



# The 7-5-3-1 Rule in Mutual Fund SIP Investing

A strategic framework combining patience, diversification, emotional discipline, and progressive investing to maximise your systematic investment plan returns and achieve long-term financial success.

🕒 TIME HORIZON

# 7 Years: The Power of Patience & Compounding

Staying invested for at least seven years is crucial to smooth out market volatility and unlock the true potential of your investments. Long-term holding allows the magic of compounding to accelerate wealth growth exponentially.

Historical data consistently demonstrates that equities outperform most other asset classes over periods exceeding seven years, making patience your most valuable investing virtue.

**7+**

**Years**

Minimum investment  
horizon

**15%**

**Average Returns**

Historical equity  
performance

# 5 Categories: Diversify to Manage Risk & Capture Growth

Spread your investments strategically across five key equity categories to cushion your portfolio against shocks in any single segment whilst capturing diverse growth opportunities.

## Large-Cap

Stable, established companies providing portfolio foundation and lower volatility

## Value Stocks

Undervalued companies with strong fundamentals trading below intrinsic worth

## GARP

Growth at Reasonable Price — companies with solid growth prospects at fair valuations

## Mid/Small-Cap

Higher growth potential from emerging market leaders and agile companies

## International

Global exposure reducing home-market concentration and accessing worldwide opportunities

"Don't put all your eggs in one basket" — balance stability with growth potential through strategic diversification.

# 3 Emotional Hurdles & 1 Annual SIP Increase

## Master Your Investment Psychology

Overcome three common emotional pitfalls that derail investors:

1

### Disappointment

When returns fall between 7-10%, resist the urge to abandon your strategy

2

### Irritation

During 0-7% return periods, maintain patience rather than making impulsive changes

3

### Panic

In negative return phases, avoid rash decisions that lock in losses



### Annual SIP Boost

Increase your SIP amount once every year to accelerate wealth creation and benefit from your rising income levels.



# Why Follow the 7-5-3-1 Rule?



## **Behavioural Excellence**

Combines emotional discipline with strategic investing principles for consistent long-term wealth accumulation



## **Risk Management**

Keeps you patient, diversified, emotionally resilient, and progressively invested through all market conditions



## **Simple Framework**

A memorable, actionable system to maximise SIP returns and systematically achieve your financial goals

This proven framework transforms investing from an emotional rollercoaster into a disciplined wealth-building journey, ensuring you stay the course towards financial independence.