

# MUTUAL FUNDS



**Sharekhan**

by BNP PARIBAS

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by BNP PARIBAS

## ABOUT SHAREKHAN

We are the 4th largest retail broker in India and a leading MF distributor.

Present across the country



**547**  
Cities



**136**  
Branches



**>3,600**  
Franchisees



**2.5 Mn**  
Customers



**6,80,000**  
Avg. Trades/day



**₹463 Bn**  
Assets

Note: Data as on Mar 2022

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## ABOUT SHAREKHAN

### Products & Services



BROKERAGE



MUTUAL FUND



PORTFOLIO  
MANAGEMENT



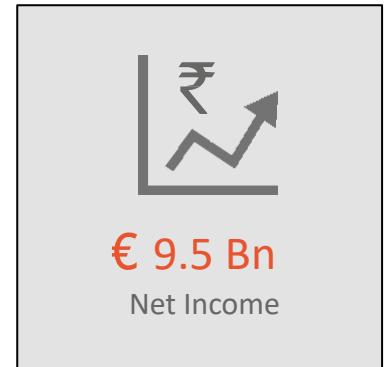
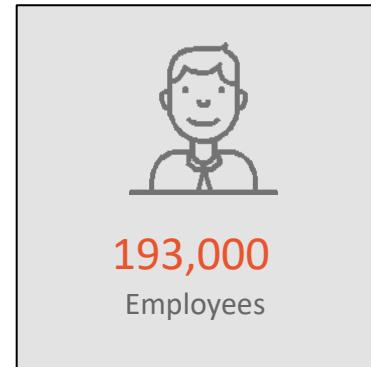
EDUCATION



**BNP PARIBAS**

## ABOUT BNP PARIBAS

The bank for a changing world



Source: BNP Paribas Annual Report 2017

Note: Data as on Dec 2020

\*\* Awarded by Asian Private Banker

\* Awarded by Euromoney

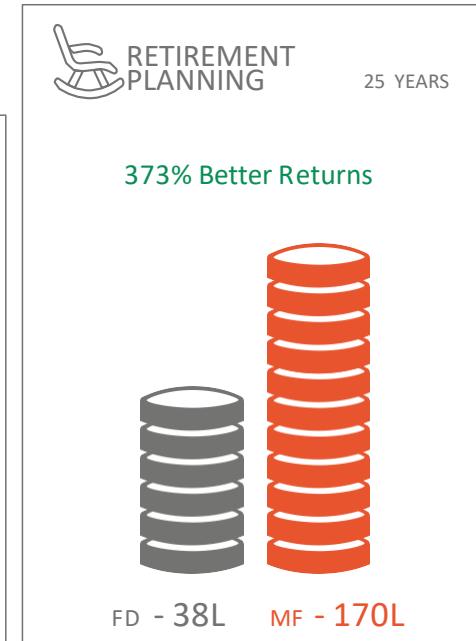
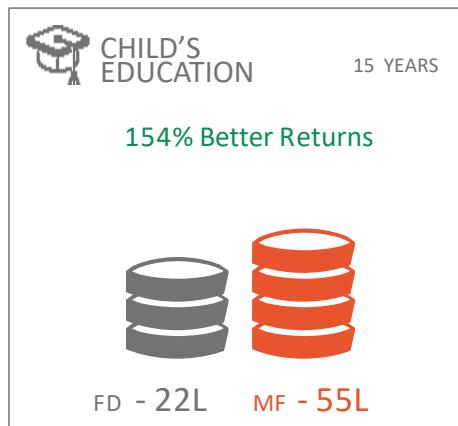
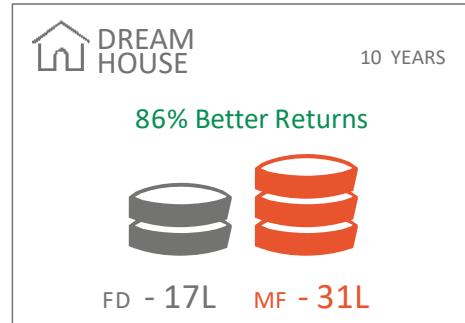
# KNOW MORE ABOUT MUTUAL FUNDS



# WANT TO CREATE WEALTH? SAVINGS WILL NOT SUFFICE TO MEET YOUR LIFE GOALS



Initial Investment Amount = 10L (Lakhs)

