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## One Time Investment vs Systematic Transfer Plan: A Comparative Analysis

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### **Abstract:**

*In today's dynamic market scenario, while one may aim to take advantage of favorable scenarios in both equity and debt markets, there is an inherent risk involved. Thus while a person takes exposure to these respective asset classes it is important to adopt caution and do it smartly and prudently. When a person wants to invest a big lump sum amount in stock market. As markets are volatile and can go up or down very soon, there is always risk of losing a big chunk of their investment. Take a case where an individual wants to invest 10 lacs in Equity mutual funds and suddenly market crashes for next 2 months, in this case a big chunk of their investment will be lost, on the other hand if market moves up pretty fast, they can make a good profit. Here they have to decide their main focus. If it's minimizing risk and getting good decent returns in long-term, they should use something called Systematic Transfer Plan (STP). Systematic transfer Plan (STP) is a strategy where an investor transfers a fixed amount of money from one category of fund to another, usually from debt funds to equity funds.*

**Key words:** mutual funds, one time investment, systematic transfer investment (STP)

### **1. About Stp Plan: (Systematic Transfer Plan)**

The MF industry is a growing and profitable industry. The market has been expanding though competition in the industry has been fierce. The mutual fund industry has registered a healthy growth in the past few years. Equity fund investment has the potential of wealth creation through capital appreciation, whereas debt fund investment accounts for consistent returns in the long run. Investor risk appetite plays an important role while choosing between the two and unpredictable nature of equity fund returns normally pulls investors away from them. What if some investor wants best of both worlds i.e. wealth creation and consistency at the same time? This has been made possible by the fund houses, as they have introduced the Systematic Transfer Plan (STP) concept. A STP is simply a mode to transfer money from one fund to another at pre-defined intervals. Commonly, investors park a lump sum amount in a debt fund, from where a regular amount is transferred at periodic intervals (monthly or quarterly) into the specific equity-oriented funds. For example, an investor may invest 1 lakh in a debt fund and opt for an STP of 10,000 on the first of every month for the next ten months in an equity fund. The STP route is an extension of the SIP way of investing. While SIPs allow you to invest small amounts of money in a mutual fund at regular intervals, STPs enable you to transfer money already invested in a mutual fund into another fund of your choice. Investing a lump sum amount in equity or mutual fund could be dicey for the investor as Equity markets are volatile and returns in equity mutual fund is linked to the performance of stock market. On the other hand if the investor invests the lump sum amount in debt funds it will generate less return when compared to other investment avenues. Systematic transfer plan helps to keep a balance of risk and return. Investors typically park a lump sum in a debt fund, say, an income fund, from which a fixed sum is transferred at periodic intervals into an equity-oriented fund. So, units equivalent to the transferred amount will be sold from the primary scheme and the same will be utilized to buy units in the new scheme. This switch to the new scheme is carried out at the prevailing net asset value (NAV).

### **2. Objectives**

The objective of this study is to highlight the features of STP(systematic transfer plan) and to compare the benefits from STP plan and from One Time Investment Plan.

### **3. Need for STP Plan**

A lot of people may not want to invest large sums of money in Mutual Funds. So one of the options they have is to keep their money in their bank account and then start a SIP. However the interest they earn from their savings bank account may be less. STPs fill this gap as a one time large investment is first made in a 'more stable' Mutual Fund product - for instance, a Debt Mutual Fund, and then a fixed amount can be transferred from this product to another 'more risky' product over a period of time. STPs hence make most sense from DEBT to EQUITY when markets are very volatile and risk is to be avoided. This can

be better than keeping money in the bank account and running a SIP because the invested money in the Debt product will be earning some returns, generally better than the savings bank account interest earned. Investment via STPs can be sold anytime. Hence it can also work like an emergency fund. In case one requires money urgently, this investment can be liquidated easily. STP is a facility for convenience.

#### 4. Importance of STP Concept

- STP concept gives investor the best of both worlds. It allows investors to build an equity portfolio without taking huge risk. The time, the money is not invested in equities, it generates huge returns in the debt portfolio.
- Apart from higher yields, investments in liquid funds get better tax treatments than bank FD's.
- Investors are opting for STP's to pocket higher short term yields.
- Over 10% of the money flowing into systematic investment plans(SIP'S) of equity schemes comes through STP'S as per industry estimates.
- Some fund houses also give the option of transfer gains ( made on liquid portfolio) into equity funds. Fund houses are promoting STP's to attract lump sum investment from.

#### 5. Types of STP

- **Fixed STP** – In this type of STP, the amount to be transferred is fixed (which is predetermined by you at the time of investment), which gets transferred to the desired (i.e. target) mutual fund scheme.
- **Capital Appreciation or Profit generated** – Under this STP option, the capital appreciation or the profit generated on principal amount gets transferred to the target fund and the capital part remains safe. Hence, this option works well if one intends to book regular profits and plough them into debt mutual fund schemes from the same fund house.
- **Flexi or Variable STP** – Under Flexi STP one have a choice to transfer variable amount. The minimum amount under this STP option is fixed, but subject to volatility in the market the variable amount is decided. If the NAV of the target fund falls, investment can be increased to take benefit of falling prices and likewise if the market moves up, the minimum amount of transfer is invested to take advantage of increasing prices. Transfer facility is available on a daily, weekly, monthly and quarterly interval.
- **Advantages** - An STP is a plan that allows investors to give consent to a mutual fund to periodically transfer a certain amount / switch (redeem) certain units from one scheme and invest in another scheme of the same mutual fund house. Thus at regular intervals an amount/number of units you choose is transferred from one mutual fund scheme to another of your choice. This facility thus helps in deploying funds at regular intervals.
- **Consistent Returns** – Through STP, you can transfer one money to a target equity fund while one is invested in a debt or liquid fund. Therefore, one will get the returns of the equity fund one is transferring into and at the same time remain protected as a part of your investment remains in debt.
- **Averaging of Cost** – Like SIP, in STP too, a fixed amount of money is invested in the target fund at regular intervals. Since it is similar to SIP, STP assists in averaging out the cost of investors by purchasing more units at a lower NAV and vice versa.
- **Rebalancing Portfolio** – STP facilitates in rebalancing the portfolio by allotting investments from debt to equity or vice versa. If e person investment in debt increases money can be reallocated to equity funds through an STP and if a person investment in equity goes up money can be switched from an equity to a debt fund.
- **Works as SIP** : One can invest in a Debt funds and from there one can start a STP to an Equity Fund, so it works like a systematic Investment Plan (SIP) .
- **Liquidity** : Generally one does STP from Debt -> Equity funds, so your money is invested in Debt fund. This means you can sell it anytime if you want. Hence it works like a Emergency Fund also. In case you need money urgently, it can act like a liquid asset (at least for the time being in the start when you have more money in Debt fund)
- **Growth in Money** : Not to forget that the money is invested in Debt funds, as the money is also growing at debt returns , at least the part which is lying in the debt funds .

