STP Future Value Ready Reckoner

Mr. A, a strategic investor, approached a mutual fund distributor(MFD) seeking to optimize his investment returns through a dynamic allocation strategy. He planned to invest ₹50 Lacs initially in a debt fund. The MFD suggested employing a Systematic Transfer Plan (STP) to periodically transfer the capital appreciation portion from the debt fund to an equity fund.

Mr. A wanted to evaluate the potential growth of his investments under various return scenarios for both debt and equity funds over different investment horizons. This approach aimed to balance the stability of debt funds with the growth potential of equity funds, ensuring a comprehensive assessment of his investment strategy's effectiveness.

Assumptions:

Three different return scenarios are considered:
Debt: 5%, Equity: 10%
Debt: 6%, Equity: 12%
Debt: 7%, Equity: 15%
Investment horizons include 5, 10, 15, 20, and 25 years.

STP Ready Reckoner
For Mr. A

Initial Investment	₹ 50,00,000
Transfer Mode	Capital Appreciation

Future Value of Initial Investment

Rate of Return	STP Period (Years)				
Debt | Equity	5	10	15	20	25
5.00% 10.00%	₹ 65.60	₹ 90.71	₹ 131.17	₹ 196.31	₹ 301.24
6.00% 12.00%	₹ 69.55	₹ 104.01	₹ 164.74	₹ 271.77	₹ 460.38
7.00% 15.00%	₹ 74.41	₹ 123.50	₹ 222.23	₹ 420.83	₹ 820.28
					(₹ in Lacs)

*This illustration and returns assumed are on the basis of the request made by you. These are neither indicative nor guaranteed returns. Mutual fund investments are subject to market risks. Do read all scheme-related documents carefully.