

### **FAQs of Daily SIP (For Investor Education)**

#### **1. What is an SIP?**

Ans) SIP stands for Systematic Investment Plan. SIP is a mode of investment in Mutual Fund Schemes. SIP is an investment of specific amount into schemes for a specific period of time at regular frequency. It is similar to recurring deposit in the Bank or other financial institutions. It allows the investor to buy the units at regular interval without worrying about the market volatility.

#### **2. What is the benefit of SIP?**

Ans) It inculcate the discipline investment and allows to take part in the stock market without trying to time the market. SIP gives the benefit of Cost of averaging and power of compounding.

#### **3. What are the modes of investment in Mutual Fund schemes through SIP?**

Ans) An investor may start SIP on Daily, Weekly, Monthly, and Quarterly mode.

#### **4. What is Daily SIP?**

Ans) Like any other frequency of SIP, AMC also provides Daily SIP. In Daily SIP investors will have the option to choose any day to start SIP.

#### **5. How long it takes to register Daily SIP?**

Ans) Daily SIP will be registered after 30 days from the date of submission of SIP application form.

#### **6. What is the minimum investment amount in Daily SIP?**

Ans) The minimum investment amount can be different in different asset management companies. It can be as low as ₹. 300 per day.

#### **7. What is the minimum period of Daily SIP?**

Ans) The minimum Daily SIP period is 1 month. In case the end date is not specified, the Fund will continue SIP till it receives termination notice from the investor or till the time instructions mentioned in SIP Registration Form, whichever is earlier. In case the chosen date falls on a Non-Business Day, then the SIP will be processed on the immediate next Business Day.

### **8. What is the process to get Daily SIP registered?**

Ans) The process is same as of other SIP registration. Investors must fill the SIP registration form along with NACH form and submit it at respective Mutual Fund office or to any Official Point of Acceptance or to the registrar CAMS/Karvy.

### **9. Can Daily SIP be registered online also?**

Ans) Yes, Daily SIP can be registered online as well as offline.

### **10. What are the documents required for Daily SIP?**

Ans) Scheme Application form along with SIP registration form will have to be submitted. First time investors will need to submit PAN card and Aadhaar Card along with CKYC form while registering Daily SIP.

### **11. Exit Load?**

Ans) Exit load is a fee or an amount charged from an investor for exiting or leaving a mutual fund scheme as an investor.

### **12. Redemption**

Ans) Redemption is the return of investor's investment value which is depend upon the market. The redemption of an investment may generate a capital gain or loss, and the taxation of capital gains is reduced by capital losses recognized in the same year. Capital gains and losses are recognized on both fixed-income investments and mutual fund shares. The redemption process can be directly credited in investor's bank account within 10 working days.

### **13. Switch**

Ans) Switch is nothing but exiting from one mutual fund scheme and investing in some other mutual fund scheme. Redemption will be considered from source scheme and investment will be considered in target schemes

### **14. Nominee**

Ans) Investors opt for nominee while investing in mutual fund schemes. Nominee may be any person or firm known to the investors. Nominee may not be the ultimate beneficiary of the investment value, but they are the custodian of the units in case of demise of the unit holder.

### **15. Transmission of units**

Ans) transmission of Mutual fund unit is nothing but transfer of unit from investor to nominee in case of investors demise. To complete the hassle-free transfer of units following are the documents require: -

- Letter from claimant nominee/s to the AMC/ Mutual Fund requesting for transmission of units,
- Death Certificate/s in original or photocopy duly notarized or attested by gazette officer or a bank manager\*
- Bank Account Details of the new first unit holder (nominee) as per specified format along with attestation by a bank branch manager\* and cancelled cheque or bank statement bearing the account details and account holders name.
- KYC of the claimant(s)/(nominee),

*\* In case of certification by bank manager, the document should be certified by the bank manager with his / her full signature, name, employee code, bank seal and contact number.*