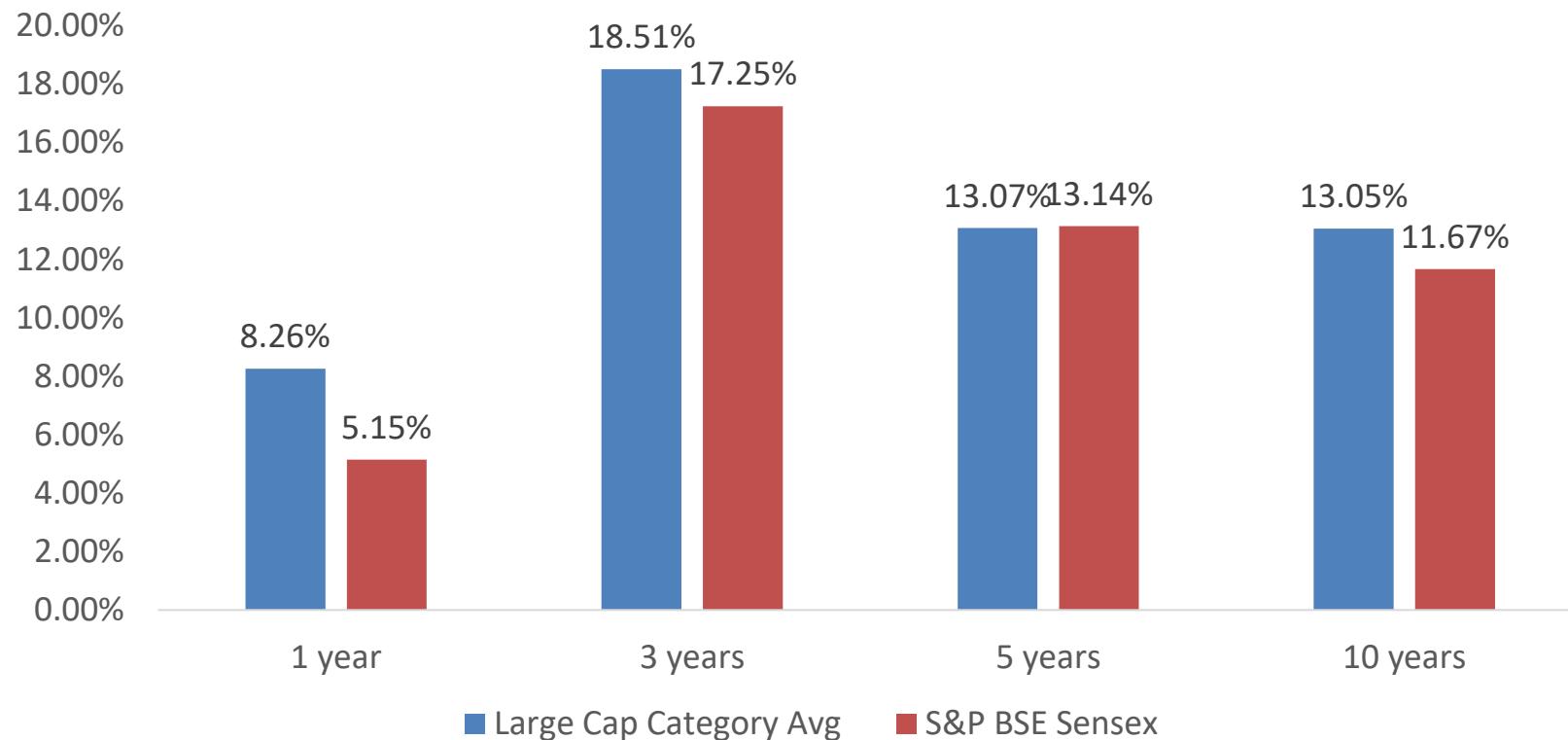


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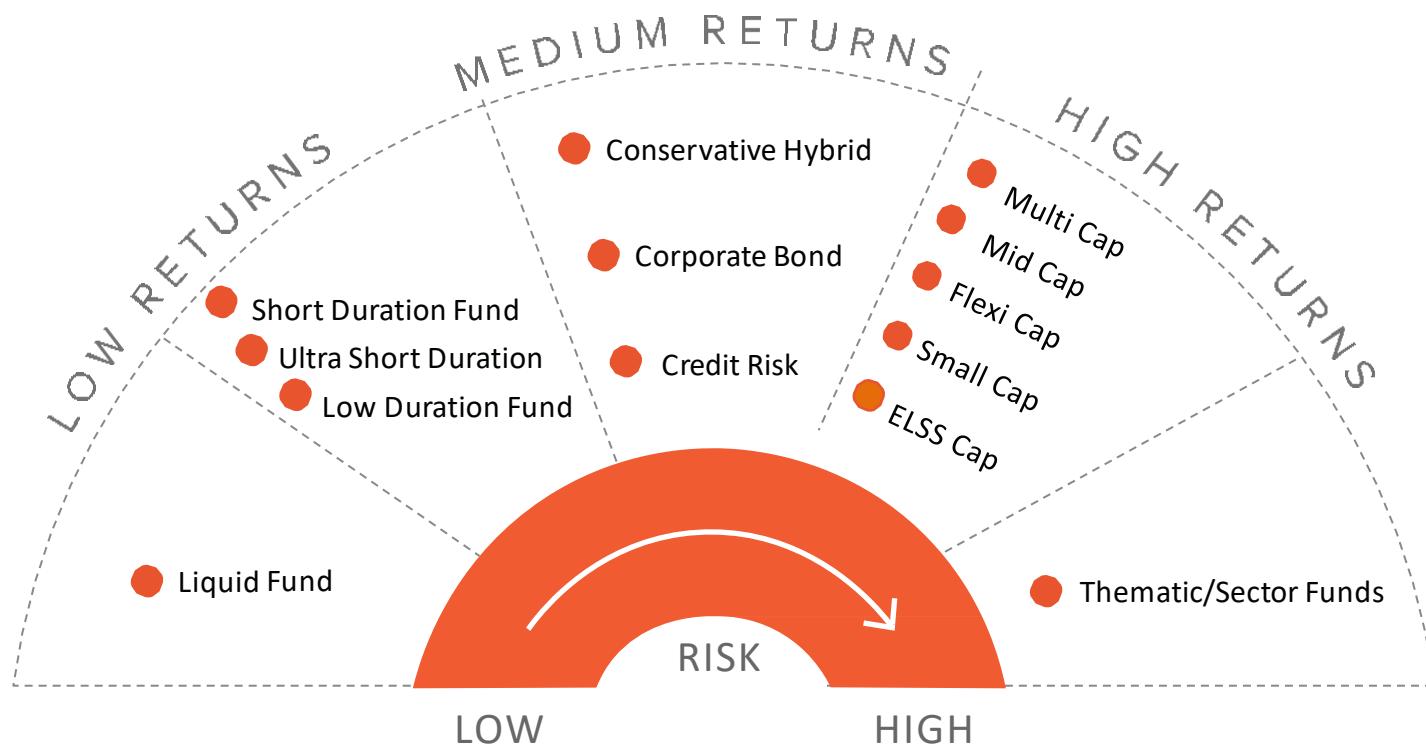
# THINK ABOUT THE BIGGER PICTURE, MUTUAL FUNDS ARE THE WAY TO GO

Mutual funds generate better returns over long term



# RISK V/S RETURN

## SELECT SCHEMES TO MATCH YOUR RISK PROFILE



Category as per SEBI- Product labelling in mutual funds