#### 6. Working of STP Plan

Very often while reallocating assets within categories of mutual funds, investors tend to give redemption request forms and then invest into another mutual fund scheme as they deem fit, rather than using the options such as Systematic transfer plans(STPs) Under STP, a lump sum amount earlier invested by you can be transferred at regular intervals in a piecemeal manner systematically into another mutual scheme (as desired by you) of the same fund house. Typically 6 such transfers are allowed by the fund houses. Also, most funds houses generally allow an STP from a debt mutual fund scheme to an equity mutual fund scheme, and only handful of them allow it vice versa. Likewise, most fund houses allow a monthly or a quarterly option, while a handful of them allow even a weekly or a quarterly option. Moreover different fund houses have different requirements for the minimum amount to be invested through STP.

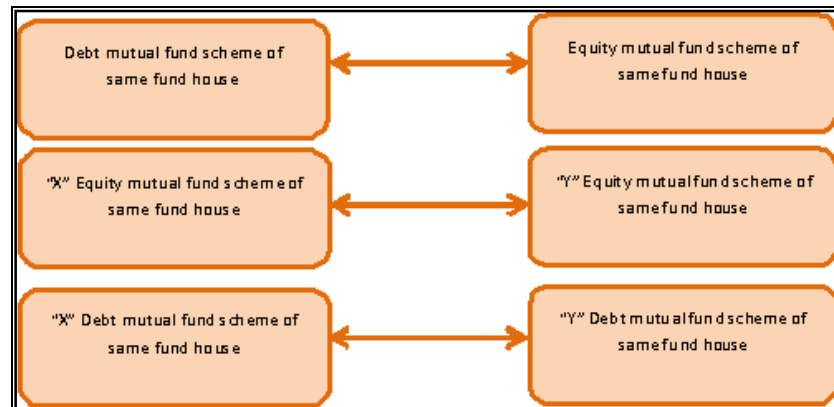


Figure 1

To understand the systematic transfer mechanism in this current life two funds have been selected from ICICI mutual funds. One is from debt scheme, other one is from equity scheme and the debt scheme have a daily STP in a equity scheme. The schemes are:

- **ICICI Prudential Discovery Reg**
- **ICICI Prudential MIP - 25 - Regular Plan - Growth**

To make this plan easy to understand two investors are taken namely investor A and investor B. Investor A invest a lump sum amount of ₹ one lakh as a one time investment in a equity scheme namely ICICI prudential discovery reg on 1<sup>st</sup> Jan 2008, the fund has a NAV value of ₹39.84 and investor A buys a unit of 2510.04. Investor A plan to have redemption of his account on 31st dec 2008 on that day the fund has NAV value of has been decreased to ₹17.61 hence investor have only (i.e)  $2510.04 \times 17.61 = ₹44201.81$ . investor have only ₹44201.81 in his capital amount. On dec 31<sup>st</sup> the NAV of ICICI prudential discovery reg to decrease to ₹17.61 it mainly happens because of the fall in share market. Finally it was found that investors have only ₹44201.18 in his one time investment from ₹1,00,000.

Investor B on Jan 1<sup>st</sup> 2008 plan to invest ₹1,00,000 in a debt scheme namely ICICI Prudential MIP-25 reg and want to start transferring ₹400 from it to an equity scheme namely ICICI prudential discovery reg on a daily basic on that year. The STP plan start to activate on 2<sup>nd</sup> Jan 2008 on a daily basic transfer of ₹400 from debt scheme to equity scheme. The fund value of debt scheme starts falling to the extent of this outflow, adjusted for gains (or) losses it makes every day of its transfer. Meanwhile the investment value of equity scheme ICICI prudential discovery reg rises by ₹400 every day, in addition to the gains (or) losses it makes.

STP plans start to work, when ₹1,00,000 invested in bond scheme at the beginning of the year at the NAV value of ₹16.69 which helps to buy 5990 units. In the next day 2<sup>nd</sup> Jan same units are sold and the proceeds from these (₹400, the pre determined amount) is shifted to equity scheme. The balance amount left in bond scheme, when NAV rise the bond will have a profits. The benefits of the STP is that even if the NAV declines in one fund, its possible that it will rise in the other scheme, thus ensuring that investor do not suffer a loss. By spreading investments through daily STP across market conditions the STP allows investor to average out the purchase cost of their investments and gives a better chance to earn high returns over a period of time. This especially works in favor when the markets are either volatile or in a down trend. At the end of dec 31 2008 investor B wish to redeem his fund at the end investor B holds a debt units of 409.96, NAV of debt scheme is 14.64 and investor have a closing balance of ₹6000 in debt scheme and investor holds a equity scheme units of 3892.38, NAV of equity scheme is ₹17.71, investor holds a closing value of ₹68544.84 finally investor B holds ₹74544.84 as his closing balance from his one lakh. When comparing with two investor A&B investor B holds a better amount of ₹74544.84 at the end of the year while the investor A holds only a amount of ₹44201.81. Hence investment made through Systematic Transfer Plan is better than investment made through one time investment.

