SALES HANDBOOK
for Partners

HDFC MUTUAL FUND
BHAROSA APNO KA

PREFACE

Knowledge empowers an individual. A famous quote of Albert Einstein goes like **“Everything I know is but a drop in the ocean of knowledge”** underscores the fact that what we know is only a tiny bit in a vast ocean. As far as knowledge is concerned with respect to mutual fund industry, a lot has been done in the direction of investor education by the industry participants.

The distribution community has been playing an important role in raising awareness amongst investors. On this front, we believe, it would help make the conversation more meaningful if we get empirical data to reinforce our message to give the big picture. This handbook ventures into the area of financial knowledge and attempts to add another drop in the vast ocean of knowledge.

This handbook is also a testament of our gratitude to the unflinching support we receive from our esteemed partners through thick and thin of market cycles. We believe, this book will create an impact in easing out the complexities surrounding investing and sincerely hope, that this work forms part of your folder, every time, when you walk out for that important meeting.

Happy Investing!

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Why **MUTUAL FUNDS?**

Investing in various asset classes like Gold, Debt and Equity with the help of mutual funds can help eliminate many drawbacks of investing through other routes.

	Asset Classes		
	Gold	**Debt**	**Equity**
Routes of investment	Physical Gold/ Gold Bonds	Fixed Deposits/ Corporate Bonds	Direct Equity
Drawbacks	**Physical Gold** – Safety and purity **Gold Bonds** – Buying limits, lock-in of 5 years, low liquidity	Medium to Low liquidity Inefficient taxation in FDs Penalty for premature withdrawal	Requires time and expertise Relatively riskier
Here's how mutual fund route can help overcome the above drawbacks			
Mutual Fund Route	**Gold Exchange Traded Fund (ETF) & Gold Fund**	**Debt Mutual Fund**	**Equity Mutual Fund**
Benefits of investing in mutual funds	Buying limits – Min.1 unit through stock exchange and no upper limit High liquidity No lock-in	Different schemes for different investment horizon High liquidity Tax efficient returns if held for 3 years and above	Professional management Diversification/robust risk management High liquidity

Questions on every investor's mind -
- What are the different avenues for investing?
- What are the drawbacks in different investing avenues?
- How are equity mutual funds better than direct stocks?
- How can mutual funds overcome these drawbacks?

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It is normally seen that entrepreneurs create wealth for themselves and their shareholders by running good, growing businesses.

How can a common man benefit from these business stalwarts?

- **By either starting a business (which may not be as easy to scale up)**
- **Or, by investing in an established growing business**

Why Invest in **EQUITIES?**

Long Term Wealth Creation
Investing in stock markets could help you create wealth over the long term

Become a Part-Owner
When you buy a stock of a company, you become a part owner and make money as the company's profit increases

Real Returns
Investing in equities helps you beat inflation as it generates positive real returns over the long term

E.g. Let us assume the rate of return on an investment is 12% and inflation is 4%. The real return in this case is 8% (12% - 4%).

> **"How many millionaires do you know who have become wealthy by investing in savings accounts? I rest my case."**
> - Robert G. Allen

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EQUITIES –
A long term asset for wealth creation

Equity markets do not move up in a linear fashion. Various news and events, both domestic and global, drive the market in the short run. However, in the long term, returns are in line with the growth of the underlying economy.

As shown in Chart 1 below, markets have given positive returns in some years and negative in others. However, if you observe Chart 2, in the long term S&P BSE SENSEX has delivered 17.1% CAGR between Mar'79 and Mar'18; which is 10% higher than the average inflation rate during that period.

Chart 1

Equity returns

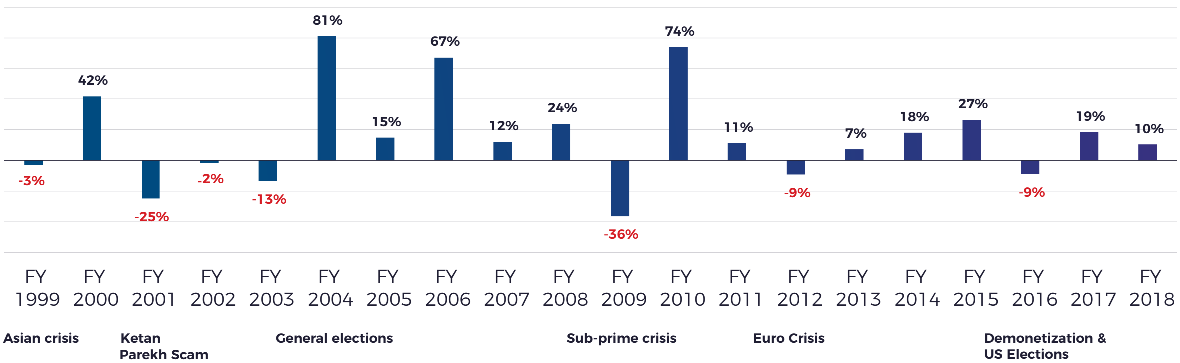
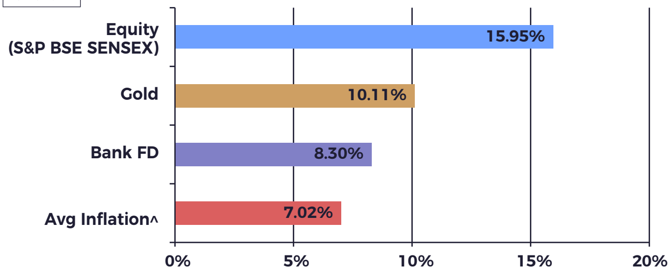


Chart 2



Despite the risk and volatility in the short term, over the long term, equity as an asset class has **outperformed** others.
It has beaten inflation by the highest margin.

Questions on every investor's mind -

- Why are equities volatile?
- Have equities given positive real returns over the long run?
- How have equities performed compared to other asset classes?

CAGR – Compounded Annual Growth Rate
Returns for Chart 2 are considered from March 31, 1979 to December 31, 2018
Source: Bloomberg, RBI Handbook of statistics on Indian Economy, MFI, World Gold Council. ^Average inflation is shown for comparison with returns from various asset classes. As TRI data is not available since Mar 31, 1979 the performance is calculated using composite CAGR of S&P BSE SENSEX PRI values from Mar 31, 1979 to Aug 18, 1996 and TRI values since Aug 19, 1996. Returns from above asset classes are not strictly comparable due to different risks faced by each asset class. Above chart is for illustrative purpose only. **Past performance may or may not be sustained in the future.**

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Understanding MARKETS

YEAR END (1)	SENSEX (2)	ROLLING 1 YR GROWTH (3)	ROLLING 3 YR GROWTH (4)	ROLLING 5 YR GROWTH (5)	ROLLING 10 YR GROWTH (6)	ROLLING 15 YR GROWTH (7)	ROLLING 20 YR GROWTH (8)
Mar-79	100						
Mar-80	129	29%					
Mar-81	173	35%					
Mar-82	218	26%	30%				
Mar-83	212	-3%	18%				
Mar-84	245	16%	12%	20%			
Mar-85	354	44%	18%	22%			
Mar-86	574	62%	39%	27%			
Mar-87	510	-11%	28%	19%			
Mar-88	398	-22%	4%	13%			
Mar-89	714	79%	8%	24%	22%		
Mar-90	781	9%	15%	17%	20%		
Mar-91	1168	50%	43%	15%	21%		
Mar-92	4285	267%	82%	53%	35%		
Mar-93	2281	-47%	43%	42%	27%		
Mar-94	3779	66%	48%	40%	31%	27%	
Mar-95	3261	-14%	-9%	33%	25%	24%	
Mar-96	3367	3%	14%	24%	19%	22%	
Mar-97	3361	0%	-4%	-5%	21%	20%	
Mar-98	3893	16%	6%	11%	26%	21%	
Mar-99	3740	-4%	4%	0%	18%	20%	20%
Mar-00	5001	34%	14%	9%	20%	19%	20%
Mar-01	3604	-28%	-3%	1%	12%	13%	16%
Mar-02	3469	-4%	-2%	1%	-2%	14%	15%
Mar-03	3049	-12%	-15%	-5%	3%	15%	14%
Mar-04	5591	83%	16%	8%	4%	15%	17%
Mar-05	6493	16%	23%	5%	7%	15%	16%
Mar-06	11280	74%	55%	26%	13%	16%	16%
Mar-07	13072	16%	33%	30%	15%	8%	18%
Mar-08	15644	20%	34%	39%	15%	14%	20%
Mar-09	9709	-38%	-5%	12%	10%	6%	14%
Mar-10	17528	81%	10%	22%	13%	12%	17%
Mar-11	19445	11%	8%	12%	18%	12%	15%
Mar-12	17404	-10%	21%	6%	18%	12%	7%
Mar-13	18836	8%	2%	4%	20%	11%	11%
Mar-14	22386	19%	5%	18%	15%	13%	9%
Mar-15	27957	25%	17%	10%	16%	12%	11%
Mar-16	25342	-9%	10%	5%	8%	14%	11%
Mar-17	29621	17%	10%	11%	9%	15%	11%
Mar-18	32969	11%	6%	12%	8%	17%	11%
Probability Of Gain		**26/39**	**31/37**	**32/35**	**29/30**	**25/25**	**20/20**

- Markets are **volatile** in the **short term**.
- As the investment horizon increases, **probability of loss reduces.** E.g. the table shows that, in the last 39 years of SENSEX, the likelihood of losing money for periods of 15 years or more has been NIL.
- Since 1979 till date, markets have given a **CAGR of 17.1%**. Equity returns have been more than the nominal GDP.
- SENSEX has compounded wealth at **17.1% over the long run**. At this rate, an investment in the stock market has historically **doubled every 4.5 years** (which is equal to 330x).

Questions on every investor's mind -

◆ Are equity markets volatile in the short term?
◆ What is the probability of gain from equities in the long run?

Past performance may or may not be sustained in the future. The above is just an illustration. **SENSEX returns are computed for 1 ,3, 5, 10, 15 & 20 years from the date of investment.** Source: BSE Ltd, Returns for 1 year are absolute and above 1 year CAGR. **CAGR** – Compounded Annual Growth Rate: The rate at which an investment grows annually over a specified period of time. **Column 2**: shows the value of S&P BSE SENSEX at the end of month of the respective period. **Probability of gains** is the number of times the investor would have made positive returns. **Column 3 to 8**: Represents the return earned on the investment for the referred period. For e.g. If you invested in Mar-79 when SENSEX Index was 100, then 1 year returns (in Mar-80) would have been 29%, 3 years returns (in Mar-82) would have been 30%, 5 years returns (in Mar-84) would have been 20%, 10 year returns (in Mar-89) would have been 22%, 15 year returns (in Mar-94) would have been 27%, and 20 year returns

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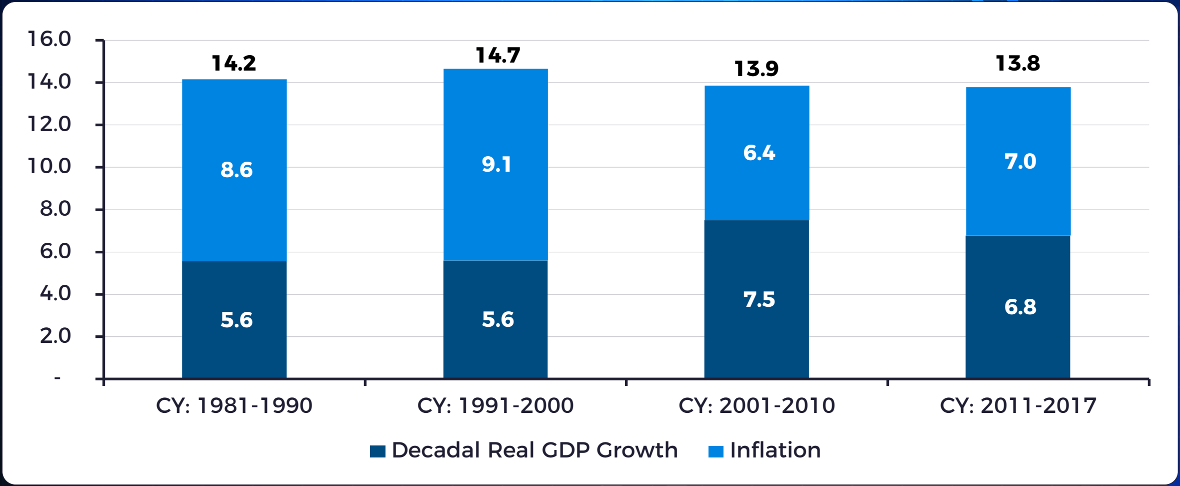
Decadal **GROWTH RATES** of India



1981-90
- Indira Gandhi Assassination
- Rajiv Gandhi Government
- Birth of IT Industry
- Rise of BJP in Indian Politics
- Advent of TV, Maruti Car

1991-00
- Global Oil Crisis - Gulf War
- BoP Crisis, Reforms commence
- Asian Crisis, Era of coalitions
- 1st BJP govt., Kargil Conflict
- Growth of IT, Satellite TV, Mobiles

2001-10
- Violence in Gujarat post Godhra
- 9/11, Dotcom Bubble
- Growth of Indian Generics Cos.
- 10 year Congress rule
- Lehmann Crisis, QE

2011-18
- Coal, 2G etc, scandals
- QE Tapering, PIGS, Greece
- High FD & CAD, high inflation
- BJP Government with full majority
- Demonetisation, GST, Make in India
- Crude Oil
- Currency Crisis
- Rate hike by Fed

The graph depicts the growth of the Indian economy over the past decades. The nominal growth of the economy (real growth plus inflation) is a good proxy for the average growth in businesses of a country.

