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You might have heard of the saying "Little drops of water fill the empty ocean". Just like the small and little drops of water can fill the entire empty ocean in the long run, so do is the purpose of Systematic Investment Plan (SIP). A systematic investment plan or SIP (as it is more commonly known) is a way to invest in mutual funds with small sums of money on regularly basis typically monthly or quarterly, over a longer period of time. These small and regular investments will help in growth of your wealth in the long run and you will surely reap the benefits of the fruits that you have planted by doing systematic investments of your hard-earned money in mutual funds.

The idea of SIP is to set apart a sum every month or quarter, and use that to buy units of a particular mutual fund, regardless of its price. People like such a system because it helps them save regularly and build up an investment. These investments are done to achieve our future financial goals like buying a house, child's education, child's marriage, retirement planning etc.

As not all of us are born with a silver spoon in our mouth, each one of us still has a desire to be rich. We always want our hard-earned money to grow at a pace that not only fulfills our financial goals and needs but also helps us to improve our standard of living from good to better.

Thus it is very much essential for all of us to do the proper systematic investment planning of our available financial resources in such a way that we can generate the maximum possible returns out of them with minimal risks. For this, you can either plan investments by yourself, or consult an expert generally a financial planner who helps in doing your investments wisely along with continuous monitoring of the performance of your portfolio so that you do not miss the best opportunities available in terms of investing and also do not take undue risk on your portfolio. A financial planner will help you in giving meaning to your investments by inclining them with your financial goals. By this way you would know where you are going and it will become easier for you to chart out an appropriate pathway towards the relevant destination point.

Systematic Investment Planning covers the entire gamut of financial planning's you would need to do in life like Child's Marriage Planning, Retirement Planning, Child's Education Planning etc.

Child's Education and Marriage Planning:-

We as human beings don't have any stronger aspiration than giving the best of everything to our children. It is every parent's dream to provide the best of everything to his child. All of us dream of making our kid a star. And to accomplish this dream we are ready to do whatever it takes. The biggest challenge lies in converting this dream into reality. Out of all the dreams, a sound education would undoubtedly be at the top of the list. Every parent wishes to make their child a Doctor or an Engineer or a MBA or something else when he/she grows up. To realize this dream, setting aside money for the kid's education is a top priority for parents.

However, it now costs more to bring a smile on child's face than it once did to educate his father. Quality education comes with an expensive price tag, and you need to invest today in order to gift your precious one the education he deserves tomorrow. With every passing year the cost of child's education is increasing beyond our imagination. Apart from course fees there are also other expenses involved which are normally ignored.

The reason one should start planning for his/her child's education from early on are:-

Rising Costs of Education

Interest rates on fixed income securities have fallen

So it's a dual dilemma for parents because on one side education costs have gone up like anything and on the other hand the returns on fixed income securities have come down. Hence there is a need for prudent financial planning for children's education. With education costs rising with every passing year, the parent can't be sure whether they will be able to meet cost of their child's education 10, 15 or 20 years down the line from their savings and income at that point of time.

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Child's Marriage Planning: -

In a country like India with myriad customs and traditions, marriages are lifetime events and could come at considerable cost; as it is every parents wish to make this special event memorable and grand. With the rising income levels, lifestyle & aspirations, marriages have become grand events with very high expenses. Marriage expenses are going to rise continuously in the coming years with rising aspirations, income level and change in trends.

Thus sooner the parents start planning for the child's education and marriage, the better. These are long term goals and need proper planning. This is the best gift that parents can give to their children. As a parent the sooner you sow the seeds of early investments, the bigger will be the fruit the tree will bear which will take care of your child's all future needs, primarily education and marriage expenses.

Retirement Planning: -

Who does not want to retire wealthy and live its life to the fullest in the old age? Retiring wealthy is the most desired aspects of Retirement Planning. Thanks to the advances in modern science, the average life expectancy is continuously increasing. Changing trends show that the non-working life of an individual can be longer than his working life. While the social security systems in developed countries have evolved, the one in India is virtually non-existent. Joint families, which inherently provided such security, are increasingly being replaced by 'nuclear families'. With increasingly stressful life every one wants to retire early but this requires right planning. So it's always advisable to start planning for your retirement now only. More early you start your investments, more wealth you are going to create for your loved ones.

Retirement Planning takes care of the all cash flows during retirement when the person is not working. Usually people are not concerned about retirement at an early age but planning for retirement at an early stage is necessary in order to maintain the same standard of living.

Thus it's not more important that when you started investing but what is important is your investments that count more. So plan wisely and start investing for a better and safe financial future.

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