**INVESTMENT IN BOND FUND ON INCEPTION**

SNO	DATE	OPE.BAL	WDL	BAL	NAV	HOLDING
1	1-Jan-08	10000	0	10000	16.6972	5989.028101
2	2-Jan-08	10000	400	9600	16.7633	5941.550888
3	3-Jan-08	9960	400	9520	16.7476	5923.236762
4	4-Jan-08	9920	400	9880	16.8024	5880.112365
5	7-Jan-08	9880	400	9840	16.8282	5847.3277
6	8-Jan-08	9840	400	9800	16.761	5846.906509
7	9-Jan-08	9800	400	9760	16.7717	5819.326604
8	10-Jan-08	9760	400	9720	16.7184	5813.953488
9	11-Jan-08	9720	400	9680	16.7936	5764.10061
10	14-Jan-08	9680	400	9640	16.808	5735.364112
11	15-Jan-08	9640	400	9600	16.7425	5733.910706
12	16-Jan-08	9600	400	9560	16.6598	5738.364206
13	17-Jan-08	9560	400	9520	16.6946	5702.442706
14	18-Jan-08	9520	400	9480	16.5289	5735.40889
15	21-Jan-08	9480	400	9440	16.1246	5854.408792
16	22-Jan-08	9440	400	9400	15.9411	5896.707254
17	23-Jan-08	9400	400	9360	16.2926	5744.93942
18	24-Jan-08	9360	400	9320	16.1554	5769.468862
19	25-Jan-08	9320	400	9280	16.4277	5648.995295
20	28-Jan-08	9280	400	9240	16.365	5646.19615
21	29-Jan-08	9240	400	9200	16.2782	5651.730535
22	30-Jan-08	9200	400	9160	16.1686	5665.301881
23	31-Jan-08	9160	400	9120	16.1686	5640.562572
24	1-Feb-08	9120	400	9080	16.2161	5599.373462
25	4-Feb-08	9080	400	9040	16.3097	5542.713845
26	5-Feb-08	9040	400	9000	16.324	5513.35457
27	6-Feb-08	9000	400	8960	16.2546	5512.285753
28	7-Feb-08	8960	400	8920	16.1481	5523.869681
29	8-Feb-08	8920	400	8880	16.0914	5518.475708
30	11-Feb-08	8880	400	8840	15.9075	5557.127141
31	12-Feb-08	8840	400	8800	15.8698	5545.123442
32	13-Feb-08	8800	400	8760	15.8928	5511.929931
33	14-Feb-08	8760	400	8720	16.0763	5424.133663
34	15-Feb-08	8720	400	8680	16.1401	5377.909678
35	18-Feb-08	8680	400	8640	16.1104	5362.995332
36	19-Feb-08	8640	400	8600	16.1444	5326.924506
37	20-Feb-08	8600	400	8560	16.0163	5344.555234
38	21-Feb-08	8560	400	8520	16.032	5314.317257
39	22-Feb-08	8520	400	8480	15.9435	5318.781949
40	25-Feb-08	8480	400	8440	15.9802	5281.535901
41	26-Feb-08	8440	400	8400	16.0007	5249.770323
42	27-Feb-08	8400	400	8360	16.0177	5219.226231
43	28-Feb-08	8360	400	8320	16.0109	5196.459912
44	29-Feb-08	8320	400	8280	15.9863	5179.434891
45	3-Mar-08	8280	400	8240	15.846	5200.050486
46	4-Mar-08	8240	400	8200	15.7276	5213.764338
47	5-Mar-08	8200	400	8160	15.7093	5194.375306
48	7-Mar-08	8160	400	8120	15.5345	5227.07522
49	10-Mar-08	8120	400	8080	15.505	5211.222186
50	11-Mar-08	8080	400	8040	15.6045	5152.359896
51	12-Mar-08	8040	400	8000	15.6267	5119.443005
52	13-Mar-08	8000	400	7960	15.404	5167.488964
53	14-Mar-08	7960	400	7920	15.434	5131.527796
54	17-Mar-08	7920	400	7880	15.1855	5189.160713
55	18-Mar-08	7880	400	7840	15.168	5168.776371
56	19-Mar-08	7840	400	7800	15.1711	5141.354285
57	24-Mar-08	7800	400	7760	15.1252	5130.510671
58	25-Mar-08	7760	400	7720	15.3012	5045.35592
59	26-Mar-08	7720	400	7680	15.2983	5020.165639
60	27-Mar-08	7680	400	7640	15.2785	5000.490886
61	28-Mar-08	7640	400	7600	15.3898	4938.35781
62	31-Mar-08	7600	400	7560	15.2842	4946.284398
63	2-Apr-08	7560	400	7520	15.2552	4929.466674
64	3-Apr-08	7520	400	7480	15.2684	4899.0071
65	4-Apr-08	7480	400	7440	15.1299	4917.415185
66	7-Apr-08	7440	400	7400	15.2144	4863.81323
67	8-Apr-08	7400	400	7360	15.2209	4835.45651
68	9-Apr-08	7360	400	7320	15.2984	4784.814098
69	10-Apr-08	7320	400	7280	15.2732	4766.519132
70	11-Apr-08	7280	400	7240	15.3096	4729.058891
71	15-Apr-08	7240	400	7200	15.3814	4680.978324
72	16-Apr-08	7200	400	7160	15.4016	4648.86765
73	17-Apr-08	7160	400	7120	15.4471	4609.279412
74	21-Apr-08	7120	400	7080	15.521	4561.561755
75	22-Apr-08	7080	400	7040	15.5398	4530.302835
76	23-Apr-08	7040	400	7000	15.5228	4509.49571

