



From Millennials to Millionaires



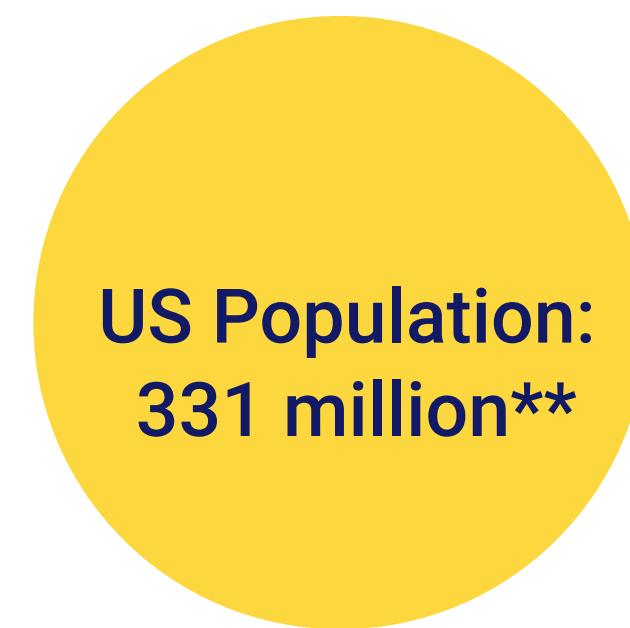


**What if We start our
Investment Journey
on the Right Note?**

Why should We - Millennials* invest?



Motivation	Importance of Financial Freedom
Financial Freedom - Earning enough to be able to spend time on those things that matter the most in life	When you are independent in terms of earning - You can spend it as per your will



- We - millennials living in the age of internet → Being referred to as Digital Natives
- **Digital Natives** → Have access to a variety of information, giving us the inherent desire to meet our dreams while enjoying life by building on experiences
- Since this desire keeps us in the chase → A need to start thinking about the aspects we can take charge of - One of the aspects that could be taken control of → Spending habits
- By regulating discretionary^{\$} spending habits → Savings can be determined, which in turn can be invested in order to prepare us for tomorrow

*Millennials: Any person born between 1981 and 1996

**Source: <https://population.un.org/wpp/Download/Standard/Population/>

\$Discretionary: Available to someone by choice without having to get permission or authority
(Source: Cambridge Dictionary, <https://dictionary.cambridge.org>)

Fear of Sacrificing? Let us opt for Smart Investment Program

Is there any sacrifice involved in order to start investing?

Meaning of Sacrifice -**
The act of giving something up that is valuable in order to make room for other considerations.
In the case of investments, **no** sacrifice needed!

The so-called “sacrifice” needed involves setting aside a small amount - As low as Rs.500 - An expense for 1 dine-out from the multiple ones we may have!



Invest in a SIP* at regular intervals and reap the rewards later!

*SIP: Systematic Investment Plan

**Source: Cambridge Dictionary, <https://dictionary.cambridge.org/>

Mantra of 3M*



Minimum Sacrifice

One can start investing with a very small amount of money - as low as INR 500 → Degree of sacrifice is minimal



Maximum Discipline

Investing small amounts of money amounts at fixed periods of time** → Instills maximum discipline



More Savings

With maximum discipline, investing small amounts of money at regular intervals → Lead to more savings over a period of time

Let us spend wisely and grow with our dreams!

* Acronym for Minimum sacrifice, Maximum discipline and More savings

** Investor invests in a SIP

SIP - The Analogy of Cricket



What does a cricketer do to win matches when chasing a score?

Rotating the strike by running between the wickets to keep the score board ticking with 1 or 2 runs

Hitting a boundary or a 6 occasionally to boost the score in order to keep up with the required run rate to win the match

Is chasing a score while playing cricket similar to opting for a SIP?
Yes!

Running between wickets:
Small ticket size regular investment spread over time - No requirement of investing large sums of money to get started

Hitting a boundary or a 6 occasionally:
Buying of additional units of a mutual fund when Net Asset Value (NAV)* is low (Rupee Cost Averaging)

***Source:** AMFI India. The performance of a mutual fund scheme is denoted by its Net Asset Value per unit. NAV per unit is the market value of securities of a scheme divided by the total number of units of the scheme on a given date.

SIP: Systematic Investment Plan

Refer Disclaimer on Page 21

Guys, do not worry! Asset Allocation works....



