

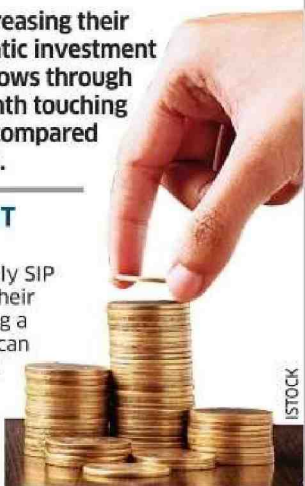
ET**IN THE
CLASSROOM**

Increasing SIP Amount in Your Funds

Investors are continuously increasing their contributions towards systematic investment plans (SIP). Data show that inflows through SIPs have increased every month touching ₹23,332 crore in July 2024, as compared to ₹15,814 crore in August 2023.

HOW CAN A SIP INVESTMENT BE INCREASED?

Investors can increase their monthly SIP contribution by adding money to their existing mutual scheme or choosing a new fund for their portfolio. They can schedule the additional amount on the existing SIP date or any other convenient date. Choosing different dates helps in spreading the investments over the month.



ISTOCK

SHOULD INVESTORS ADD A NEW SCHEME, WHILE INCREASING THEIR SIP AMOUNT?

Investors should build their long-term mutual fund based on age, risk-taking ability and long-term goals. They should follow an asset allocation approach and diversify across equity, fixed income, gold and REITs / InvITs. They could use a mix of active and passive funds to build their portfolio. While the core portfolio should be in long-term-oriented fund categories, they could have some thematic

or sectoral funds in their satellite portfolios for alpha generation. Take the case of an investor with a SIP of ₹10,000 per month of which ₹8,000 is in a flexi-cap or multi-cap fund, ₹1,000 each in gold and fixed income. If the investor wishes to park an additional ₹2,000 and has a high risk appetite, it can be in a thematic or sectoral fund, while if conservative the SIP can be in a hybrid fund that is low on equity. If the investor does not want to add more schemes, the money can be divided among the existing schemes.

**Invesco Mutual Fund**

An investor education and awareness initiative

For Know Your Customer (KYC) guidelines along with the documentary requirements and procedure for change of address, phone number, bank details, etc., please visit the Education and Guidance section on www.invescomutualfund.com. Investor should deal with only SEBI registered Mutual Funds, details of which can be verified under "Intermediaries/Market Infrastructure Institutions" on <https://www.sebi.gov.in/index.html>. For any grievance / complaint, please call us on 1800-209-0007 or write to us at mfservices@invesco.com. Alternatively, complaints can be registered on the SEBI SCORES Portal at <https://scores.gov.in>

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

THERE ARE A SLEW OF NFOs AND MANY LOOK ATTRACTIVELY POSITIONED. SHOULD ONE START A SIP IN THEM?

Investors should not get carried away by new fund offers (NFOs), since many of these are launched by fund houses to complete their product basket. They should opt for an NFO only if such a product is not available with any fund house or if there is a compelling proposition that fits in their portfolio. It is better to choose a fund for starting a SIP from the existing schemes as they have a track record and the portfolio details are available.

WHAT ELSE SHOULD ONE CONSIDER BEFORE STARTING A NEW SIP?

Investors should remember that the basics of investing apply to new SIPs as well. Equity fund investors should have a time frame of at least 5-7 years and not be unnerved by interim volatility. Should they need money 1-2 years down the line, they should not start a new SIP in an equity mutual fund but opt for a fixed-income fund or hybrid fund.

PRASHANT MAHESH