**SYSTEMATIC TRANSFER PLAN ON DAILY BASIS**

SNO	DATE	OPE.BAL	STP	BAL	NAV	TNAV
1	1-Jan-08	0	0	0	39.8	0
2	2-Jan-08	0	400	400	40.6	9.864365
3	3-Jan-08	400	400	800	40	10.01001
4	4-Jan-08	800	400	1200	39.9	10.025063
5	7-Jan-08	1200	400	1600	39.9	10.03009
6	8-Jan-08	1600	400	2000	38.7	10.330579
7	9-Jan-08	2000	400	2400	38.5	10.38961
8	10-Jan-08	2400	400	2800	37.3	10.729614
9	11-Jan-08	2800	400	3200	37	10.799136
10	14-Jan-08	3200	400	3600	37.3	10.718114
11	15-Jan-08	3600	400	4000	36.9	10.848929
12	16-Jan-08	4000	400	4400	36.3	11.028398
13	17-Jan-08	4400	400	4800	36.7	10.914052
14	18-Jan-08	4800	400	5200	35	11.435106
15	21-Jan-08	5200	400	5600	31.7	12.622278
16	22-Jan-08	5600	400	6000	29.2	13.722127
17	23-Jan-08	6000	400	6400	31.1	12.857602
18	24-Jan-08	6400	400	6800	30.4	13.157895
19	25-Jan-08	6800	400	7200	32.1	12.480499
20	28-Jan-08	7200	400	7600	32	12.503907
21	29-Jan-08	7600	400	8000	32.2	12.426219
22	30-Jan-08	8000	400	8400	31.7	12.634239
23	31-Jan-08	8400	400	8800	31.3	12.572342
24	1-Feb-08	8800	400	9200	31.5	12.68633
25	4-Feb-08	9200	400	9600	32.2	12.44168
26	5-Feb-08	9600	400	10000	32.2	12.414649
27	6-Feb-08	10000	400	10400	31.7	12.606366
28	7-Feb-08	10400	400	10800	31.1	12.85347
29	8-Feb-08	10800	400	11200	30.6	13.067625
30	11-Feb-08	11200	400	11600	29.4	13.605442
31	12-Feb-08	11600	400	12000	28.9	13.864818
32	13-Feb-08	12000	400	12400	28.7	13.927577
33	14-Feb-08	12400	400	12800	29.9	13.391363
34	15-Feb-08	12800	400	13200	30.3	13.218771
35	18-Feb-08	13200	400	13600	30.5	13.136289
36	19-Feb-08	13600	400	14000	30.6	13.059022
37	20-Feb-08	14000	400	14400	30.3	13.214404
38	21-Feb-08	14400	400	14800	30.4	13.166557
39	22-Feb-08	14800	400	15200	30.1	13.284623
40	25-Feb-08	15200	400	15600	30.2	13.25381
41	26-Feb-08	15600	400	16000	30.8	12.970169
42	27-Feb-08	16000	400	16400	30.9	12.936611
43	28-Feb-08	16400	400	16800	30.9	12.965964
44	29-Feb-08	16800	400	17200	31	12.919897
45	3-Mar-08	17200	400	17600	30	13.34668
46	4-Mar-08	17600	400	18000	29.3	13.637913
47	5-Mar-08	18000	400	18400	29.2	13.684571
48	7-Mar-08	18400	400	18800	28.2	14.184397
49	10-Mar-08	18800	400	19200	28	14.280614
50	11-Mar-08	19200	400	19600	28.8	13.913043
51	12-Mar-08	19600	400	20000	28.5	14.054814
52	13-Mar-08	20000	400	20400	27	14.80933
53	14-Mar-08	20400	400	20800	27.3	14.64665
54	17-Mar-08	20800	400	21200	25.6	15.618899
55	18-Mar-08	21200	400	21600	25.5	15.710919
56	19-Mar-08	21600	400	22000	25.4	15.754234
57	24-Mar-08	22000	400	22400	24.8	16.155089
58	25-Mar-08	22400	400	22800	26.1	15.331545
59	26-Mar-08	22800	400	23200	26.5	15.117158
60	27-Mar-08	23200	400	23600	26.4	15.168752
61	28-Mar-08	23600	400	24000	27.3	14.662757
62	31-Mar-08	24000	400	24400	26.9	14.875418
63	2-Apr-08	24400	400	24800	26.8	14.93652
64	3-Apr-08	24800	400	25200	26.9	14.897579
65	4-Apr-08	25200	400	25600	26.5	15.117158
66	7-Apr-08	25600	400	26000	26.8	14.908684
67	8-Apr-08	26000	400	26400	27.1	14.781966
68	9-Apr-08	26400	400	26800	27.5	14.524328
69	10-Apr-08	26800	400	27200	27.6	14.519066
70	11-Apr-08	27200	400	27600	27.7	14.435222
71	15-Apr-08	27600	400	28000	28.1	14.26025
72	16-Apr-08	28000	400	28400	28.4	14.104372
73	17-Apr-08	28400	400	28800	29	13.783598
74	21-Apr-08	28800	400	29200	29.4	13.591573
75	22-Apr-08	29200	400	29600	29.5	13.550136
76	23-Apr-08	29600	400	30000	29.5	13.554727

