



SBI MUTUAL FUND
A PARTNER FOR LIFE



**CONFIDENCE
NEVER RETIRES.**

GIFT IT TO THEM WITH BANDHAN SWP



**CONFIDENCE
GROWS.**

bandhan swp
BANAAYE RISHTE AUR BHI MAZBOOT

What separates family from our friends and loved ones? The insatiable desire to make a constant difference to their lives and well-being, for the better. To constantly see them grow and prosper before our eyes. And above all, to stand up for those with whom we share the closest bonds; of love, companionship and togetherness. Presenting Bandhan SWP, a family solutions initiative by SBI Mutual Fund. Making a difference for those who matter the most to us.

PRESENTING BANDHAN SWP

Bandhan SWP is a Systematic Withdrawal Plan (SWP) facility which allows you to withdraw a fixed amount regularly from your existing investments in eligible open-ended mutual fund schemes. The amount can be directly credited to the bank account of your spouse, parents, children or siblings, thus allowing you to give financial support to your loved ones in a seamless and hassle-free way.

FAMILY: THE CENTRE OF OUR LIVES

CHILDREN

Provide financial support to your child when he/she is growing up.



SPOUSE

Your better half should have financial freedom to shoulder responsibilities.



SIBLINGS

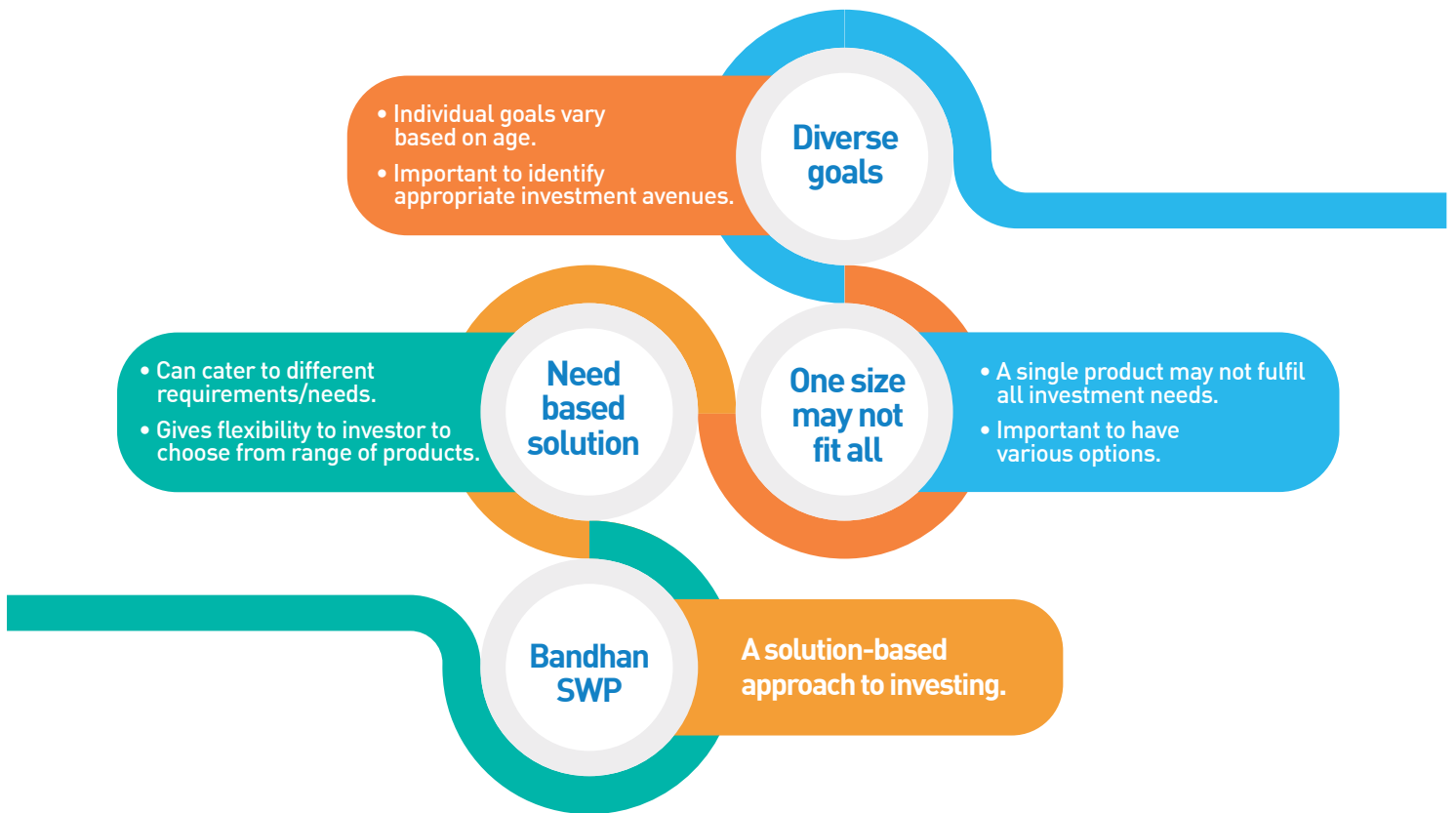
Support your sibling's dream in a systematic manner.



