

Power of S.I.P

Invest Early, Invest Regularly & Invest for Long Term

January 2021

What is the difference between dreams and goals?

Today 5 lakh
But 7 Lakh in 5 Yrs



International Tour



Down payment for
Dream Home

Today 20 lakhs
But 32 lakh in 8 Yrs

Today 12 lakh
But 21 Lakh in 10 Yrs



Children's Education



Retirement Planning

50,000/- per month
today; requires 4 cr
in 25 yrs

- **Goals: dreams with price tags**

Source: Internal MOAMC. Inflation assumed to be at 6%. Figures have been rounded up for better understanding

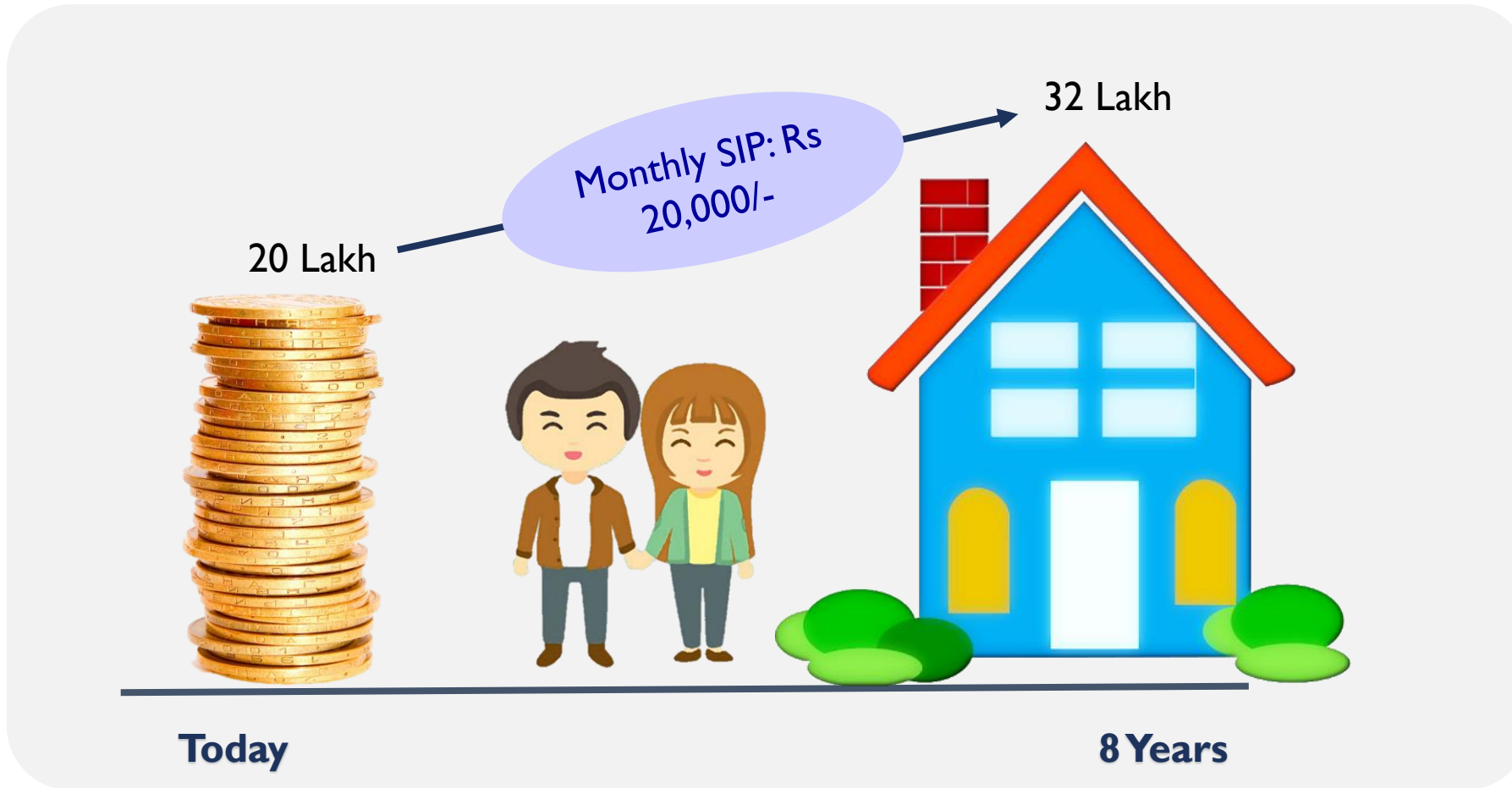
How will you get your dream family vacation?



- **New experiences and good time spent with family is priceless**
- **SIP helps you achieve your dream vacation**

Source: Internal MOAMC. Assuming rate of return is 12%. However, actual rate of return would vary as per market conditions