Options of having Bath

Hot Water

Cold Water

Mix of Hot
and Cold
Water



Ways of Investing

100% in 1
Asset Class

In a mix of
Asset Classes

- Completely hot or completely cold water → Can cause trouble in having bath as cold water may be too cold for the skin to handle or hot water can give a burning sensation to the skin.
- Sweet spot → Mixing hot and cold water to have a pleasant bathing experience.

- Inappropriate mix of asset classes might impact our investments to unpleasant ups and downs of the market.
- Sound asset allocation → Spread your investments across different asset classes *, thus reducing the risk while managing the returns.

*Asset classes could be any of the following: Equity, Debt, Gold

Snowball Effect: Power of Compounding

Money just needs your time - Wait and relax till it starts giving you attention!

- Isn't the thought of playing with snow on the slopes of mountains sound like a fun experience?*
- While playing with ice → Accumulate snow, make a snowball and roll it down the mountain slope
- When rolling the small snowball down the slope → Continuously picks up snow
- By the time snowball reaches the bottom → Becomes a giant snow boulder

Just like the snowball becomes big as it rolls down the mountain slope → Investments grow in value with time[#]

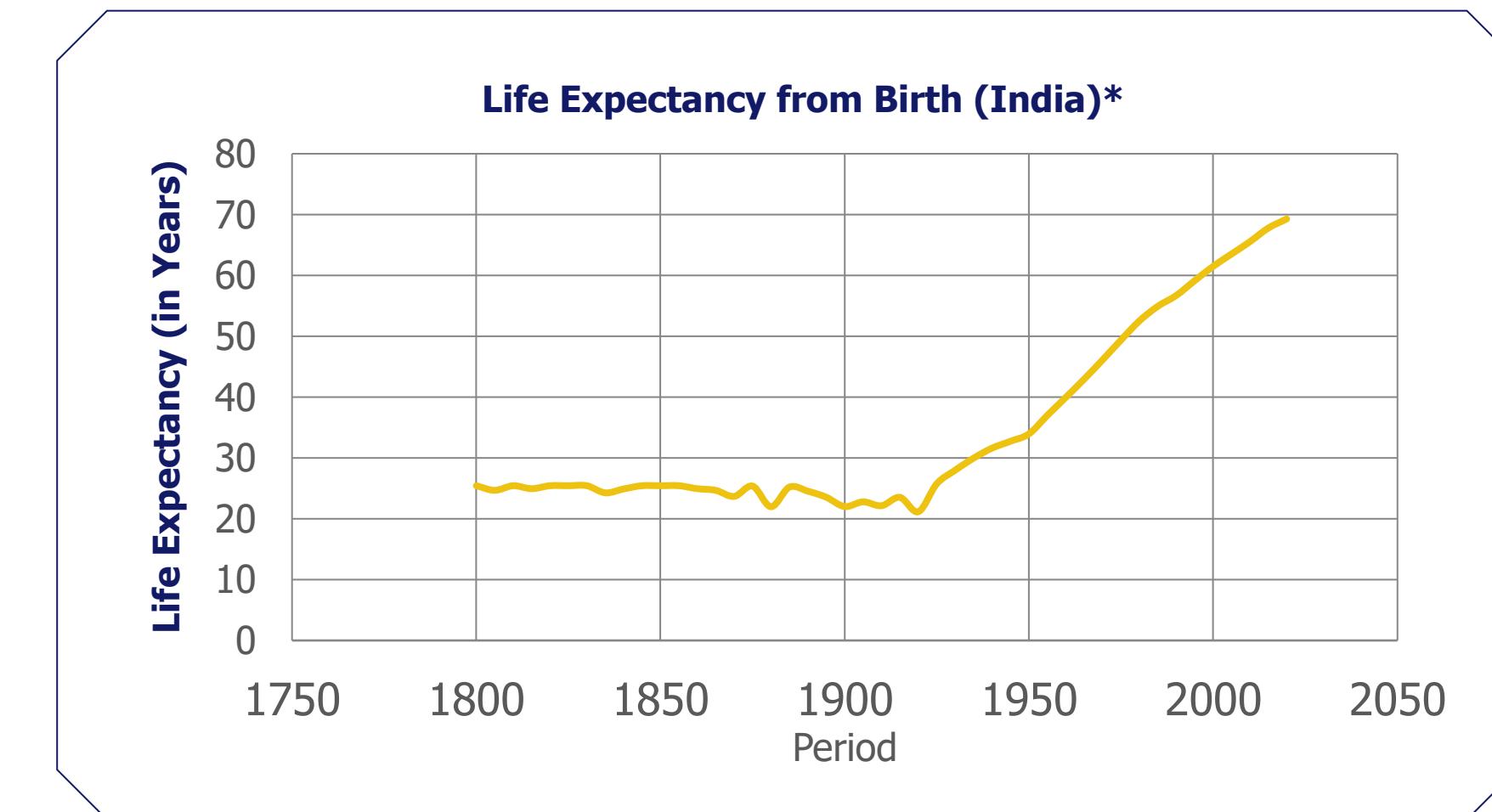
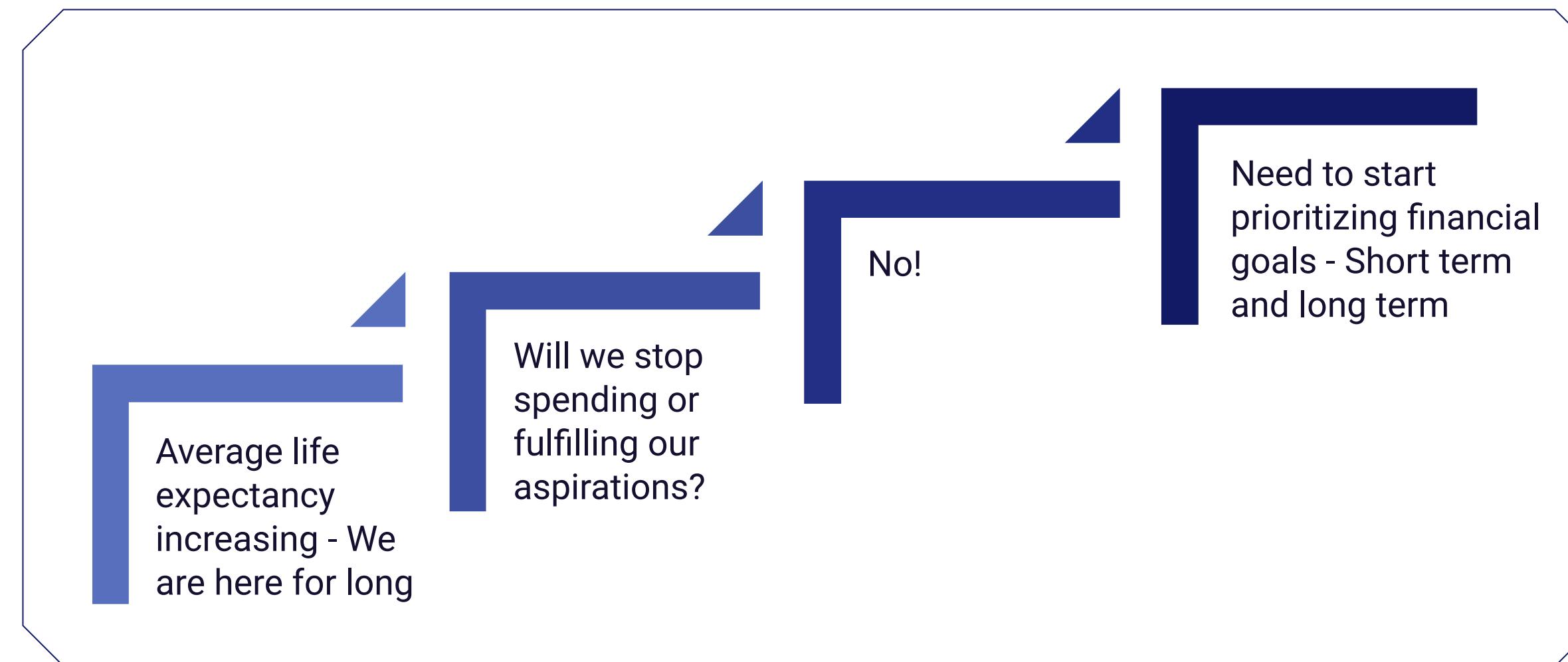
*Source: Sure Dividend, <https://www.suredividend.com/snowball-effect/>,

The Snowball Effect: How To Compound Your Wealth like Warren Buffett (September 22, 2020)

#HDFC Mutual Fund/HDFC AMC is not guaranteeing any returns on investments made in any of the schemes