PARENTS

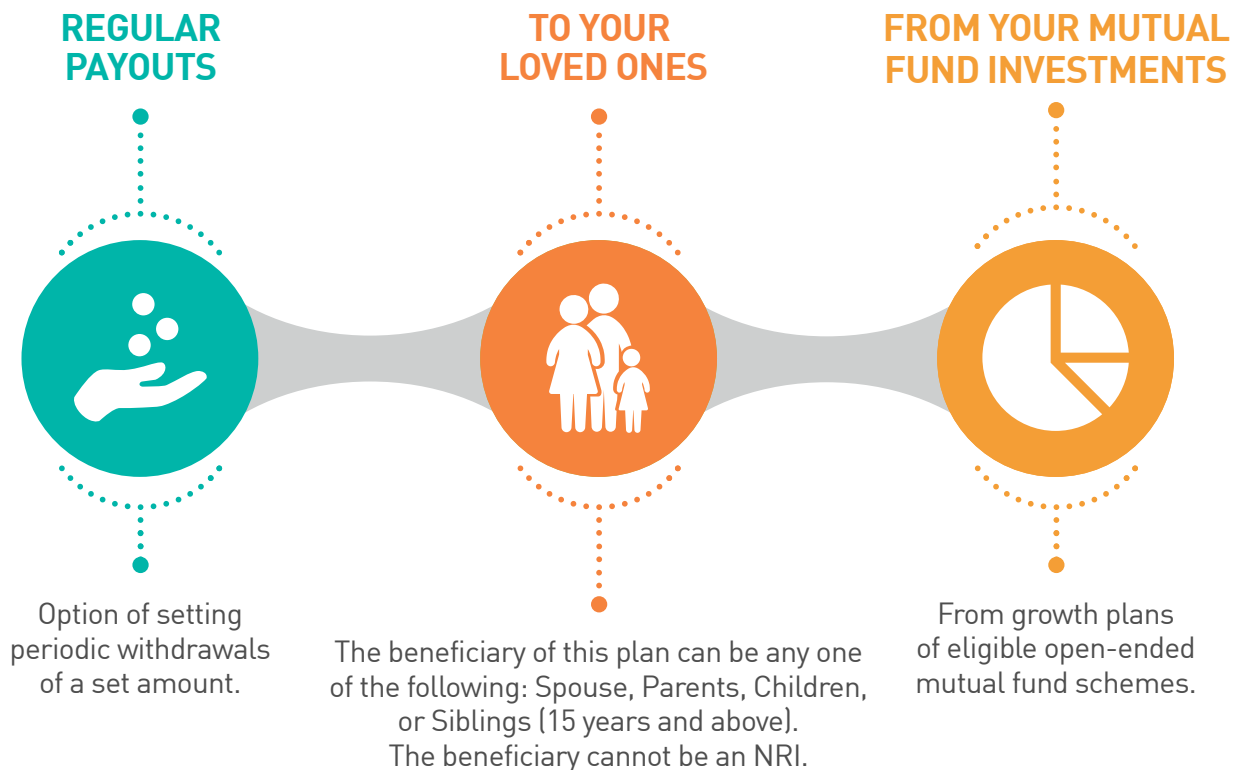
It's time to give financial happiness to your parents.

WHAT MAKES BANDHAN SWP YOUR IDEAL FAMILY SOLUTION?




WHAT IS BANDHAN SWP?


A Systematic Withdrawal Plan (SWP) that gives you:




START YOUR BANDHAN SWP IN 4 STEPS:

1 

Invest a **lumpsum amount** in growth option of eligible open-ended mutual fund scheme.

