Why Stopping Your SIP

Due to Market Volatility is a Costly Mistake?

Many investors panic when markets turn volatile and consider stopping their **Systematic Investment Plans (SIPs)**. However, historical data shows that staying invested, despite the market highs and lows, yields relatively high long-term returns. Let's break it down with historical case study:

Timing the Market vs. Staying Invested

Your SIP investments can happen at two extremes

At Market Highs | **At Market Lows**

Even if you had the misfortune of investing only at monthly highs, your portfolio would still have grown significantly over time!

Investment Period	Total Invested (₹)	SIP Value at Market Highs (₹)	XIRR at Monthly Market Highs	SIP Value at Market Lows (₹)	XIRR at Monthly Market Lows
Since Jan 2000	30,20,000	1,84,37,316	12.36%	2,01,42,656	12.91%
20 Years	24,00,000	79,97,791	10.82%	87,00,397	11.52%
10 Years	12,00,000	21,55,445	11.34%	22,85,720	12.37%
5 Years	6,00,000	7,82,169	10.69%	8,41,203	13.41%

Monthly SIP: Rs.10,000 | Data as on 28th February 2025, SIP valuations: 5th March 2025, Calculations made on Nifty 50 TRI, Source: NSE Indices, Bloomberg and internal calculations.

Key Takeaways for Investor

Markets Reward Consistency: Investing even at market highs monthly still yields double-digit returns* long-term. Trying perfect timing with SIP may lead to opportunity loss in long term.

Higher Volatility = Higher Opportunity: Investing at market lows boosts returns, but predicting lows is impossible. A disciplined SIP benefits from both high and low markets.

Stopping SIPs Reduces Wealth Creation: Longer SIP durations maximize compounding. Stopping during volatility means missing lower-priced units, reducing long-term wealth.

Short-Term Pain, Long-Term Gain: SIP returns in short term tend to be low. But delivered 10.82%-11.52% CAGR over 20 years. Patience drives long-term growth

Short-term fluctuations or long-term compounding?

The choice is simple

Stay invested. Stay disciplined. Build wealth.