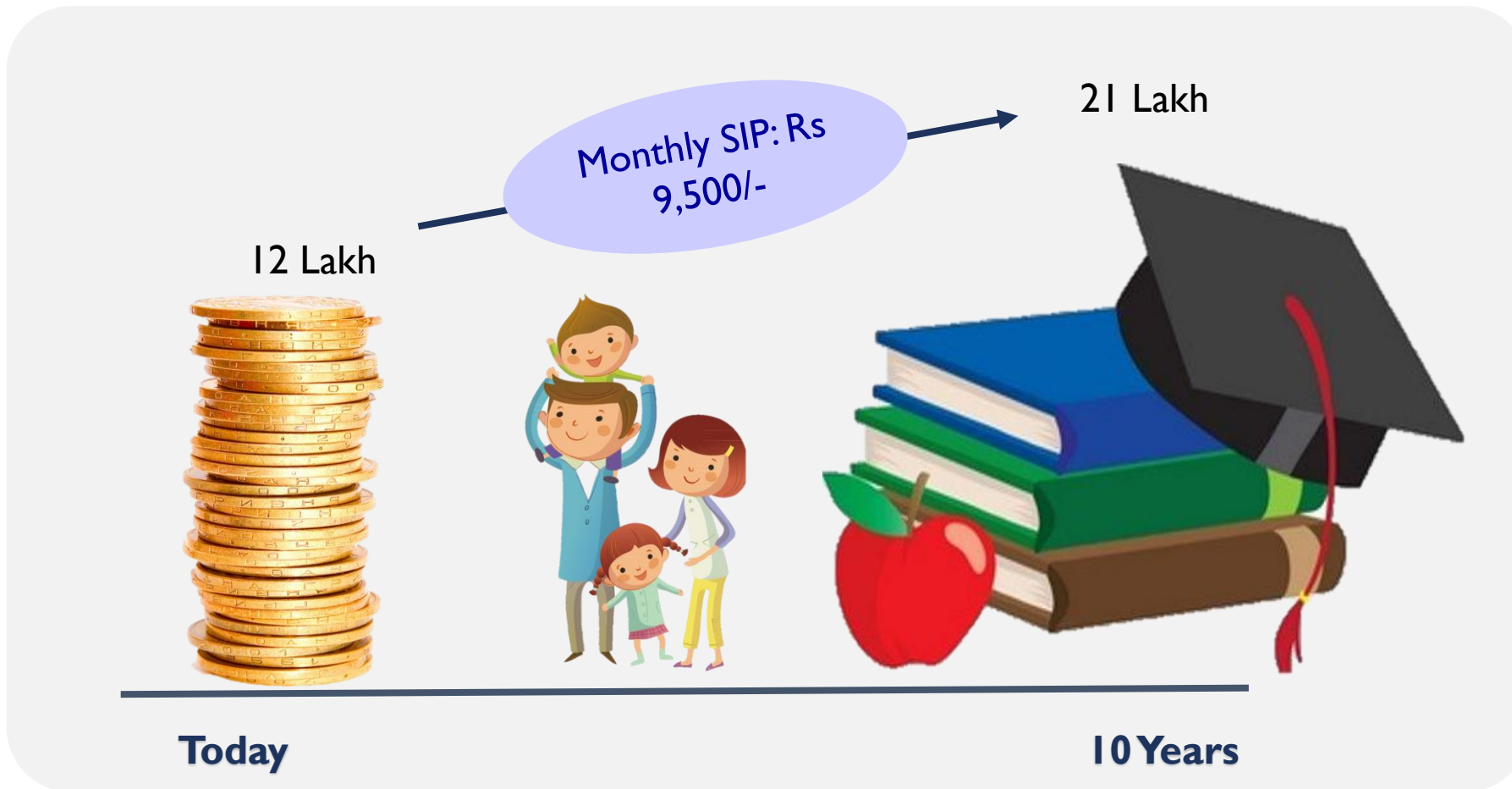
How will you get your dream home?



- **Creating new memories in your own space is priceless**
- **SIP helps you save for your dream home**

Source: Internal MOAMC. Assuming rate of return is 12%. However, actual rate of return would vary as per market conditions

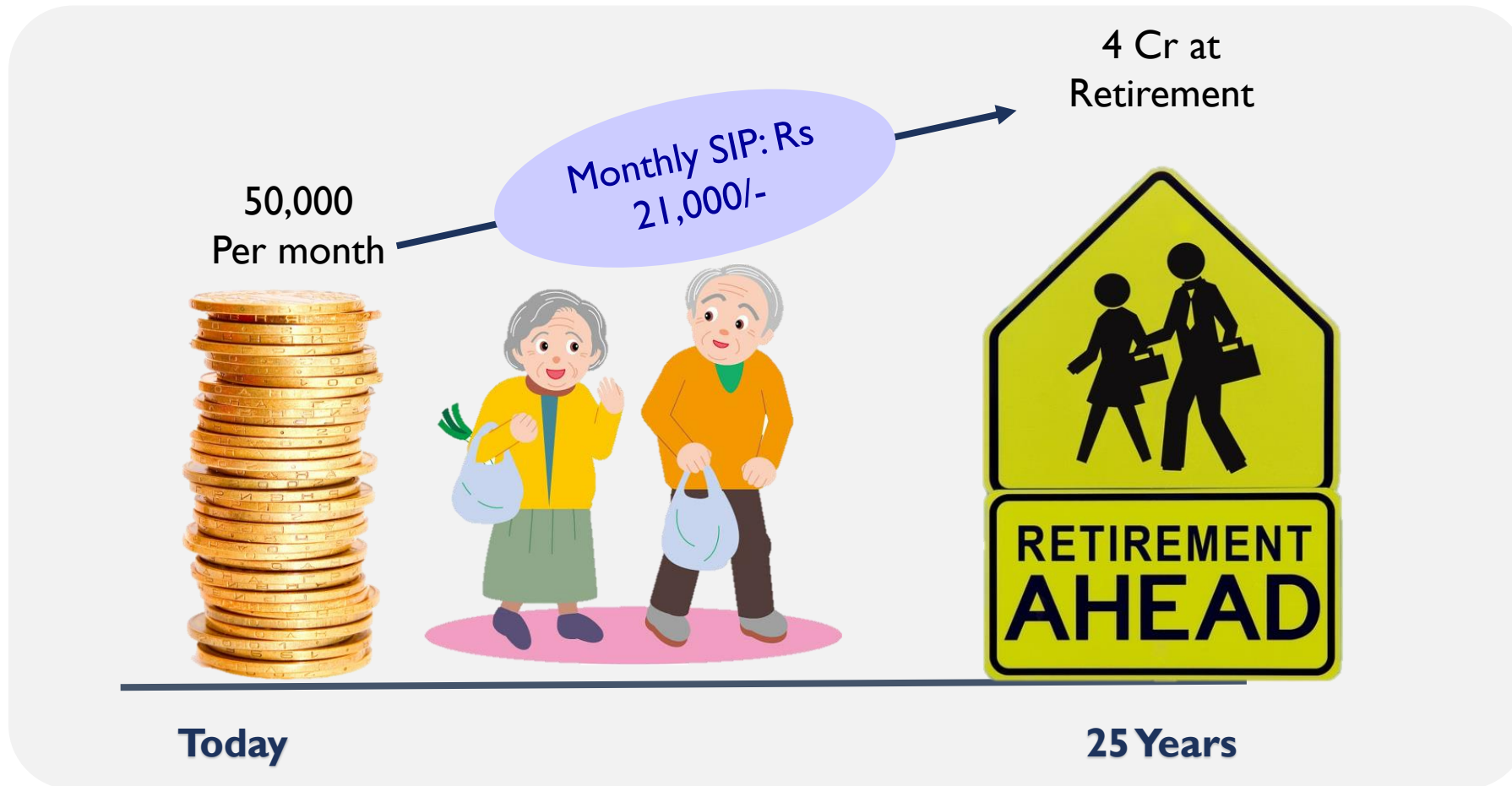
How will you save for your children's education ?



