



The road less travelled could take you to the destination faster

If financial goals are the destination, what are your plans to reach there? The traditional route, a steady SIP (Systematic Investment Plan), is a reliable path. However, there's a **fast lane** - that can get you there sooner. This fast lane is called **SIP Top-UP**.

What is SIP Top-UP?

SIP Top-Up is a tool that allows you to supercharge your SIP, automatically increasing your monthly contribution at predetermined intervals. This ensures that you consistently invest higher amounts over time.

How does SIP Top-UP work?

To understand the concept, let's consider a hypothetical example of a monthly SIP of 5,000, with a scheduled SIP Top-UP of 5% after every 12 months



Let's try to understand how **SIP Top-UP** can help achieve the goals faster with the case study of **Mr. SIPPER** and **Mr. TOPPER**. Both had started their investment journeys together on **June 1, 2003**, but the path they took towards their goals were different.

Investment Journey of Mr. SIPPER		Investment Journey of Mr. TOPPER	
Monthly SIP of ₹10,000	Investment Strategy	Monthly SIP of ₹10,000 with a 5% annual Top-UP	
To accumulate 1 crore for retirement	Investment Objective	To accumulate 1 crore for retirement	
12.93%	Compounded Annual Growth Rate (CAGR) Return	12.93%	
₹23 Lakh	Total Investment	₹31.46 Lakh	
19.2 Years	Time taken to achieve goal	17.2 Years	
Mr. SIPPER		Mr. TOPPER	

Mr. TOPPER, with the **SIP Top-UP** facility, accumulated a significantly larger corpus compared to **Mr. SIPPER**. The Top-UP strategy allowed **Mr. TOPPER** to leverage the power of compounding more effectively, thus reaching his retirement goal faster.

Assuming that ₹10,000 was invested on 1st working day of every month | The numerical illustration provided above is only for explaining the concept of power of compounding by investing in equity funds. For this illustration, 12.93% mean CAGR returns of Nifty have been considered based on the mean of 10-year rolling return between June 01, 2013 and May 30, 2023 as prescribed by AMFI for illustration of equity fund category returns vide its Best Practice Guidelines no. 135/BP/109/2023-24 dated November 1, 2023. Past performance may or may not be sustained in future and is not a guarantee of any future returns. The investors should not consider the same as investment advice. Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

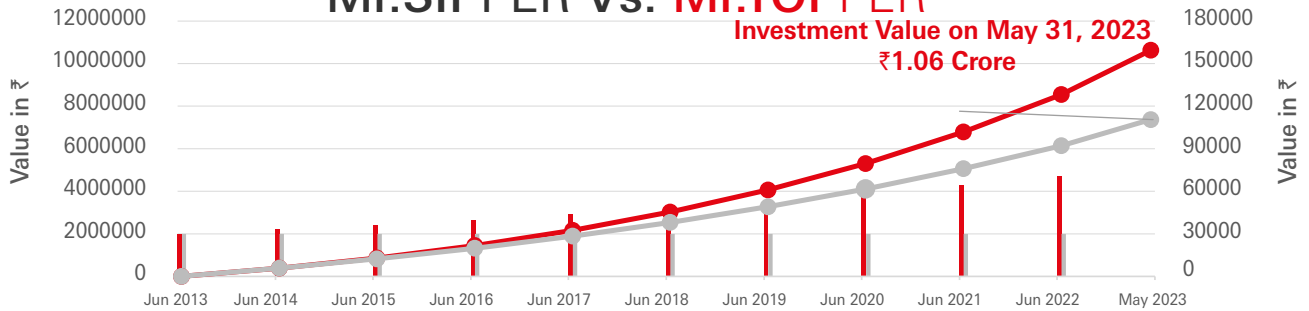


SIP Top-UP: Aim to Navigate Lifestyle Inflation with Smart Investing

Life gets more expensive as your income grows. That sea-view 3 BHK or SUV you once envisioned might seem further away with each year. **SIP Top-UP automatically increases your investment**, ensuring you stay on track towards your investment goals. By seamlessly aligning your investments with your increasing financial potential, **SIP Top-UP** can help you accumulate a corpus to reach your evolving long-term aspirations.