77	24-Apr-08	70000	400	69600	15.495	4491.771539
78	25-Apr-08	69600	400	69200	15.5473	4450.933603
79	28-Apr-08	69200	400	68800	15.5572	4422.389633
80	29-Apr-08	68800	400	68400	15.6574	4368.541393
81	30-Apr-08	68400	400	68000	15.6631	4341.413896
82	2-May-08	68000	400	67600	15.7441	4293.671915
83	5-May-08	67600	400	67200	15.7835	4257.610796
84	6-May-08	67200	400	66800	15.7424	4243.31741
85	7-May-08	66800	400	66400	15.7086	4226.983945
86	8-May-08	66400	400	66000	15.6615	4214.155732
87	9-May-08	66000	400	65600	15.5803	4210.445242
88	12-May-08	65600	400	65200	15.5791	4185.094133
89	13-May-08	65200	400	64800	15.5642	4163.400625
90	14-May-08	64800	400	64400	15.5897	4130.932603
91	15-May-08	64400	400	64000	15.6507	4089.273962
92	16-May-08	64000	400	63600	15.6896	4053.640628
93	20-May-08	63600	400	63200	15.6926	4027.375961
94	21-May-08	63200	400	62800	15.7224	3994.301125
95	22-May-08	62800	400	62400	15.6468	3988.035892
96	23-May-08	62400	400	62000	15.5834	3978.592605
97	26-May-08	62000	400	61600	15.4917	3976.322805
98	27-May-08	61600	400	61200	15.4658	3957.118287
99	28-May-08	61200	400	60800	15.4988	3922.884352
100	29-May-08	60800	400	60400	15.4682	3904.785301
101	30-May-08	60400	400	60000	15.4688	3878.775341
102	2-Jun-08	60000	400	59600	15.3774	3875.817759
103	3-Jun-08	59600	400	59200	15.3365	3860.072376
104	4-Jun-08	59200	400	58800	15.2239	3862.348019
105	5-Jun-08	58800	400	58400	15.242	3831.518173
106	6-Jun-08	58400	400	58000	15.2201	3810.750258
107	9-Jun-08	58000	400	57600	15.1114	3811.691835
108	10-Jun-08	57600	400	57200	15.0845	3791.971892
109	11-Jun-08	57200	400	56800	15.1705	3744.108632
110	12-Jun-08	56800	400	56400	15.175	3716.639209
111	13-Jun-08	56400	400	56000	15.1756	3690.134163
112	16-Jun-08	56000	400	55600	15.2304	3650.59355
113	17-Jun-08	55600	400	55200	15.2838	3611.667256
114	18-Jun-08	55200	400	54800	15.2346	3597.075079
115	19-Jun-08	54800	400	54400	15.1477	3591.30429
116	20-Jun-08	54400	400	54000	14.9936	3601.536656
117	23-Jun-08	54000	400	53600	14.8663	3605.47009
118	24-Jun-08	53600	400	53200	14.8057	3593.210723
119	25-Jun-08	53200	400	52800	14.8122	3564.629157
120	26-Jun-08	52800	400	52400	14.8326	3532.758923
121	27-Jun-08	52400	400	52000	14.7243	3531.577053
122	30-Jun-08	52000	400	51600	14.645	3523.386821
123	2-Jul-08	51600	400	51200	14.6394	3497.411096
124	4-Jul-08	51200	400	50800	14.5982	3479.881081
125	7-Jul-08	50800	400	50400	14.6317	3444.575818
126	9-Jul-08	50400	400	50000	14.7262	3395.309041
127	10-Jul-08	50000	400	49600	14.7401	3364.970387
128	11-Jul-08	49600	400	49200	14.6595	3356.185409
129	14-Jul-08	49200	400	48800	14.6384	3333.697672
130	15-Jul-08	48800	400	48400	14.4981	3338.368476
131	16-Jul-08	48400	400	48000	14.4491	3322.006215
132	17-Jul-08	48000	400	47600	14.5525	3270.91565
133	18-Jul-08	47600	400	47200	14.6485	3222.172919
134	21-Jul-08	47200	400	46800	14.6724	3189.662223
135	22-Jul-08	46800	400	46400	14.7305	3149.927022
136	23-Jul-08	46400	400	46000	14.9382	3079.353604
137	24-Jul-08	46000	400	45600	14.8811	3064.289602
138	25-Jul-08	45600	400	45200	14.8062	3052.775189
139	28-Jul-08	45200	400	44800	14.8453	3017.790142
140	29-Jul-08	44800	400	44400	14.719	3016.509274
141	30-Jul-08	44400	400	44000	14.8193	2969.101105
142	31-Jul-08	44000	400	43600	14.8276	2940.462381
143	1-Aug-08	43600	400	43200	14.9028	2898.784121
144	4-Aug-08	43200	400	42800	14.8921	2874.007024
145	5-Aug-08	42800	400	42400	14.9659	2833.107264
146	6-Aug-08	42400	400	42000	15.0018	2799.66404
147	7-Aug-08	42000	400	41600	15.0038	2772.630933
148	8-Aug-08	41600	400	41200	15.0324	2740.746654
149	11-Aug-08	41200	400	40800	15.1131	2699.644679
150	12-Aug-08	40800	400	40400	15.0678	2681.212425
151	13-Aug-08	40400	400	40000	15.0493	2657.930934
152	14-Aug-08	40000	400	39600	14.9682	2645.60869
153	18-Aug-08	39600	400	39200	14.932	2625.234396
154	20-Aug-08	39200	400	38800	14.9143	2601.530075
155	21-Aug-08	38800	400	38400	14.8183	2591.390375
156	22-Aug-08	38400	400	38000	14.853	2558.405709
157	25-Aug-08	38000	400	37600	14.8708	2528.445006