- Seeing your children succeed is priceless
- SIP helps you save for their dream career

Source: Internal MOAMC. Assuming rate of return is 12%. However, actual rate of return would vary as per market conditions

How will you get your carefree retirement?



- **Comfortable happy retired life is priceless**
- **SIP helps you save for your retirement**

Source: Internal MOAMC. Assuming rate of return is 12%. However, actual rate of return would vary as per market conditions

How can you achieve your goals? – 5 ways

1. Having the right approach towards investing and spending

2. Aim for inflation beating returns

3. Start early

4. Invest regularly

5. Stay invested for long term

#1 – What is the right approach towards investing and spending?

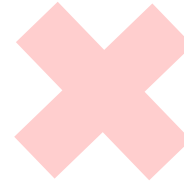
“Do not save what is left after spending, but spend what is left after saving.”

- **Warren Buffet**

What Can you do with Rs 5,000?

- Movie outing for a family of four
- Dinner in a fancy restaurant
- Fun outing with kids
- Indulge in online shopping

- **Invest now and move closer to achieving your Goals!**



Traditional Formula

Income – Expenses = Savings



Correct Formula

Income – Savings = Expenses

2 Understanding inflation is the start point

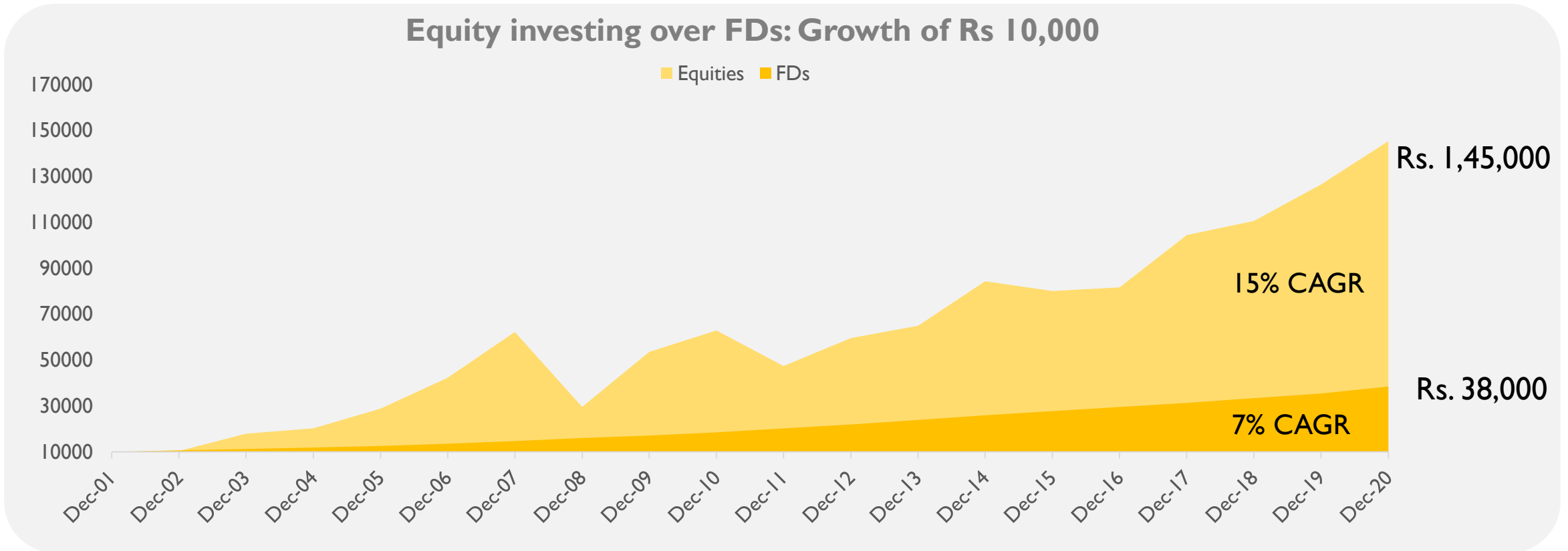


- Be aware of inflation as inflation erodes wealth and purchasing power silently

Source: Internal MOAMC Research. Inflation rate assumed at 6%

Disclaimer: The above graph is an illustration of a stated example and not actual performance of any scheme. The above is for representation purpose only and should not be used for development or implementation of an investment strategy. Past performance may or may not be sustained in future.

2 How to beat inflation? Equity Investing over long term



- Equity is the only asset class which beats inflation in the long term

Source: MFI and Bloomberg. Equities have been represented by growth in S&P BSE Sensex. FDs assumed on basis of historical FD Rates of one of India's largest bank for 3 -5 years
Data for Period – 31st Dec 2001 till 31st Dec 2020

Disclaimer: The above graph is an illustration of a stated example and not actual performance of any scheme. the above is for representation purpose only and should not used for development or implementation of an investment strategy. Past performance may or may not be sustained in future.

3 How to build a bigger corpus? **Start Early**

SIP in Sensex	Early Starter	Late Starter
Amount Invested	10,000	20,000
Date of Investment	1-Jan-90	1-Jan-05
No. SIP Instalments	372	192
Total Amount Invested	38 lakhs	38 lakhs
Value of Investment (as on 1-Dec-20)	3.4 Cr	96 Lakhs
XIRR	11.9%	10.6%
Cost of Delay	2.5 Crs	

- By starting early, the Investor's wealth grew more than 3 x times that of the Late Starter
- Make Compounding work for you : Starting early even with a small amount goes a long way

Source: MOAMC internal research. Disclaimer: The above table is an illustration of a stated example and is the actual performance of Sensex. The above is for representation purpose only and should not be used for development or implementation of an investment strategy. Past performance may or may not be sustained in future.