Equities over time grow in line with the growth of underlying businesses/economy. This is evident in the fact that the Indian economy has grown at a nominal growth of ~ 14% p.a., while SENSEX has grown at a CAGR of 17.1% which is more than the nominal GDP growth.

> **"Investing should be more like watching paint dry or watching grass grow. If you want excitement, take $800 and go to Las Vegas."** - Paul Samuelson

Source: World Bank; CAGR – Compounded Annual Growth Rate, GDP - Gross Domestic Product

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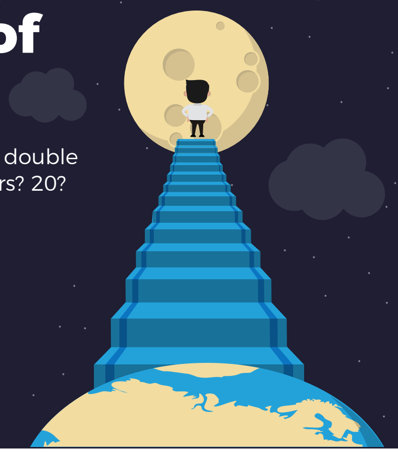
How big an impact can power of compounding have?



If you want to walk towards the moon, and start with 1 step on the first day and double the steps every day, How long do you think it will take to reach the moon? 2 years? 20? Let's find out!

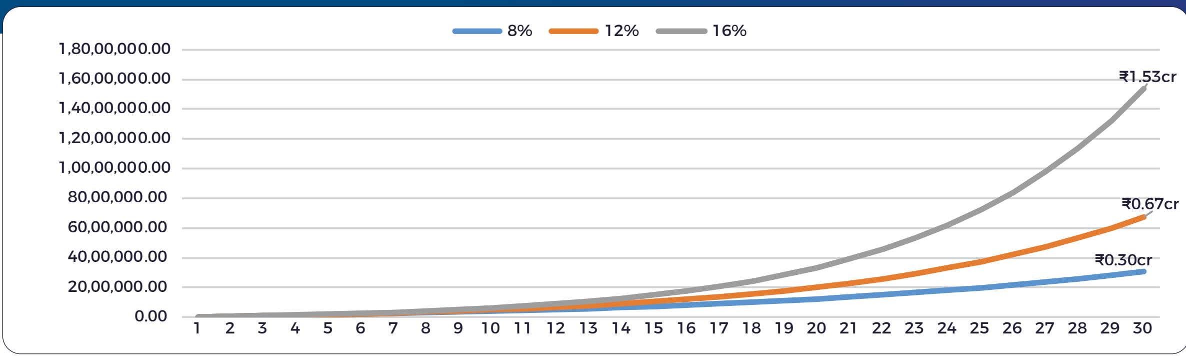
Within 31 days, you will cover over 6.5 lakh km. and cross the moon.
Yes, it will just take 31 days.

But what if you delay by 15 days? You will cover only 10 km.

That's the Power of Compounding.

POWER OF COMPOUNDING –
can make a huge difference to your wealth

The graph depicts how much an amount of **₹25,000** would grow to if **invested each year**, at **various rates of return across time.**



Assumptions: Asset Class 1 returns: 8%; Asset Class 2 returns: 12%; Asset Class 3 returns: 16%

The difference in the rate of returns between Asset class 3 and 2 is only 4%. However, **when invested over the long term, the difference in terms of value is huge.**

E.g., at the end of 30 years the amount of money accumulated from Asset Class 2 is just **₹67 Lakhs**, while that of Asset Class 3 is more than double - **₹1.53 Crore.**

Questions on every investor's mind.

- **Does 1% or 2% difference in returns really make a huge difference in the long term?**

Disclaimer: This is just an illustration with assumed rates to explain the power of compounding. Returns are neither indicative nor guaranteed.

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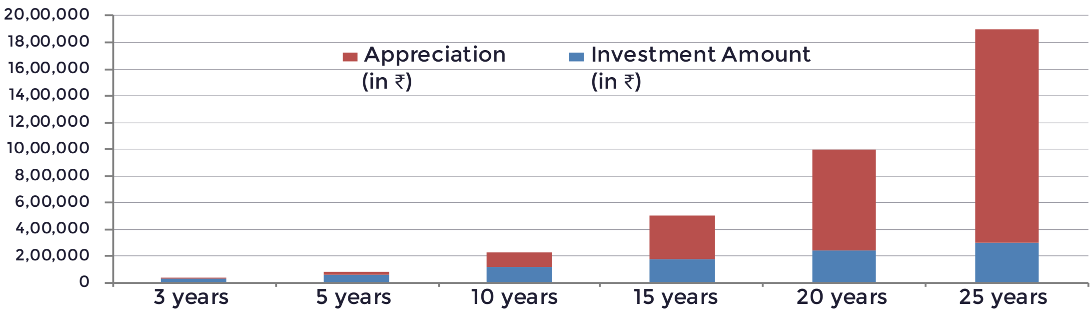
POWER OF COMPOUNDING – How it works

Let's see how much money can be accumulated through an SIP investment of ₹1000/month.

Tenure	Investment Amount (in ₹)	Appreciation (in ₹)	Market Value (in ₹)
3 years	36,000	7,508	43,508
5 years	60,000	22,487	82,487
10 years	1,20,000	1,12,340	2,32,340
15 years	1,80,000	3,24,576	5,04,576
20 years	2,40,000	7,59,148	9,99,148
25 years	3,00,000	15,97,636	18,97,636



Assuming an SIP amount of ₹1000 growing at 12% CAGR. This is just an illustration with assumed rates to explain the power of compounding.

It is evident from the graph that as the number of years increase, the money compounds at a much higher rate.
Even though the original investment is very low, the capital appreciation is much higher.

This is the **Power of Compounding.**

Compound interest is the eighth wonder of the world. He who understands it, earns it ... he who doesn't ... pays it. - Albert Einstein

SIP - Systematic Investment Plan

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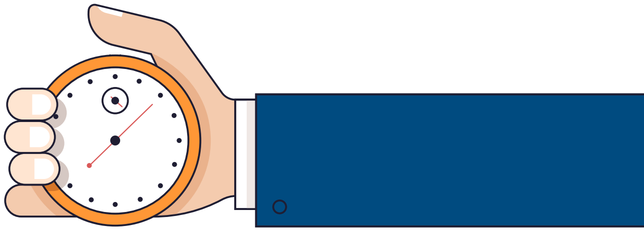
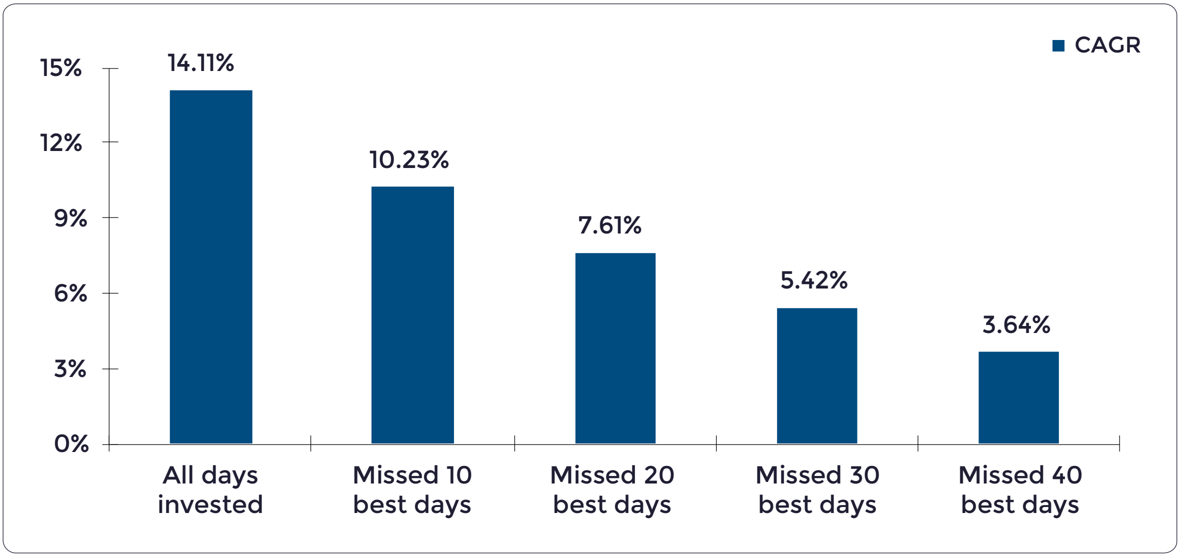
Difficulty in TIMING THE MARKET





Daily returns from January 1, 1990 to December 31, 2018
Source: Internal calculations based on data procured from www.bseindia.com

The above chart shows that if you had stayed fully invested in stocks (as measured by the S&P BSE Sensex) from **January 1, 1990 to December 31, 2018**, you would have earned compounded annual returns of **14.11%.**

However, if you had tried to time the ups and downs of the market, you would have risked missing out on days that registered some of the biggest gains, and the CAGR would have dropped drastically: **10.23% if you missed 10 best days, 7.61% if you missed 20 best days, 5.42% if you missed 30 best days and 3.64% if you missed 40 best days during this period.**

"It's not how much money you make, but how much money you keep, how hard it works for you, and how many generations you keep it for." - Robert Kiyosaki

Best days means the days on which the markets have given highest returns.
Daily returns are considered for determining best days.

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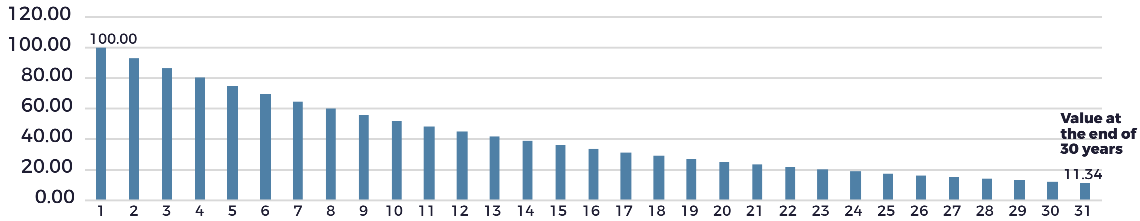
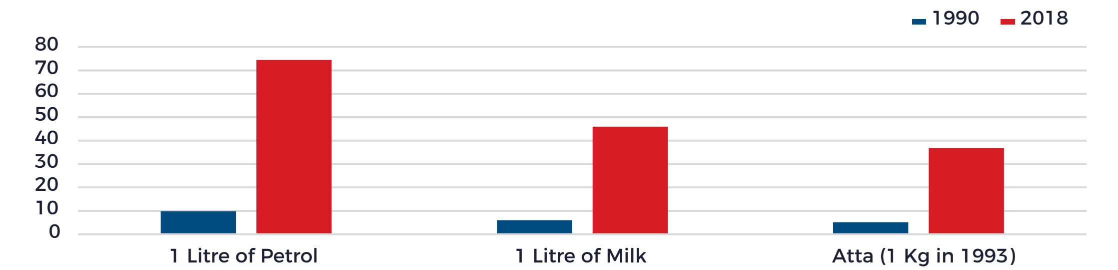
UNDERSTANDING INFLATION

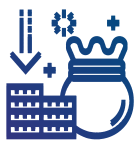
Inflation erodes purchasing power of money



Real Value of ₹100 will become ₹11.34 in 30 years at inflation of 7% p.a.



