
A STUDY ON WEALTH CREATION THROUGH SYSTEMATIC INVESTMENT PLANS WITH REFERENCE TO SUNDARAM MUTUAL FUND

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ABSTRACT: This review centers on Sundaram Mutual Fund and its long-term wealth-building potential through Systematic Investment Plans (SIPs). The research analyzes the impact of systematic investment, considering compounding and dollar-cost averaging, on a portfolio's long-term growth across various market conditions. This article demonstrates the efficacy of Systematic Investment Plans (SIPs) as a structured investment technique by assessing investor outcomes, risk-return profiles, and the historical performance of certain Sundaram Mutual Fund schemes. The findings indicate that SIPs offer several advantages to Indian retail investors, including as mitigating timing risk, promoting disciplined spending, and facilitating substantial long-term wealth accumulation.

Index Terms: *Systematic Investment Plans (SIPs), Wealth Creation, Mutual Funds, Sundaram Mutual Fund, Rupee-Cost Averaging, Power of Compounding, Equity Funds, Hybrid Funds, Retail Investors, Investment Strategy, Portfolio Growth, SIP Performance Analysis.*

I. INTRODUCTION

Consistent investment through Systematic Investment Plans (SIPs) is an efficient and methodical approach to accumulating wealth over time. Systematic Investment Plans enable individuals to allocate a fixed sum of money monthly. This enables investing accessibility for anyone, including individuals with limited financial acumen. Investors can employ this systematic approach to gradually increase their capital without depending on market forecasts or executing substantial, singular transactions.

SIPs facilitate the development of sound investment practices. In the contemporary, rapidly evolving, and volatile financial landscape, numerous individuals strive daily to safeguard their finances. SIPs mitigate the effects of this issue by automating the investment process. This indicates that you can consistently rely on fulfilling your monthly payment obligations, regardless of market fluctuations. A future-oriented mindset is crucial for wealth generation, and this habitual method aids in both financial management and the development of that mindset.

The efficacy of compounding is a crucial element of SIPs for wealth accumulation. Growth becomes increasingly evident over time due to the additional income produced by investments. Systematic Investment Plans (SIPs) enhance the efficacy of compounding by integrating consistent, disciplined investment with the potential for capital appreciation of the underlying financial assets, predominantly mutual funds. Individuals aiming to save for retirement, fund their children's education, or accumulate wealth should contemplate a Systematic Investment Plan (SIP).

SIPs Facilitate Wealth Creation

- **Disciplined Investing:** You must invest a designated sum in SIPs on a regular schedule, such as monthly. This technique facilitates saving and investing by eliminating emotional decision-making, especially market timing.
- **Power of Compounding:** For many individuals, this signifies substantial financial resources. Due to compounding, you can accrue interest not just on your principal investment but also on any accumulated gains. The "returns on returns" phenomenon gets more pronounced with extended investment duration, potentially yielding substantial profits over an extended timeframe.
- **Rupee Cost Averaging:** When the market price (Net Asset Value, or NAV) of a fund is low, one acquires more units, whereas fewer units are purchased when the NAV is high, while continually investing a predetermined amount. Consequently, the price per unit stabilizes over time, safeguarding investors from the risks associated with substantial investments at market peaks.
- **Affordability and Flexibility:** Systematic Investment Plans (SIPs) enable individuals to invest modest amounts over time, providing an opportunity to accumulate wealth. Investors may adjust their investment amount, suspend the SIP entirely, or undertake both actions in response to changes in their financial situation.

- **Goal-Based Investing:** You can associate your SIPs with various financial goals, such as retirement savings, funding education, or purchasing a home. This goal-oriented approach enables sustained commitment to your investment strategy over the long term.



