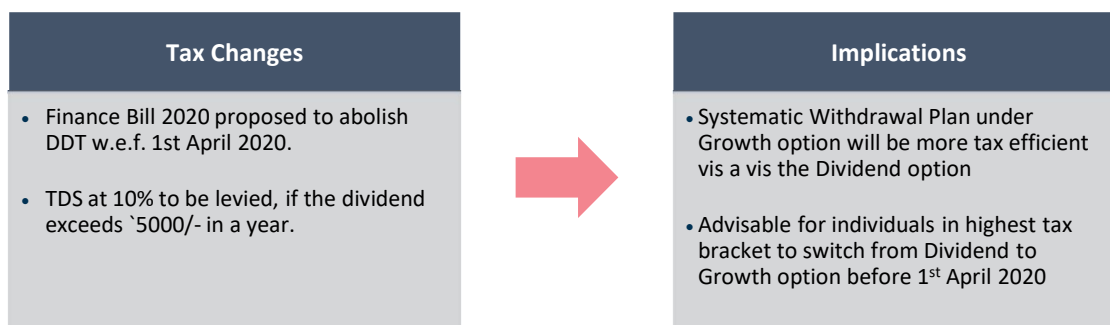


SYSTEMATIC WITHDRAWAL PLAN (SWP) VS DIVIDEND PLAN

CURRENT ENVIRONMENT



ILLUSTRATION

Following is an illustration on SWP Vs Dividend on an Equity MF investment. Assumption Date of Investment 1st March 2020. Exit Load @ 0.25% Upto 1 month.

Systematic Withdrawal Plan - Growth Option							Dividend Plan							
Amount	1000000	STCG	15%	LTCG	10%	Amount Invested	1000000	Div for slab @	30%	20%	5%			
Return	6%	Surch.	15%	Surch.	15%	Rate of Return	6%	Surcharge	15%	0	0			
No of units	100000	Cess	4%	Cess	4%	No of units	100000	Cess	4%	4%	4%			
Nav	10		17.94%		11.96%	Nav	10		35.88%	20.80%	5.20%			
Withdrawal Date	Amount	Nav	Units Red.	Capital Gain	Tax	Post Tax	Dividend Date	Dividend	Tax at 30% slab	Post Tax Amount	Tax at 20% slab	Post Tax Amount	Tax at 5% slab	Post Tax Amount
1-Apr-20	5000	10.05	498	25	4	4996	01-Apr-20	5000	1794	3206	1040	3960	260	4740
1-May-20	5000	10.10	495	50	9	4991	01-May-20	5000	1794	3206	1040	3960	260	4740
1-Jun-20	5000	10.15	493	74	13	4987	01-Jun-20	5000	1794	3206	1040	3960	260	4740
1-Jul-20	5000	10.20	490	98	18	4982	01-Jul-20	5000	1794	3206	1040	3960	260	4740
1-Aug-20	5000	10.25	488	122	22	4978	01-Aug-20	5000	1794	3206	1040	3960	260	4740
1-Sep-20	5000	10.30	485	146	26	4974	01-Sep-20	5000	1794	3206	1040	3960	260	4740
1-Oct-20	5000	10.35	483	169	30	4970	01-Oct-20	5000	1794	3206	1040	3960	260	4740
1-Nov-20	5000	10.40	481	192	35	4966	01-Nov-20	5000	1794	3206	1040	3960	260	4740
1-Dec-20	5000	10.45	478	215	39	4961	01-Dec-20	5000	1794	3206	1040	3960	260	4740
1-Jan-21	5000	10.50	476	238	43	4957	01-Jan-21	5000	1794	3206	1040	3960	260	4740
1-Feb-21	5000	10.55	474	261	47	4953	01-Feb-21	5000	1794	3206	1040	3960	260	4740
1-Mar-21	5000	10.60	472	283	51	4949	01-Mar-21	5000	1794	3206	1040	3960	260	4740
1-Apr-21	5000	10.65	469	305	36	4964	01-Apr-21	5000	1794	3206	1040	3960	260	4740
1-May-21	5000	10.70	467	327	39	4961	01-May-21	5000	1794	3206	1040	3960	260	4740

Benefits of Systematic Withdrawal Plan Over Dividend Plan in Equity Funds

Particulars	SWP Growth Option	Dividend Option
Taxability of the cash flow	Only Capital Gains is taxed	Entire Dividend is taxed
Tax Rate	STCG @15%+Surcharge +Cess LTCG @ 10%+Surcharge +Cess	As per tax slab of individual investor
TDS	No	TDS @10% on Dividend over `5000/- in a year
Tax Exemption	LTCG is taxable only if gains is over `1 lakh	No

SWP Key Features

- Allows investors to redeem fixed sum of money periodically at prevailing NAV.
- SWP frequency: Monthly / Quarterly / Half Yearly/Annually
- Exit load: applicable if withdrawal starts during the load period