Source: Petrol costs as on 15th November, 1990 and 31st December, 2018 in Mumbai - from Indian oil Corporation's website. The price of milk is that of the Mumbai metropolitan region as on 31st December, 2018. Atta prices as of 31st December, 2018 from a leading online distributor.



Inflation reduces your purchasing power.

Hence, today's money will not buy you the same things tomorrow.
E.g. 1 Litre of milk which used to cost ₹6 in 1990, costs ₹46 today (2018).

Over the last 5 decades **CPI Inflation** in India has averaged at **7.96%** per year.*

A few specific examples above show how small increases over time end up increasing costs dramatically.

Investing in equities can help you beat inflation better than other asset classes and provides positive real returns over the long term.#

> **Americans are getting stronger. Twenty years ago, it took two people to carry ten dollars worth of groceries. Today, a five-year-old can do it.** - Henny Youngman.

Questions on every investor's mind -
- How does inflation affect your day-to-day life?

CPI - Consumer Price Index
*Source: RBI;
#Investments must be tailored to investor's individual situation and objectives and therefore, investors should consult their financial advisors to ascertain whether the products are suitable for them.

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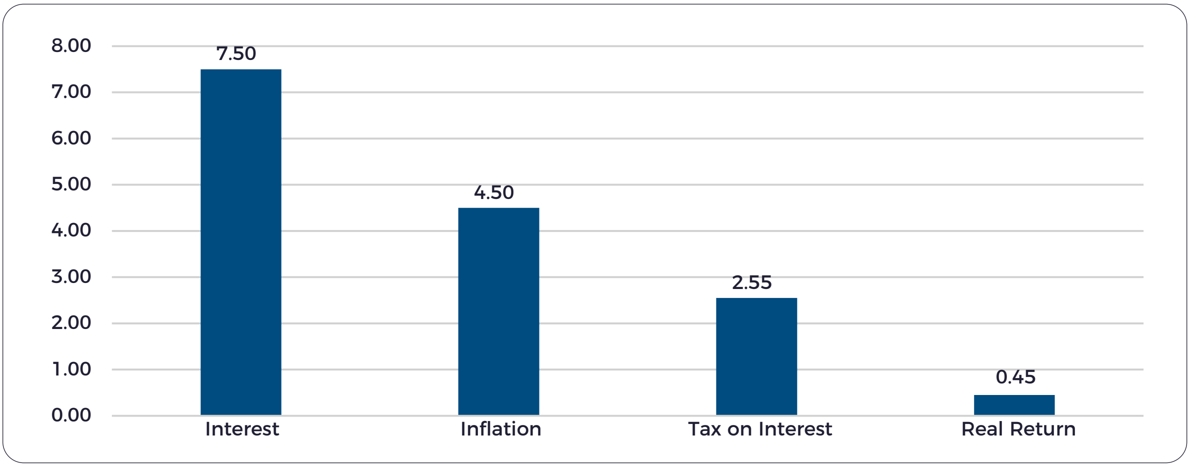
Real Returns in Fixed Deposits (FDs)

The graph illustrates how much real returns you can get by putting your money in FDs.



Assuming a tax bracket of 30.9% and a FD Rate of 7.5%.

Even though **FDs offer guaranteed returns**, after deduction of inflation and tax, the **real returns amount to hardly 0.45%** of your principal.

Equity mutual funds, on the other hand, have the potential to **beat inflation and give higher returns** over the long term.*

Questions on every investor's mind -

- Why should I not invest in a Fixed Deposit when it is giving me guaranteed returns?

* Long term capital gains upto ₹1 lakh p.a. are tax exempt. Long-term capital gains tax applicable for gains above ₹1 lakh p.a. at 10% + surcharge (as applicable) + 4% cess, if units are redeemed after a year, as per prevailing tax laws, which are subject to change from time to time. In view of individual nature of tax consequences, please consult your tax advisor.

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Guidelines for **NEW EARNERS**

Term Insurance

Buy a Term Insurance policy as the premium is low when you are in your early 20s. Sum assured should ideally be 10x of your initial annual salary.

(Please consult your financial advisor before investing)

Tax Savings

Investors can save tax and create wealth by investing in Equity Linked Savings Scheme (ELSS) and Notified Retirement Funds.

SIP for Wealth Creation

Start an SIP when you are young as it is rightly said that an early bird catches the worm.

> **"Invest in yourself or no one else will."**
> - Anonymous

SIP – Systematic Investment Plan

Small sacrifices can make a **HUGE DIFFERENCE!**

- Can you give up 1 cigarette per day?
- Can you drink one pint of beer less over the weekend?
- Can you spend less on movies / dinner?

A small sacrifice	**Skip 1 cigarette per day** i.e., 365 cigarettes in a year	**Skip 1 beer over weekend** i.e., 52 beers over a year	**Spend less** on movies / dinner
Cost	Cost of 1 cigarette - ₹15	Cost of 1 pint - ₹200	Spend ₹1500 less on movies / dinner every month
Amount Saved per year (in ₹)	5,475	10,400	18,000
Invest the amount saved annually for next 35 years			
Assumed Rate of Return (%)	15%	15%	15%
Accumulated amount at the end of 35 years (in ₹)	**55 Lakhs**	**1.05 Crore**	**1.82 Crore**

> **"Do not save what is left after spending but spend what is left after saving."** - Warren Buffet

Returns are assumed only to show the power of compounding and neither guaranteed nor indicative of any mutual fund scheme / other asset class.

SIP vs SIP TOP UP

As per study done on behavioral finance by researchers Shlomo Benartzi and Richard Thaler, it is difficult to convince people to cut their spending now and save more, and instead simply encourage them to save more tomorrow. You can read about this concept in detail in the book **Save More Tomorrow** by Shlomo Benartzi. This concept can be smartly used with the help of SIP Top Up.

SIP per month	**₹10,000**
Assumed Rate of Return	**12%**
Period of Investment	**30 Years**
Total Amount Invested	**₹36 Lakhs**
Corpus at the end of 30 years	**₹3.53 Crores**

SIP per month	**₹10,000, increased by 10% per year**
Assumed Rate of Return	**12%**
Period of Investment	**30 Years**
Total Amount Invested	**₹1.97 Crore**
Corpus at the end of 30 years	**₹8.83 Crore**

Topping up / increasing a ₹10,000 SIP by just 10% every year increases the corpus at the end of 30 years by 150%.

Advantages of SIP Top Up

- Adapt your investments / savings to your rising income levels
- Reach your financial goals faster
- Fight inflation
- Ease of transacting on digital platforms

SIP - Systematic Investment Pan
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STARTING EARLY AND COST OF DELAY

Mr. A started investing **₹10,000** every month at the age of 25; while **Mr. B** started investing **₹15,000** every month at the age of 35. Both invested ₹36 lakhs till the age of 55.

	Mr. A	Mr. B
Starts investing at the age of (in years)	25	35
Monthly SIP instalment (in ₹)	10,000	15,000
Assumed rate of return (p. a.)	15%	15%
Investment till the age of (in years)	55	55
Total Investment (₹ in Lakhs)	36	36
Accumulated value at the end (₹ in Crs)	**7.01**	**2.27**

At the end of the investment period, Mr. A's investments grew to ₹7.01 Cr; while that of Mr. B grew to ₹2.27 Cr **- a difference of almost ₹5 Cr.**
This is what starting to invest early in your life can do to your wealth.

Monthly Instalment required for Mr. B to catch up with Mr. A		**₹46,240**

If Mr.B wants to accumulate similar wealth as Mr. A, he will have to invest ₹46,240 every month, **i.e. more than 4 times** the monthly instalment amount of Mr. A.

So, start early and avoid the cost of delay.

Questions on every investor's mind -
- Why is starting to invest early so critical?
- What will be the cost of delaying investment by few years?

This is only an illustration to explain the concept of power of compounding and not indicative / assuring of returns by any asset class.

REPAY YOUR HOME LOAN SMARTLY!!

Assume you have taken a **home loan of ₹25 lakh** at the rate of **9.60%^**. The EMI payable for **20 year period** would be **₹23,467**. However, if you extend the **loan period to 30 years**, the same EMI would reduce to **₹21,204**.

So rather than taking a shorter loan period, opt for 30 year loan period and start an **SIP of the differential amount i.e. ₹2,263** in an Equity Mutual Fund scheme of your choice.

Who is smarter at repaying a home loan of ₹25 Lakhs?	 **Mr. X**	 **Mr. Y**
Loan repayment term	20 years	30 years
EMI per month* (in ₹)	23,466.78 (A)	21,204.00 (B)
SIP per month (in ₹)	-	2,262.78 (A-B)
After 17 years		
Total EMI paid (in ₹)	47,87,222	43,25,616
Total SIP Investment	NIL	4,61,606
Total Outflow	47,87,222	47,87,222
Principal outstanding (in ₹)	7,31,514	18,85,811
Total SIP Corpus# (in ₹)	**-**	**21,27,253**
SIP corpus left after paying O/S principal (in ₹)		2,41,442 (21,27,253 - 18,85,811)

#Assumed rate of return for SIP - 15% CAGR

Mr. X continues to pay his EMI till the end of the loan repayment term (for 3 more years). while Mr. Y repays his loan from his returns from SIP.

Total savings of Mr. Y		
EMI for remaining 3 years (in ₹) (A)	**SIP corpus left after paying O/S principal (in ₹) (B)**	**Total Savings (in ₹) (A+B)**
8,44,804 (23,466.78 x 36)	2,41,442	**10,86,246**

Effects of taxation have not been considered in the above illustration.
*Calculation - https://www.hdfc.com/home-loan-emi-calculator. Calculations are for illustrative purposes only.
Mutual fund investments are subject to market risks and returns are not guaranteed or assured.
^9.60% is an assumed median floating rate of interest over the tenure of the loan. The actual rate of interest might move up or down throughout the tenure of the loan due to the floating nature of interest rates, and thereby changing the overall calculations.

Alternatively, if you cannot opt for a 30 year home loan due to any reason, you can start an SIP separately to recover the interest on loan.

Principal (in ₹)	25,00,000
EMI (in ₹)	23,467*
Total EMI to be paid over 20 years (in ₹)	56,32,026
Hence, total interest to be paid (in ₹)	**31,32,026**

Start an SIP which is 0.1 % of loan amount

Minimum monthly SIP investment required (in ₹)	**2,500** (which is 0.1% of the principal)
Total SIP investment over 20 years (in ₹)	**6,00,000**
Final value of SIP after 20 years (in ₹)	**37,43,099#**
Capital Appreciation (in ₹) (greater than the interest component of home loan)	**31,43,099**

Effects of taxation have not been considered in the above illustration.
*Calculation - https://www.hdfc.com/home-loan-emi-calculator
#Assumed rate of return on the SIP - 15% p.a. Calculations are for illustrative purposes only.
Mutual fund investments are subject to market risks and returns are not guaranteed or assured.

HDFC MUTUAL FUND
BHAROSA APNO KA

SYSTEMATIC INVESTMENT PLAN -
Ready Reckoner

		7%	11%	15%	7%	11%	15%	7%	11%	15%	7%	11%	15%	7%	11%	15%
TENURE (YEARS)		5	5	5	10	10	10	15	15	15	20	20	20	25	25	25
TARGET AMOUNT TO BE ACHIEVED	10 Lacs	13,900	12,500	11,200	5,700	4,600	3,600	3,100	2,200	1,500	1,900	1,100	700	1,200	600	300
	25 Lacs	34,700	31,200	27,900	14,400	11,400	9,000	7,800	5,400	3,700	4,800	2,900	1,600	3,100	1,600	800
	50 Lacs	69,400	62,300	55,800	28,700	22,800	17,900	15,700	10,900	7,400	9,500	5,700	3,300	6,100	3,100	1,500
	1 Crore	138,900	124,600	111,500	57,400	45,700^	35,900	31,400	21,800	14,800	19,100	11,400	6,600	12,300	6,300	3,000
	2 Crores	277,700	249,200	223,000	114,900	91,300	71,800	62,700	43,600	29,500	38,200	22,900	13,200	24,500	12,600	6,100
	5 Crores	694,300	623,100	557,500	287,200	228,300	179,400	156,800	109,000	73,900	95,400	57,200	33,000	61,400	31,400	15,200
	10 Crores	1,388,700	1,246,200	1,115,100	574,400	456,600	358,900	313,700	217,900	147,700	190,900	114,500	66,000	122,700	62,900	30,400

← Monthly SIP amount based on assumed rate of return on investment and corresponding tenure in years →

^Example - To accumulate ₹1 Crore in 10 years time, a monthly SIP of ₹45,700 is required, if the assumed rate of return is 11% p.a.