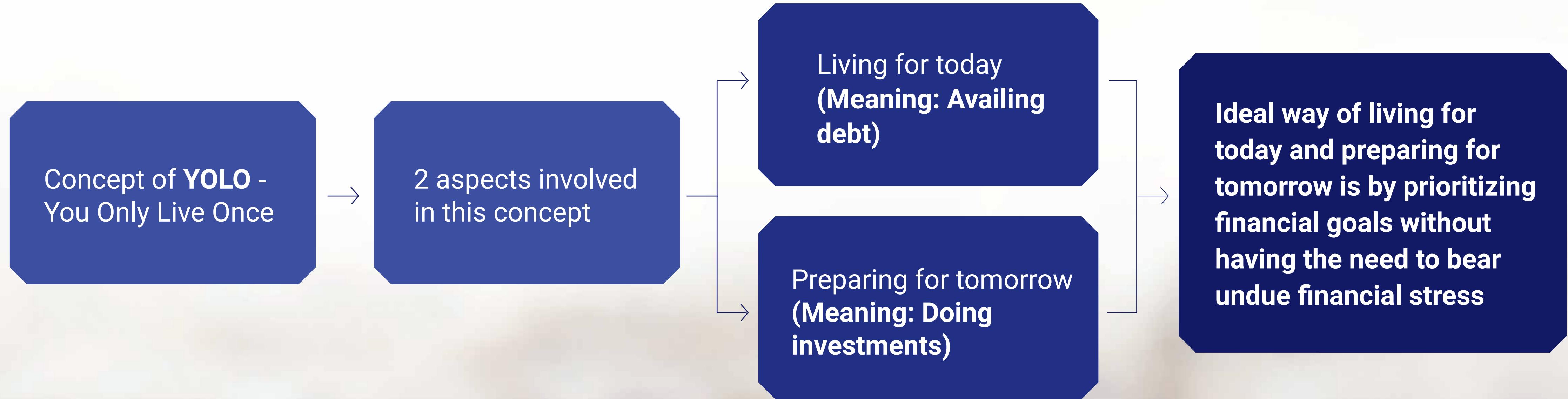
Why Prioritize Financial Goals at All?

- Question to ask - Will our current income suffice any expense to be made? - For example, a car in 3 years time? Maybe yes or maybe no!
- Since **needs** and **wants** will persist and spending will increase with time → Financial goal-posting will become all the more important



***Source:** Data obtained from Statista,
<https://www.statista.com/statistics/1041383/life-expectancy-india-alltime/>
 Refer Disclaimer on Page 21

Why Prioritize Financial Goals at All?



GOALS

Take Home the Debt or Take Home the Returns?

- When taking home the debt - Existence of chances of living beyond means causing us to fall in a vicious borrow-and-spend cycle
- Millennials among the 41% of the borrowers with the majority* of us falling in the bracket of high risk borrowers
- Clear indication that we should judiciously cut back expenses in order to reduce higher dependency on loans to live for today and instead, further nurture investments in order to prepare for tomorrow and take home the returns

C'mon! Let's not fall into that trap!

***Source:** A Publication On Credit Landscape Vol VII - PERSONAL LOANS (CRIF) ,
<https://www.crifhighmark.com/> , **Note:** 22% of the annual sourcing by volume → High Risk Borrowers, which also had high loan delinquency of 21% (As of Mar 2020)

Refer Disclaimer on Page 21



In the concept of YOLO, two aspects are involved - Living for today and living for tomorrow

When you take home the debt - You are “living for today”!

Alternate meaning of availing loan today - Cutting of any probable expense we would want or have to do in future due to the pressure of repayment of loan



**Heard so much
about Mutual Funds!
Are they well suited
for us?**

Following the ART Approach



Ample Liquidity

Being prepared
is important for

Responding to
any short term
needs or wants

Responding to
emergencies

Reach out to Risk

Age on our side –
Let's utilize it but,
park it safely!

Understand your
risk appetite to be
able to make wise
decisions
about allocating for
investments

Take Home the Returns

When focusing on
returns – Let's keep
the following aspects
in mind:

Inflation

Tax



What is Inflation? What is Tax?



Today

Income: ₹ 100
Expense on a good: ₹ 95

Tomorrow

Income: ₹ 100
Expense on same good: ₹ 105



What does tax have to do with our savings?