2 

Fill up the **form for Bandhan SWP** facility, specifying beneficiary details, withdrawal amount, duration, frequency and other details.

3 

Submit **beneficiary documents** confirming relationship and bank account proofs.

4 

Inflows come to the **beneficiary's bank account** at relevant frequencies.

Note: Existing Investors can also enroll for Bandhan SWP facility

WHAT'S IN IT FOR YOU?

Long-term wealth creation opportunities
for remaining investments.



*Please consult your tax advisor for more details.

SWP: A TAX-EFFICIENT PROPOSITION

CALCULATION FOR BANDHAN SWP-EQUITY ORIENTED SCHEME

Assuming investment of ₹18 lakhs done on 1st Jan 2015 at an NAV of ₹26.3727, Units = 68252.40 in an equity oriented scheme

Date	A NAV (₹)	B SWP (₹)	C Units Withdrawn through SWP (B/A)	D Remaining Units	E Cost of the Investment(₹) C*26.3727	F Profit (₹) (A-26.3727)*C	G Capital Gain Tax 15.45%*F	H Net Profit (₹) (F-G)	I Value of Remaining Units (₹) (D*A)
3-Feb-15	27.9645	15000	536.39	67716.00	14146.17	853.83	131.92		1893644
2-Mar-15	28.9439	15000	518.24	67197.76	13667.49	1332.51	205.87	1126.64	1944965
1-Apr-15	28.7025	15000	522.60	66675.16	13782.44	1217.56	188.11	1029.45	1913744
4-May-15	27.8273	15000	539.04	66136.12	14215.91	784.09	121.14	662.94	1840390
1-Jun-15	28.1687	15000	532.51	65603.61	14043.62	956.38	147.76	808.62	1847968
1-Jul-15	28.7171	15000	522.34	65081.27	13775.43	1224.57	189.20	1035.37	1868945
3-Aug-15	29.4024	15000	510.16	64571.11	13454.36	1545.64	238.80	1306.84	1898546
1-Sep-15	27.2988	15000	549.47	64021.64	14491.13	508.87	78.62	430.25	1747714
1-Oct-15	27.8575	15000	538.45	63483.18	14200.50	799.50	123.52	675.98	1768483
2-Nov-15	28.2484	15000	531.00	62952.18	14004.00	996.00	153.88	842.12	1778298
1-Dec-15	28.2421	15000	531.12	62421.06	14007.12	992.88	153.40	839.48	1762902
1-Jan-16	28.5397	15000	525.58	61895.47	13861.06	1138.94	175.97	962.97	1766478
1-Feb-16	27.4077	15000	547.29	61348.18	14433.55	566.45		566.45	1681413
1-Mar-16	26.0712	15000	575.35	60772.83	15173.47	-173.47		-173.47	1584421
1-Apr-16	27.8246	15000	539.09	60233.74	14217.29	782.71		782.71	1675980
2-May-16	28.7182	15000	522.32	59711.43	13774.91	1225.09		1225.09	1714805
1-Jun-16	29.7464	15000	504.26	59207.16	13298.77	1701.23		1701.23	1761200
1-Jul-16	30.3748	15000	493.83	58713.33	13023.64	1976.36		1976.36	1783406
1-Aug-16	31.9515	15000	469.46	58243.87	12380.97	2619.03		2619.03	1860979
1-Sep-16	32.1447	15000	466.64	57777.23	12306.55	2693.45		2693.45	1857232
3-Oct-16	32.7304	15000	458.29	57318.94	12086.33	2913.67		2913.67	1876072
1-Nov-16	32.4046	15000	462.90	56856.05	12207.85	2792.15		2792.15	1842397
1-Dec-16	30.3223	15000	494.69	56361.36	13046.19	1953.81		1953.81	1709006
2-Jan-17	29.931	15000	501.15	55860.21	13216.75	1783.25		1783.25	1671952
1-Feb-17	31.7816	15000	471.97	55388.24	12447.15	2552.85		2552.85	1760327
1-Mar-17	32.508	15000	461.42	54926.81	12169.02	2830.98		2830.98	1785561
3-Apr-17	33.7285	15000	444.73	54482.08	11728.67	3271.33		3271.33	1837599
2-May-17	34.4723	15000	435.13	54046.95	11475.61	3524.39		3524.39	1863123
1-Jun-17	35.117	15000	427.14	53619.81	11264.93	3735.07		3735.07	1882967
3-Jul-17	35.2205	15000	425.89	53193.92	11231.83	3768.17		3768.17	1873516
1-Aug-17	36.8582	15000	406.97	52786.95	10732.77	4267.23		4267.23	1945632
1-Sep-17	36.7499	15000	408.16	52378.79	10764.40	4235.60		4235.60	1924915
3-Oct-17	36.1092	15000	415.41	51963.38	10955.39	4044.61		4044.61	1876356
1-Nov-17	37.7597	15000	397.25	51566.13	10476.53	4523.47		4523.47	1947122
1-Dec-17	37.4724	15000	400.29	51165.84	10556.85	4443.15		4443.15	1917307
1-Jan-18	38.6218	15000	388.38	50777.46	10242.67	4757.33		4757.33	1961117
31-Jan-18	39.2322			50777.46					1992111.40