All the above figures are rounded off to the nearest 100.

ASSUMED RATE OF RETURN		7%	11%	15%	7%	11%	15%	7%	11%	15%	7%	11%	15%	7%	11%	15%
TENURE (YEARS)		5	5	5	10	10	10	15	15	15	20	20	20	25	25	25
MONTHLY SIP AMOUNT	1,000	0.7	0.8	0.9	1.7	2.2	2.8	3.2	4.6	6.8	5.2	8.7	15.2	8.1	15.9	32.8
	2,000	1.4	1.6	1.8	3.5	4.4	5.6	6.4	9.2	13.5	10.5	17.5	30.3	16.3	31.8	65.7
	5,000	3.6	4.0	4.5	8.7	10.9	13.9	15.9	22.9	33.8	26.2	43.7	75.8	40.7	79.5	164.2
	10,000	7.2	8.0	9.0	17.4	21.9	27.9	31.9	45.9*	67.7	52.4	87.4	151.6	81.5	159.1	328.4
	15,000	10.8	12.0	13.5	26.1	32.8	41.8	47.8	68.8	101.5	78.6	131.0	227.4	122.2	238.6	492.6
	20,000	14.4	16.0	17.9	34.8	43.8	55.7	63.8	91.8	135.4	104.8	174.7	303.2	163.0	318.1	656.8
	25,000	18.0	20.1	22.4	43.5	54.7	69.7	79.7	114.7	169.2	131.0	218.4	379.0	203.7	397.6	821.0
	30,000	21.6	24.1	26.9	52.2	65.7	83.6	95.6	137.7	203.1	157.2	262.1	454.8	244.4	477.2	985.2
	35,000	25.2	28.1	31.4	60.9	76.6	97.5	111.6	160.6	236.9	183.4	305.8	530.6	285.2	556.7	1,149.4
	40,000	28.8	32.1	35.9	69.6	87.6	111.5	127.5	183.5	270.7	209.6	349.4	606.4	325.9	636.2	1,313.6
	50,000	36.0	40.1	44.8	87.0	109.5	139.3	159.4	229.4	338.4	262.0	436.8	758.0	407.4	795.3	1,642.0

← Estimated investment value (₹ in Lacs) based on assumed rate of return on investment and corresponding tenure in years →

*Example - A monthly SIP of ₹10,000 for 15 years will accumulate to ₹45.9 Lakhs, if the assumed rate of return is 11% p.a.

All the above figures are rounded off to the nearest Lac.

The above investment simulations, based on assumed rate of return(s) is for illustration purposes only and should not be construed as a promise/forecast on minimum returns and safeguard of capital. Loads & expenses have not been considered in the calculations. For the purpose of calculations, we have assumed monthly compounding convention for the tenure of the SIP at the assumed rate of return.

SIP Top Up - Ready Reckoner

SIP with 10% annual Top Up

TARGET AMOUNT TO BE ACHIEVED / ASSUMED RATE OF RETURN	7%	11%	15%	7%	11%	15%	7%	11%	15%	7%	11%	15%	7%	11%	15%
TENURE	5 Years			10 Years			15 Years			20 Years			25 Years		
10 Lacs	11,500*	10,400	9,400	3,800	3,100	2,500	1,700	1,200	900	800	600	400	400	300	200
25 Lacs	28,800	26,100	23,500	9,500	7,800	6,300	4,200	3,100	2,300	2,100	1,400	900	1,100	700	400
50 Lacs	57,600	52,100	47,000	19,000	15,600	12,600	8,400	6,200	4,500	4,100	2,800	1,800	2,200	1,300	800
1 Crore	115,300	104,200	93,900	38,100	31,200	25,300	16,700	12,500	9,000	8,300	5,600	3,600	4,400	2,700	1,500
2 Crores	230,500	208,400	187,900	76,100	62,400	50,500	33,500	24,900	18,000	16,500	11,200	7,200	8,700	5,300	3,000
5 Crores	576,300	521,000	469,700	190,300	156,000	126,300	83,700	62,300	45,000	41,300	27,900	18,000	21,800	13,400	7,600
10 Crores	1,152,500	1,042,100	939,400	380,600	312,000	252,700	167,400	124,500	90,100	82,700	55,900	35,900	43,500	26,700	15,200

← Monthly SIP amount (rounded off to the nearest 100s) based on assumed rate of return on investment and corresponding tenure in years →

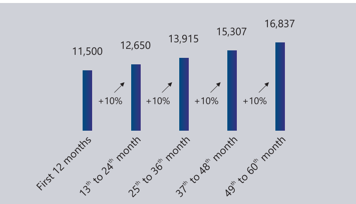
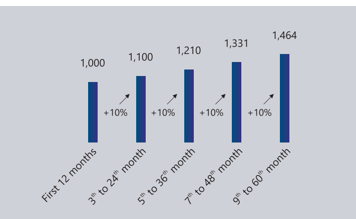


*Illustration
Initial installment of ₹11,500 will increase over the tenure (say 5 years) @10% p.a. (as illustrated alongside) to accumulate ₹10 Lacs in 5 years, if the assumed rate of return is 7% p.a.

(Amount in Rs. Lakhs)

First 12 Months' Monthly SIP amount / ASSUMED RATE OF RETURN	7%	11%	15%	7%	11%	15%	7%	11%	15%	7%	11%	15%	7%	11%	15%
TENURE	5 Years			10 Years			15 Years			20 Years			25 Years		
1,000	0.9	1.0^	1.1	2.6	3.2	4.0	6.0	8.0	11.1	12.1	17.9	27.8	23.0	37.4	65.8
2,000	1.7	1.9	2.1	5.3	6.4	7.9	12.0	16.1	22.2	24.2	35.8	55.7	46.0	74.8	131.6
5,000	4.3	4.8	5.3	13.1	16.0	19.8	29.9	40.1	55.5	60.5	89.5	139.2	114.9	186.9	329.1
10,000	8.7	9.6	10.6	26.3	32.0	39.6	59.8	80.3	111.0	120.9	178.9	278.4	229.8	373.9	658.2
15,000	13.0	14.4	16.0	39.4	48.1	59.4	89.6	120.4	166.5	181.4	268.4	417.5	344.8	560.8	987.3
20,000	17.4	19.2	21.3	52.5	64.1	79.1	119.5	160.6	222.0	241.9	357.8	556.7	459.7	747.8	1316.3
25,000	21.7	24.0	26.6	65.7	80.1	98.9	149.4	200.7	277.5	302.4	447.3	695.9	574.6	934.7	1645.4
30,000	26.0	28.8	31.9	78.8	96.1	118.7	179.3	240.9	333.0	362.8	536.7	835.1	689.5	1121.6	1974.5
35,000	30.4	33.6	37.3	92.0	112.2	138.5	209.1	281.0	388.5	423.3	626.2	974.3	804.4	1308.6	2303.6
40,000	34.7	38.4	42.6	105.1	128.2	158.3	239.0	321.2	444.0	483.8	715.6	1113.5	919.3	1495.5	2632.7
50,000	43.4	48.0	53.2	131.4	160.2	197.9	298.8	401.5	555.0	604.7	894.6	1391.8	1149.2	1869.4	3290.9

← Estimated investment value (rounded off to the nearest 10,000s) based on assumed rate of return on investment and corresponding tenure in years. →



^Illustration
Initial installment of ₹1,000 will increase over the tenure (say 5 years) @10% p.a. (as illustrated alongside) to accumulate ₹1 Lac in 5 years, if the assumed rate of return is 11% p.a.

The above investment simulation, based on assumed rate of return(s) is for illustration purposes only and should not be construed as a promise/forecast on minimum returns and safeguard of capital. Loads & expenses have not been considered in the calculations. For the purpose of calculations, we have assumed monthly compounding convention for the tenure of the SIP at the assumed rate of return.
SIP - Systematic Investment Plan

HDFC MUTUAL FUND
BHAROSA APNO KA

Guidelines for a MARRIED INVESTOR WITH KIDS

Term Insurance and Mediclaim

Buy a Term Insurance policy that may help the surviving family members in case of an eventuality. Buy a Medical Floater Policy to cover medical expenses for the entire family.

Goal Based Investments through Lumpsum or SIP

Start investing for your Children's Education and your own Retirement through Goal Based Funds. These funds create wealth and also maintain discipline. You should also consider Topping up your existing SIPs.

Contingency fund

Invest a reasonable amount in Liquid fund for any near-term contingencies (should ideally be 3-4x of Monthly Income).

Ensure **Disciplined Spending and maintain Asset Allocation** by diversifying your investments.

SIP – Systematic Investment Plan

Equity Linked Savings Scheme (ELSS) – Comparison with other investments eligible for tax deductions

Investment Options under Sec 80C	Minimum Investment (in ₹)	Lock-in years	Returns (%)	Tax Treatment
Public Provident Fund (PPF)	500	15	8%	Interest tax free
National Saving Certificate (NSC)	100	5	8%	Interest income taxable
Bank FD	1000	5	6.85%	Interest income taxable
Equity-Linked Saving Scheme (ELSS)	500	3	Market Linked	Dividend and capital gains taxed at 10%^

Past performance may or may not be sustained in the future. Returns are not assured or guaranteed. Information herein is as per prevailing tax laws, which are subject to change. In view of individual nature of circumstances, please consult your professional tax / financial advisors before taking any investment decisions.

^Plus applicable surcharge and cess. ₹1 lakh exemption available for capital gains.
Source: www.sbi.co.in, www.indiapost.gov.in, as on Date 3-Jan-2019.

Traditional Tax Saving Avenues v/s ELSS (Category Average)

Let's see how an **annual investment of ₹10,000** in March every year **since 1996** would have performed till date.

Period Ended	Amount invested (₹)	PPF Interest Rates	Investment Value in PPF @	NIFTY 50 TRI Level	Investment value in NIFTY 50	Investment value in ELSS (Category Average)
Mar-96	10,000	12.00%	10,000	1,042	10,000	10,000
Mar-97	10,000	12.00%	21,200	1,024	19,827	19,058
Mar-98	10,000	12.00%	33,744	1,181	32,870	32,972
Mar-99	10,000	12.00%	47,793	1,140	41,727	63,339
Mar-00	10,000	12.00%	63,429	1,624	69,404	158,061
Mar-01	10,000	12.00%	80,309	1,230	62,603	101,465
Mar-02	10,000	12.00%	97,884	1,229	72,525	124,424
Mar-03	10,000	9.50%	116,589	1,085	74,008	129,599
Mar-04	10,000	9.50%	135,916	2,020	147,848	283,209
Mar-05	10,000	9.50%	156,790	2,370	183,421	437,353
Mar-06	10,000	8.50%	179,333	4,029	321,843	780,719
Mar-07	10,000	8.50%	203,680	4,606	377,942	798,380
Mar-08	10,000	8.50%	229,974	5,763	482,880	977,884
Mar-09	10,000	8.50%	258,372	3,721	321,747	613,922
Mar-10	10,000	8.50%	289,042	6,522	573,979	1,177,661
Mar-11	10,000	9.50%	322,165	7,328	654,942	1,284,542
Mar-12	10,000	8.60%	358,508	6,728	611,372	1,231,081
Mar-13	10,000	8.80%	400,057	7,315	674,699	1,331,852
Mar-14	10,000	8.70%	444,862	8,740	816,086	1,637,399
Mar-15	10,000	8.70%	493,565	11,202	1,055,982	2,437,492
Mar-16	10,000	8.70%	536,505	10,326	983,358	2,280,237
Mar-17	10,000	8.10%	590,963	12,407	1,191,562	2,865,381
Mar-18	10,000	7.60%	**646,910**	15,066	**1,456,950**	**3,247,466**

"It takes 20 years to build a reputation and five minutes to ruin it. If you think about that, you'll do things differently." - Warren Buffet

ELSS - Equity Linked Savings Scheme
Past performance may or may not be sustained in the future.
The above simulation is for illustration purpose only. @ Year end balance has been arrived at by adding interest at the rates notified by the Competent authorities from time to time. Unlike PPF , investments in Mutual Funds are subject to market risks. Hence, the performances are not strictly comparable. As NIFTY 50 TRI data is not available since 31st March 1996, performance is calculated using composite CAGR of NIFTY 50 PRI values from Mar 29, 96 (Data for March 31, 96 is not available) to Jun 29, 99 and TRI values since Jun 30, 99.

