT SYSTEMATICALLY WITH SIP



What is SIP?



Systematic Investment Plan (SIP) is one of the most popular ways of investing in Mutual Funds. SIPs inculcate financial discipline and potential to build wealth for the future.



Through SIP, investors allocate a pre-determined amount of money for investment in the market at regular intervals



The SIP allows to participate in the market while managing risk better.

Benefits of SIP



Power of Compounding

SIP compounds the investment by which investor earns interest on both, the money originally invested and the interest that money earns over time.



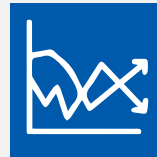
Rupee Cost Averaging

SIP helps to purchase more units when the NAV is low and average out the per unit buying cost.



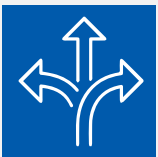
Combat Inflation

Inflation eats away the purchasing power of money overtime, it's important to grow your money faster than the rate of inflation.



Befriend Volatility

SIP helps you to navigate you through the twists & turns of the stock market, making investment journey smoother in the long run.



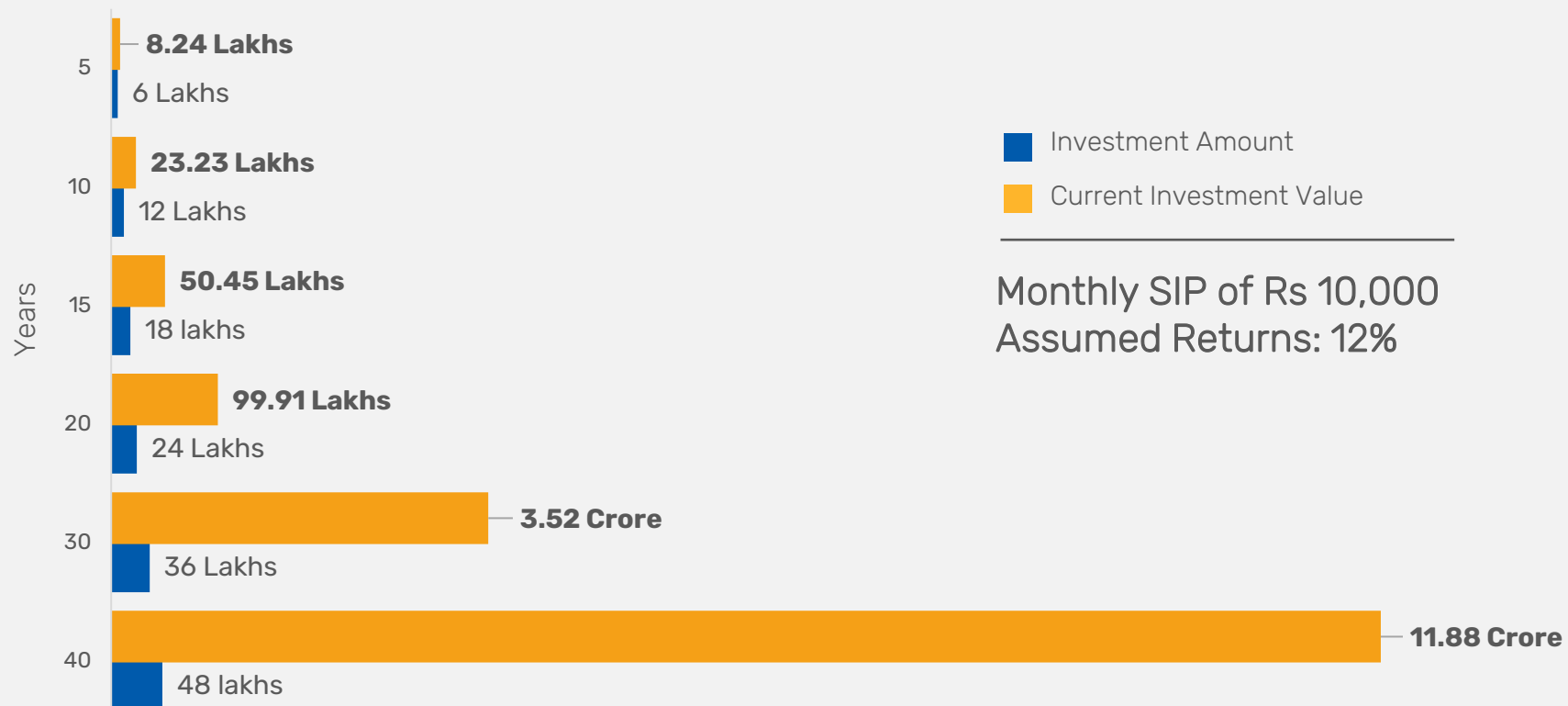
Time and Amount Flexible

With SIP, you get to decide how much money to invest and when to invest.



SIP allows you to benefit from Power of Compounding

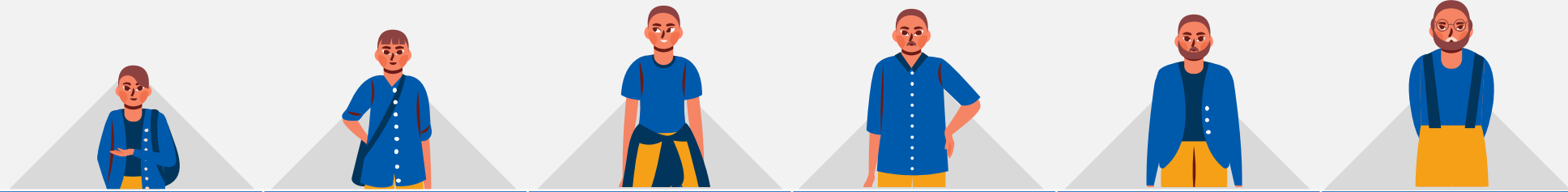
Often referred to as the "8th wonder of the world", Power of Compounding simply means earning interest on both the money you originally invested and the interest that money earns over time.



Calculation shown is only for illustration purpose.

It's like a snowball effect,
the longer you invest the bigger it gets.

The power of starting early



SIP Start Age	25	30	35	40	45	50
SIP Amount PM (Rs.)	20,000	20,000	20,000	20,000	20,000	20,000
Amount Invested (Rs. Crore)	0.9	0.8	0.6	0.5	0.4	0.3
Years invested in market	35	30	25	20	15	10
Corpus at age 60 (Rs. Crore)	7.6	4.5	2.7	1.5	0.8	0.4
Opportunity Cost to investor for starting late (Rs. Crore)	0	3.1	4.9	6.1	6.8	7.2

Start early to pay relatively low opportunity cost.