77	24-Apr-08	30000	400	30400	29.3	13.67054	1006.8651
78	25-Apr-08	30400	400	30800	29.4	13.62862	1020.4937
79	28-Apr-08	30800	400	31200	29.3	13.642565	1034.1363
80	29-Apr-08	31200	400	31600	29.6	13.499831	1047.6161
81	30-Apr-08	31600	400	32000	29.9	13.382402	1061.0185
82	2-May-08	32000	400	32400	30.1	13.293453	1074.3119
83	5-May-08	32400	400	32800	30.3	13.22314	1087.5351
84	6-May-08	32800	400	33200	30.1	13.20672	1100.8418
85	7-May-08	33200	400	33600	29.9	13.391363	1114.2332
86	8-May-08	33600	400	34000	29.5	13.545547	1127.7787
87	9-May-08	34000	400	34400	29.3	13.642565	1141.4213
88	12-May-08	34400	400	34800	29.1	13.764625	1155.1859
89	13-May-08	34800	400	35200	29.2	13.712719	1168.8986
90	14-May-08	35200	400	35600	29.1	13.736264	1182.6349
91	15-May-08	35600	400	36000	29.3	13.642565	1196.2774
92	16-May-08	36000	400	36400	29.6	13.499831	1209.7773
93	20-May-08	36400	400	36800	29.6	13.50895	1223.2862
94	21-May-08	36800	400	37200	29.8	13.422819	1236.709
95	22-May-08	37200	400	37600	29.5	13.559322	1250.2684
96	23-May-08	37600	400	38000	28.9	13.8217	1264.091
97	26-May-08	38000	400	38400	28.4	14.064698	1278.1548
98	27-May-08	38400	400	38800	28.1	14.216441	1292.3694
99	28-May-08	38800	400	39200	28.2	14.194464	1306.5639
100	29-May-08	39200	400	39600	28.1	14.255167	1320.819
101	30-May-08	39600	400	40000	28.1	14.214641	1335.0337
102	2-Jun-08	40000	400	40400	27.6	14.519056	1349.5527
103	3-Jun-08	40400	400	40800	27.2	14.72212	1364.2749
104	4-Jun-08	40800	400	41200	26.7	14.958863	1379.2337
105	5-Jun-08	41200	400	41600	26.9	14.880952	1394.1147
106	6-Jun-08	41600	400	42000	26.8	14.942099	1409.0568
107	9-Jun-08	42000	400	42400	26.1	15.313936	1424.3707
108	10-Jun-08	42400	400	42800	26	15.37279	1439.7435
109	11-Jun-08	42800	400	43200	26.3	15.226494	1454.97
110	12-Jun-08	43200	400	43600	26.4	15.140045	1470.11
111	13-Jun-08	43600	400	44000	26.6	15.015015	1485.1251
112	16-Jun-08	44000	400	44400	26.9	14.880952	1500.006
113	17-Jun-08	44400	400	44800	27.3	14.630578	1514.6366
114	18-Jun-08	44800	400	45200	27.3	14.678899	1529.3155
115	19-Jun-08	45200	400	45600	26.9	14.897579	1544.2131
116	20-Jun-08	45600	400	46000	26.2	15.261351	1559.4744
117	23-Jun-08	46000	400	46400	25.8	15.515904	1574.9903
118	24-Jun-08	46400	400	46800	25.5	15.717092	1590.7074
119	25-Jun-08	46800	400	47200	25.4	15.729453	1606.4369
120	26-Jun-08	47200	400	47600	25.6	15.637217	1622.0741
121	27-Jun-08	47600	400	48000	25	16.032064	1638.1061
122	30-Jun-08	48000	400	48400	24.5	16.339869	1654.446
123	2-Jul-08	48400	400	48800	24.1	16.625104	1671.0711
124	4-Jul-08	48800	400	49200	24	16.701461	1687.7726
125	7-Jul-08	49200	400	49600	24.3	16.474465	1704.247
126	9-Jul-08	49600	400	50000	24.9	16.070711	1720.3178
127	10-Jul-08	50000	400	50400	24.9	16.070711	1736.3885
128	11-Jul-08	50400	400	50800	24.4	16.406891	1752.7954
129	14-Jul-08	50800	400	51200	24.3	16.460905	1769.2563
130	15-Jul-08	51200	400	51600	23.7	16.8492	1786.1055
131	16-Jul-08	51600	400	52000	23.6	16.920474	1803.0259
132	17-Jul-08	52000	400	52400	24	16.673614	1819.6995
133	18-Jul-08	52400	400	52800	24.3	16.481253	1836.1808
134	21-Jul-08	52800	400	53200	24.3	16.494845	1852.6756
135	22-Jul-08	53200	400	53600	24.8	16.161616	1868.8373
136	23-Jul-08	53600	400	54000	25.3	15.816528	1884.6538
137	24-Jul-08	54000	400	54400	25.1	15.942607	1900.5964
138	25-Jul-08	54400	400	54800	25.1	15.936255	1916.5327
139	28-Jul-08	54800	400	55200	25.3	15.822785	1932.3554
140	29-Jul-08	55200	400	55600	24.7	16.194332	1948.5498
141	30-Jul-08	55600	400	56000	25.2	15.885624	1964.4354
142	31-Jul-08	56000	4				