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Asset Allocation – Winners Rotate

Why diversification across asset classes is important?

You can see from table below, different asset classes have performed differently in different financial years.

	Returns			Asset Class Rank		
Fiscal Year	Equity	Debt	Gold	Equity	Debt	Gold
FY 1999	-3%	13%	-2%	3	1	2
FY 2000	42%	19%	2%	1	2	3
FY 2001	-25%	13%	0%	3	1	2
FY 2002	-2%	29%	22%	3	1	2
FY 2003	-13%	17%	8%	3	1	2
FY 2004	81%	13%	16%	1	3	2
FY 2005	15%	-5%	1%	1	3	2
FY 2006	67%	2%	39%	1	3	2
FY 2007	12%	6%	11%	1	3	2
FY 2008	24%	8%	30%	2	3	1
FY 2009	-36%	10%	24%	3	2	1
FY 2010	74%	0%	8%	1	3	2
FY 2011	11%	5%	28%	2	3	1
FY 2012	-9%	3%	32%	3	2	1
FY 2013	7%	11%	3%	2	1	3
FY 2014	18%	-1%	-11%	1	2	3
FY 2015	27%	15%	-4%	1	2	3
FY 2016	-9%	8%	10%	3	2	1
FY 2017	19%	12%	-1%	1	2	3
FY 2018	10%	0%	8%	1	3	2
CAGR as on 31-03-2018	11.37%	8.74%	10.4%			
Value of ₹1 Lakh	₹8.62 L	₹5.34 L	₹7.19 L			

- Historical returns tend to **bias investors** towards the asset class which has **performed well in the recent past.**
- However, this recency bias could result in **investors chasing momentum** and picking an asset class at an **inopportune time.**
- Over the **last 20 fiscal years**, different asset classes like equity, debt and gold have outperformed each other at different times. Hence, the **rank 1 asset class in terms of returns keeps rotating.**

Diversification helps reduce such risks in your portfolio.

Source: Bloomberg. Data for last 20 fiscal years. Mar '98 to Mar' 18.
Proxies used for asset classes: Equity - NIFTY 50, Debt - NIFTY 10 year benchmark G Sec, Gold - Spot Rate ₹/10 Grams

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Focus on Asset Allocation

5 investors (A, B, C, D and E) have different asset allocations in their investment portfolios. Let's see how their portfolios perform in different market scenarios.

Asset Allocation	A	B	C	D	E
Equity (%)	10	40	50	60	90
Debt (%)	90	60	50	40	10

Scenario 1 (Rising Market)

Assumed current SENSEX level - **33000**

Assumed SENSEX level after 5 years - **66000**

	A	B	C	D	E
Equity	20.0	80.0	100.0	120.0	180.0
Debt*	132.2	88.2	73.5	58.8	14.7
Networth (Valuation at the end of 5 years)	**152.2**	**168.2**	**173.5**	**178.8**	**194.7**

Scenario 2 (Falling market)

Assumed current SENSEX level - **33000**

Assumed SENSEX level after 5 years -**16500**

	A	B	C	D	E
Equity	5.0	20.0	25.0	30.0	45.0
Debt*	132.2	88.2	73.5	58.8	14.7
Networth (Valuation at the end of 5 years)	**137.2**	**108.2**	**98.5**	**88.8**	**59.7**

What is going to be more crucial at the end of 5 years?

1. Timing the market +/- 10% at the time of entry, or,
2. Asset Allocation

For a rising market, more equity allocation is beneficial; while for a falling market, more debt allocation is beneficial. But it is difficult to predict these market movements.

Yet, 90% of investors' time is spent wastefully in timing the market.

Instead, **investors should spend more time on deciding their asset allocation basis their risk appetites.**

Question on every investor's mind -

- Crude Prices are volatile
- Growth Coming back
- Inflation benign
- US interest rates rising
- Currency is volatile

Should I invest now? OR, wait for the Markets to correct?

*The rate of return for debt investments is assumed to be 8%.
The above figures are only illustrative to explain the concept that wealth creation depends largely on the investor's asset allocation.

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Equity Allocation and Risk Appetite

How much equity exposure should an individual investor have?

- As much as one does not need for a long term (minimum 5 to 7 years)
- As much investment wherein one can digest a temporary erosion to the tune of 25% to 30%
- As much equity which keeps one financially and emotionally stable (if one is temperamentally weak and gets disturbed with any short term volatility then one needs to have commensurate exposure to equity)

Once an investor is convinced of these points, he/she can start investing based on his/her asset allocation, irrespective of market valuation.

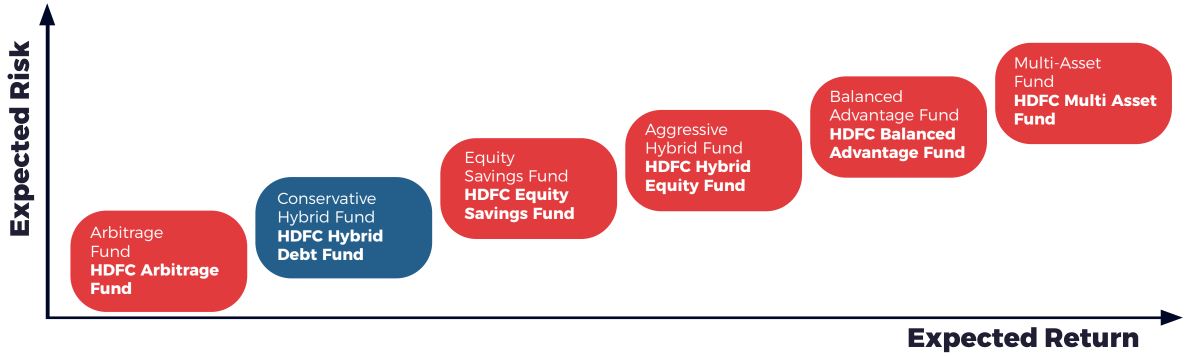
Investments must be tailored to investor's individual situation and objectives and therefore, investors should consult their financial advisors to ascertain whether the products are suitable for them.

EQUITY SCHEMES – Our Offerings

Equity

- **Active** (9 schemes)
  - **Diversified**
    - Market Cap Biased
      - **Large Cap** – HDFC Top 100 Fund
      - **Mid Cap** – HDFC Mid Cap Opportunities Fund
      - **Small Cap** – HDFC Small Cap Fund
      - **Large & Mid Cap** – HDFC Growth Opportunities Fund
    - Non Market Cap Biased
      - **Multi Cap** – HDFC Equity Fund
      - **Value** – HDFC Capital BuilderValue Fund
      - **Focused** – HDFC Focused 30 Fund
  - **Thematic** – HDFC Infrastructure Fund
  - **ELSS** – HDFC TaxSaver
- **Passive** (4 schemes)
  - **Index** – HDFC Index Fund
    - NIFTY 50 Plan
    - SENSEX Plan
  - **ETFs**
    - HDFC NIFTY 50 ETF
    - HDFC SENSEX ETF

HYBRID SCHEMES – Our Offerings



Equity Oriented Hybrid Scheme | Debt Oriented Hybrid Scheme

HYBRID FUNDS

Investor 1 invests ₹100 in equity and debt separately, with **25% of his capital in equity and rest 75% in debt. Investor 2,** on the other hand, invests ₹100 in a **Hybrid Debt Fund** which has the same asset allocation. Let's see what happens in 2 years.

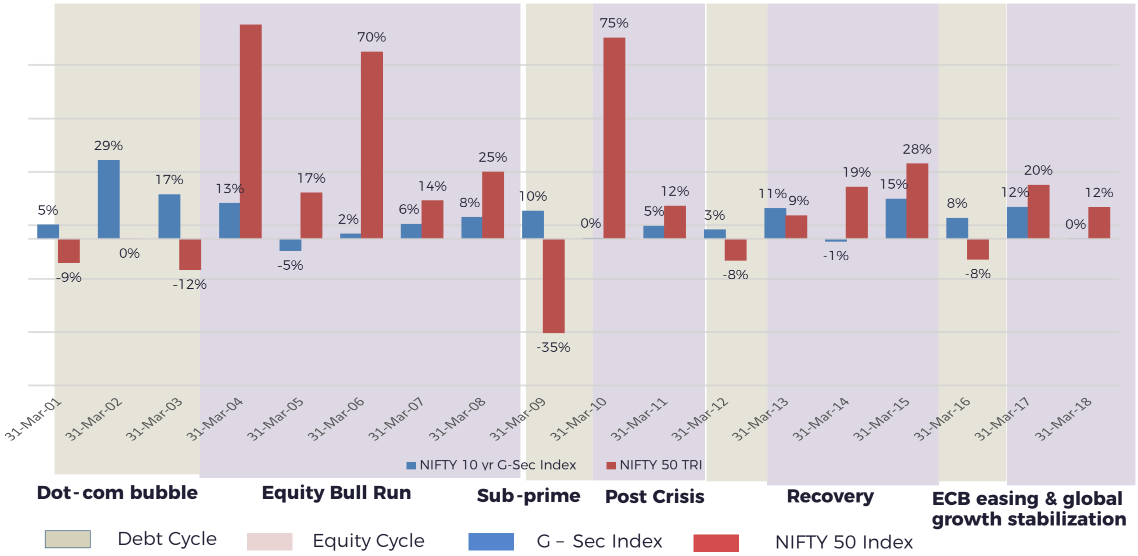
	Investor 1		Investor 2
	Equity	Debt	₹100 invested in Hybrid Debt Fund (75% Debt and 25% Equity)
Asset Allocation in the beginning	25% (₹25)	75% (₹75)	
Year 1 returns	-5%	7%	4.00%
Investor decision after year 1	Sells due to losses	Hold	Hold
Asset Allocation after Year1	0%	100%	(77% Debt and 23% Equity)
Year 2 Returns	30%	7%	12.75%
Year 1 + Year 2 Returns (absolute)	23.5%	14.5%	16.74%
Value of ₹100 invested after 2 years	**111.28**		**116.74**

Investors tend to evaluate each investment separately. Fear of loss leads to irrational decisions. E.g. Investor 1 is tempted to sell his equity investment after year 1 due to losses.

Hybrid products have lower volatility and thereby reduces panic amongst investors.

Source:-Bloomberg. Data for last 20 fiscal years. Apr '98 to Mar' 18.
Proxies used for asset classes :Equity -NIFTY50, Debt-NIFTY 10 year benchmark G Sec, Gold-Spot Rate INR/10 Grams
The returns mentioned in the above table are assumed and are purely for illustration purpose. For detailed investment strategy refer SID. HDFC Mutual Fund/HDFC AMC is not guaranteeing returns on investments made in this scheme.

Equity and Debt cycles



It is difficult to predict market cycles – hybrid funds provide a solution

The above asset classes are not strictly comparable as different asset classes have different risk profile.

Over the years, it has been observed that performance of various asset classes keep on changing and **no single asset class continues to outperform or underperform**.

As **hybrid funds** invest in both, equity and debt, it can be an **ideal solution for a retail investor, with low to moderate risk appetite.**

> **"Never test the depth of the river with both of your feet."** - Warren Buffet

HDFC MUTUAL FUND
BHAROSA APNO KA

Guidelines for an investor at **Pre-Retirement stage**

Move your investments into **low risk asset class like Debt** and opt for **Systematic Withdrawal Plan** that will provide you with monthly cash flows post retirement in a tax efficient manner.

Keep some investments in equities as it may provide a hedge against longevity risk.

SWP vs Dividends

The below table shows the difference between withdrawing money regularly through SWP and receiving dividends.

Systematic Withdrawal Plan	Dividend
Withdrawals through SWP is subject to **capital gains tax**	Dividend are subject to **dividend distribution tax**
Tax is paid only when there is a **gain**	Tax is paid **irrespective of market movements**
Exemption of ₹1 lakh available for LTCG	No exemption
Monthly cash flow under SWP is **assured**	Cash flow is **subject to availability of distributable surplus** in the scheme

It is advisable to choose a SWP amount lower than the expected return. If we opt for a higher amount for withdrawal, we may end up withdrawing our capital.