# WAYS TO INVEST IN MUTUAL FUNDS



## LUMPSUM

It is a “bullet” payment wherein an investor makes a single one-time, usually large investment.

For example: 3 lakhs invested in one go.



## SIP SYSTEMATIC INVESTMENT PLAN

SIP allows an investor to invest a pre-determined amount at regular intervals.

For example: 5,000 invested every month for 5 years.

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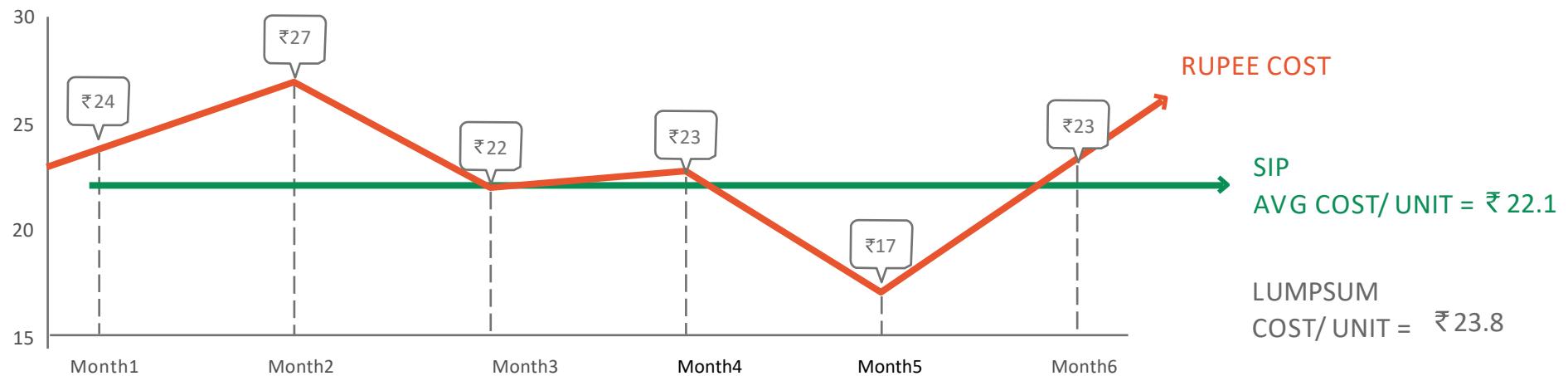
# BENEFITS OF INVESTING THROUGH SIP