4 Should you time the market? Invest Regularly : Rupee cost averaging

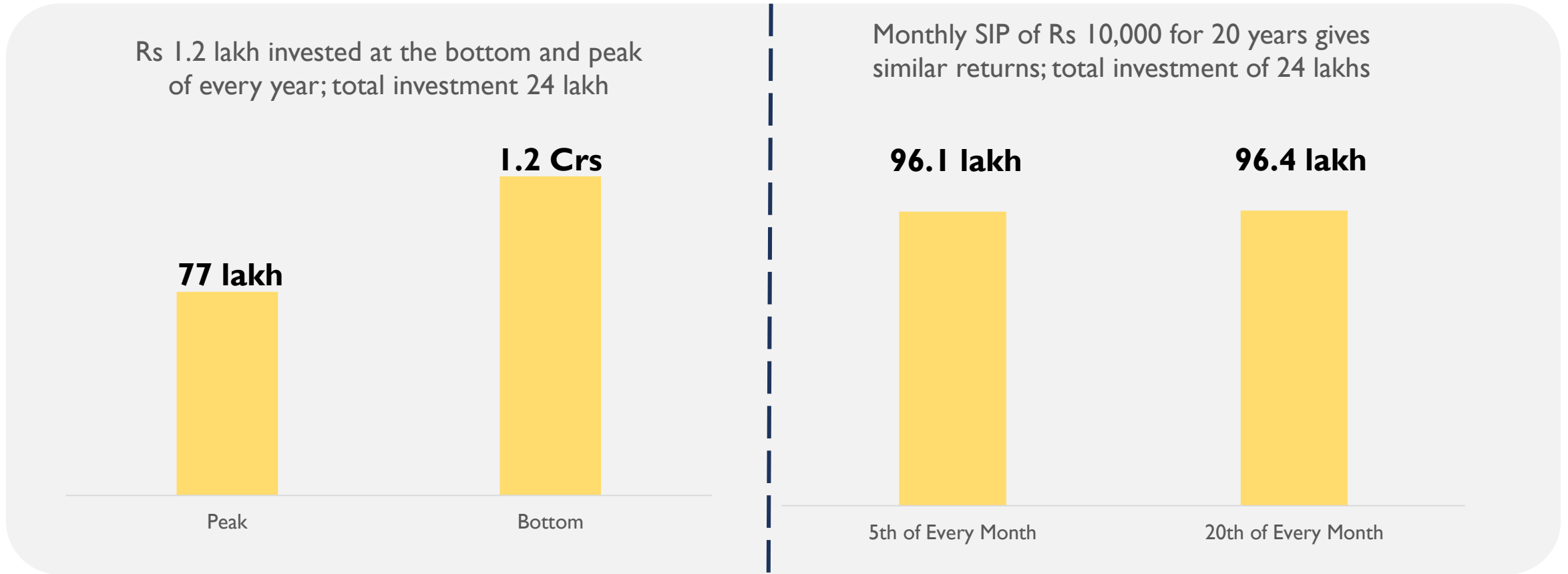
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Lumpsum
Amount	10,000	10,000	10,000	10,000	10,000	10,000	60,000
NAV	25	20	22	24	27	25	25
Units	400	500	455	417	370	400	2400
Cumulative Units	400	900	1355	1771	2142	2542	2400
Average Cost	NA	22.5	22.3	22.8	23.6	23.8	25

No Difference in amount invested but significant difference in Accumulated Units and Average Cost

- **No need to time the markets**
- **Benefit from volatility: More units when markets fall; higher value when markets rise**
- **Over long term, the cost of investing averages out**

Source: MOAMC internal research. Disclaimer: The above table is an illustration of a stated example and not actual performance of any scheme. The above is for representation purpose only and should not be used for development or implementation of an investment strategy. Past performance may or may not be sustained in future.

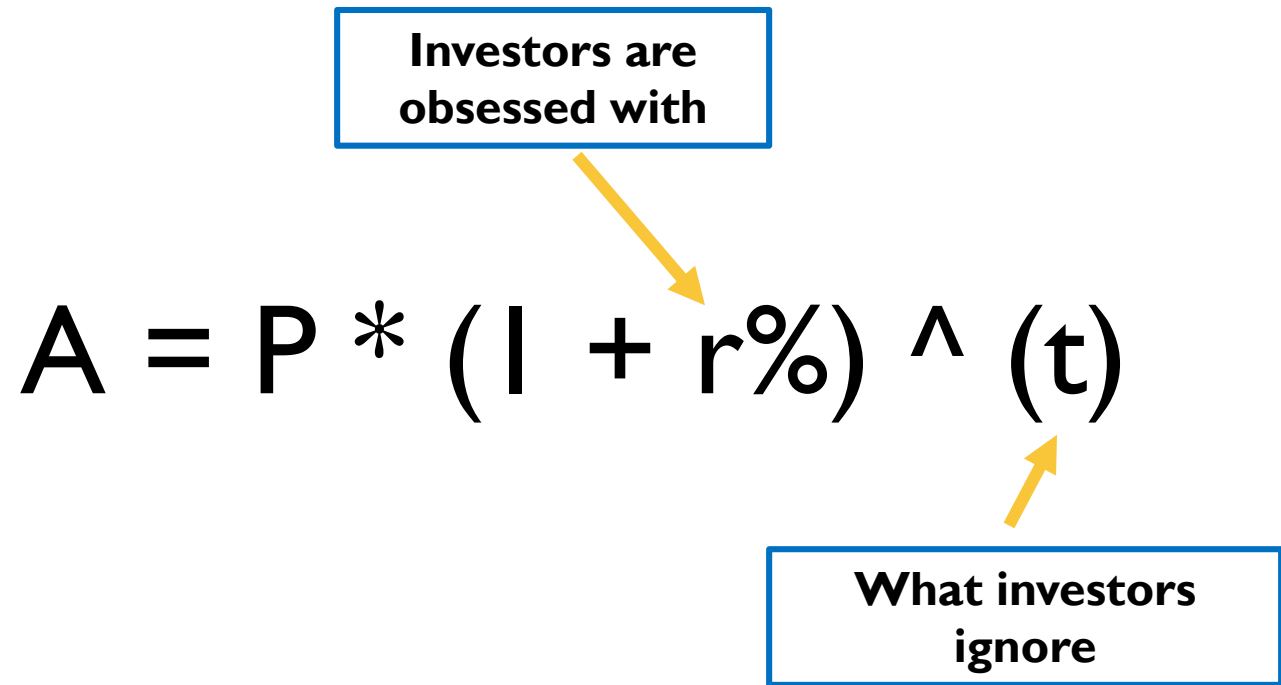
4 Should you time the market? Instead Invest Regularly