Retail investors are better off opting for SWP under Growth option over Dividend option, as it helps to provide monthly cash flow in a tax efficient manner.

SWP - Systematic Withdrawal Plan, LTCG – Long Term Capital Gain
Above is as per prevailing tax law, which are subject to change. Always consult your tax advisor before taking investment decisions.

HDFC MUTUAL FUND
BHAROSA APNO KA

A tax efficient option - SWP

SWP IN YOUR **EQUITY** MUTUAL FUNDS

SWP IN THE FIRST YEAR OF INVESTMENT

Short term capital gains tax at 15% only on the gains made.

SWP AFTER THE FIRST YEAR OF INVESTMENT

LTCG tax @ 10% only on the gains made, subject to exemption# of ₹1 lakh for the financial year.

SWP IN **DEBT** MUTUAL FUNDS

SWP IN THE FIRST 3 YEARS OF INVESTMENT

Short term capital gains tax at applicable tax slab of the investor only on the gains made.

SWP AFTER 3 YEARS OF INVESTMENT

Long term capital gains tax @ 20% only on the gains made, with indexation benefit.

A careful understanding of SWP brings out the tax efficiency of the facility. It is important to see how SWP can be beneficial to a particular investor.

SWP - Systematic Withdrawal Plan, LTCG - Long Term Capital Gain

Exemption of ₹1 lakh includes LTCG on transfer of equity share in a company or a unit of an equity oriented fund or a unit of a business trust. The same will be taxed without indexation and without foreign currency fluctuation benefit. Above is as per prevailing tax laws, which are subject to change. Always consult your tax advisor before investing.

Tax impact explained

Mr. Sharma opts for SWP in the growth option of a equity oriented mutual fund. In SWP, every withdrawal consists of principal component and gain component. Tax is applicable only on the gain component. Gain component is smaller as compared to principal component during initial withdrawals. Hence, tax is lower.

Over time, the principal component of the payout decreases giving way to the gain component. Let us consider the example below:

Initial Investment: **₹ 1,00,000**	SWP amount each month: **₹ 1,000**
Total withdrawal over 12 months: **₹ 12,000**	Tax Paid: **₹ 305**

Taxes paid on gain as percentage of total withdrawal over 12 months : **12.00%** **vs** **30%** tax on interest bearing traditional investments

Refer the table below for detailed calculations:

Date	NAV	Number of Units	Units Transacted	Units O/s	Cashflow (₹)	Gain Component (₹)	Principal Component (₹)	Capital Gains Tax @ 17.472% (₹)	Value of Investment in the Fund (₹)
01-01-2017	40.97	-	2,440.82	2,440.82	1,00,000		1,00,000		1,00,000
01-02-2017	43.71	2,440.82	(22.88)	2,417.94	(1,000)	62.65	937	11	1,05,683
01-03-2017	44.23	2,417.94	(22.61)	2,395.33	(1,000)	73.74	926	13	1,05,949
01-04-2017	45.77	2,395.33	(21.85)	2,373.49	(1,000)	104.88	895	18	1,08,634
01-05-2017	46.93	2,373.49	(21.31)	2,352.18	(1,000)	127.04	873	22	1,10,393
01-06-2017	47.66	2,352.18	(20.98)	2,331.20	(1,000)	140.36	860	25	1,11,103
01-07-2017	47.41	2,331.20	(21.09)	2,310.11	(1,000)	135.90	864	24	1,09,530
01-08-2017	49.63	2,310.11	(20.15)	2,289.96	(1,000)	174.49	826	30	1,13,650
01-09-2017	48.76	2,289.96	(20.51)	2,269.45	(1,000)	159.82	840	28	1,10,665
01-10-2017	47.78	2,269.45	(20.93)	2,248.52	(1,000)	142.46	858	25	1,07,425
01-11-2017	51.90	2,248.52	(19.27)	2,229.25	(1,000)	210.64	789	37	1,15,704
01-12-2017	51.22	2,229.25	(19.52)	2,209.73	(1,000)	200.18	800	35	1,13,191
01-01-2018	52.27	2,209.73	(19.13)	2,190.60	(1,000)	216.14	784	38	1,14,495

Total Value Returned	**Total**	**305**	**1,26,495**
Tax To Be Paid			**305**
Post Tax Return			**1,26,190**

Particulars	SWAP Value (₹)	Principal Returned (₹)	Taxable Income (₹)	Tax to be Paid @ 17.472% (₹)	Tax as a % of SWAP (%)	Units Outstanding	Value of Investment
Amount	12,000	10,252.00	1,748.00	305	2.55^	2190.60	1,14,495.00

SWP works out to be a tax efficient solution to structuring regular payouts.

SWP - Systematic Withdrawal Plan
The above simulation is for illustration purposes only. HDFC Mutual Fund/AMC is not guaranteeing return on investments made in the scheme. Investors should be aware that the fiscal rules/ tax laws may change and there can be no guarantee that the current tax position may continue indefinitely. Short Term Capital Gains (STCG) at the rate of 15% plus applicable surcharge and cess. Investors are advised to consult their tax advisers. As the units redeemed are less than 15% of the units allotted on 01.01.2017, NIL exit load has been considered. ^This is for illustration purpose only, tax as a % of SWAP could be higher in subsequent years.

HDFC MUTUAL FUND
BHAROSA APNO KA

ILLUSTRATION OF SWP - RETIREMENT PLAN

Illustration	SIP of "**X**" amount for **10 years** and SWP of "**2X**" for the next **20 years**	SIP of "**X**" amount for **15 years** and SWP of "**4X**" for the next **20 years**	SIP of "**X**" amount for **20 years** and SWP of "**9X**" for the next **20 years**	SIP of "**X**" amount for **25 years** and SWP of "**18X**" for the next **20 years**
Monthly SIP amount	**₹5,000**	**₹5,000**	**₹5,000**	**₹5,000**
SIP tenure in years	**10**	**15**	**20**	**25**
Assumed annual rate of return	**12%**	**12%**	**12%**	**12%**
Total amount invested through SIP	**₹6,00,000**	**₹9,00,000**	**₹12,00,000**	**₹15,00,000**
Value at the end of SIP	**₹11,61,695**	**₹25,22,880**	**₹49,95,740**	**₹94,88,175**

SWP starts after the completion of SIP investment

Monthly SWP amount	**₹10,000**	**₹20,000**	**₹45,000**	**₹90,000**
SWP tenure in Years	**20**	**20**	**20**	**20**
Total SWP amount (A)	**₹24,00,000**	**₹48,00,000**	**₹1,08,00,000**	**₹2,16,00,000**
Value at the end of SWP years (B)	**₹27,61,276**	**₹76,95,498**	**₹98,99,870**	**₹1,43,17,477**
Total amount received by investor by the end of SIP and SWP (A+B)	**₹51,61,276**	**₹1,24,95,498**	**₹2,06,99,870**	**₹3,59,17,477**

SWP - Systematic Withdrawal Plan, SIP - Systematic Investment Plan

Disclaimer: This illustration is made available to you as a self help tool for your independent use. It is not guaranteeing or promising or forecasting any returns. The illustration is not sufficient and should not be used for the development or implementation of an investment strategy or does not have regard to specific investment objectives, financial situation and the particular needs of any specific person who may use this illustration. Asset Management Company Limited/ Mutual Fund/ Sponsors and their affiliates are not liable for any financial decisions arising out of the use of this illustration and also they do not take the responsibility, liability, for any error/omission or inaccuracy or for any losses sufffered nor understake the authenticity of the figures calculated on the basis of this illustration. The user before acting on any information herein should make his/her/their own investigation and see appropriate professional advice and shall alone be fully responsible/liable for any decision taken on the basis of information contained herein. In view of individual nature of tax consequences each investor is advised to consult his/her own professional tax adviser.

Exit load and tax consequences have not been considered in the above illustration.

HDFC MUTUAL FUND
BHAROSA APNO KA

Debt Schemes – Our Offerings

Debt Schemes

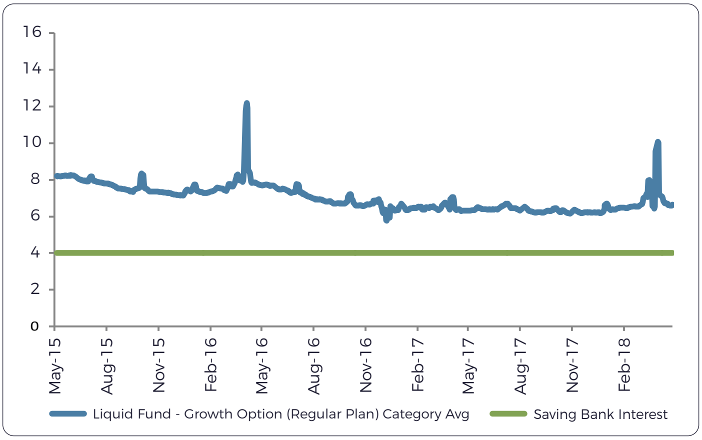
Duration Based

- HDFC Overnight Fund
- HDFC Liquid Fund
- HDFC Ultra Short Term Fund
- HDFC Money Market Fund
- HDFC Low Duration Fund
- HDFC Short Term Debt Fund
- HDFC Medium Term Debt Fund
- HDFC Income Fund

Theme Based

- HDFC Gilt Fund
- HDFC Banking and PSU Debt Fund
- HDFC Corporate Bond Fund
- HDFC Floating Rate Debt Fund
- HDFC Credit Risk Debt Fund
- HDFC Dynamic Debt Fund

Comparison - Liquid Funds vs Savings Account



- Liquid funds can give better returns than savings account.
- They provide control over clients funds.
- Instant redemption facility is also offered by certain liquid schemes.

> **"The most important investment you can make is in yourself."** - Warren Buffet

7 day Rolling Return. Returns are not assured/guaranteed. **Past performance may or may not be sustained in the future.**

HDFC MUTUAL FUND
BHAROSA APNO KA

How to mitigate risk in a portfolio?

Year 2000

Invest Lump sum - ₹10 lakhs

HDFC Liquid Fund – weekly dividend option

2000 to 2018

Invest weekly dividends in HDFC Equity Fund – Growth option#

Year 2018

Value in HDFC Liquid Fund – ₹10.32 lakhs

Year 2018

Value in HDFC Equity Fund Growth option – ₹86.15 lakhs

Change in Asset allocation from 2000 to 2018

Year	Equity (%)	Debt (%)
2000	0%	100%
2003	15.32%	84.68%
2005	40.22%	59.78%
2010	73.98%	26.02%
2015	85.91%	14.09%
2018	89.30%	10.70%

This is only an illustration. Returns are not assured. Mutual Fund investments are subject to market risks.
The equity component would always be at risk.
For complete performance disclosure of HDFC Liquid Fund and HDFC Equity Fund, refer pages 38 and 39.

Source: Internal computation based on NAVs
Values as on 31st December 2018; Start Date - 18th October 2000

HDFC MUTUAL FUND
BHAROSA APNO KA

Tax Reckoner for Investments in Mutual Fund Schemes - FY 18-19

Dividend Distribution Tax applicable to Schemes other than equity oriented schemes (payable by the scheme) *			
	Resident Individual / HUF	**Domestic Corporates**	**Non Resident Individual**
	25% + 12% Surcharge + 4% Cess = 29.12%	30% + 12% Surcharge + 4% Cess = 34.944%	25% + 12% Surcharge + 4% Cess = 29.12%
Capital Gain Taxation applicable to Schemes other than equity oriented schemes			
	Resident Individual / HUF $	**Domestic Corporates @**	**Non Resident Individual $/#**
Long Term Capital Gains [Units held for more than 36 months] (Listed Units)	20% with indexation + Surcharge as applicable + 4% Cess = 23.92% or 22.88%	20% with indexation + Surcharge as applicable + 4% Cess = 23.296% or 22.256%	20% with indexation + Surcharge as applicable + 4% Cess = 23.92% or 22.88%
	Tax deducted at Source = NIL	Tax deducted at Source = NIL	Tax deducted at Source = 23.920% or 22.88%
Long Term Capital Gains [Units held for more than 36 months] (Unlisted Units)	20% with indexation + Surcharge as applicable + 4% Cess = 23.92% or 22.88%	20% with indexation + Surcharge as applicable + 4% Cess = 23.296% or 22.256%	10% without indexation and foreign currency fluctuation benefits + Surcharge as applicable + 4% Cess = 11.96% or 11.44%
	Tax deducted at Source = NIL	Tax deducted at Source = NIL	Tax deducted at Source = 11.960% or 11.44%
Short Term Capital Gains (Units held for less than 36 months)	30%^ + Surcharge as applicable+ 4% Cess = 35.88% or 34.32%	30% + Surcharge as applicable + 4% Cess 25%^^^ + Surcharge as applicable + 4% Cess = 34.944% or 33.384% = 29.120% or 27.820%	30%^ + Surcharge as applicable + 4% Cess = 35.88% or 34.32%
	Tax deducted at Source = NIL	Tax deducted at Source = NIL	Tax deducted at Source = 35.88% or 34.32% (Listed and Unlisted)^

Transfer of units upon consolidation of mutual fund schemes of two or more schemes of equity oriented fund or two or more schemes of a fund other than equity oriented fund in accordance with SEBI (Mutual Funds) Regulations, 1996 is exempt from capital gains.