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# 1. SIP REDUCES SHORT TERM VOLATILITY

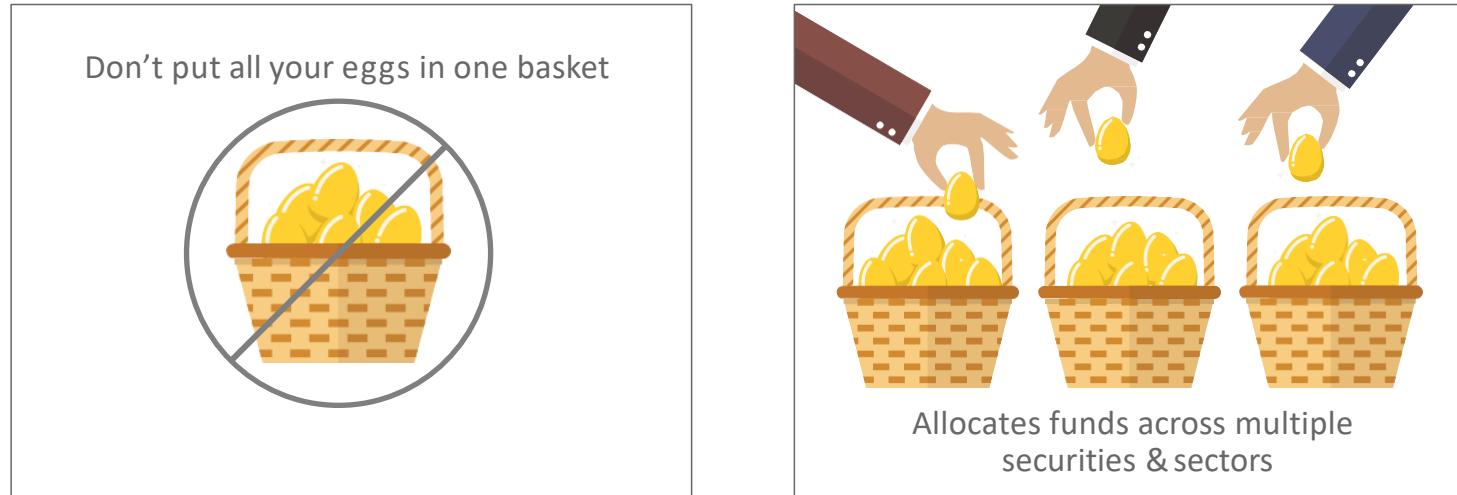


Investing regularly ensures investments at an average cost

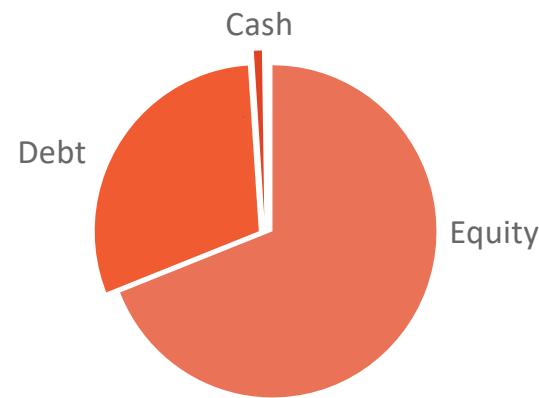


Lump-sum investments have the risk of buying at the highest price

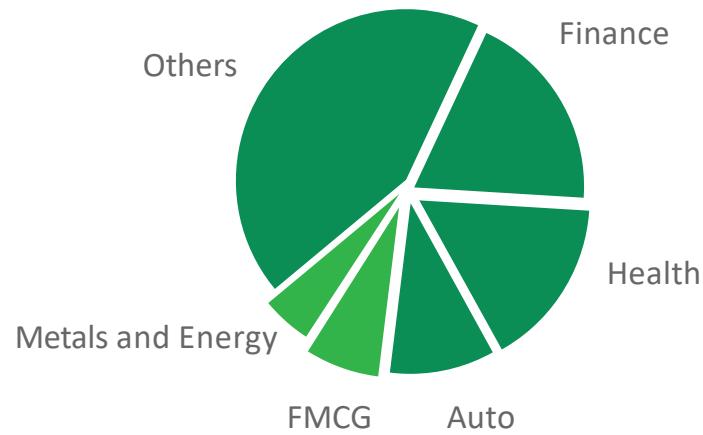
## 2. DIVERSIFICATION



Asset Allocation

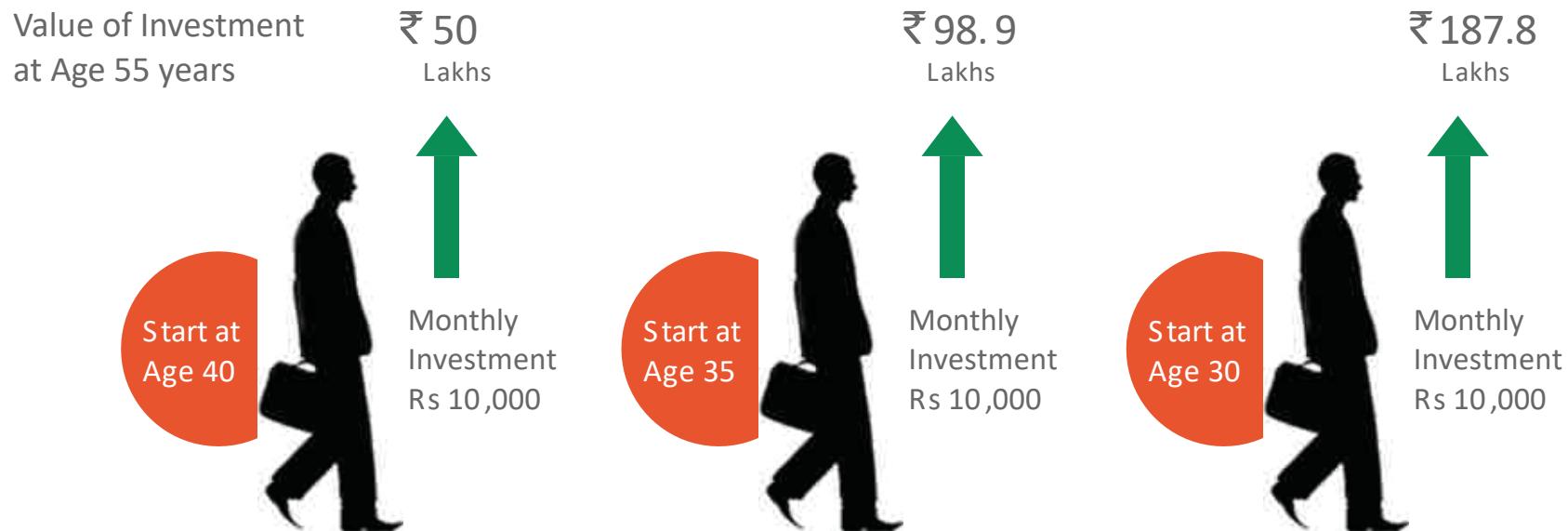


Sector Allocation



### 3. LONGER YOU STAY INVESTED, BETTER YOU EARN

Losing time is losing money!



Power of compounding :

Earnings of the current year contribute to the earnings of the following year and so forth...

Assumption: 12% p.a. return

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## 4. AFFORDABLE



### NO ENTRY / EXIT FEES

- 'Upfront load' on all MFs was banned in 2009
- No 'Exit load' on equity funds after 1 year



### LOWER TAXES

- Taxes on Equities are lower than most other asset classes



### POCKET FRIENDLY

- Investments can start from as low as ₹500

## 5. NO NEED TO TIME THE MARKET

What do you do when you expect the markets to decline? Do you sell and wait till stocks hit the bottom?

If you had stayed fully invested in equities from 2nd April, 1990 to 31st Oct, 2023, you could have earned compounded annual returns of 14%.

