

Monthly SWP For Lumpsum Investment

Mr Raman, aged 60 years, has recently retired. He wants to invest a lumpsum amount of Rs 50 lacs so as to receive monthly cash flows for the next 20 years to run his household expenses. He is worried about inflation and wants to maintain the same standard of living.

He wants to know how much money he can withdraw from his investment in the first year and inflation adjusted in future years. He wants to ensure that his capital amount is provisioned to be refunded after the completion of the withdrawal period.

Suggestion:

Principal to be invested in a hybrid mutual fund scheme with SWP.

Assumptions:

Hybrid fund return @ 9% pa.

Inflation assumed @ 5% pa.

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Monthly SWP Calculation For Mr. Raman

Current Age	60 Years
Initial Investment	₹ 50,00,000
SWP Period	20 Years
Expected Inflation Rate	5.00 %
Balance Required	₹ 50,00,000

First Year Average Monthly SWP @ 9.00 %

₹ 24,998

Total Withdrawal

₹ 99,18,891

* It is assumed that SWP amount is received on the last day of each month starting from the 1st month. Mutual fund investments are subject to market risks, read all scheme related documents carefully. Returns are not guaranteed. The above is for illustration purpose only.

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Monthly Withdrawal & Projected Investment Value

Age	Scenario 1 @ 9.00 %	
	Monthly SWP	Year End Balance
61	₹ 24,998	₹ 51,37,954
62	₹ 26,248	₹ 52,72,722
63	₹ 27,560	₹ 54,03,237
64	₹ 28,938	₹ 55,28,296
65	₹ 30,385	₹ 56,46,549
66	₹ 31,904	₹ 57,56,481
67	₹ 33,499	₹ 58,56,393
68	₹ 35,174	₹ 59,44,389
69	₹ 36,933	₹ 60,18,350
70	₹ 38,780	₹ 60,75,916
71	₹ 40,719	₹ 61,14,459
72	₹ 42,755	₹ 61,31,056
73	₹ 44,892	₹ 61,22,462
74	₹ 47,137	₹ 60,85,075
75	₹ 49,494	₹ 60,14,902
76	₹ 51,969	₹ 59,07,523
77	₹ 54,567	₹ 57,58,043
78	₹ 57,295	₹ 55,61,053
79	₹ 60,160	₹ 53,10,572
80	₹ 63,168	₹ 50,00,000

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