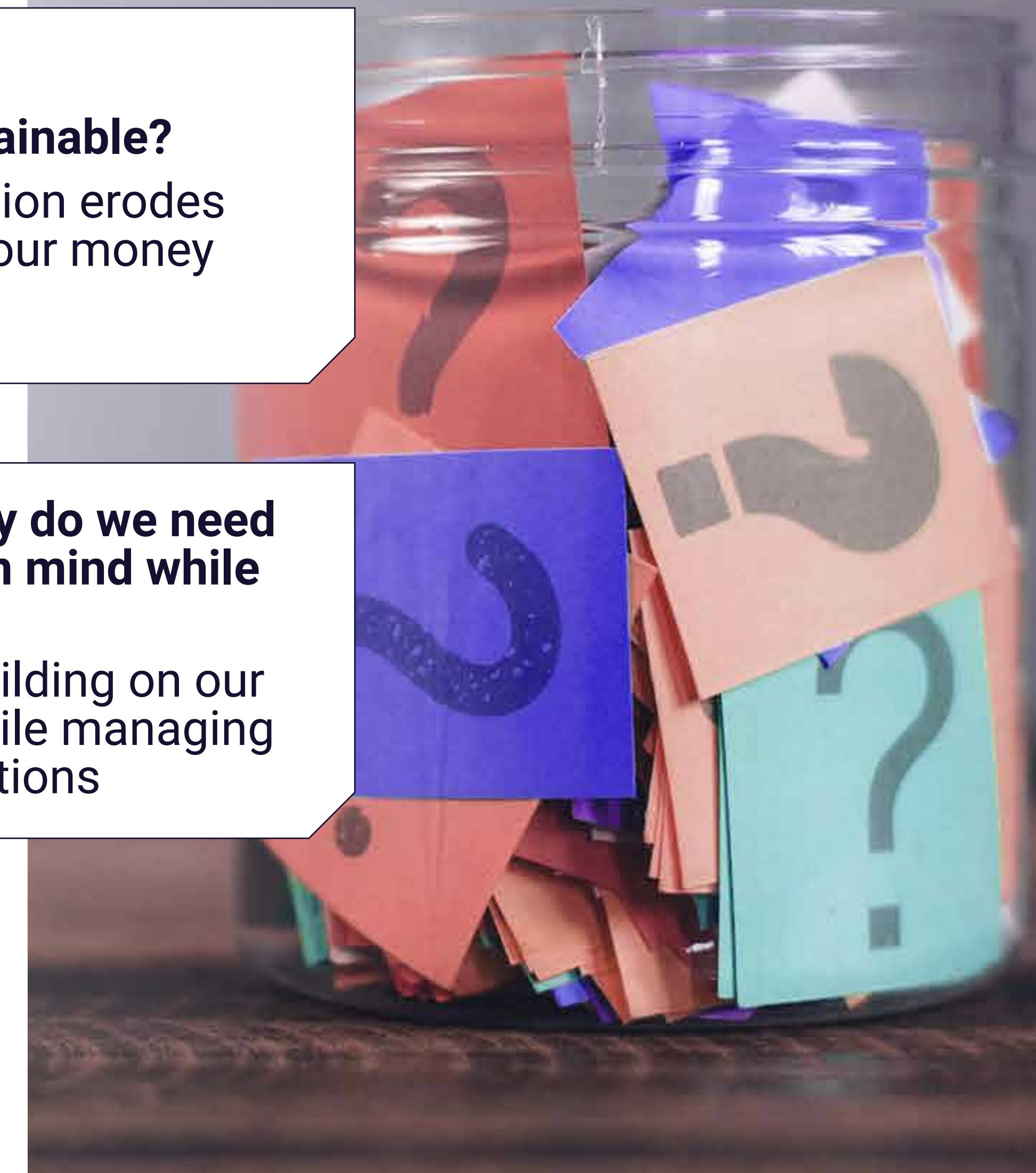
Reduces our savings →
Makes tax planning even more important

Is it sustainable?

