

Case Study: SIP Comprehensive

Case Title

“₹10,000 SIP Today vs Delayed & Upgraded SIP: Understanding the True Impact of Time and Strategy”

Client Background

Client Name: Ankit Verma

Age: 30 years

Profession: Marketing Manager

Location: Mumbai

Financial Profile:

- Monthly income: ₹90,000
- Currently not investing regularly
- Has savings but lacks structured investment discipline

Goals & Concerns:

- Wants to start SIP but is unsure about timing and amount
 - Curious whether increasing SIP later will compensate for the delay
 - Wants to understand long-term wealth creation clearly
 - Needs a structured plan balancing affordability and growth
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Purpose of Using the Calculator

The MFD uses the **SIP Comprehensive Calculator** to demonstrate:

- The **future value of SIP** under different return assumptions
- The **impact of Step-Up SIP vs regular SIP**
- Whether a **shorter investment duration affects wealth significantly**
- The **real value of money after inflation**
- The **cost of delaying investment decisions**

This gives Ankit a **complete 360° view of SIP planning**, not just basic projections.

Assumptions Entered in Calculator

Basic Inputs

- **Monthly SIP Amount:** ₹10,000
- **SIP Period:** 20 years

Return Assumptions

- **Scenario 1:** 10%
 - **Scenario 2:** 13%
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Optional Comparisons Enabled

Step-Up Comparison

- **Step-Up Increase:** 5% per year

Limited Period SIP

- SIP done for:
 - 5 years
 - 10 years
 - 15 years
- Total investment horizon remains 20 years

Inflation Adjustment

- **Expected Inflation Rate:** 6%

Cost of Delay

- Delay scenarios:
 - 2 years
 - 5 years
 - 7 years
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Calculator Output

1. Total Investment

Type	Amount
Normal SIP	₹24,00,000
Step-Up SIP	₹39,67,914

2. Expected Future Value

Mode	@10% Return	@13% Return
Normal SIP	₹72,39,867	₹1,03,84,852
Step-Up SIP	₹1,03,00,021	₹1,42,24,068

👉 Step-Up SIP has the potential to create higher wealth.

3. Limited Period SIP Impact

SIP Duration	Investment	Value @10%	Value @13%
5 years	₹6,00,000	₹32,23,655	₹51,99,604
10 years	₹12,00,000	₹52,25,291	₹80,21,740
15 years	₹18,00,000	₹64,68,150	₹95,53,483

👉 Even shorter SIP periods grow due to compounding, but significantly lower than the full tenure SIP.

4. Inflation-Adjusted Value

Scenario	Real Value
@10%	₹22,57,425
@13%	₹32,38,046

👉 Real purchasing power is much lower after inflation adjustment.

5. Cost of Delay

Delay	SIP Required @10%	SIP Required @13%
2 years	₹12,561	₹13,114
5 years	₹18,027	₹20,028
7 years	₹23,356	₹26,996

👉 Delaying investment drastically increases the required SIP.

Interpretation & Insights

1. Step-Up SIP is a Wealth Multiplier

- ₹72 lakh → ₹1.03 crore (@10% Assumed Return and 5% Yearly Increase)
- ₹1.03 crore → ₹1.42 crore (@13% Assumed Return and 5% Yearly Increase)

👉 Gradually increasing SIPs aligns with income growth and significantly boosts wealth.

2. Time in Market Matters More Than Amount

- Investing for 20 years vs 10 years creates a huge difference
 - Compounding accelerates in later years
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3. Inflation Erodes Real Wealth

- ₹72 lakh nominal value becomes only ₹22.5 lakh in real terms

👉 Planning must consider **real returns, not just nominal growth**

4. Delay is the Biggest Cost

- A 5-year delay increases SIP from ₹10,000 → ₹18,000+

👉 The earlier you start, the less you need to invest

Final Recommendation

“Ankit, this analysis clearly shows that starting early and increasing your SIP gradually can significantly improve your long-term wealth.

- A regular SIP builds wealth, but a **Step-Up SIP accelerates it**
- Shorter investment periods reduce your wealth potential
- Inflation reduces actual value, so higher growth strategies are important
- Most importantly, delaying your SIP can significantly increase the burden later

Starting today with a disciplined approach and gradually increasing your SIP will help you achieve better financial outcomes with less stress.”

End Disclaimer

This case study is a fictional illustration created for educational purposes. The projections are based on assumed rates of return and inflation, which may vary in actual scenarios. This should not be considered as investment advice. Mutual fund investments are subject to market risks. Please read all scheme-related documents carefully and consult your financial advisor before making any investment decisions.

Strategic Value for MFDs

This calculator is extremely powerful because it:

- ✓ Shows **multiple insights in one report**
- ✓ Demonstrates **behavioral impact (delay, discipline)**
- ✓ Helps justify **Step-Up SIP strategy**
- ✓ Creates urgency to **start immediately**
- ✓ Positions MFD as a **planner, not just product seller**