Benefit of using SWP for Withdrawals

Invested Amount (₹)	SWP Amount Withdrawn in 3 years (₹)	Principal Component in withdrawal (₹)	Growth/Gains over principal amount (₹)	Tax (₹) - 15.45% STCG for withdrawal within 1 year	Tax as % of SWP amount withdrawn during the year	J Balance Units at the end of the 3rd year	K Value of Investments (₹) J* Current NAV
1800000	540000	460861	78285	1908	0.35%	50777	1992111

Tax Paid through Traditional Investment Avenue

Invested Amount (in ₹)	Interest (%)	Interest (₹)	Tax as % of Gains	Tax (₹)
1800000	6.25%	337500	30.90%	104288

Withdrawals through SWP are more tax efficient as one pays only ₹ 1908 as tax on gains i.e. 0.35% on withdrawals of ₹ 5,40,000 as compared to ₹ 1,04,288 in case of traditional saving instrument

Source: Internal data compilation. **Note: Past performance may or may not be sustained in future.** The above examples including the taxation illustration for traditional investment are given for general information only. Load has not been taken into consideration. Units and numbers in the above calculations have been rounded off. Investments made in equity mutual fund schemes carry high risk and there is no assurance or guarantee that the objective of the schemes will be achieved. The above illustration should not be considered as any guarantee of returns to the investors who are opting for SWP. In view of the individual circumstances and risk profile, each investor is advised to consult their investment/tax advisor(s) before making a decision to invest. Valuation date – January 31, 2018. The date of enrolment for SWP has been assumed on the first working day of every month. If the same is a non-business day, then the NAV of next business day has been taken into consideration for calculation purposes. In the above calculations, it has been assumed that investor falls under highest tax bracket (i.e. 30%) and total income of the investor does not exceed ₹50 lakhs. The prevailing tax rates are as per Finance Act 2017. Tax rates could change in future and investors should consult tax advisors for the same. Gains on the redemption of units of mutual fund are treated as capital gains for income tax purpose. For equity-oriented schemes, gains on the investment for ≤ 1 year are treated as Short-Term Capital Gains (STCG) and taxed at 15% while gains on investment greater than 1 year are treated as Long-Term Capital Gains (LTCG) and are exempt as per current tax regulations. Calculations of tax include the amount of tax plus surcharge. At the time of the redemption of units, redemption amount comprises two parts. One is the invested amount and the other is gains on the invested amount. STCG/LTCG tax is applicable only on the gains made on the redemption units. In case of Systematic Withdrawal Plan (SWP), at the time of redemption of each instalment, investor needs to pay STCG/LTCG tax only on the gains part and not on the invested amount. Over a period of time with market appreciation, in each SWP instalment, invested amount (principal) component decreases and growth/gains part increases. Thus it helps the investor over a period of time to consume less principal amount and thereby allowing the balance principal amount to grow further. Please note that unlike the traditional investment avenues like PPF, NSC, Bank FD, investment in mutual fund is subject to market risks. Hence, the performance of these asset classes is not strictly comparable.

Please note that in the Union Budget 2018, it has been proposed to introduce Long Term Capital Gains (LTCG) on equity oriented mutual fund schemes. LTCG from sale of equity shares and equity mutual fund schemes are proposed to be taxed at 10%, if an individual's total capital gains cross ₹1 lakh. Currently, there is no LTCG tax if one holds the equity mutual fund units for more than a year. The Union Budget 2018 has proposed that all gains up to January 31, 2018 will be grandfathered. Only the Gains that would arise after January 31, 2018 would be considered. Education Cess is also proposed to change to 4%. Also, Exemption interest income on fixed deposits with banks has been proposed to be increased from ₹10,000/- to ₹50,000/- for Senior Citizens and TDS shall not be required to be deducted on such income, under section 194A. These changes have not been taken into consideration in the above illustration. The proposed changes could lead to increase in tax liability of investor for withdrawal made through SWP. Investors are requested to consult their tax / financial advisor before taking decision of investment / opting for Bandhan SWP facility.