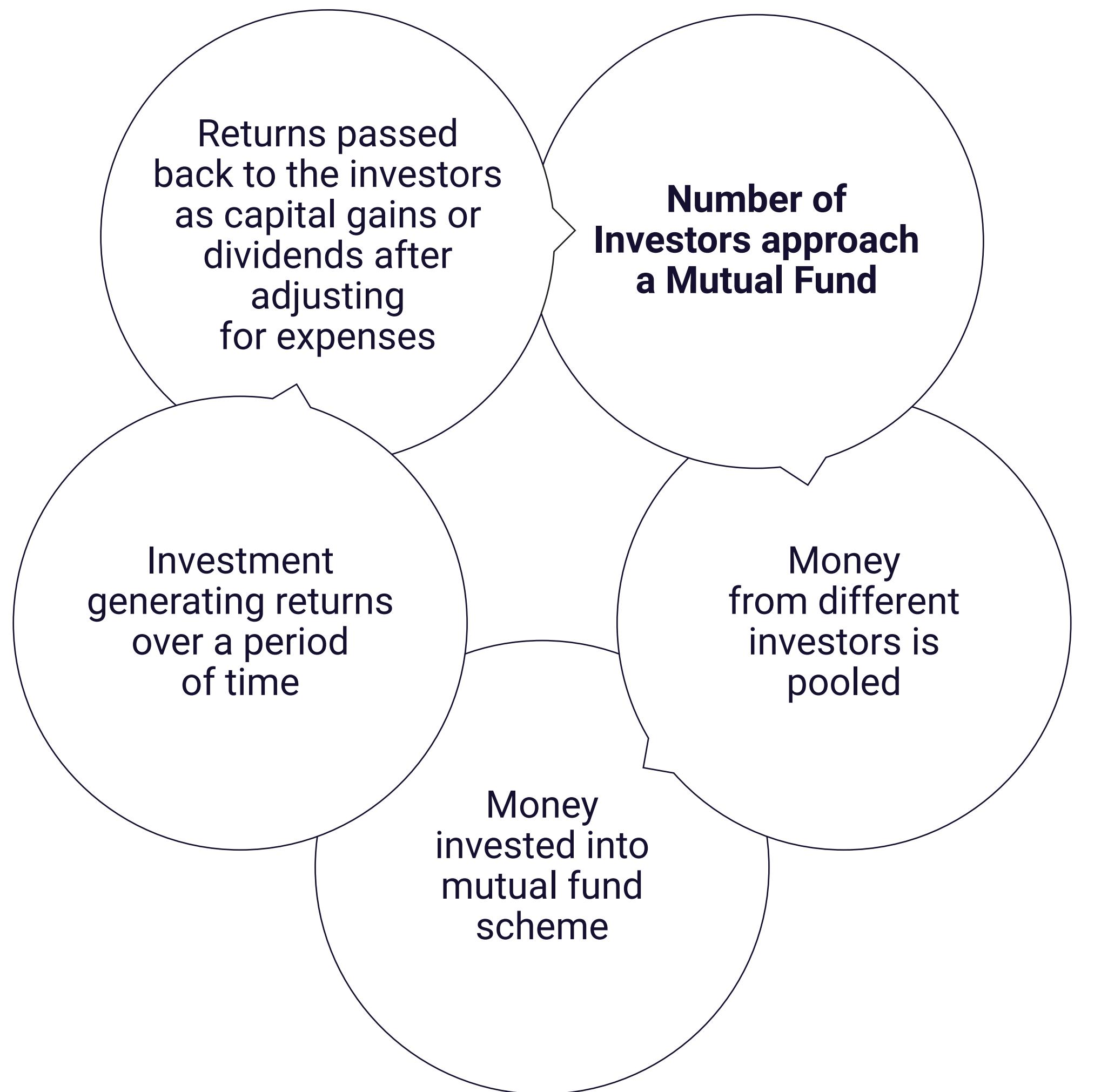
No! Inflation erodes value of our money

Ok! But why do we need to keep it in mind while investing?

Helps in building on our savings while managing tax implications



What happens when investing in Mutual Funds?



Refer Disclaimer on Page 21



Turning our dreams into reality through the cycle of investments....



Do we reap the benefits of investing in Mutual Funds?

Cost Efficient

SIP option → Can start our investments with a very small amount

Access to Professionals

Will save our time in investing as their expertise will aid in giving better returns

Liquidity

Flexibility of redeeming our investments at any time for any situation

Spreading Investments

Professional help → Checking options for allocating money through Registered Investment Advisers

Better Tax Planning

Part of investing in Mutual Funds is also about tax planning → We can choose to invest in those mutual funds that have better tax implications on our investments

Returns

Has the ability to give returns, which aid in beating inflation in the long run → Very important because inflation increases price of goods over time requiring us to earn even higher income to sustain our lives

How do we start investing right away?



First Time Investors like us
↓
cKYC (Central Know Your Customer)

cKYC Number Generated
↓
Linked to the ID Proof

KYC aids in establishing transactional relationship between mutual fund and investor

Dive into investing in the schemes of various mutual funds!