The power of starting early

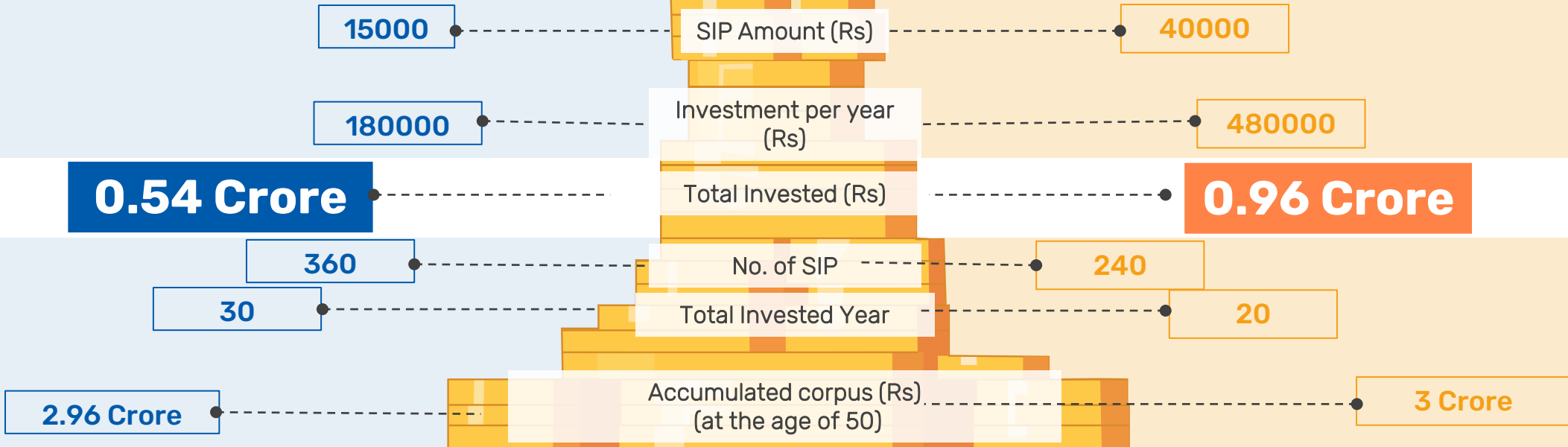
Amount it takes to reach Rs. 3 Crore by the age of 50

CASE 1

Starts SIP of Rs. 15000 per month from the age of 21 till the age of 50.

CASE 2

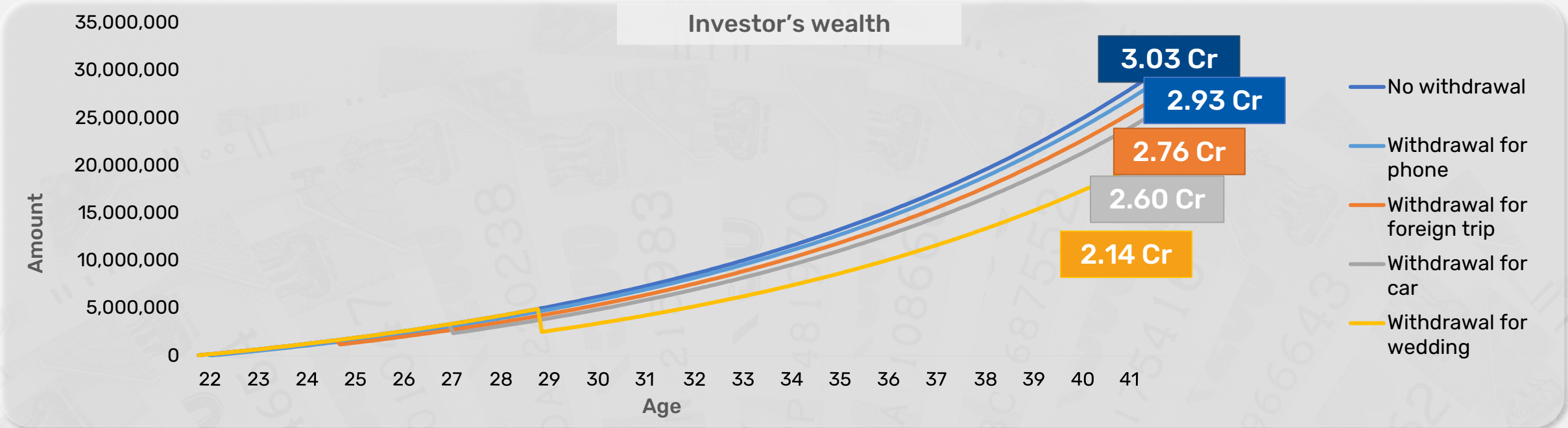
Starts SIP of Rs. 40,000 per month from the age of 30 till the age of 50



Time Cost → ~ Rs. 42 Lakhs



Mistakes people make with SIP (One investment for all needs)



Withdrawal Purpose	Age (Year)	Withdrawal Amount (Rs)	~Accumulated Value (Rs)	Long Term Opportunity Cost (Rs)
Phone	22	1.5 Lakh	2.93 Crore	0.1 Crore
Foreign Trip	24	5 Lakh	2.76 Crore	0.27 Crore
Car	27	10 Lakh	2.6 Crore	0.43 Crore
Wedding	29	25 Lakh	2.14 Crore	0.89 Crore
Retirement	41	Nil	3.03 Crore	Nil

Marking each goal to separate SIP helps meet those needs



What next once you hit your retirement goal?