Transfer of units upon consolidation of plans within mutual fund schemes in accordance with SEBI (Mutual Funds) Regulations, 1996 is exempt from capital gains. The cost of acquisition of the units in the consolidated plan shall be the cost of units in consolidating plan of mutual fund scheme and period of holding of the units of consolidated plan shall include the period of holding for which the units in consolidating plan of mutual fund scheme were held.

* For the purpose of determining the tax payable, the amount of distributed income be increased to such amount as would, after reduction of tax from such increased amount, be equal to the income distributed by the Mutual Fund. The impact of the same has not been reflected above.
$ - Surcharge at 15%, is applicable where income of Individual, HUF, AOP, BOI, Artificial juridical person being unit holders exceeds ₹1 crore and surcharge at 10% is to be levied in case of Individual, HUF, AOP, BOI, Artificial juridical person being unit holders where income of such unit holders exceeds ₹50 lakhs but does not exceed ₹1 crore.
@ - Surcharge at the rate of 7% is levied for domestic corporate unit holders where the income exceeds ₹1 crore but is less than ₹10 crores and at the rate of 12%, where income exceeds ₹10 crores.
# - Short term/ long term capital gains tax will be deducted at the time of redemption of units in case of Non Resident Individual investors only.

^ - Assuming the investor falls into highest tax bracket.
^^^ - If total turnover or Gross receipts during the financial year 2016-17 does not exceed ₹250 crores.

Health and Education cess shall be applicable @ 4% on aggregate of base income tax plus surcharge.

DISCLAIMER: The information given here is as of 1st April, 2018 and is neither a complete disclosure of every material fact of Income-tax Act 1961 nor does it constitute tax or legal advice. In view of the individual nature of the tax consequences, each investor is advised to consult his/her own professional tax advisor. For further details, kindly refer to the Tax Reckoner 2018 - 19 available under section "Investor Corner" on www.hdfcfund.com

HDFC MUTUAL FUND
BHAROSA APNO KA

Tax Reckoner for Investments in Mutual Fund Schemes - FY 18-19

Dividend Distribution Tax applicable to Equity Oriented Schemes			
	Resident Individual / HUF	Domestic Corporates	Non Resident Individual
	10% + 12% Surcharge + 4% Cess = 11.648%	10% + 12% Surcharge + 4% Cess = 11.648%	10% + 12% Surcharge + 4% Cess = 11.648%

Capital Gain Taxation applicable to Equity Oriented Schemes			
	Resident Individual / HUF $	Domestic Corporates @	Non Resident Individual $/#
Long Term Capital Gains## (Units held for more than 12 months)	10% without indexation + Surcharge as applicable + 4% Cess = 11.96% or 11.44%	10% without indexation + Surcharge as applicable + 4% Cess = 11.648% or 11.128%	10% without indexation+ Surcharge as applicable + 4% Cess = 11.96% or 11.44%
	Tax deducted at Source = NIL	Tax deducted at Source = NIL	Tax deducted at Source = 11.96% or 11.44%
Short Term Capital Gains (Units held for 12 months or less)	15% + Surcharge as applicable + 4% Cess = 17.94% or 17.16%	15% + Surcharge as applicable + 4% Cess =17.472% or 16.692%	15% + Surcharge as applicable + 4% Cess = 17.94% or 17.16%
	Tax deducted at Source = NIL	Tax deducted at Source = NIL	Tax deducted at Source = 17.94% or 17.16%

Securities transaction tax (STT) will be deducted on equity oriented scheme at the time of redemption/ switch to the other schemes/ sale of units. Mutual Fund would also pay securities transaction tax wherever applicable on the securities sold.
$ - Surcharge at 15%, is applicable where income of Individual, HUF, AOP, BOI, Artificial juridical person being unit holders exceeds ₹1 crore and surcharge at 10% is to be levied in case of Individual, HUF, AOP, BOI, Artificial juridical person being unit holders where income of such unit holders exceeds ₹50 lakhs but does not exceed ₹1 crore.
@ - Surcharge at the rate of 7% is levied for domestic corporate unit holders where the income exceeds ₹1 crore but less than ₹10 crores and at the rate of 12% where income exceeds ₹10 crores.
# - Short term/ long term capital gain tax will be deducted at the time of redemption of units in case of Non Resident Individual investors only.
- The cost of acquisition of an asset acquired before 1 April 2001 shall be allowed to be taken as fair market value as on 1 April 2001.
Finance Act, 2018 terminates the exemption granted under section 10(38) to long term capital gains arising on transfer of listed shares or units of equity oriented mutual funds or units of business trusts by introduction of section 112A to provide that long term capital gains arising from transfer of a long term capital asset being an equity share in a company or a unit of an equity oriented fund or a unit of a business trust shall be taxed at 10% without indexation and without foreign currency fluctuation benefit of such capital gains exceeding one lakh rupees. The concessional rate of 10% shall be available only if securities transaction tax (STT) has been paid on both acquisition and transfer in case of equity shares and on transfer in case of units of equity-oriented mutual funds or units of business trust. Further, the amendment to section 55 of the Act provides for a grandfathering provision upto January 31, 2018.

PERSONAL INCOME TAX STRUCTURE

For individuals, Hindu Undivided Family, Association of Persons, Body of Individuals and Artificial Juridical Persons.

Taxable Income	Tax Rates (%)
Up to ₹2,50,000 (a) (b)	Nil
₹2,50,001 to ₹5,00,000 (c) (d)	5%
₹5,00,001 to ₹10,00,000 (d)	20%
₹10,00,001 and above (d) (e)	30%

(a) In the case of a resident individual of the age of 60 years or above but below 80 years, the basic exemption limit is ₹300,000.
(b) In case of a resident individual of age of 80 years or above, the basic exemption limit is ₹500,000.
(c) A rebate of lower of actual tax liability or ₹2,500 in case of resident individuals having total income of less than ₹350,000.
(d) Health and Education cess shall be applicable @ 4% on aggregate of base income tax plus surcharge.
(e) Surcharge at the rate of 15%, is applicable where income exceeds ₹1 crore and at the rate of 10% where income exceeds ₹50 lakhs but does not exceed ₹1 crore. Marginal relief for such person is available.

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HDFC MUTUAL FUND
BHAROSA APNO KA

HDFC Equity Fund - Performance - Regular Plan - Growth Option

NAV as at Dec 31, 2018 ₹629.619 (per unit)

Period	Scheme Returns (%)	Benchmark Returns (%) #	Additional Benchmark Returns (%) ##	Value of ₹10,000 invested: Scheme (₹)	Benchmark (₹) #	Additional Benchmark (₹) ##
Last 1 year	-3.51	-2.12	4.61	9,649	9,788	10,461
Last 3 years	12.28	12.29	12.47	14,161	14,162	14,230
Last 5 years	15.62	14.60	12.89	20,668	19,771	18,342
Since Inception	18.83	11.48	N.A.	6,29,619	1,35,991	N.A.

Past performance may or may not be sustained in the future. Returns greater than 1 year period are Compounded Annualised (CAGR). Load is not taken into consideration for computation of above performance. Inception date of the scheme is 1st January, 1995. The scheme is managed by Mr. Prashant Jain since 20th June, 2003. Different plans viz. Regular Plan and Direct Plan have different expense structure. The expenses of the Direct Plan under the scheme will be lower to the extent of the distribution expenses/commission charged in the Regular Plan. Returns as on 31st December, 2018. #NIFTY 500 (Total Returns Index). ##NIFTY 50 (Total Returns Index), N.A.: Not Available

Performance of other funds managed by Prashant Jain, Fund Manager of HDFC Equity Fund

Scheme	Managing scheme since	Returns (%) as on 31st December, 2018		
		Last 1 year (%)	Last 3 years (%)	Last 5 years (%)
HDFC Top 100 Fund	20th Jun, 2003	0.13	12.75	14.55
Benchmark - NIFTY 100 (Total Returns Index)		2.55	12.68	13.76
HDFC Balanced Advantage Fund	20th Jun, 2003	-3.07	10.68	15.59
Benchmark - NIFTY 50 Hybrid Composite Debt 65:35 Index		5.26	10.92	11.67
HDFC Hybrid Debt Fund (Equity Assets)	26th Dec, 2003	0.59	7.98	10.30
Benchmark - NIFTY 50 Hybrid Composite Debt 15:85 Index		5.71	8.28	9.54

Past performance may or may not be sustained in the future. Returns greater than 1 year period are Compounded Annualised (CAGR). Load is not taken into consideration for computation of above performance(s). Different plans viz. Regular Plan and Direct Plan have different expense structures. The expenses of the Direct Plan under the scheme will be lower to the extent of the distribution expenses/commission charged in the Regular Plan. The above returns are of Regular Plan - Growth Option. On account of difference in the type of the Scheme, asset allocation, investment strategy, inception dates, the performance of these schemes is strictly not comparable.

Performance return of Category I - FPI Portfolio(s) managed by the Fund Manager (Mr. Prashant Jain)

Scheme	Managing portfolio since	Returns (%) as on 31st December, 2018		
		Last 1 year (%)	Last 3 years (%)	Last 5 years (%)
Category I - FPI Portfolio (managed under a bilateral agreement under Regulation 24(b) and subject to applicable laws)	22nd Mar, 2016	1.61	N.A.	N.A.
Benchmark - MSCI India (Total Returns)		1.17	N.A.	N.A.

Past performance may or may not be sustained in the future. Returns greater than 1 year period are compounded annualised (CAGR). Inception date is March 22, 2016. The performance is not comparable with the performance of the aforementioned scheme(s) of HDFC Mutual Fund due to differing investment objective/s and fundamental differences in asset allocation, investment strategy and the regulatory environment. The said disclosure is pursuant to SEBI Circular no. Cir/IMD/DF/7/2012 dated February 28, 2012 pertaining to Regulation 24(b) of SEBI (Mutual Funds) Regulations, 1996. FPI - Foreign Portfolio Investor. N.A.: Not Available

HDFC MUTUAL FUND
BHAROSA APNO KA

HDFC Liquid Fund - Performance - Regular Plan - Growth Option

NAV as at Dec 31, 2018 ₹3596.3162 (per unit)				Value of ₹10,000 invested		
Period	Scheme Returns (%)	Benchmark Returns (%) #	Additional Benchmark Returns (%) ##	Scheme (₹)	Benchmark (₹)#	Additional Benchmark (₹)##
Last 1 year	7.23	7.58	6.87	10,723	10,758	10,687
Last 3 years	7.11	7.24	6.66	12,290	12,334	12,136
Last 5 years	7.75	7.83	7.35	14,529	14,580	14,258
Since Inception	7.28	N.A.	6.38	35,963	N.A.	30,848

Past performance may or may not be sustained in the future. Returns greater than 1 year period are compounded annualized (CAGR). Load is not taken into consideration for computation of above performance(s). The above returns are of regular plan – growth option. Performance of dividend option under the scheme for the investors would be net of distribution tax as applicable. Different plans viz. Regular Plan and Direct Plan have a different expense structure. The expenses of the Direct Plan under the Scheme will be lower to the extent of the distribution expenses / commission charged in the Regular Plan. Inception date of the scheme 17th October,2000. The scheme is managed by Anupam Joshi since October 27, 2015 . # CRISIL Liquid Fund Index ## CRISIL 1 year T-Bill Index. Data as on December 31, 2018. N.A.: Not Available

Performance of other funds managed by Anupam Joshi, Fund Manager of HDFC Liquid Fund

Anupam Joshi manages 13 other schemes which have completed 1 year.