158	26-Aug-08	37600	400	37200	14.8866	2498.891621
159	27-Aug-08	37200	400	36800	14.8502	2478.081103
160	28-Aug-08	36800	400	36400	14.7959	2460.140985
161	29-Aug-08	36400	400	36000	14.9112	2414.292612
162	1-Sep-08	36000	400	35600	14.8889	2391.042992
163	2-Sep-08	35600	400	35200	15.009	2345.259511
164	4-Sep-08	35200	400	34800	15.0046	2319.288751
165	5-Sep-08	34800	400	34400	14.9136	2306.619461
166	8-Sep-08	34400	400	34000	15.0125	2264.779351
167	9-Sep-08	34000	400	33600	14.9949	2240.761859
168	10-Sep-08	33600	400	33200	14.9473	2221.136928
169	11-Sep-08	33200	400	32800	14.8654	2206.466022
170	12-Sep-08	32800	400	32400	14.7938	2190.106666
171	15-Sep-08	32400	400	32000	14.6651	2182.051265
172	16-Sep-08	32000	400	31600	14.6398	2158.499433
173	17-Sep-08	31600	400	31200	14.5859	2139.052098
174	18-Sep-08	31200	400	30800	14.6005	2109.516797
175	19-Sep-08	30800	400	30400	14.7627	2059.243905
176	22-Sep-08	30400	400	30000	14.7815	2029.563982
177	23-Sep-08	30000	400	29600	14.6927	2014.605893
178	24-Sep-08	29600	400	29200	14.7264	1982.833551
179	25-Sep-08	29200	400	28800	14.6803	1961.812769
180	29-Sep-08	28800	400	28400	14.4366	1967.222199
181	1-Oct-08	28400	400	28000	14.5278	1927.339308
182	3-Oct-08	28000	400	27600	14.2779	1933.057382
183	6-Oct-08	27600	400	27200	13.8555	1963.119339
184	7-Oct-08	27200	400	26800	13.7882	1943.690982
185	8-Oct-08	26800	400	26400	13.548	1948.627104
186	10-Oct-08	26400	400	26000	13.3178	1952.2744
187	13-Oct-08	26000	400	25600	13.5477	1889.61964
188	14-Oct-08	25600	400	25200	13.6964	1839.899536
189	15-Oct-08	25200	400	24800	13.4641	1841.93522
190	16-Oct-08	24800	400	24400	13.765	1772.611696
191	17-Oct-08	24400	400	24000	13.5936	1765.536723
192	20-Oct-08	24000	400	23600	13.6637	1727.204198
193	22-Oct-08	23600	400	23200	13.6487	1699.795585
194	23-Oct-08	23200	400	22800	13.4979	1689.151646
195	24-Oct-08	22800	400	22400	13.1057	1709.179975
196	27-Oct-08	22400	400	22000	13.0509	1685.707499
197	29-Oct-08	22000	400	21600	13.2673	1628.062982
198	31-Oct-08	21600	400	21200	13.4387	1577.533541
199	3-Nov-08	21200	400	20800	13.6159	1527.62579
200	4-Nov-08	20800	400	20400	13.7262	1486.208856
201	5-Nov-08	20400	400	20000	13.616	1468.860165
202	6-Nov-08	20000	400	19600	13.4919	1452.723486
203	7-Nov-08	19600	400	19200	13.5809	1413.750193
204	10-Nov-08	19200	400	18800	13.8091	1361.421092
205	11-Nov-08	18800	400	18400	13.5689	1356.042126
206	12-Nov-08	18400	400	18000	13.4832	1334.99466
207	14-Nov-08	18000	400	17600	13.4777	1305.860792
208	17-Nov-08	17600	400	17200	13.4714	1276.778954
209	18-Nov-08	17200	400	16800	13.3832	1255.305159
210	19-Nov-08	16800	400	16400	13.3404	1229.348445
211	20-Nov-08	16400	400	16000	13.2535	1207.228279
212	21-Nov-08	16000	400	15600	13.3624	1167.454948
213	24-Nov-08	15600	400	15200	13.3674	1137.094723
214	25-Nov-08	15200	400	14800	13.3069	1112.204946
215	26-Nov-08	14800	400	14400	13.4208	1072.961373
216	1-Dec-08	14400	400	14000	13.4271	1042.667441
217	2-Dec-08	14000	400	13600	13.4183	1013.541209
218	3-Dec-08	13600	400	13200	13.5781	972.1536887
219	4-Dec-08	13200	400	12800	13.7122	933.4752994
220	5-Dec-08	12800	400	12400	13.7883	899.3131858
221	8-Dec-08	12400	400	12000	13.7773	870.9979459
222	10-Dec-08	12000	400	11600	14.0884	823.3724199
223	11-Dec-08	11600	400	11200	14.1329	792.4771278
224	12-Dec-08	11200	400	10800	14.2671	756.9863532
225	15-Dec-08	10800	400	10400	14.3372	725.3857099
226	16-Dec-08	10400	400	10000	14.5909	687.2427135
227	17-Dec-08	10000	400	9600	14.5028	661.9411424
228	18-Dec-08	9600	400	9200	14.697	625.9780908
229	19-Dec-08	9200	400	8800	14.7601	596.2019228
230	22-Dec-08	8800	400	8400	14.5557	577.0935098
231	23-Dec-08	8400	400	8000	14.3632	556.9789462
232	24-Dec-08	8000	400	7600	14.3424	529.8973672
233	26-Dec-08	7600	400	7200	14.2727	504.4595627
234	29-Dec-08	7200	400	6800	14.4339	471.1131434
235	30-Dec-08	6800	400	6400	14.6281	437.5140996
236	31-Dec-08	6400	400	6000	14.6356	409.9592774

