

# SWP v/s FD: A Comparison Tool

*A Simple Monthly Income Comparison Tool to understand how your retirement income differs between fixed deposits and mutual fund withdrawals.*

Most retirees or near-retirees face a simple question. Should you park your money in a fixed deposit and earn steady interest, or invest in mutual funds and withdraw through a systematic withdrawal plan (SWP)?

Both options can generate monthly income. But the way they work and the long-term impact on your wealth, can be very different.

This tool helps you compare both approaches in a practical way.

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## STEP 1: DEFINE YOUR CORPUS

Start with the amount you plan to use for generating income.

**Your investment amount: Rs \_\_\_\_\_**

This is the base for both FD and SWP comparison.

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## STEP 2: ESTIMATE YOUR MONTHLY INCOME FROM FD

In a fixed deposit, your income comes from interest. If your FD offers around 6–7% annual return, your monthly income will depend on the interest earned.

Write your assumption: **FD interest rate: \_\_\_\_\_ %**

Now estimate: **Monthly income from FD: ₹ \_\_\_\_\_**

Keep in mind, interest income is taxable as per your income slab.

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## Step 3: Estimate Monthly Withdrawal via SWP

In a Systematic Withdrawal Plan, your income is generated by withdrawing a fixed amount from mutual fund investments.

Write your expected withdrawal: **Monthly SWP amount: ₹ \_\_\_\_\_**

Unlike FD, your remaining investment continues to stay invested and has the potential to grow over time.

## STEP 4: COMPARE THE KEY DIFFERENCES

FD provides stability and predictability. Your returns are fixed, and income is consistent.

SWP offers flexibility and growth potential. Your withdrawals are structured, but your remaining corpus can still participate in market returns.

Now ask yourself:

- Do I want fixed but limited returns?
- **OR** flexible income with growth potential?

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## STEP 5: UNDERSTAND THE IMPACT OVER TIME

This is where the real difference appears.

With an FD, your returns are fixed, and over long periods, inflation may reduce the real value of your income.

With SWP, even though markets fluctuate, your invested amount has the potential to grow, helping your income sustain over longer durations.

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## STEP 6: CONSIDER INFLATION

Ask yourself:

- Will my monthly income today be enough after 10 or 15 years?
- FD income remains largely constant.

SWP, if structured well, can help you adjust withdrawals over time.

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## STEP 7: BEHAVIOUR CHECK

Before deciding, reflect honestly:

- Do I prefer certainty over growth?
- Can I stay invested during market fluctuations?
- Am I comfortable with a structured withdrawal approach?

*Your behaviour matters as much as the numbers.*

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## Final Comparison Insight

FD is designed for safety and predictability.

SWP is designed for income plus longevity of wealth.

The right choice is not about which is better in general, but which is better for your goals, time horizon, and risk comfort.

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## Take the Next Step

If you want to structure your retirement income with clarity, MINTIT app can help you plan your corpus, estimate withdrawals, and align your investments with your long-term goals.

MINTIT, India's dedicated tech-based Mutual Fund Platform, caters to your personalised goals and accompanies you to achieve your financial milestones.

Depending on your risk profile, goals, inflation, time horizon and income, the tech-based MINTIT platform precisely suggests tailored investing plans to achieve your goals through best suited mutual funds. Download the MINTIT app now and create your retirement fund with SIPs in mutual funds.

Because retirement income is not about choosing a product, it is about building a system that lasts.

***Stop Thinking. Start SIPing.***

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MINTIT app helps you stay aligned with your goals through structured, disciplined investing.

**Download the MINTIT App Today.**



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