CALCULATION FOR BANDHAN SWP-DEBT ORIENTED SCHEME

Assuming investment of ₹25 lakhs done on 1st Jan 2015 at an NAV of ₹29.0228, Units = 86139.17 in a debt oriented mutual fund scheme

Date	A NAV (₹)	B SWP (₹)	C Units Withdrawn through SWP (B/A)	D Remaining Units	E Cost of the Investment (₹) C*29.0228	F Profit (₹) (A-29.0228)*C	G Capital Gain Tax 30.9%*F	H Net Profit (₹) (F-G)	I Value of Remaining Units (₹) (D*A)
3-Feb-15	29.7509	25000	840.31	85298.86	24388.17	611.83	189.06	422.77	2537718
2-Mar-15	29.9584	25000	834.49	84464.37	24219.25	780.75	241.25	539.50	2530417
6-Apr-15	30.2214	25000	827.23	83637.14	24008.48	991.52	306.38	685.14	2527632
5-May-15	30.0544	25000	831.82	82805.32	24141.89	858.11	265.16	592.95	2488664
1-Jun-15	30.1945	25000	827.97	81977.35	24029.87	970.13	299.77	670.36	2475265
1-Jul-15	30.2335	25000	826.90	81150.46	23998.88	1001.12	309.35	691.78	2453462
3-Aug-15	30.7384	25000	813.31	80337.14	23604.68	1395.32	431.15	964.17	2469435
1-Sep-15	30.6331	25000	816.11	79521.03	23685.82	1314.18	406.08	908.10	2435976
1-Oct-15	31.1038	25000	803.76	78717.27	23327.37	1672.63	516.84	1155.78	2448406
2-Nov-15	31.2244	25000	800.66	77916.61	23237.28	1762.72	544.68	1218.04	2432900
1-Dec-15	31.2252	25000	800.64	77115.98	23236.68	1763.32	544.87	1218.45	2407962
1-Jan-16	31.4431	25000	795.09	76320.89	23075.65	1924.35	594.62	1329.73	2399765
1-Feb-16	31.3413	25000	797.67	75523.22	23150.60	1849.40	571.46	1277.93	2366996
1-Mar-16	31.2378	25000	800.31	74722.91	23227.31	1772.69	547.76	1224.93	2334179
4-Apr-16	31.9237	25000	783.12	73939.79	22728.26	2271.74	701.97	1569.78	2360432
2-May-16	32.3626	25000	772.50	73167.30	22420.02	2579.98	797.22	1782.77	2367884
1-Jun-16	32.5956	25000	766.97	72400.32	22259.75	2740.25	846.74	1893.51	2359932
1-Jul-16	33.1978	25000	753.06	71647.26	21855.97	3144.03	971.51	2172.53	2378531
1-Aug-16	34.1979	25000	731.04	70916.22	21216.80	3783.20	1169.01	2614.19	2425186
1-Sep-16	34.5247	25000	724.12	70192.10	21015.97	3984.03	1231.07	2752.97	2423361
3-Oct-16	35.0661	25000	712.94	69479.16	20691.49	4308.51	1331.33	2977.18	2436363
1-Nov-16	35.2155	25000	709.91	68769.25	20603.71	4396.29	1358.45	3037.84	2421743
1-Dec-16	35.8137	25000	698.06	68071.19	20259.57	4740.43	1464.79	3275.64	2437881
2-Jan-17	35.5438	25000	703.36	67367.83	20413.41	4586.59	1417.26	3169.34	2394509
1-Feb-17	36.0694	25000	693.11	66674.72	20115.94	4884.06	1509.17	3374.88	2404917
1-Mar-17	35.8443	25000	697.46	65977.26	20242.27	4757.73	1470.14	3287.59	2364909
3-Apr-17	36.3967	25000	686.88	65290.39	19935.05	5064.95	1565.07	3499.88	2376355
2-May-17	36.5694	25000	683.63	64606.76	19840.91	5159.09	1594.16	3564.93	2362630
1-Jun-17	37.1315	25000	673.28	63933.47	19540.55	5459.45	1686.97	3772.48	2373946
3-Jul-17	37.4739	25000	667.13	63266.34	19362.01	5637.99	1742.14	3895.85	2370837
1-Aug-17	37.9789	25000	658.26	62608.08	19104.56	5895.44	1821.69	4073.75	2377786
1-Sep-17	38.1505	25000	655.30	61952.78	19018.62	5981.38	1848.25	4133.13	2363530
3-Oct-17	38.0454	25000	657.11	61295.67	19071.16	5928.84	1832.01	4096.83	2332018
1-Nov-17	38.2739	25000	653.19	60642.49	18957.31	6042.69	1867.19	4175.50	2321024
4-Dec-17	38.2126	25000	654.23	59988.25	18987.72	6012.28	1857.80	4154.49	2292307
1-Jan-18	38.3104	25000	652.56	59335.69	18939.24	6060.76	1872.77	4187.98	2273174
31-Jan-18	38.0431			59335.69					2257313.51