II. LITERATURE SURVEY

Martinez, C., & Verma, A. (2020): Martinez and Verma evaluate the efficacy of SIPs during periods of significant volatility and economic turmoil, specifically focusing on the COVID-19 pandemic. By allowing investors to stay in the market during declines and acquire units at reduced prices, their data indicates that SIPs mitigate timing risk. It is asserted that investors who maintained consistent SIP contributions during periods of crisis experienced more rapid portfolio recovery and superior long-term returns compared to those who ceased contributions or opted for lump-sum investments.

Farouk, L., & Shahane, R. (2020): Farouk and Shahane assert that SIPs were essential during the nascent stages of online investing, especially for younger individuals and novice investors. Research indicates that automated SIP platforms, smartphone applications, and other advancements in fintech have simplified and expedited the investment process. They contend that Systematic Investment Plans (SIPs) are superior to making a substantial one-time investment, especially in highly volatile markets. This is due to their utilization of unit-cost averaging and diverse pricing strategies to convert short-term volatility into long-term profits. The authors discuss how SIPs can help individuals prevent impulsive actions such as making hasty purchases, prematurely selling assets, or investing driven by emotions. Investors can maintain their concentration during market volatility through automated donations.

Rahul, V., & Thompson, J. (2021): Rahul and Thompson evaluate Systematic Investment Plans (SIPs) with a focus on long-term financial strategy and organized asset distribution. Proponents contend that systematic investment plans (SIPs) facilitate investment accessibility for everybody, as they enable wealth accumulation over time without necessitating substantial starting capital. Their Research indicates that SIPs in equity-oriented mutual funds, owing to enhanced compounding potential, surpass traditional fixed-income instruments over extended durations.

Kato, H., & Desai, P. (2021): Kato and Desai examine how SIPs enhance investor resilience and promote sustained market engagement. Research indicates that SIPs help individuals mitigate the effects of behavioral risks such as herding, market timing, and panic selling

during market downturns. SIP participants who adhere to their programs for a decade or longer get extended compounding periods, significantly enhancing their long-term wealth.

Oliviera, G., & Sharma, A. (2022): Oliviera and Sharma analyze the potential of micro-SIPs to assist low-income families in wealth accumulation. These investment schemes enable individuals to commence wealth accumulation with little monthly contributions, often starting at about ₹100. Formal investment is now more accessible to a broader audience than ever before. According to their research, even modest monthly contributions can accumulate into substantial amounts through ongoing deposits and enhanced returns. The authors contend that micro-SIPs promote investment among novice investors by eliminating both financial and emotional obstacles.

Choi, D., & Patel, M. (2022): Choi and Patel analyze Systematic Investment Plans (SIPs) in relation to stable finances and returns after risk adjustment. Proponents contend that systematic investment plans (SIPs) assist investors in managing market volatility by enabling them to purchase at several periods instead of a single transaction, hence eliminating the uncertainty of timing their investments. Research indicates that SIP investors frequently surpass market timers, who make purchasing and selling decisions based entirely on emotional responses to price fluctuations. Investors can acquire units at different price levels using SIPs, which encourage a systematic and rational investment strategy. This results in a reduction of the average cost.

Carter, N., & Iyer, S. (2023): Carter and Iyer present a comprehensive examination of how SIPs facilitate the allocation of capital among diverse financial instruments, encompassing debt funds, equity mutual funds, hybrid funds, and, ultimately, thematic investment schemes. A balanced asset allocation can be achieved by the utilization of SIPs, enabling concurrent investment in diverse fund categories. Restricting investments to a singular asset class diminishes the likelihood of investors assuming excessive risk.

Zhou, Y., & Mehta, K. (2023): Zhou and Mehta conduct a comprehensive analysis of the importance of long-horizon SIPs in wealth accumulation and attaining financial independence. According to their analysis, SIPs with maturities exceeding 10 years routinely surpass short-term investment methods in return quality. Revenues from one year begin to generate returns in the subsequent year due to the principle of compounding, which produces a multiplier effect.