158	26-Aug-08	62400	400	62800	26	15.360983	2223.5217
159	27-Aug-08	62800	400	63200	25.9	15.467904	2238.9896
160	28-Aug-08	63200	400	63600	25.7	15.594542	2254.5842
161	29-Aug-08	63600	400	64000	26.2	15.296367	2269.8806
162	1-Sep-08	64000	400	64400	26.2	15.25553	2285.1361
163	2-Sep-08	64400	400	64800	26.7	14.97006	2300.1061
164	4-Sep-08	64800	400	65200	26.8	14.93652	2315.0427
165	5-Sep-08	65200	400	65600	26.5	15.122873	2330.1655
166	8-Sep-08	65600	400	66000	26.8	14.953271	2345.1188
167	9-Sep-08	66000	400	66400	26.6	15.048909	2360.1677
168	10-Sep-08	66400	400	66800	26.3	15.203345	2375.3711
169	11-Sep-08	66800	400	67200	26	15.384615	2390.7557
170	12-Sep-08	67200	400	67600	25.6	15.612802	2406.3685
171	15-Sep-08	67600	400	68000	24.7	16.168149	2422.5366
172	16-Sep-08	68000	400	68400	24.4	16.420361	2438.957
173	17-Sep-08	68400	400	68800	24.1	16.583748	2455.5407
174	18-Sep-08	68800	400	69200	24	16.659725	2472.2005
175	19-Sep-08	69200	400	69600	24.7	16.187778	2488.3882
176	22-Sep-08	69600	400	70000	24.6	16.286645	2504.6749
177	23-Sep-08	70000	400	70400	24	16.687526	2521.3624
178	24-Sep-08	70400	400	70800	24.1	16.590626	2537.953
179	25-Sep-08	70800	400	71200	23.9	16.771488	2554.7245
180	29-Sep-08	71200	400	71600	22.1	18.075011	2572.7995
181	1-Oct-08	71600	400	72000	22.8	17.574692	2590.3742
182	3-Oct-08	72000	400	72400	22.1	18.083183	2608.4574
183	6-Oct-08	72400	400	72800	21	19.065777	2627.5232
184	7-Oct-08	72800	400	73200	20.7	19.333011	2646.8562
185	8-Oct-08	73200	400	73600	19.7	20.335536	2667.1917
186	10-Oct-08	73600	400	74000	18.3	21.917808	2689.1095
187	13-Oct-08	74000	400	74400	19	21.052632	2710.1622
188	14-Oct-08	74400	400	74800	19.3	20.703934	2730.8661
189	15-Oct-08	74800	400	75200	18.5	21.633315	2752.4994
190	16-Oct-08	75200	400	75600	18	22.259321	2774.7587
191	17-Oct-08	75600	400	76000	17.4	22.988506	2797.7473
192	20-Oct-08	76000	400	76400	17.5	22.896394	2820.6436
193	22-Oct-08	76400	400	76800	17.5	22.909507	2843.5532
194	23-Oct-08	76800	400	77200	16.6	24.038462	2867.5916
195	24-Oct-08	77200	400	77600	15.2	26.298488	2893.8901
196	27-Oct-08	77600	400	78000	14.7	27.247956	2921.1381
197	29-Oct-08	78000	400	78400	15.7	25.493945	2946.632
198	31-Oct-08	78400	400	78800	16.6	24.038462	2970.6705
199	3-Nov-08	78800	400	79200	17.3	23.10803	2993.7785
200	4-Nov-08	79200	400	79600	17.6	22.779043	3016.5575
201	5-Nov-08	79600	400	80000	17.4	23.02821	3039.5857
202	6-Nov-08	80000	400	80400	16.9	23.612751	3063.1985
203	7-Nov-08	80400	400	80800	17.1	23.419204	3086.6177
204	10-Nov-08	80800	400	81200	17.9	22.408964	3109.0267
205	11-Nov-08	81200	400	81600	17.2	23.31023	3132.3367
206	12-Nov-08	81600	400	82000	16.8	23.880597	3156.2137
207	14-Nov-08	82000	400	82400	16.6	24.096386	3180.3137
208	17-Nov-08	82400	400	82800	16.3	24.615385	3204.9291
209	18-Nov-08	82800	400	83200	15.9	25.173065	3230.1021
210	19-Nov-08	83200	400	83600	15.5	25.823112	3255.9252
211	20-Nov-08	83600	400	84000	14.9	26.773762	3282.699
212	21-Nov-08	84000	400	84400	15.2	26.315789	3309.0148
213	24-Nov-08	84400	400	84800	15.2	26.367831	3335.3826
214	25-Nov-08	84800	400	85200	15	26.61344	3361.9961
215	26-Nov-08	85200	400	85600	15.3	26.143791	3388.1398
216	1-Dec-08	85600	400	86000	15.3	26.143791	3414.2836
217	2-Dec-08	86000	400	86400	15.2	26.385224	3440.6689
218	3-Dec-08	86400	400	86800	15.3	26.160889	3466.8298
219	4-Dec-08	86800	400	87200	16.1	24.829299	3491.6591
220	5-Dec-08	87200	400	87600	15.9	25.220681	3516.8797
221	8-Dec-08	87600	400	88000	15.9	25.109856	3541.9896
222	10-Dec-08	88000	400	88400	16.3	24.479804	3566.4694
223	11-Dec-08	88400	400	88800	16.6	24.169184	3590.6386
224	12-Dec-08	88800	400	89200	16.7	23.937762	3614.

SUMMARY		
ONE TIME INVESTMENT RETURNS		
CAPITAL		100000.00
UNITS ALLOTTED		2510.04
BASED ON NAV		39.84
CLOSING VALUE		17.61
RETURN AS ON REDEMPTION		44201.81
GAIN		-55798.19
RESULT	ONE TIME	44201.81
	STP METHOD	74544.84
	DIFF	30343.04

SUMMARY		
SYSTEMATIC TRANSFER PLAN RETURNS		
CAPITAL		100000.00
BOND UNITS		409.96
NAV BOND		14.64
CLOSING VALUE		6000.00
EQUITY UNITS		3892.38
NAV IN EQUITY		17.61
CLOSING VALUE		68544.84
TOTAL		74544.84
GAIN		-25455.16
	ONE TIME	44201.81
	STP	74544.84

Illustrations clearly shows that capital erosion is less under STP when compared with the capital erosion under One Time Investment during the year 2008 when the market experienced down trend. Thus it is inferred that investment through STP gives better return than one time investment if the market is favorable and a loss is minimized when the market trend is not favorable.

**7. Conclusion**

Thus it can be concluded that STP is suited to investors who want to invest lump sum into debt funds and at the same time want some equity exposure in order to gain higher returns on their investment. STP can also work as a tool to transfer from equity fund to debt scheme giving you the dual advantage: earn profits from your equity investment and preserve capital by moving into debt. From the foregoing analysis it is suggested that investors who are aiming for safer and more returns than normal ordinary investment plans ( Bank Deposits, Fixed Deposits, Bonds, Onetime investments Etc. related with stock markets ), this strategy of STP will be the best and ideal.

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