Benefit of using SWP for Withdrawals

Invested Amount (₹)	SWP Amount Withdrawn in 3 years (₹)	Principal Component in withdrawal (₹)	Growth/Gains over principal amount (₹)	Tax (₹) - 30.9% STCG for withdrawal within 3 years	Tax as % of SWP amount withdrawn during 3 years	J Balance Units at the end of the year	K Value of Investments (₹) J* Current NAV
2500000	900000	777912	122088	37725	4.19%	59336	2257314

Tax Paid through Traditional Investment Avenue

Invested Amount (₹)	Interest (%)	Interest (₹)	Tax as % of Gains	Tax (₹)
2500000	6.25%	468750	30.90%	144844

Withdrawals through SWP are more tax efficient as one pays only ₹ 37725 as tax on gains i.e. 4.19% on withdrawals of ₹ 9,00,000 as compared to ₹ 1,44,844 in case of traditional saving instrument

Source: Internal data compilation. **Note: Past performance may or may not be sustained in future.** The above examples including the taxation illustration for traditional investment are given for general information only. Load has not been taken into consideration. Units and numbers in the above calculations have been rounded off. Investments made in mutual fund are subject to market risk and there is no assurance or guarantee that the objective of the schemes will be achieved. The above illustration should not be considered as any guarantee of returns to the investors who are opting for SWP. In view of the individual circumstances and risk profile, each investor is advised to consult their investment/tax advisor(s) before making a decision to invest. Valuation date – Jan 31, 2018. The date of enrolment for SWP has been assumed on the first working day of every month. If the same is a non-business day, then the NAV of next business day has been taken into consideration for calculation purposes. In the above calculations, it has been assumed that investor falls under highest tax bracket (i.e. 30%) and total income of the investor does not exceed ₹50 lakhs. The prevailing tax rates are as per Finance Act 2017. Tax rates could change in future and investors should consult tax advisors for the same. Gains on the redemption of units of mutual fund are treated as capital gains for income tax purpose. For other than equity-oriented schemes, gains on the investment for ≤ 3 year are treated as Short-Term Capital Gains (STCG) and taxed at 30% while gains on investment greater than 3 year are treated as Long-Term Capital Gains (LTCG). STCG are taxed at marginal tax rate applicable to the investor and LTCG are taxed at 20% (plus applicable surcharge & cess) with indexation benefit. Calculations of tax include the amount of tax plus surcharge. At the time of the redemption of units, redemption amount comprises two parts. One is the invested amount and the other is gains on the invested amount. STCG/LTCG tax is applicable only on the gains made on the redemption units. In case of Systematic Withdrawal Plan (SWP), at the time of redemption of each instalment, investor needs to pay STCG/LTCG tax only on the gains part and not on the invested amount. Over a period of time with market appreciation, in each SWP instalment, invested amount (principal) component decreases and growth/gains part increases. Thus it helps the investor over a period of time to consume less principal amount and thereby allowing the balance principal amount to grow further. Please note that unlike the traditional investment avenues like PPF, NSC, Bank FD, investment in mutual fund is subject to market risks. Hence, the performance of these asset classes is not strictly comparable.

Please note that in the Union Budget 2018, it has been proposed to change the Education Cess to 4%. Also, exemption interest income on fixed deposits with banks has been proposed to be increased from ₹10,000/- to ₹50,000/- for Senior Citizens and TDS shall not be required to be deducted on such income, under section 194A. The same has not been taken into consideration in the above illustration. Investors are requested to consult their tax / financial advisor before taking decision of investment / opting for Bandhan SWP facility.