- Timing the markets may or may not work but SIP always works

Source: MOAMC internal research. Disclaimer: The above graph is an illustration of a stated example and not actual performance of any scheme. The above is for representation purpose only and should not be used for development or implementation of an investment strategy. Past performance may or may not be sustained in future.

5 Time is the secret sauce - Invest for Long Term - **Compounding**



- Most Investors tend to ask – “How much return will I get?”
- Instead – the question to ask is “How long can I stay disciplined?”
- ‘t’ is controllable - ‘r’ is not
- Longer you stay invested, higher is the power of compounding

Source: MOAMC internal research. Disclaimer: The above table is an illustration of a stated example and not actual performance of any scheme. the above is for representation purpose only and should not used for development or implementation of an investment strategy. Past performance may or may not be sustained in future.

5 Time is the secret sauce - Invest for Long Term **The Magic of Compounding**

Linear increase in the number of years invested, exponential increase in wealth generated

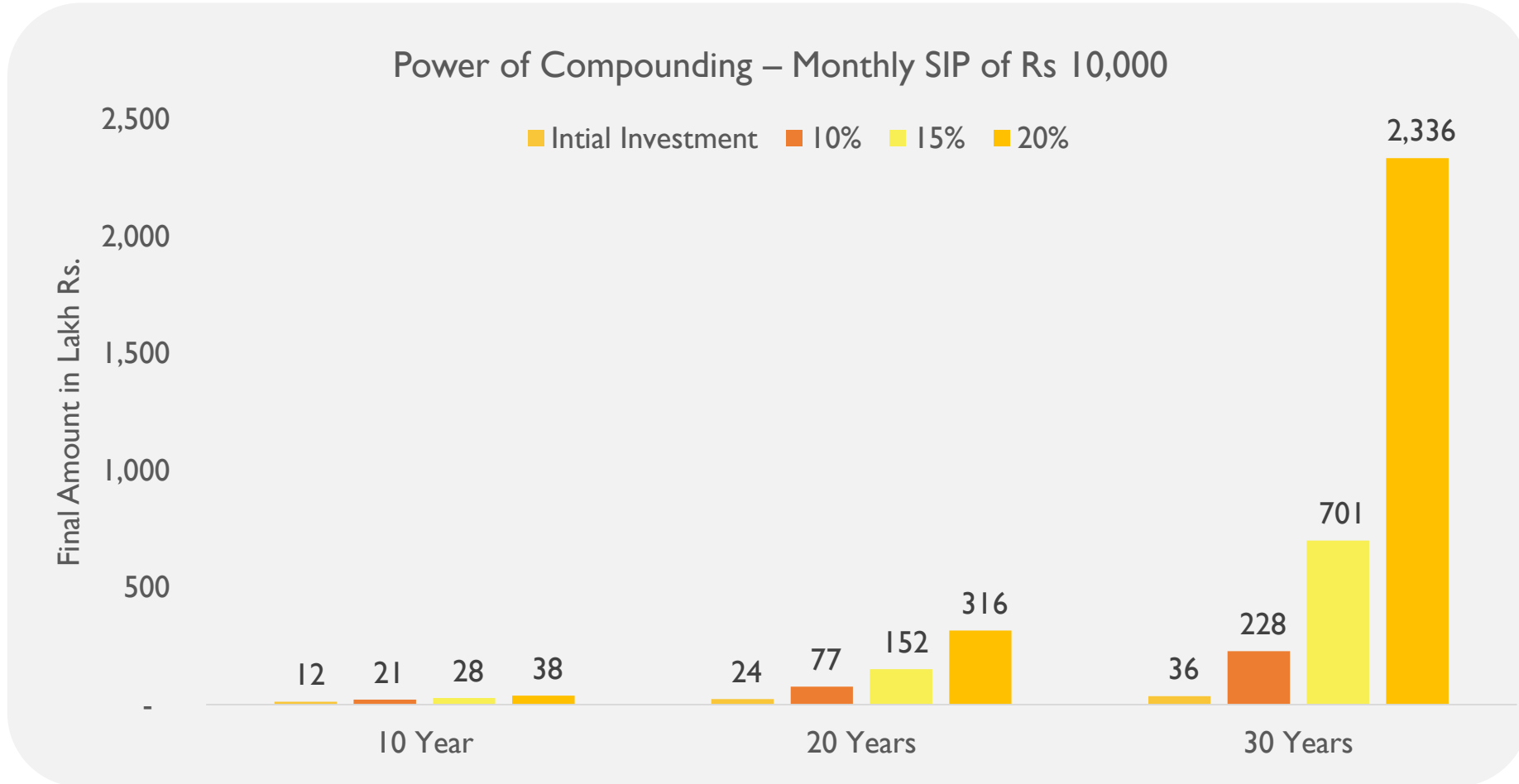
		Rate			
		10%	15%	20%	25%
Years	3	1.3	1.5	1.7	2.0
	5	1.6	2	2.5	3.1
	10	2.6	4	6.2	9.3
	15	4.2	8.1	15	28
	20	6.7	16	38	87
	25	11	33	95	265
	30	17	66	237	808

The difference between 10 and 30 years is not 3x, but 16.5x!