Singh, A., & Hartley, J. (2024): Singh and Hartley examine the efficacy of Systematic Investment Plans (SIPs) in enabling individuals to accumulate wealth over time through the

application of rupee-cost averaging. Their Research indicates that SIPs outperform lump-sum investing techniques in turbulent or uncertain markets. This ensures that the staggered entry points offered by SIPs mitigate timing issues. During market downturns, it is asserted that SIP investors acquire additional units, as a fixed monetary investment can purchase more units when prices decline. During market recoveries, this degree of trading activity yields significantly greater returns.

Hassan, T., & Jacob, R. (2024): Regular investment in the stock market facilitates exponential wealth accumulation, a long-term advantage of Systematic Investment Plans (SIPs) emphasized by Hassan and Jacob. The data indicate that the cumulative effect is intensified when sustained investment over five to seven years precedes a surge in the growth of reinvested returns. The authors assert that SIP members who maintain their investments during market downturns achieve superior risk-adjusted returns by acquiring additional units at reduced costs.

Mehta, R., & Johansson, L. (2025): This Research examines how retail investors can benefit from systematic investment strategies for long-term wealth accumulation, with a particular emphasis on disciplined investing and the benefits of compounding. The authors assert that SIPs alleviate timing risk and short-term volatility by diversifying assets across various market cycles. Research indicates that SIP participants achieved more consistent returns than lump-sum investors, even in declining markets. Mehta and Johansson contend that SIPs assist clients in adhering to their objectives by mandating monthly contributions irrespective of market fluctuations.

Winston, C., & Menon, P. (2025): Winston and Menon examine SIPs by considering structured financial behavior and the establishment of long-term goals. SIPs are purported to offer benefits that extend beyond mere market investment. They assist investors in establishing explicit links between their financial strategies and other life goals, such as funding education, entering matrimony, purchasing a residence, or achieving a comfortable retirement. The authors' comprehensive behavioral surveys indicate that both the retention and renewal rates of goal-oriented SIPs are significantly elevated. This is likely due to individuals being more inclined to adhere to prudent investment strategies when their contributions facilitate the attainment of significant long-term objectives. A principal conclusion of the Research is that SIPs mitigate the emotional volatility associated with stock investing by rendering investment decisions more systematic and foreseeable.

III. WEALTH CREATION THROUGH SIP

Rupee cost averaging: When prices are diminished, investors can acquire more units; when prices are elevated, they can procure fewer units. This is referred to as rupee cost averaging. Consequently, the average price of commodities remains stable throughout time, resulting in reduced market volatility.

Disciplined investing: SIPs facilitate regular investments, enabling you to circumvent impulsive decisions driven by emotions or market fluctuations. This comprehensive plan enables you to effectively manage your finances over time and produce income aligned with your objectives.

Flexibility: With SIPs, you can initiate contributions with any sum and adjust, suspend, or terminate your payments should your financial circumstances alter. This adaptability ensures that your investing strategy remains congruent with your evolving objectives.

Power of compounding: SIPs employ compounding, which entails the reinvestment of returns. Even modest, consistent contributions can significantly amplify over time if initiated early and maintained for an extended duration.

Diversification: Systematic Investment Plans (SIPs) in mutual funds give access to a diverse array of assets, sectors, and geographical locations, thereby mitigating the risk of underperformance in any single area. The portfolio is more secure and possesses greater potential for future expansion due to its inherent diversification.



BEST SIPs FOR WEALTH CREATION

Large-cap Equity Funds: Large-cap equity funds generally allocate capital to companies that are well-established, financially robust, and recognized as leaders in their respective sectors. These enterprises are less susceptible to significant market fluctuations due to their

robust business strategies, effective management, and consistent profitability. Individuals frequently perceive large-cap funds as more secure than mid-cap or small-cap funds due to their greater size and stability. Due to their objective of delivering consistent, long-term returns, they provide an exemplary option for beginners or risk-averse investors seeking to engage in stock investments without assuming excessive risks.