However, by trying to time the market, you could have risked missing out on days with biggest gains and the returns.

A systematic investment plan makes it easy for you by buying more units when the markets are low and fewer as they rise. This helps average out the cost per unit for better growth in the long term

Hence do not time the market, focus on time in the markets with SIP instead



# 6. SMART INVESTMENTS HELP YOU ACHIEVE YOUR FINANCIAL GOALS

Cost of your dreams is increasing with time!



SIP is an effective tool to prepare for medium/long-term goals

Small regular investments lead to large incremental gains

Assumption: Inflation at 7%

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## 7. LIQUIDITY - AMOUNT GETS CREDITED WITHIN 2 DAYS

### Liquidity of various investment options



Real Estate



Gold



Bank FD



SIP / MF

### Benefits of SIP / MF

#### Time required for amount to get credited

- Debt funds: 1 day
- Equity funds: 2 days

#### Withdrawal options

- Complete
- Partial
- Systematic

#### Redemption options

- Online
- Offline

## 8. CONVENIENCE



Invest monthly, quarterly or annually as per your convenience



ACH facility helps with automatic deduction from bank a/c



Increase, decrease, stop, redeem investments at any time



Split investments across different funds

# SIP IN NUMBERS: SAMPLE INVESTMENT CALCULATOR

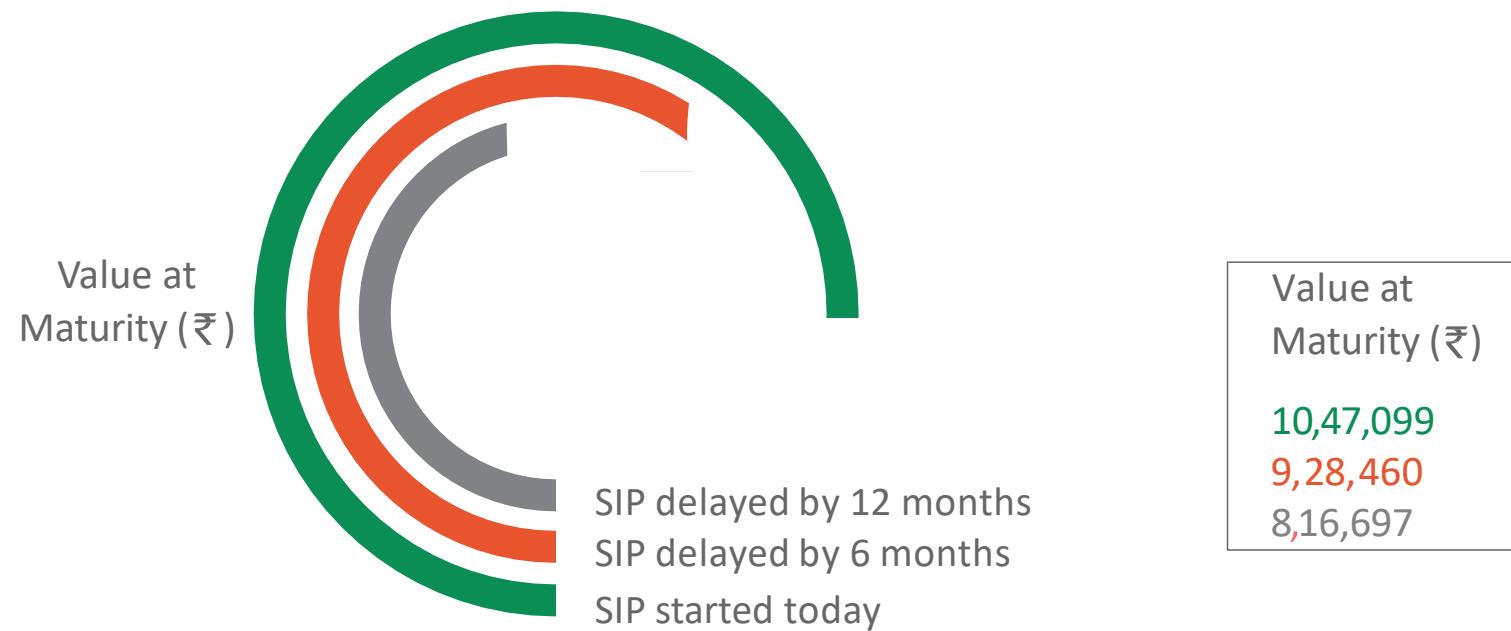
Expected portfolio value (₹) @ 12% return p.a.