The difference between 10 and 30 years is not 3x, but 87x!

Source: MOAMC internal research. Disclaimer: The above table is an illustration of a stated example and not actual performance of any scheme. the above is for representation purpose only and should not used for development or implementation of an investment strategy. Past performance may or may not be sustained in future.

5 Time is the secret sauce - Invest for Long Term - **The Magic of Compounding**



- **Power of compounding is the 8th wonder of the world**
- **Compounding is adding the interest earned to the principal and earning more interest**
- **Longer you stay invested, higher is the power of compounding**

Source: MOAMC internal research. Disclaimer: The above table is an illustration of a stated example and not actual performance of any scheme. The above is for representation purpose only and should not be used for development or implementation of an investment strategy. Past performance may or may not be sustained in future.

SIP ‘The wealth builder’ :Across all market phases

Market Phases	Period	Lump sum Returns	XIRR	Amount Invested	Final Investment Value
Flat Markets	01-Jan-11 to 31-Dec-2014	7.6%	17.35%	480,000	338,454
European Crisis	01-Jan-15 to 31-May-17	5.3%	11.2%	290,000	166,012
Bull Period	1-Jun-17 to 31-Dec-19	11.5%	11.4%	320,000	372,659
Covid Crisis	01-Jan-20 to 31-Dec-20	15.6%	57.8%	120,000	154,984
Over the Decade	01-Jan-11 to 31-Dec-20	8.8%	12.1%	1,200,000	2,255,247

- SIP across all market phases, creates wealth over long term

Illustration of Rs. 10,000 Invested over monthly intervals. Source: Bloomberg and Internal MOAMC Research. Data for period Jan 1, 2010 till December 31, 2020. * XIRR calculated for SIP Returns. # Point to point returns are compounded returns for the respective periods

Disclaimer: The above table is used to explain the concept and is for illustration purpose only and should not used for development or implementation of an investment strategy. Past performance may or may not be sustained in future.

Top 4 Myths about SIPs

Myths

Reality

SIP is a product in itself

- SIP is a tool for Mutual Fund investment

SIPs are very risky

- SIPs are a way to tackle market risk or volatility.

SIPs should be stopped during market downswings

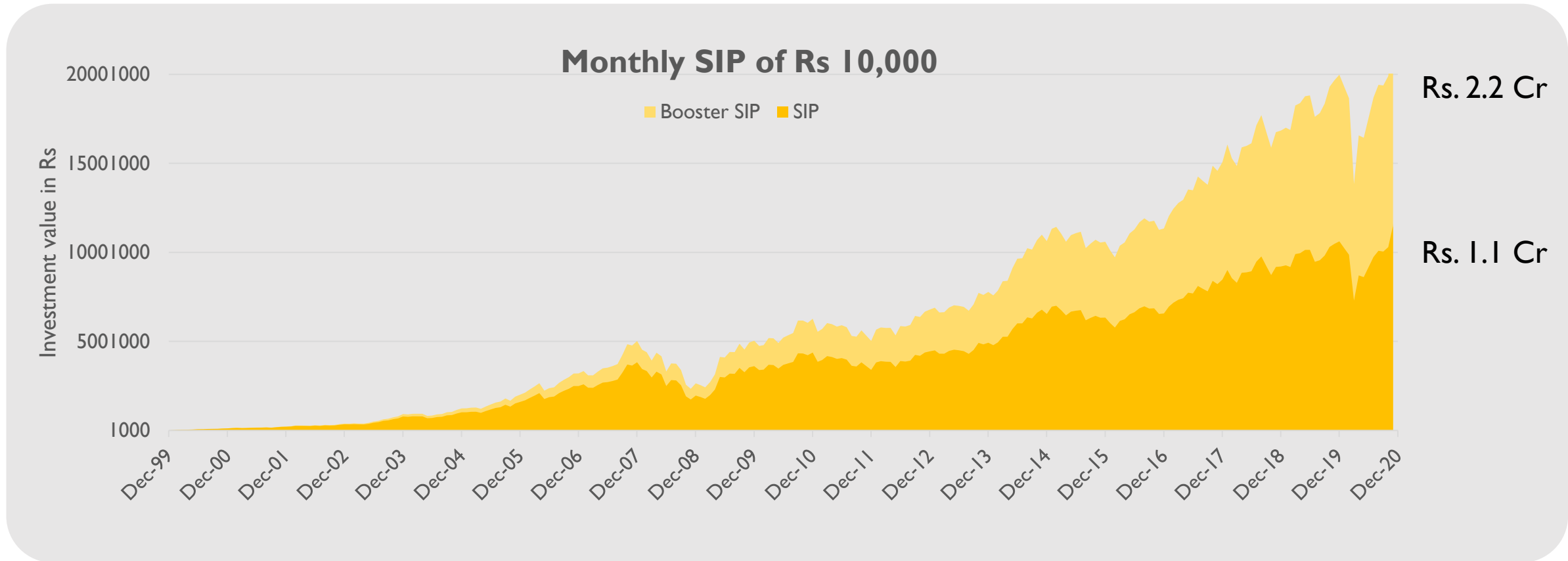
- SIPs benefit from all market phases due to rupee cost averaging

SIP Amount should be stagnant

- Increasing SIPs with increase in income helps to build wealth over long term

Source: MOAMC internal research. Disclaimer: Mutual Fund Investments are subject to market risks, read all scheme related documents carefully.

