

# Earn extra happiness with MFs

Who wouldn't love a little extra income every month. Invest in Mutual Funds and welcome that extra happiness you seek.

## MONTHLY INCOME PLAN

Ask any advisor and they would recommend the MIP. These are Debt-based hybrid MFs formed specifically for providing a regular monthly payment. They usually have medium risk exposure as they also invest in Equities.

## INTEREST PAYMENTS

Debt Funds invest in Fixed Income securities like Bonds. These pay an interest amount every year, month or quarter. The Funds then distribute it to the MF unit-holders.

## SWP

The first two options are for both new and old investors alike. The Systematic Withdrawal Plan is mainly for investors who have accumulated a sizeable portfolio of investments over the years. This corpus can be redeemed for monthly income.

## EQUITY DIVIDENDS

All Equity and Balanced Funds regularly pay dividends. This is nothing but dividends paid by the underlying Stocks that the Fund has invested in. They could be a good source of secondary income.



## Swatantra Kumar Explains: SIP v/s STP v/s SWP

Confused with the investment jargons?  
Here's an easy comparison chart:

	SIP	STP	SWP
<b>What</b>	Monthly investment of fixed amount in MF scheme.	Transfer of money from one MF scheme to another.	Fixed monthly redemption of MF scheme.
<b>Why</b>	Helps discipline and spread out investments.	Helps rebalance portfolio or change asset allocation.	Helps exit investments for secondary monthly income.
<b>How</b>	Your money gets debited from bank account and used to buy MF units.	The Fund House sells MF units and buys MF units of another Scheme.	The Fund House sells MF units every month and credits the money in your bank account.
<b>When</b>	Ideal for all investments throughout time.	Ideal when you are a few years away from goal or during market volatility.	Ideal for retirement or while using the money to Fund goals like child's education.
<b>Tax</b>	Not applicable.	May attract Short Term or Long Term Capital Gains Tax depending on the MF you sell.	May attract Short Term or Long Term Capital Gains Tax depending on the Scheme you redeem.
<b>Best for</b>	Initial investments.	Reinvestment.	Exiting investments.

For more details, visit [www.beswatantra.com](http://www.beswatantra.com), follow us on Twitter #swatantra;  
Email queries or suggestions: [info@beswatantra.com](mailto:info@beswatantra.com), Please mention 'Swatantra in HT' in subject line.

## DID YOU KNOW?

If you miss claiming your dividend payments, the Fund has to invest in low-rise Money Market instruments. If you claim after three years, you will be paid both the original dividend amount as well as the returns earned.

## THEY SAID IT

### What they said:

**"Always start at the end before you begin. Professional investors always have an exit strategy before they invest. Knowing your exit strategy is an important investment fundamental."**

– Robert Kiyosaki

## WHAT IT MEANS

Every time you invest, plan how you will liquidate the investment. This ensures you are ready for both good and bad times. You essentially set a 'Stop loss' limit as well as a 'Target value'. The first helps you minimise your losses, while the latter ensures you do not get too greedy.

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