Investment per month (₹)	Number of Years				
	3	5	10	12	15
1,000	43,077	81,670	2,30,039	3,19,062	4,99,580
5,000	2,15,384	4,08,348	11,50,193	15,95,308	24,97,901
10,000	4,30,769	8,16,697	23,00,387	31,90,616	49,95,802
25,000	10,76,922	20,41,742	57,50,967	79,76,539	1,24,89,505
50,000	21,53,844	40,83,483	1,15,01,934	1,59,53,078	2,49,79,010
75,000	32,30,766	61,25,225	1,72,52,902	2,39,29,617	3,74,68,515
1,00,000	43,07,688	81,66,967	2,30,03,869	3,19,06,156	4,99,58,020

For any investment value not appearing in the table, simply follow this example  
Eg. ₹6000/- per month - multiply the value for 1000 p.m by 6.  
Hence, a SIP of ₹6000/month in 15 years will be  $4,99,580 \times 6 = 29,97,480$

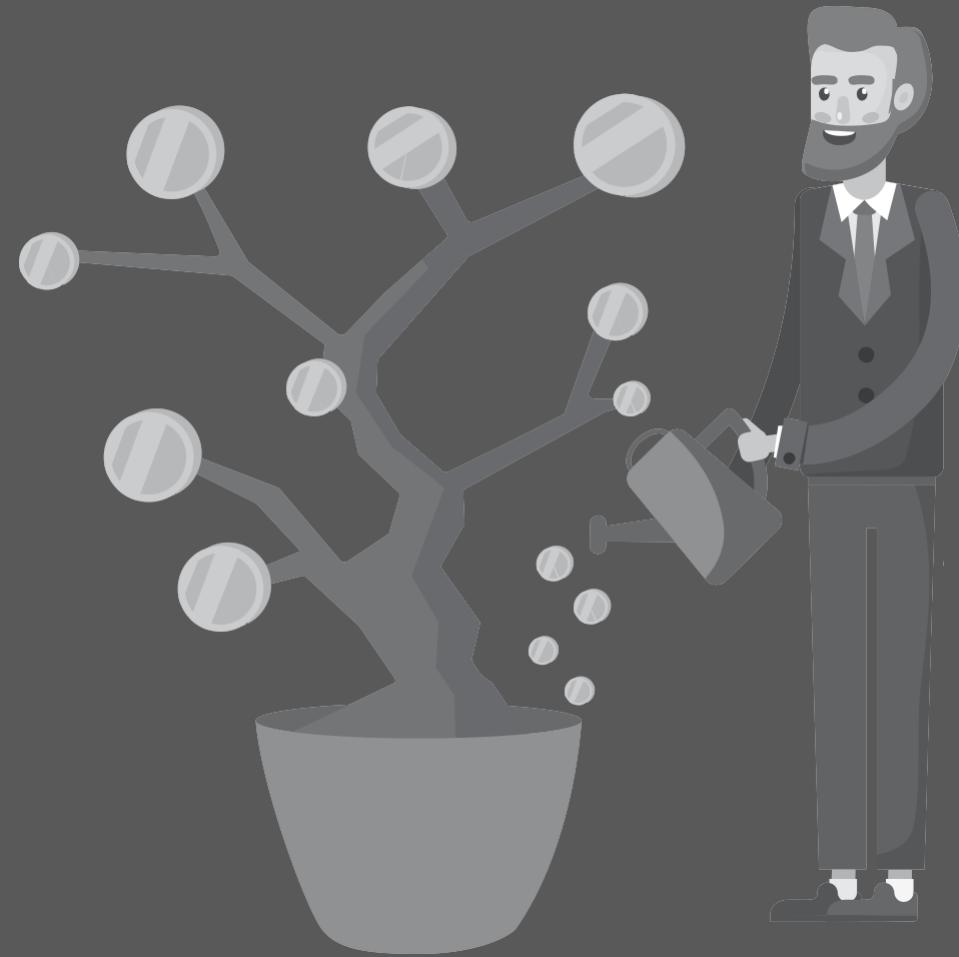
# BETTER TO INVEST NOW THAN LATER

Cost of delaying investment (assuming a 12% p.a. rate of return)