SIP the wealth builder: Stagnant vs Booster SIP

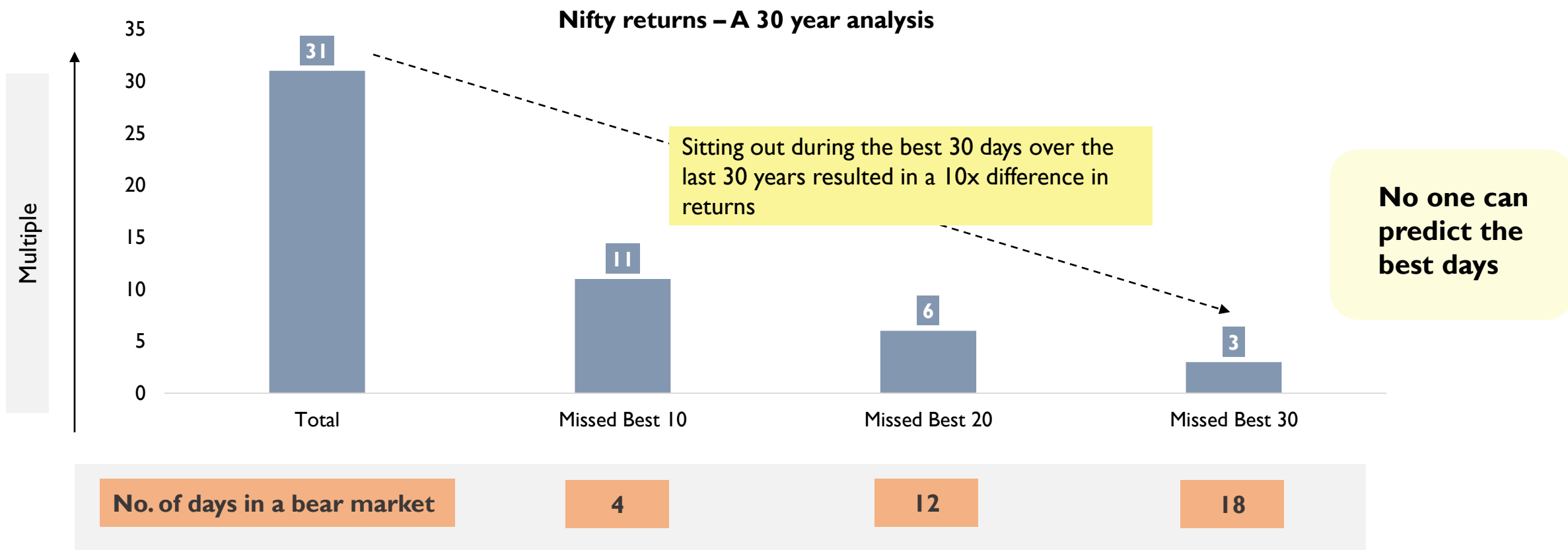


- 10% increase in SIP creates almost 2x increase in wealth

Data as on December 31, 2020. Source: MOAMC Internal Research. Disclaimer: The above graph is for illustration purpose only. The SIP amount, tenure of SIP, expected rate of return are assumed figures for the purpose of explaining the concept of advantages of SIP investments. The actual result may vary from depicted results depending on scheme selected. It should not be construed to be indicative of scheme performance in any manner. Past performance may or may not be sustained in future..

#SIP In About Behaviour : It's the time-in, not the timing

More than 50% of the best 30 days in the last thirty years were during bear markets – there's an opportunity cost to sitting out



Source: NSE India, MOAMC Research, Data as on 31-Mar-2020

Disclaimer: The above graph is used to explain the concept and is for illustrative purposes only. It should not be used for development or implementation of an investment strategy. Past performance may or may not be sustained in future

#S.I.P. Is About Behaviour – Market Crashes can be handled by key traits

Vision to see

- Crashes are marked by a high level of noise about the present and the near-term future.
- This is where a clear vision of the long term future proves handy

Courage to buy

- Successful investors show the courage to buy when the whole world is fearfully selling
- This arises from the above vision to see

Patience to hold

- Only those investors will emerge victorious from market crashes who have high conviction
- The patience to hold will ensure they see their dream become a reality

“Let your **Patience** decide the course of your SIP Journey, not **Market movements**”

Motilal Oswal Mutual Funds SIP Performance

Motilal Oswal Multicap 35 Fund (MOF35)

Fund Features

- Multicap nature allows flexibility to allocate across market capitalisation
- Track record of picking multi-baggers
- Invests in quality stocks
- Focused approach, investing in a compact portfolio of up to 35 stocks

SIP Performance (31st December 2020)

Particulars	1 Year			3 Year			5 Year			Since Inception		
	MOF35	BM	Add. BM	MOF35	BM	Add. BM	MOF35	BM	Add. BM	MOF35	BM	Add. BM
Investment Amount	120,000			360,000			600,000			800,000		
Market Value	148,621	156,915	156,426	425,752	459,642	466,822	774,632	846,265	871,087	1,178,230	1,219,733	1,243,277
Returns (CAGR)%	47.0%	61.5%	60.7%	11.2%	16.5%	17.6%	10.1%	13.7%	14.9%	11.4%	12.5%	13.0%

Date of inception: 28-Apr-14. BM is Benchmark i.e. Nifty 500 TRI and Additional Benchmark i.e. Nifty 500 TRI. For SIP returns, monthly investment of ₹ 10,000/- invested on the 1st day of every month has been considered. In case, the start/end date of the concerned period is non business date (NBD), the NAV of the previous date is considered for computation of returns. Past performance may or may not be sustained in the future. Performance is for Regular Plan Growth option. Different plans have different expense structure. Mr. Akash Singhania has been appointed as the Fund Manager for equity component with effect from 17-May-2019 vide addendum dated 16-May-2019; Mr. Abhiroop Mukherjee is the Fund Manager for debt component since 28-Apr-2014 and Mr. Herin Visaria for Foreign Securities since 26-July-2019. For the performance of other schemes managed by the fund managers, kindly refer to the factsheet: <https://www.motilaloswalmf.com/downloads/mutual-fund/Factsheet>

Motilal Oswal Midcap 30 Fund (MOF30)

Fund Features

- Concentration : Higher diversification may dilute returns
- Least overlap with the benchmark
- Strong Investment framework: Key focus on QGLP i.e. quality in management and company, growth in earnings and ROE, companies with sustainable competitive advantage and available at a reasonable price

SIP Performance (31st December 2020)

Particulars	1 Year			3 Year			5 Year			Since Inception		
	MOF30	BM	Add. BM	MOF30	BM	Add. BM	MOF30	BM	Add. BM	MOF30	BM	Add. BM
Investment Amount	120,000			360,000			600,000			820,000		
Market Value	148,766	161,473	156,426	429,448	446,356	466,822	739,584	782,908	871,087	1,143,128	1,203,590	1,290,745
Returns (CAGR)%	47.2%	69.7%	60.7%	11.8%	14.5%	17.6%	8.3%	10.6%	14.9%	9.6%	11.0%	13.0%