Documents Required

- Correctly filled and signed cKYC form
- A self-attested copy of Proof of Identity
- A self-attested copy of Proof of Residence
- One photograph

Where to go?

- Can approach branches of regulated financial institutions like Mutual Funds with the documents and form*
- Go for Digital KYC if option available

*Source: AMFI India, Download form from <http://portal.amfiindia.com/spages/CKYC-KRA-KYC-FormforIndividuals.pdf>

So, back to the question:



**Are Mutual Funds
well suited for you?**

Yes in the long run, they are well suited for keeping your worries at bay...

Disclaimer

Documentary Requirements and Procedures

This is a compilation of key aspects relating to the procedures/documentary requirement(s) with respect to the following:

Know Your Customer

To invest in the schemes of Mutual Fund (MF), an investor needs to be compliant with the KYC (Know Your Customer) norms and the procedure is -> Fill the Common KYC (CKYC) application form by referring to the instructions printed overleaf.

Enclose self-certified copies of both proof of identity and address. For Proof of Identity, submit any one document - PAN/ passport / voter ID/ driving license/ Aadhaar / NREGA job card/ any other document notified by central government. Proof of address, submit any one document which is same as the proof of identity, except for PAN (since this document does not specify the address). If your permanent address is different from the correspondence address, then you need to submit proof for both the addresses. Documents Attestation - By any one from the authorized officials as mentioned under instructions printed on the CKYC application form. PAN Exempt Investor Category (PEKRN) - Refers to investments (including SIPs) in MF schemes up to INR 50,000/- per investor per year per Mutual Fund. This set of investors need to submit alternate proof of identity in lieu of PAN. In Person Verification (IPV) - This is a mandatory requirement and can be done by the list of officials mentioned in the instructions printed overleaf on the CKYC application form. Please submit the completed CKYC application form along with supporting documents at any of the point of acceptance like offices of the Mutual Fund/ Registrar, etc.

Modification to existing details like address/ contact details/ name etc. in KYC records – For any modifications to be done to the existing KYC details, the process remains same as mentioned above, except that only the details to be changed needs to be mentioned on the form along with PAN/ PEKRN and submitted with the relevant proofs.

Modification to your existing details like contact details/ name/ tax status/ bank details/nomination/ FATCA etc in Fund House records - Please visit the website of the respective Fund House to understand the procedure to update the details (if published) OR reach out to the customer service team of the respective Fund House.

Disclaimer

Unclaimed or returned undelivered dividend/ redemption - If there are unclaimed dividend / redemption pertaining to your investments (can be ascertained by referring to the MF account statement OR by visiting the website of the respective Fund House), please reach out to the customer service team of the respective Fund House.

Consolidated account statement issued on monthly/ half-yearly basis/ account statement issued by the Fund House etc - We urge you to regularly check these statements to ascertain that all details updated are correct.

Updation of PAN: As per the directives issued by SEBI from time to time, it is mandatory for all investors to update the Permanent Account Number (PAN) (unless exempt from furnishing PAN) in their mutual fund. All joint holders are required to update their PAN in their folio. In case of folios of minors, where the minor does not possess a PAN, it is mandatory to update the PAN of the father, mother or court appointed legal guardian of the minor.

As a part of Go Green initiative of SEBI, investors are requested to keep the latest email id and mobile no. updated with the respective fund house.

Dealing with registered Mutual Funds

Investors are urged to deal with registered Mutual Funds only, details of which can be verified on the SEBI website (www.sebi.gov.in) under Intermediaries/ Market Infrastructure Institutions.

Redressal of Complaints

If you have any queries, grievances or complaints pertaining to your investments, you may approach the respective Fund House through various avenues published on their website. If you are not satisfied with the responses provided by the Fund House, you may then register your complaint on SCORES (Sebi COmplaints REdress System) portal provided by SEBI for which the link is -> <https://scores.gov.in>

Disclaimer

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For KYC, change of address, investor complaints redressal, etc. visit - <https://www.hdfcfund.com/information/key-know-how>
To know more, contact your Mutual Fund Distributor / Registered Investment Adviser or give a missed call on 7358712345



**MUTUAL FUND INVESTMENTS ARE SUBJECT TO MARKET RISKS,
READ ALL SCHEME RELATED DOCUMENTS CAREFULLY.**



Thank
You!