Finance your monthly expenses after retirement with SWP

(Systematic Withdrawal Plan)



What is SWP?



Systematic Withdrawal Plan (SWP) is a facility in which an investor can withdraw a pre-determined amount at pre-decided intervals from their investments in mutual funds.



SWP in mutual fund helps in creating a regular source of income to retirees or supplementary income for those with specific needs – like meeting child's education, regular cash flows to elderly parents etc.



SWP works in an opposite way to SIP. In this case, instead of you **investing a fixed sum on money at regular intervals, you as an investor can withdraw a fixed sum of money** from your investments on regular basis.

Benefits of SWP



Make Regular Flows of Income

Investor can make regular withdrawal from their existing investment



Suitable for Retirement Planning

Suitable for retirement as it helps to redeem regular cash flow from existing investment.



Prepare for Expenses

SWP helps fund the planned future expenses.

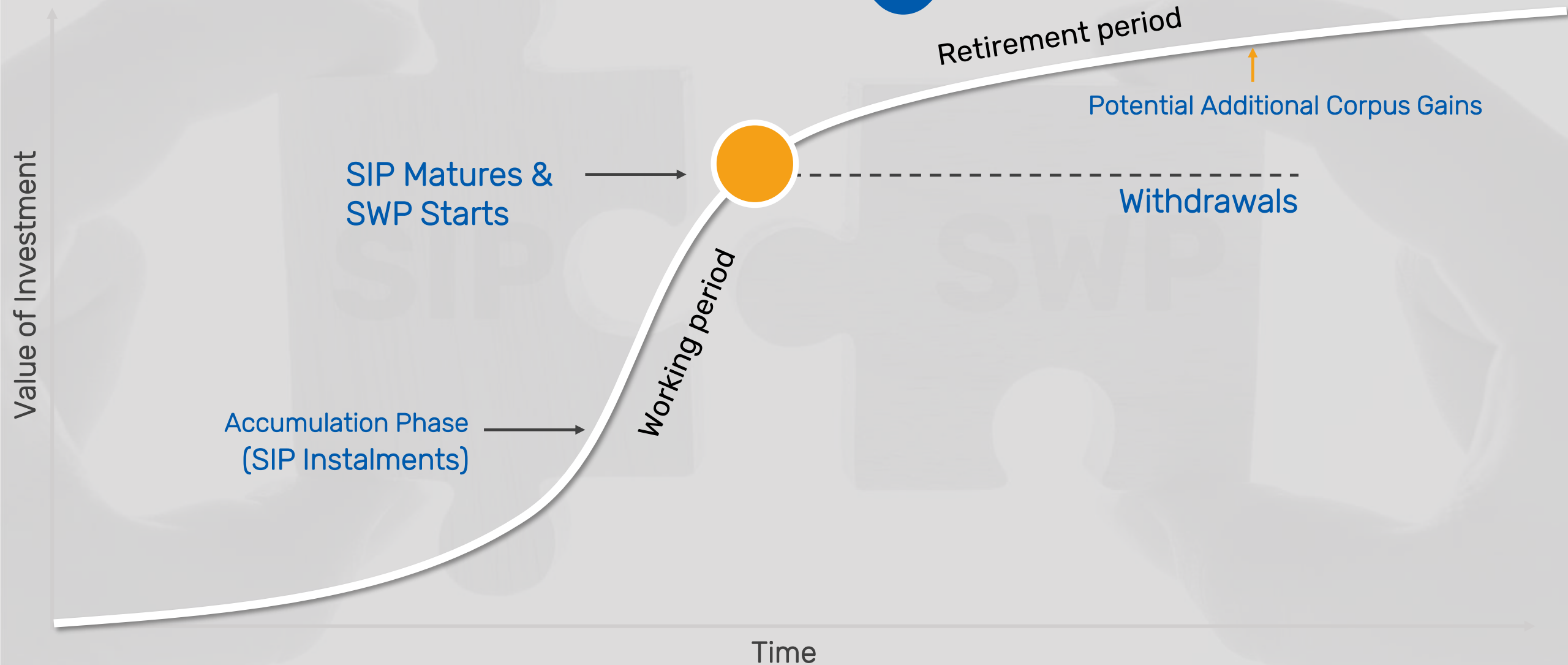


On Going Investment

SWP withdraws fixed amount regularly from existing investment, still the remaining amount remains invested and gives return.

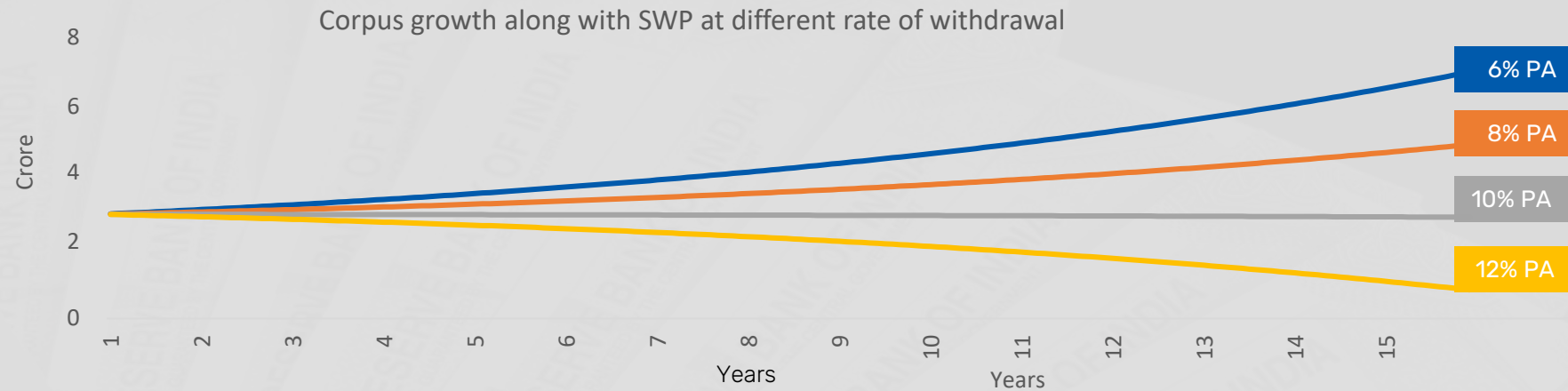


SIP + SWP Strategy



Income after Retirement

After accumulating the corpus of **3 Crore**, withdraw it with SWP for the regular expenses.



Withdrawn rate (Yearly)	Total withdrawal Per Month (Rs)	In Rs. Crore		
		Total withdrawal (In 15 Years)	Remaining Wealth (After 15 years)	Total Gain (SWP + Remaining wealth)
6%	1.5 Lakh	2.70	7.09	9.79
8%	2 Lakh	3.60	5.00	8.60
10%	2.5 Lakh	4.50	2.91	7.41
12%	3 Lakh	5.40	0.82	6.22

Most appropriate financial planning and the retirement mantra...

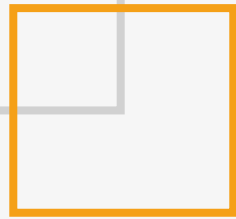


Accumulate Money with SIP Fulfil your monthly needs with SWP



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



THANK YOU