Let's again take **Mr. SIPPER** and **Mr. TOPPER**'s example. Both had also started **their SIP journey to achieve their goal of purchasing a house. But one of them not only fulfilled his dream, but also could achieve even more by leveraging SIP Top-UP.**

Mr.SIPPER Vs. Mr.TOPPER



		01-Jun-13	01-Jun-14	01-Jun-15	01-Jun-16	01-Jun-17	01-Jun-18	01-Jun-19	01-Jun-20	01-Jun-21	01-Jun-22	31-May-23
Mr. TOPPER	Investment Value	0	3,86,237	8,64,107	14,50,047	21,63,140	30,25,509	40,62,783	53,04,620	67,85,318	85,44,499	1,06,27,913
	Monthly Amount Invested	30,000	33,000	36,300	39,930	43,923	48,315	53,147	58,462	64,308	70,738	-
Mr. SIPPER	Investment Value	0	3,86,237	8,25,483	13,25,013	18,93,101	25,39,156	32,73,879	41,09,438	50,59,673	61,40,323	73,69,287
	Monthly Amount Invested	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	-

Mr. SIPPER could upgrade to a 2 BHK whereas Mr. TOPPER could even buy a 3BHK with an additional corpus of ₹32.58 Lakh. Similarly, for all the life goal, Mr. TOPPER could enjoy higher aspirations basis Top-UP investments. Assuming that ₹30,000 was invested on 1st working day of every month | The numerical illustration provided above is only for explaining the concept of power of compounding by investing in equity funds. For this illustration, 12.93% mean CAGR returns of Nifty have been considered based on the mean of 10-year rolling return between June 01, 2013 and May 30, 2023 as prescribed by AMFI for illustration of equity fund category returns vide its Best Practice Guidelines no. 135/BP/ 109 /2023-24 dated November 1, 2023. Past performance may or may not be sustained in future and is not a guarantee of any future returns. The investors should not consider the same as investment advice. Investors should consult their financial advisers if in doubt about whether the product is suitable for them.

Benefits of SIP Top-UP

- Aims to achieve goals faster**
With regular increases in your sip amount, you can **accumulate a corpus by accelerating your progress** towards reaching your financial goals.
- Auto-route to increase savings**
Setting up SIP Top-UP removes the need for manual \ adjustments, ensuring **disciplined investing behaviour** towards savings and financial planning.
- Start small for big goals**
Even with a small surplus, you can still reach your long-term goals with SIP Top-UP. It allows you to **start investing a small amount and gradually increase your contributions** over time.
- Align investments with income growth**
As your income rises, SIP Top-UP allows you to **eortlessly increase your investment amount**, which may help your portfolio reflect your growing earning potential.
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- Harness the power of compounding**
As your investments grow, you earn returns not just on the initial amount but also on the accumulated earnings. **SIP Top-UP fuels this compounding eetc.**

How to start SIP Top-UP? Setting SIP Top-UP is a simple and convenient process:

- 1 Set up SIP**
Start SIP in the suitable mutual fund scheme of your choice. Fix investment amount, date, frequency and investment horizon.
- 2 Activate SIP Top-UP**
Enable the SIP Top-Up feature and specify the frequency and amount of your increases. (e.g., 5% annual increase in SIP amount)
- 3 Automatic Adjustments**
At the predetermined intervals, your SIP contribution will automatically adjust according to your pre-set parameters.

SIP Top-UP is a powerful tool that can enhance the growth of an investment portfolio over long term. By allowing incremental increases in SIP amounts, it enables you to align your investment strategy with your growing incomes and inflation, thereby helping you achieve your financial goals more eciently.

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