.Date of inception: 24-Feb-14. BM is Benchmark i.e. Nifty Free Float Midcap 100 TRI and Add BM is additional Benchmark i.e. Nifty 50 TRI. For SIP returns, monthly investment of ` 10,000/- invested on the 1st day of every month has been considered. Incase, the start/end date of the concerned period is non business date (NBD), the NAV of the previous date is considered for computation of returns. Past performance may or may not be sustained in the future. Performance is for Regular Plan Growth option. Different plans have different expense structure. Mr. Niket Shah is the Fund Manager since July 1, 2020 and Mr. Abhiroop Mukherjee is the Fund Manager for debt component since 24-Feb-2014. For the performance of other schemes managed by the fund managers, kindly refer to the factsheet: <https://www.motilaloswalmf.com/downloads/mutual-fund/Factsheet>

Motilal Oswal Focused 25 Fund (MOF25)

Fund Features

- Large Cap oriented Focused Fund
- Concentrated portfolio of not more than 25 stocks: currently holding 24 stocks
- Bottom up stock picking – least overlap with benchmark
- Low churn with buy right sit tight philosophy

SIP Performance (31st December 2020)

Particulars	1 Year			3 Year			5 Year			Since Inception		
	MOF25	BM	Add. BM	MOF25	BM	Add. BM	MOF25	BM	Add. BM	MOF25	BM	Add. BM
Investment Amount	120,000			360,000			600,000			910,000		
Market Value	151,916	156,426	157,500	469,650	466,822	477,696	859,485	871,087	903,489	1,562,188	1,521,113	1,573,752
Returns (CAGR)%	52.7%	60.7%	62.6%	18.0%	17.6%	19.2%	14.3%	14.9%	16.4%	13.9%	13.2%	14.1%

Date of inception: 13-May-13. BM is Benchmark i.e. Nifty 50 TRI and Add. BM is additional BM i.e. S&P BSE Sensex. For SIP returns, monthly investment of ₹ 10,000/- invested on the 1st day of every month has been considered. In case, the start/end date of the concerned period is non business date (NBD), the NAV of the previous date is considered for computation of returns. Past performance may or may not be sustained in the future. Performance is for Regular Plan Growth option. Different plans have different expense structure. Mr. Siddharth Bothra is the Fund Manager for equity component since 23-Nov-2016 and Mr. Abhiroop Mukherjee is the Fund Manager for debt component since inception. For the performance of other schemes managed by the fund managers, kindly refer to the factsheet: <https://www.motilaloswalmf.com/downloads/mutual-fund/Factsheet>

Motilal Oswal Long Term Equity Fund (MOFLTE)

Fund Features

- Tax saver fund with the benefits of 80C and statutory lock-in of 3 years
- Track record of 5+ years
- Strong Investment framework: Key focus on QGLP i.e. quality in management and company, growth in earnings and ROE, companies with sustainable competitive advantage and available at a reasonable price

SIP Performance (31st December 2020)

Particulars	1 Year			3 Year			5 Year			Since Inception		
	MOFLTE	BM	Add. BM	MOFLTE	BM	Add. BM	MOFLTE	BM	Add. BM	MOFLTE	BM	Add. BM
Investment Amount	120,000			360,000			600,000			710,000		
Market Value	149,766	156,915	156,426	433,366	459,642	466,822	800,473	846,265	871,087	1,007,267	1,042,099	1,068,898
Returns (CAGR)%	49.0%	61.5%	60.7%	12.4%	16.5%	17.6%	11.5%	13.7%	14.9%	11.7%	12.8%	13.7%

Date of inception: 21-Jan-15. BM is benchmark i.e. Nifty 500 TRI and Add BM is additional benchmark i.e. Nifty 50 TRI. For SIP returns, monthly investment of ₹ 10,000/- invested on the 1st day of every month has been considered. In case, the start/end date of the concerned period is non business date (NBD), the NAV of the previous date is considered for computation of returns. The NAV per unit shown in the table is as on the start date of the said period. Past performance may or may not be sustained in the future. Performance is for Regular Plan Growth Option. Different plans have different expense structure. Mr. Aditya Khemani has been appointed as the Fund Manager for equity component with effect from 6-Sept-2019 vide addendum dated 5-Sept-2019; Mr. Abhiroop Mukherjee is the Fund Manager for debt component since inception. For the performance of other schemes managed by the fund managers, kindly refer to the factsheet: <https://www.motilaloswalmf.com/downloads/mutual-fund/Factsheet>

Product Labelling

Motilal Oswal Focused 25 Fund

This product is suitable for investors who are seeking*

- Return by investing in upto 25 companies with long term sustainable competitive advantage and growth potential
- Investment in Equity and equity related instruments subject to overall limit of 25 companies



Motilal Oswal Midcap 30 Fund


This product is suitable for investors who are seeking*


- Long-term capital growth
- Investment in equity and equity related instruments in a maximum of 30 quality mid-cap companies having long-term competitive advantages and potential for growth



*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Product Labelling

Motilal Oswal Multicap 35 Fund	 <p>Investors understand that their principal will be at Moderately High risk</p>
This product is suitable for investors who are seeking*	
<ul style="list-style-type: none">• Long-term capital growth• Investment in a maximum of 35 equity and equity related instruments across sectors and market-capitalization levels	

Motilal Oswal Long Term Equity Fund	 <p>Investors understand that their principal will be at Moderately High risk</p>
This product is suitable for investors who are seeking*	
<ul style="list-style-type: none">• Long-term capital growth• Investment predominantly in equity and equity related instruments	

*Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

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

For any Mutual Fund queries ,please call us on +91 81086 22222 /+91 22 40548002 (Press 1) or write to mfservice@molaloswal.com

Thank You!

THINK EQUITY
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MOTILAL OSWAL
ASSET MANAGEMENT

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