Diversified Equity Funds: Diversified equities funds mitigate risk and enhance potential returns by investing in a variety of companies, sectors, and industries. These funds do not allocate all of their capital to a single industry or market. Instead, they allocate the funds among other sectors to mitigate the risk of loss in any single area. Investors can capitalize on expanding opportunities across the economy due to this diverse array of assets. This balanced allocation facilitates gradual wealth accumulation while mitigating risk.

Mid-cap and Small-cap Equity Funds: Mid-cap and small-cap equity funds allocate capital to medium- and small-sized enterprises with significant growth potential. These enterprises consistently innovate or enhance existing concepts. Ultimately, they may generate superior earnings compared to large, established firms. Nonetheless, these funds are more prone to value fluctuations owing to their heightened vulnerability to market movements, economic conditions, and corporate matters. Despite the elevated risks, substantial financial gains are attainable. Consequently, they are more appropriate for investors prepared to undertake greater risk and who intend to retain their capital for an extended duration.

Index Funds: Index funds endeavor to replicate the performance of a market index, such as the Nifty 50 or BSE Sensex, by acquiring identical shares in equivalent proportions to the index. These funds do not engage in active investment as they adhere solely to specific regulations. This typically results in diminished management fees. For individuals seeking to create passive income with minimal effort and extensive market exposure, they represent an exceptional option. For transparent, trustworthy, and cost-effective investing, index funds represent the optimal selection.

Balanced Funds: Balanced funds are an excellent option for investors as they allocate capital to both stocks and bonds, including fixed-income and equity assets. These funds are suitable for individuals seeking little risk, as they are structured to provide both growth and stability. The equity component may appreciate in value, while the debt component provides stability and consistent revenue creation. Balanced funds may appeal to investors pursuing diverse techniques to accumulate wealth over time while minimizing excessive risk.



IV. FEATURES OF SYSTEMATIC INVESTMENT PLAN

The Systematic Investment Plan possesses several distinctive features that enhance its usability and attractiveness to a diverse array of investors.

Regular and disciplined investing: Systematic Investment Plans (SIPs) facilitate disciplined investments by allowing you to deposit a specified sum of money at predetermined intervals, such as monthly or quarterly. This strategy integrates saving into your budget and ensures alignment with your long-term investment goals. This discipline enables the gradual accumulation of a substantial amount of money without necessitating large, one-time payments.

Rupee cost averaging: You constantly allocate an identical sum to SIPs irrespective of market conditions. This method consistently results in rupee cost averaging, whereby one acquires more units at lower costs and fewer units at higher prices. Over time, the mean price per unit remains constant. This indicates that you can remain engaged without the necessity of determining whether to purchase or divest, alleviating concerns around market fluctuations.

Power of compounding: SIPs facilitate the incremental augmentation of your earnings by reinvesting your investment returns in the market. The longer your capital is invested in the market, the greater its appreciation, since returns begin to generate income independently. This form of growth significantly enhances the value of your investment over time. Consequently, one of the most effective strategies for incrementally augmenting wealth is compounding.

Affordability: The low cost of SIPs is one of their benefits. Individuals across diverse economic brackets, including novices and young earners, can initiate them with minimal financial investment.

Convenience: SIPs are advantageous as they manage the entire investment process on your behalf. Upon establishing the plan, a specified sum will be withdrawn from your bank account on an agreed-upon date. Investing is straightforward and reliable, as it eliminates the necessity for manual transactions, thereby facilitating the attainment of your financial objectives.

Flexibility: SIPs provide investors with considerable flexibility. You may modify your contribution amount, payment frequency, or terminate the SIP at any time.

Long-term financial planning: Systematic Investment Plans (SIPs) are an effective strategy for establishing long-term objectives, enabling individuals to pursue significant aspirations such as retirement savings, home acquisition, or financing their child's education. Systematic Investment Plans (SIPs) represent a judicious and secure approach to achieving long-term financial stability because to their planned and disciplined nature, as well as their incorporation of rupee cost averaging and compounding.