Amount invested: ₹ 10,000 per month for 6 Years

WE ADD VALUE TO  
YOUR INVESTMENTS

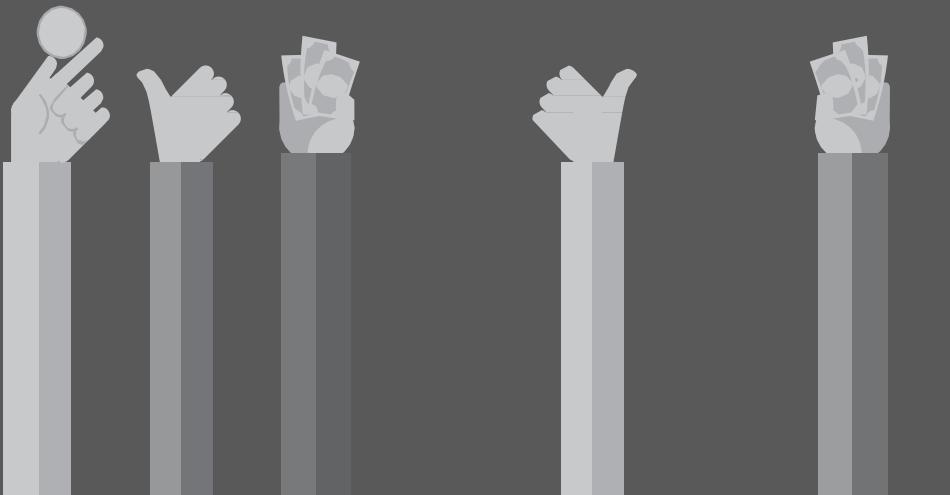


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# VALUE TO YOUR INVESTMENTS

FUNDS WE LIKE

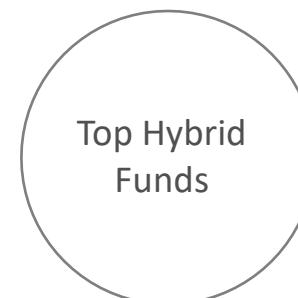


Confused about which funds to invest in ?

## Look at Funds We Like

“Funds We Like” is our monthly report on top funds that have outperformed others in the market and are worth investing in.

Type of funds listed:



# VALUE TO YOUR INVESTMENTS

PORTFOLIO EVALUATION



Already an investor?

**Share your portfolio and get professional expertise**

Our experts can evaluate your portfolio allocation based on your goals, risk taking willingness and capacity.

We then offer you a choice of the most suited strategy to follow and to get the most out of your investments.

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# MYTH BUSTERS

## MYTH

Lower the NAV, the better it is



MFs freeze your money



Investing in direct equities is always more profitable



MFs are meant for market experts



## BUST

Return on investment, portfolio quality and management matter more.

Past performance, volatility, fund management reflect expected returns

Though designed to be medium/long term investments, MFs do offer liquidity

One can sell MFs at any time and the amount gets credited in just 2 days (except close-ended funds and fixed maturity products)

Only if one is well versed with the market and invests in a structured manner; for others it is advisable to invest in mutual funds

MFs offer a diversified portfolio and hence reduce risk

MFs are managed by professionals, hence investors do not have to monitor the market

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# MYTH BUSTERS

## MYTH

Investing in MFs is expensive



All MF schemes are risky



If the NAV of a fund decreases, it is best to sell it immediately



## BUST

Investments can start from as low as ₹500 through SIP or a lump-sum of ₹1,000

No entry fee or an upfront load

Invest monthly/quarterly/annually per your convenience

MFs invest in a variety of instruments, from low-risk to high-risk

There are safe funds like Liquid funds and Debt funds that invest in government bonds, corporate bonds, debentures, etc.

MFs are designed to be medium/long-term investments

Selling too early without consulting your relationship manager can lead to loss of money

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- Mutual funds, like securities investments, are subject to market and other risks and there can be no assurance that the objectives of any of the schemes of the Fund will be achieved. Please read the Offer Document carefully in its entirety prior to making an investment decision
- The NAV of units issued under the Schemes of mutual funds can go up or down depending on the factors and forces affecting capital markets and may also be affected by changes in the general level of interest rates. The NAV of the units issued under the scheme may be affected, inter-alia by changes in the interest rates, trading volumes, settlement periods, transfer procedures and performance of individual securities. The NAV will inter-alia be exposed to Price / Interest Rate Risk and Credit Risk.
- Past performance of any scheme of the Mutual fund do not indicate the future performance of the Schemes of the Mutual Fund. Sharekhan shall not responsible or liable for any loss or shortfall incurred by the investors.
- Investors are not being offered any guaranteed or assured rate of return through this document.

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