Performance of Top 3 schemes managed by Anupam Joshi

Scheme	Managing scheme since	Returns (%) as on 31st December, 2018		
		Last 1 year (%)	Last 3 years (%)	Last 5 years (%)
HDFC FMP 1190D March 2016 (1)	Mar 23, 16	8.95	N.A.	N.A.
Benchmark - CRISIL Composite Bond Fund Index		5.91	N.A.	N.A.
HDFC FMP 1161D July 2016 (1)	JuL 27, 16	8.21	N.A.	N.A.
Benchmark - CRISIL Composite Bond Fund Index		5.91	N.A.	N.A.
HDFC FMP 1128D June 2016 (1)	Jun 29, 16	7.88	N.A.	N.A.
Benchmark - CRISIL Composite Bond Fund Index		5.91	N.A.	N.A.

Performance of Bottom 3 schemes managed by Anupam Joshi

Scheme	Managing scheme since	Returns (%) as on 31st December, 2018		
		Last 1 year (%)	Last 3 years (%)	Last 5 years (%)
HDFC FMP 1107D March 2016 (1)	Mar 29, 16	7.09	N.A.	N.A.
Benchmark - CRISIL Composite Bond Fund Index		5.91	N.A.	N.A.
HDFC FMP 1104D April 2016 (1)	Apr 21, 16	7.07	N.A.	N.A.
Benchmark - CRISIL Composite Bond Fund Index		5.91	N.A.	N.A.
HDFC FMP 1120D March 2016 (1)	Mar 16, 16	7.47	N.A.	N.A.
Benchmark - CRISIL Composite Bond Fund Index		5.91	N.A.	N.A.

Performance of close-ended schemes, being close-ended in nature, is not strictly comparable with that of open-ended schemes since the investment strategy for close-ended schemes is primarily buy-and-hold whereas open-ended schemes are actively managed.
Past performance may or may not be sustained in the future. The above returns are of Regular Plan - Growth Option. Load is not taken into consideration for computation of performance. On account of difference in the type of the Scheme, asset allocation, investment strategy, inception dates, the performance of these schemes is strictly not comparable. Top 3 and bottom 3 schemes managed by the Fund Manager have been derived on the basis of since inception returns. In case the benchmark is not available on the Scheme's inception date, the returns for the concerned scheme is considered from the date the benchmark is available. Different plans viz. Regular Plan and Direct Plan have a different expense structure. The expenses of the Direct Plan under the Scheme will be lower to the extent of the distribution expenses/ commission charged in the Regular Plan. Data as on December 31, 2018. N.A.: Not Available

HDFC MUTUAL FUND
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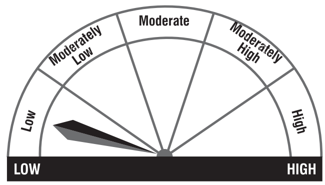
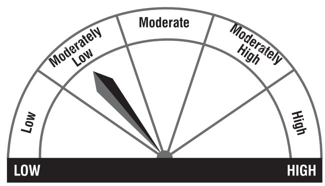
PRODUCT LABELING:

NAME OF SCHEME	THIS PRODUCT IS SUITABLE FOR INVESTORS WHO ARE SEEKING*	RISKOMETER
HDFC Overnight Fund (An open ended debt scheme investing in overnight securities)	• Regular income over short term that may be in line with the overnight call rates • To generate returns by investing in debt and money market instruments with overnight maturity	 Investors understand that their principal will be at low risk
HDFC Liquid Fund (An Open ended Liquid scheme)	• Regular income over short term • To generate income through a portfolio comprising money market and debt instruments	
HDFC Ultra Short Term Fund (An open ended ultra-short term debt scheme investing in instruments such that the Macaulay Duration of the portfolio is between 3 months and 6 months)	• Income over short term • Income/capital appreciation through investment in debt securities and money market instruments	 Investors understand that their principal will be at moderately low risk
HDFC Low Duration Fund (An open ended low duration debt scheme investing in instruments such that the Macaulay Duration of the portfolio is between 6 months and 12 months)	• Income over short term • To generate income/capital appreciation through investment in debt securities and money market instruments	
HDFC Money Market Fund (An open-ended debt scheme investing in money market instruments)	• Income over short term • To generate income/ capital appreciation by investing in money market instruments	
HDFC Short Term Debt Fund (An open ended short term debt scheme investing in instruments such that the Macaulay Duration of the portfolio is between 1 year and 3 years)	• Income over short term • To generate income/capital appreciation through investments in Debt and Money Market Instruments	
HDFC Floating Rate Debt Fund [(An open ended debt scheme predominantly investing in floating rate instruments (including fixed rate instruments converted to floating rate exposures using swaps / derivatives)]	• Income over short term • To generate income/capital appreciation through investment in a portfolio comprising substantially of floating rate debt, fixed rate debt instruments swapped for floating rate returns and money market instruments	
HDFC Corporate Bond Fund (An open ended debt scheme predominantly investing in AA+ and above rated corporate bonds)	• Income over short to medium term • To generate income/capital appreciation through investments predominantly in AA+ and above rated corporate bond	
HDFC Arbitrage Fund (An open ended scheme investing in arbitrage opportunities)	• Income over short term • Income through arbitrage opportunities between cash and derivative market and arbitrage opportunities within the derivative segment	

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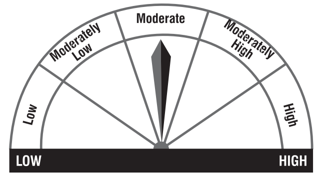
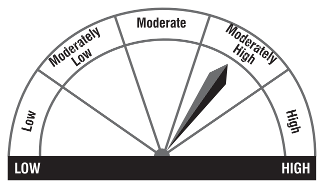
NAME OF SCHEME	THIS PRODUCT IS SUITABLE FOR INVESTORS WHO ARE SEEKING*	RISKOMETER
HDFC Banking and PSU Debt Fund (An open ended debt scheme predominantly investing in debt instruments of banks, Public Sector Undertakings, Public Financial Institutions and Municipal Bonds)	• Income over short to medium term • To generate income/capital appreciation through investments in debt and money market instruments consisting predominantly of securities issued by entities such as Scheduled Commercial Banks (SCBs), Public Sector Undertakings (PSUs), Public Financial Institutions (PFIs), Municipal Corporations and such other bodies	 Investors understand that their principal will be at moderate risk
HDFC Gilt Fund (An open ended debt scheme investing in government securities across maturities)	• Credit risk free returns over medium to long term • To generate credit risk-free returns through investments in sovereign securities issued by the Central Government and/or State Government	
HDFC Credit Risk Debt Fund (An open ended debt scheme predominantly investing in AA and below rated corporate bonds [excluding AA+ rated corporate bonds])	• Income over short to medium term • To generate income/capital appreciation by investing predominantly in AA and below rated corporate debt (excluding AA+ rated corporate bonds)	
HDFC Medium Term Debt Fund [An open ended medium term debt scheme investing in instruments such that the Macaulay Duration of the portfolio is between 3 years and 4 years]	• Income over medium term • To generate income/capital appreciation through investments in Debt and Money Market Instruments	
HDFC Income Fund (An open ended medium term debt scheme investing in instruments such that the Macaulay Duration of the Portfolio is between 4 years and 7 years)	• Income over medium to long term • To generate income/capital appreciation through investments in debt and money market instruments	
HDFC Dynamic Debt Fund (An open ended dynamic debt Scheme investing across duration)	• Income over medium to long term • To generate income/capital appreciation by investing in a range of debt and money market instruments	
HDFC Small Cap Fund (An open ended equity scheme predominantly investing in small cap stocks)	• To generate long-term capital appreciation/income • Investments predominantly in Small-Cap companies	 Investors understand that their principal will be at moderately high risk
HDFC Capital Builder Value Fund (An open ended equity scheme following a value investment strategy)	• To generate long-term capital appreciation/income in the long term • Investment primarily in undervalued stocks	

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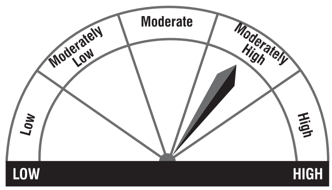
NAME OF SCHEME	THIS PRODUCT IS SUITABLE FOR INVESTORS WHO ARE SEEKING*	RISKOMETER
HDFC TaxSaver (An Open-ended Equity Linked Savings Scheme with a statutory lock in of 3 years and tax benefit)	• To generate long-term capital appreciation/ income • Investment predominantly in equity & equity related instruments	
HDFC Index Fund-NIFTY 50 Plan (An open ended scheme replicating / tracking NIFTY 50 Index)	• Returns that are commensurate with the performance of the NIFTY 50, subject to tracking errors over long term • Investment in equity securities covered by the NIFTY 50	
HDFC Index Fund-SENSEX Plan (An open-ended scheme replicating / tracking S&P BSE SENSEX Index)	• Returns that are commensurate with the performance of the S&P BSE SENSEX, subject to tracking errors over long term • Investment in equity securities covered by the S&P BSE SENSEX	
HDFC NIFTY 50 ETF (An open ended scheme replicating / tracking NIFTY 50 Index)	• Returns that are commensurate with the performance of the NIFTY 50, subject to tracking errors over long term • Investment in equity securities covered by the NIFTY 50	
HDFC SENSEX ETF (An open ended scheme replicating / tracking S&P BSE SENSEX Index)	• Returns that are commensurate with the performance of the S&P BSE SENSEX, subject to tracking errors over long term • Investment in equity securities covered by the S&P BSE SENSEX	
HDFC Growth Opportunities Fund (An open ended equity scheme investing in both large cap and mid cap stocks)	• To generate long-term capital appreciation/income • Investments in predominantly Large Cap and Mid Cap companies	
HDFC Focused 30 Fund An open ended equity scheme investing in maximum 30 stocks in large-cap, mid-cap and small-cap category (i.e. Multi-Cap)	• To generate long-term capital appreciation/income • Investments in equity & equity related instruments of up to 30 companies	
HDFC Equity Fund (An open ended equity scheme investing across large cap, mid cap & small cap stocks)	• To generate long-term capital appreciation / income • Investment predominantly in equity & equity related instruments	
HDFC Top 100 Fund (An open ended equity scheme predominantly investing in large cap stocks)	• To generate long-term capital appreciation/income • Investment predominantly in Large-Cap companies	
HDFC Mid-Cap Opportunities Fund (An open ended equity scheme predominantly investing in mid cap stocks)	• To generate long-term capital appreciation/income • Investments predominantly in Mid-Cap companies	



Investors understand that their principal will be at moderately high risk

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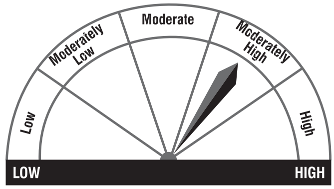
NAME OF SCHEME	THIS PRODUCT IS SUITABLE FOR INVESTORS WHO ARE SEEKING*	RISKOMETER
HDFC Multi-Asset Fund (An open ended scheme investing in Equity and Equity related instruments, Debt & Money Market Instruments and Gold)	• To generate long-term capital appreciation/income • Investments in a diversified portfolio of equity & equity related instruments, debt & money market instruments and Gold	Investors understand that their principal will be at moderately high risk
HDFC Equity Savings Fund (An open ended scheme investing in equity, arbitrage and debt)	• Capital appreciation while generating income over medium to long term • Provide capital appreciation and income distribution to the investors by using equity and equity related instruments, arbitrage opportunities, and investments in debt and money market instruments	
HDFC Hybrid Debt Fund (An open-ended hybrid scheme investing predominantly in debt HDFC Hybrid Debt Fund instruments)	• To generate long-term income /capital appreciation • Investments primarily in debt securities, money market instruments and moderate exposure to equities	
HDFC Hybrid Equity Fund (An open ended hybrid scheme investing predominantly in equity and equity related instruments)	• To generate long-term capital appreciation / income • Investments predominantly in equity & equity related instruments. The scheme will also invest in debt and money market instruments	
HDFC Balanced Advantage Fund (An open ended Balanced Advantage Fund)	• To generate long-term capital appreciation / income • Investments in a mix of equity and debt instruments	

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