V. ANALYSIS AND DISCUSSION

TABLE 1: BASIC DETAILS OF SELECTED SUNDARAM MUTUAL FUND SCHEMES

Scheme	Category	Risk Level	Benchmark
Sundaram Large Cap Fund	Large Cap	High	Nifty 100 TRI
Sundaram Mid Cap Fund	Mid Cap	Very High	Nifty Midcap 150 TRI
Sundaram Equity Hybrid Fund	Hybrid	Moderate–High	CRISIL Hybrid 35+65 Agg TRI

TABLE 2: SIP INVESTMENT PATTERN (2020–2025)

Year	Monthly SIP (₹)	Annual SIP (₹)	Cumulative Investment (₹)
2019 - 2020	2,000	24,000	24,000
2020 - 2021	2,000	24,000	48,000
2021 - 2022	2,000	24,000	72,000
2022 - 2023	2,500	30,000	1,02,000
2023 - 2024	2,500	30,000	1,32,000
2024 - 2025	3,000	36,000	1,68,000

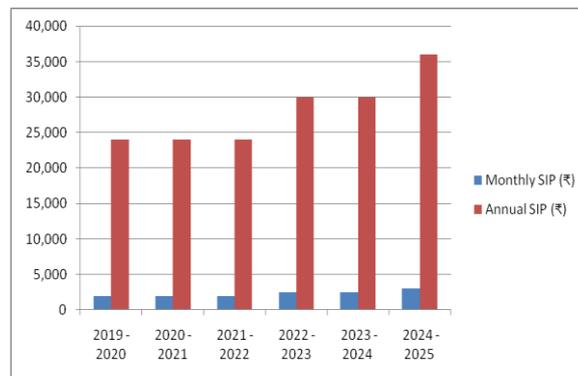


TABLE 3: COMPARISON OF WEALTH CREATION ACROSS SCHEMES (2020–2025)

Scheme	Total SIP Invested (₹)	Market Value (₹)	Return (%)
Large Cap Fund	1,32,000	1,64,800	24.8
Mid Cap Fund	1,32,000	1,79,500	35.9
Equity Hybrid Fund	1,32,000	1,52,200	15.3

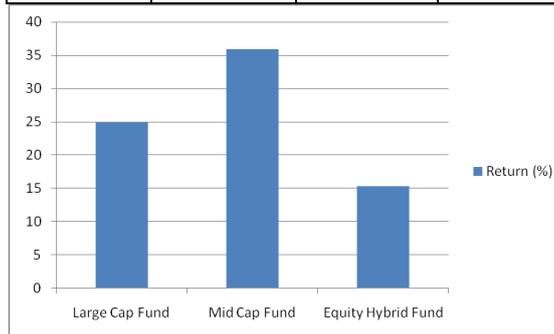


TABLE 4: RISK–RETURN PROFILE OF SUNDARAM MF SCHEMES (2020–2025)

Scheme	Std. Deviation (%)	Beta	Sharpe Ratio	Risk Grade
Large Cap Fund	13.5	0.98	0.52	Moderate–High
Mid Cap Fund	17.8	1.12	0.61	High
Equity Hybrid Fund	9.4	0.72	0.46	Moderate

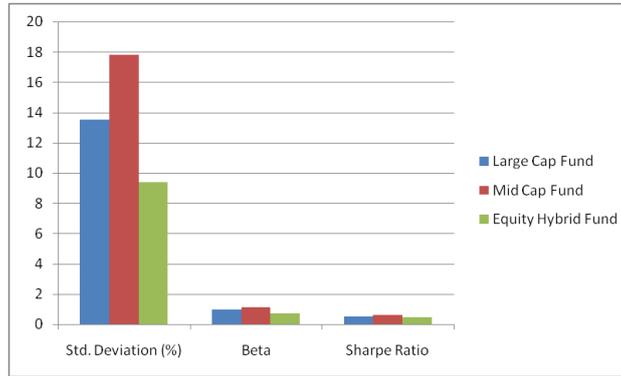
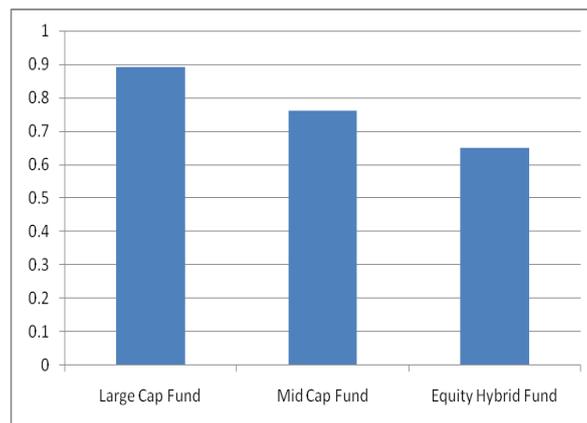


TABLE 5: CORRELATION OF SIP RETURNS WITH MARKET INDEX

Scheme	Correlation with Nifty	Interpretation
Large Cap Fund	0.89	Strong Positive
Mid Cap Fund	0.76	Moderate Positive
Equity Hybrid Fund	0.65	Mild Positive



DISCUSSIONS:

Basic Details of Selected Sundaram Mutual Fund Schemes: Sundaram Mutual Fund provides tailored strategies for different risk levels, based on the underlying data presented in Table 1. Investors can now select from an expanded array of options based on their risk tolerance. There exist three unique categories of equity investment funds: the balanced Equity Hybrid Fund, the prudent Large Cap Fund, and the potentially more volatile Mid Cap Fund.

This modification enables investors to align their investments with their long-term financial objectives.

SIP Investment Pattern (2020–2025): Notwithstanding monthly investment variations, SIP contributions were consistent from 2020 to 2025, as illustrated in Table 2. Discipline is essential when use SIPs for wealth accumulation, as this systematic investment strategy demonstrates. The rise in overall investment indicates that consistent contributions facilitate long-term financial strategy.

Comparison of Wealth Creation Across Schemes (2020–2025): Table 3 indicates that the Mid Cap Fund exhibited the highest market value and returns, signifying substantial growth potential. The Large Cap Fund consistently realized minimal gains. The Equity Hybrid Fund was over-leveraged, resulting in suboptimal performance. This indicates the level of risk and potential benefit linked to the chosen concepts.

Risk–Return Profile of Sundaram MF Schemes (2020–2025): Table 4 indicates that the Mid Cap Fund has the most favorable risk-adjusted returns, despite its significant volatility. The Large Cap Fund presents moderate risk and substantial returns, whilst the Hybrid Fund exhibits less volatility, making it more suitable for risk-averse investors. This illustrates the varying risk levels associated with each fund type.

Correlation of SIP Returns with Market Index: Table 5 indicates that all of Sundaram's strategies align with the trajectory of the Nifty 50 index, albeit at varying velocities. The Hybrid Fund exhibits lower volatility than the Large Cap Fund due to its debt obligations. This is due to the former's greater susceptibility to market fluctuations. This offers additional evidence that diversifying investments across various plans might mitigate exposure to market volatility.

VI. CONCLUSION

Utilizing Sundaram Mutual Funds' Systematic Investment Plans to accumulate wealth demonstrates that disciplined investment with a defined objective may yield substantial, enduring financial success. Despite market volatility, investors can reliably enhance their wealth through monthly distributions because to Sundaram's comprehensive fund selection, adept management, and focus on risk-adjusted returns. Sundaram Mutual Funds' SIPs provide investors the ability to capitalize on compound interest and the variable valuation of the rupee over time. This will enable you to decisively achieve your financial objectives while

simplifying investment management. Ultimately, Sundaram SIPs provide investors with a reliable and systematic approach to wealth accumulation throughout time.

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